



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 14TH DAY OF JULY, 2010 AT 9:30 A.M.

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

Commissioner Leonard arrived at 9:36 a.m.

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

Motion to hold a 6:00 pm meeting on July 28 to hear OIR Group review of the closed Chasse investigation: Moved by Mayor Adams and seconded by Commissioner Fritz. (Y-4; Leonard absent)

Motion to elect Commissioner Saltzman President of the Council: Moved by Mayor Adams and seconded by Commissioner Leonard. (Y-4; Fritz absent)

At 9:50 a.m. the meeting recessed and reconvened at 10:00 a.m.

Item No. 1010 was pulled for discussion and on a Y-5 roll call, the balance of the Consent Agenda was adopted.

COMMUNICATIONS		Disposition:
1000	Request of Stiv Wilson to address Council regarding support of a City ban or mandatory fee on single-use plastic bags (Communication)	PLACED ON FILE
1001	Request of Nastassja Pace to address Council regarding the Portland Chapter of the Surfrider Foundation and current campaign: BAN the BAG (Communication)	PLACED ON FILE
1002	Request of Travis Williams to address Council regarding plastic bags (Communication)	PLACED ON FILE
1003	Request of Cheryl Lohrmann to address Council regarding support of a City ban or mandatory fee on single-use plastic bags (Communication)	PLACED ON FILE
1004	Request of Ulisher Hardiman to address Council to thank the Mayor and how can the Council be meaningfully addressed (Communication)	PLACED ON FILE
TIMES CERTAIN		

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<p>1005 TIME CERTAIN: 9:30 AM – Accept the Citizen Review Committee Report on the Structure of the Independent Police Review Division – With Recommendations (Report introduced by Auditor Griffin-Valade) 20 minutes requested</p> <p>Motion to accept the report: Moved by Commissioner Fish and seconded by Commissioner Saltzman.</p> <p>(Y-5)</p>	<p>ACCEPTED</p>
<p>CONSENT AGENDA – NO DISCUSSION</p> <p>Mayor Sam Adams</p>	
<p>*1006 Authorize a Sponsorship Agreement with the Center for Architecture related to the Mayor's Symposium on City Design and the Design Excellence Initiative (Ordinance)</p> <p>(Y-5)</p>	<p>183974</p>
<p>Bureau of Planning & Sustainability</p>	
<p>1007 Authorize the Director of the City of Portland Bureau of Planning and Sustainability to execute agreements pertaining to promotional and cost-sharing relationships for planning and sustainability programs, services and projects in amounts not to exceed \$3,000 per agreement (Second Reading Agenda 971)</p> <p>(Y-5)</p>	<p>183975</p>
<p>Bureau of Police</p>	
<p>1008 Accept funds to pay for materials and services of the Police Bureau Mounted Patrol Unit up to \$100,000 from the Friends of the Mounted Patrol (Resolution)</p> <p>(Y-5)</p>	<p>36799</p>
<p>*1009 Authorize acceptance of \$20,000 in grant funding from the Oregon Department of Justice for the state-wide Domestic Cannabis Eradication/Suppression Program (Ordinance)</p> <p>(Y-5)</p>	<p>183976</p>
<p>Bureau of Transportation</p>	
<p>S-*1010 Grant revocable permit to Lents Neighborhood, Inc. to close SE Ramona St between SE 92nd Ave and a dead-end from 7:00 a.m. until 7:00 p.m. on July 18, 2010 (Ordinance)</p> <p>Motion to accept substitute: Moved by Mayor Adams and seconded by Commissioner Fish (Y-5)</p> <p>(Y-5)</p>	<p>SUBSTITUTE 183992</p>
<p>*1011 Grant revocable permit to Oregon Brewing Company to close NW 15th Ave between NW Glisan St and NW Everett St; and NW Flanders St between NW 14th Ave and NW 15th Ave from 6:00 p.m. on July 30, 2010 until 11:59 p.m. on August 1, 2010 (Ordinance)</p> <p>(Y-5)</p>	<p>183977</p>

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<p>1012 Grant revocable permit to Oregon Brewing Company to close SE 9th Ave between SE Yamhill St and SE Belmont St from 11:00 a.m. on August 28, 2010 until 5:00 p.m. on August 29, 2010 (Ordinance)</p>	<p align="center">PASSED TO SECOND READING JULY 21, 2010 AT 9:30 AM</p>
<p>1013 Grant revocable permit to Jake's Restaurant to close SW Stark St between SW 12th Ave and SW 13th Ave from 6:00 a.m. until 11:59 p.m. on August 22, 2010 (Second Reading Agenda 974) (Y-5)</p>	<p align="center">183978</p>
<p>1014 Amend Mass Transit Code to include transit mall auxiliary vehicular lanes; amend Public Right-of-Way Parking Code to add authority to develop and enforce rules of conduct for City owned parking garages (Second Reading 976; amend Code Chapter 16.50; add Code Section 16.20.900) (Y-5)</p>	<p align="center">183979</p>
<p align="center">Office of City Attorney</p>	
<p>1015 Amend contract with Black Helterline LLP for outside legal counsel (Ordinance; amend Contract No. 38066)</p>	<p align="center">PASSED TO SECOND READING JULY 21, 2010 AT 9:30 AM</p>
<p align="center">Office of Management and Finance – Human Resources</p>	
<p>*1016 Create a new Nonrepresented classification of Director of Police Services and establish a compensation rate for this classification (Ordinance) (Y-5)</p>	<p align="center">183980</p>
<p>1017 Change the salary range for the Nonrepresented classification of Clerk to the City Council (Second Reading Agenda 980) (Y-5)</p>	<p align="center">183981</p>
<p align="center">Commissioner Dan Saltzman Position No. 3</p>	
<p align="center">Bureau of Environmental Services</p>	
<p>*1018 Authorize the Director of the Bureau of Environmental Services to execute a permit of entry agreement with ProLogis/Catellus Land and Development Corporation, including an indemnification to the extent allowed under the Oregon Constitution and the Oregon Tort Claims Act for conducting a Phase I Environmental Site Assessment (Ordinance) (Y-5)</p>	<p align="center">183982</p>
<p>*1019 Amend contract with Otak, Inc. for professional project management and engineering services for the design of the East Lents Floodplain Restoration Project - Phase 2, Project No. E07384 (Ordinance; amend Contract No. 38100) (Y-5)</p>	<p align="center">183983</p>
<p>*1020 Accept a grant in the amount of \$100,000 from Oregon Watershed Enhancement Board for Tryon Creek Confluence Habitat Enhancement (Ordinance) (Y-5)</p>	<p align="center">183984</p>

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<p>1021 Authorize contract with Marsh USA Inc. for insurance brokerage services for Phase IV of the Owner Controlled Insurance Program (Ordinance)</p>	<p align="center">PASSED TO SECOND READING JULY 21, 2010 AT 9:30 AM</p>	
<p>1022 Authorize Intergovernmental Agreement with Portland State University to plan and implement stewardship activities (Second Reading Agenda 984) (Y-5)</p>	<p align="center">183985</p>	
<p>1023 Authorize an Intergovernmental Cooperative Agreement with the Regional Coalition for Clean Rivers and Streams to coordinate, develop and implement a regional stormwater pollution prevention and fish protection public awareness and education campaign (Second Reading Agenda 985) (Y-5)</p>	<p align="center">183986</p>	
<p align="center">Commissioner Randy Leonard Position No. 4</p> <p align="center">Bureau of Water</p> <p>1024 Amend Intergovernmental Agreement with Multnomah County for the Water/Sewer Fixture Repair Program (Ordinance; amend Contract No. 38116)</p>		<p align="center">PASSED TO SECOND READING JULY 21, 2010 AT 9:30 AM</p>
<p>1025 Authorize two agreements with Oregon Department of Fish and Wildlife in accordance with the Bull Run Water Supply Habitat Conservation Plan (Ordinance)</p>	<p align="center">PASSED TO SECOND READING JULY 21, 2010 AT 9:30 AM</p>	
<p>1026 Authorize Intergovernmental Agreement with the State of Oregon Department of Environmental Quality for investigation and cleanup of groundwater contamination in or near Columbia South Shore Well Field (Second Reading Agenda 989) (Y-5)</p>	<p align="center">183987</p>	
<p>1027 Authorize contract with Murray, Smith & Associates, Inc. for the design of the Forest Park Low Tank project (Second Reading Agenda 990) (Y-5)</p>	<p align="center">183988</p>	
<p align="center">Commissioner Amanda Fritz Position No. 1</p> <p align="center">Office of Cable Communications and Franchise Management</p> <p>1028 Amend and extend term of limited right-of-way use agreement granted to Verizon Wireless (Ordinance; amend Ordinance No. 180379)</p>		<p align="center">PASSED TO SECOND READING JULY 21, 2010 AT 9:30 AM</p>
<p align="center">Office of Neighborhood Involvement</p>		

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<p>*1029 Amend grant agreement with Youth Employment Institute for graffiti abatement services in FY 2010-2011 (Ordinance; amend Contract No. 32000144) (Y-5)</p>	<p>183989</p>
<p style="text-align: center;">Commissioner Nick Fish Position No. 2</p> <p style="text-align: center;">Portland Parks & Recreation</p> <p>*1030 Authorize contract with Ethos, Inc. for management of Interstate Firehouse Cultural Center (Ordinance) (Y-5)</p>	<p>183990</p>
<p>1031 Authorize Intergovernmental Agreement with Portland State University for management of the South Park Blocks (Second Reading Agenda 983) (Y-5)</p>	<p>183991</p>
<p style="text-align: center;">REGULAR AGENDA Mayor Sam Adams</p> <p style="text-align: center;">Bureau of Transportation</p> <p>*1032 Authorize a Change Order to contract with Stacy and Witbeck, Inc. to purchase and install a wheel truing machine for the Portland Streetcar and direct the Office of Management and Finance to finance, under certain conditions, the purchase (Ordinance; Contract No. 30000609) 15 minutes requested (Y-5)</p>	<p>183993</p>
<p style="text-align: center;">Office of Management and Finance – Human Resources</p> <p>1033 Authorize execution of a successor labor agreement with Laborers' Local 483 relating to terms and conditions of employment of represented employees in the Recreation bargaining unit (Second Reading Agenda 996) (Y-5)</p>	<p>183994 AS AMENDED</p>
<p style="text-align: center;">Commissioner Dan Saltzman Position No. 3</p> <p style="text-align: center;">Bureau of Environmental Services</p> <p>1034 Amend contract with Berger/ABAM Engineers, Inc. for additional work and compensation for the Guilds Lake Pump Station Reliability Improvements Project No. E08877 (Ordinance; amend Contract No. 30000337)</p>	<p style="text-align: center;">PASSED TO SECOND READING JULY 21, 2010 AT 9:30 AM</p>

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City Auditor LaVonne Griffin-Valade

1035 Clarify composition of Police Review Board and applicability of code provisions (Second Reading Agenda 963; amend Code Section 3.20.140 and amend Ordinance No. 183657)

(Y-3; N-2, Fritz , Saltzman)

183995
AS AMENDED

At 10:51 a.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **14TH DAY OF JULY, 2010** AT 2:00 P.M.

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

Commissioner Fish arrived at 2:04 p.m.

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

<p>1036 TIME CERTAIN: 2:00 PM – Accept the Report and Recommendations regarding the Economic Consultant Report of the Bureau of Development Services’ Financial Plan (Report introduced by Commissioner Leonard) 1 hour requested</p>	<p>Disposition:</p> <p>ACCEPTED</p>
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At 3:14 p.m., Council recessed.

July 15, 2010

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **15TH DAY OF JULY, 2010** AT 2:00 P.M.

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

Mayor Adams arrived at 2:06 p.m. and left at 4:30 p.m.
Commissioner Leonard arrived at 2:08 p.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Kathryn Beaumont, Chief Deputy City Attorney was replaced by Jim Van Dyke, Chief Deputy City Attorney at 3:00 p.m.; and Ron Willis, Sergeant at Arms.

At 2:24 p.m. the meeting recessed and reconvened at 3:00 p.m.
At 3:19 p.m. the meeting recessed and reconvened at 3:30 p.m.

<p>1037 TIME CERTAIN: 2:00 PM – Improve land use regulations through the Regulatory Improvement Code Amendment Package 5b (Ordinance introduced by Mayor Adams; amend Title 33) 1 hour requested</p> <p>Motion to amend 33.110.257 Retaining Walls: Moved by Commissioner Fritz and seconded by Commissioner Fish. (Y-5)</p> <p>Motion to amend 33.445.320 B(11) Vents: Moved by Commissioner Fish and seconded by Commissioner Fritz. (Y-5)</p> <p>Motion to amend Ordinance Directives Sections 2 and 3 regarding effective date: Moved by Commissioner Fish and seconded by Commissioner Saltzman. (Y-5)</p> <p>Motion to amend 33.110.212 D West Portland Park: Moved by Commissioner Fritz and seconded by Commissioner Fish. (Y-5)</p>	<p>Disposition:</p> <p>PASSED TO SECOND READING AS AMENDED JULY 21, 2010 AT 9:30 AM</p>
<p>1038 TIME CERTAIN: 3:00 PM – Accept the Following up on Portland Police Bureau’s Response to Reviews of Officer-involved Shootings and In-custody Deaths – A Policy Review and Assessment Report by the PARC Report Workgroup of the Citizen Review Committee (Report introduced by Auditor Griffin-Valade) 30 minutes requested</p> <p>Motion to accept the report: Moved by Mayor Adams and seconded by Commissioner Fritz. (Y-5)</p>	<p>ACCEPTED</p>

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1039 TIME CERTAIN: 3:30 PM – Refer a measure to City voters for the November 2, 2010 General Election authorizing the issuance of general obligation bonds in the amount of \$72,400,000 to provide funding for the replacement of aging fire and emergency response vehicles, to finance the construction of a fire station and emergency response center, and provide funding for a public safety emergency radio system (Resolution introduced by Commissioner Leonard) 1 hour requested

Motion to accept Commissioner Saltzman’s amendments to Resolution and Exhibits: Moved by Commissioner Leonard and seconded by Commissioner Fish. (Y-5)

(Y-4; N-1, Fritz)

36800
AS AMENDED

At 4:44 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.

July 14, 2010
Closed Caption File of Portland City Council Meeting

This file was produced through the closed captioning process for the televised City Council broadcast and should not be considered a verbatim transcript.

Key: ***** means unidentified speaker.

JULY 14, 2010 9:30 AM

Adams: The city council will come to order. Good morning, Karla.

Moore-Love: Good morning.

Adams: Will you please call the roll. [roll call] captions paid for by the city of Portland.

Adams: First, I'd like to make a motion for an evening session on July 28th at 6:00 p.m. To review at the request of the auditor, to review the completed evaluation of the Chasse investigation.

Fish: Do we also have an evening on the 29th?

Moore-Love: Yes.

Fish: Back-to-back evenings?

Moore-Love: Yes, sir.

Adams: It's been moved and seconded. Karla, please call the vote.

Saltzman: Aye. **Fritz:** Aye. **Fish:** Aye. **Adams:** Aye. [gavel pounded]

Adams: We'll turn to council communications. Please read the title for communications item no. 1000.

Item 1000.

Adams: Good morning, Mr. Wilson. Welcome back. When you testify, you'll have three minutes. The clock in front of you helps count down your time. You simply have to give us your name. No address. And if you are representing or affiliated with any organization.

Stiv Wilson: My name is Stiv Wilson. I'm the communications director for the Five Gyre Institute and I'm one of the few people you're going to run across who has seen this plastic garbage mess in the ocean. In January and February of this year, I sailed 3,000 miles and looked at plastic for 28 days. Everywhere. So let's bring this back to a micro-level. A city level. We are the largest municipality in Oregon and sit on one of the top five watersheds in the world and so our impact is pretty great from a plastic pollution standpoint. We've heard about the horrors this causes for marine mammals and birds -- hopefully we've heard it. But let's talk about the economic impact too. In a city like Portland, we're a fairly progressive community and we've worked hard to assemble the business community around this ordinance. Because as we see it, banning the bag is good business. It makes economic sense for the taxpayers. We have spent a lot of money cleaning this stuff out of our sewer systems, and we also have crafted a policy that looks pretty good for business, for grocer, I mean, if you listened to KGW news last night, you have the grocers saying they're in support of this on the news. So I guess the other thing I want to talk about very quickly, is the state and the city. We are looking to do this statewide, eventually. We know the mayor's office has talked to Mark Haas, and we've coordinated policies and we don't think strategically we can get this done at the state level unless we act here in Portland soon. We're looking for a January implementation date. Which would be best because we think that Portland's going to wake up after 48 hours and realize this isn't that big a deal. This is not ground-breaking environmental policy. This is not a huge step. This is a small step in a big behavior change that needs to happen. And we can wait any longer. And so you, as many of your offices and communications, have said you support a statewide effort and I believe it's your duty as commissioners of the city, to make that happen here. To support that effort. If we do that, here, I think we'll get it done on the state level. Otherwise, I don't think we will. Thank you very much.

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Adams: Thank you, stiv. [applause] you -- can you describe just -- take two minutes, if you would and describe for folks what your first-hand objections -- observations of a gyre. Can you explain what that is.

Wilson: My institution is called the five gyres institute. Five subtropical gyres in the world. Two opposing trade winds over a long longitude and these opposing winds span because of the earth's spin and that transfers that energy to water. There's about 11 gyres in the world. Five main one. My organization sails around the world, to each documenting them. So I have the opportunity in January to do this for the first time after having worked on plastic issues for quite some time. The result, I came back -- I quit my job and started working on this full time. I saw the urgency first-hand. Imagine being 2,000-miles from land, finding lighters and shotgun shells and toothbrushes. Everything you see in the grocery store is out there and you can pick it up and take a of it. We documented this and our results have been all over the place now. And I had the opportunity to go to the United Nations two weeks ago and present there, because they're concerned with this issue. So, yes, it's a huge problem. And you know, the bag is the first component of a major shift in a major behavior change that society has to do. When we look this, our best statistics are about 11-pounds per square kilometer of fragmented plastic. This isn't counting the sinks and big stuff. It stratifies in the water column up to 90 feet. So the math is hard to do and I won't say with credibility that -- you know, the amount I come up with is between 200 and 300 billion-pounds of plastic in the ocean. Here's the good news. If we can stop it going in, the gyres will spit it out, and it will wash up on the beach and we can collect it. Every time it orbits, it spits out 50% of its contents. We don't need to go out there in boats to clean it up. We need to take care of our rivers and estuaries and need to keep it from going in.

Adams: Thank you, sir. Appreciate it. [applause] thank you for your testimony. Can we read the title for council communications item no. 1001.

Item 1001.

Adams: Good morning.

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

Adams: Welcome.

Nastassja Pace: Thank you. Good morning. My name is Nastassja Pace, I'm the chair of the Surfrider Fund, Portland chapter and I'm here today asking you all to pass a policy to ban single use plastic bags and encourage reusables in the city of Portland. As a master recycle and environmental activist, I understand the import of outreach and education when it comes to making change. I believe Portlanders pride themselves in living in a green city. They want to keep our rivers clean and want to be sustainable. For over two years now, the Portland chapter of the Surfrider Foundation has been outreaching and educating about the bag. We've participated in hundreds of community events with our latest being Sunday Parkways, Ecotrust World Ocean Day, Oregon Zoo Ocean Commotion and the Children's Clean Water Festival and volunteers have gathered over 6,000 signatures which I have right here from locals who support the ban and we've given away thousands of reusable bags at farmers markets and schools. Our coalition is over 70 local businesses and organizations that represent thousands of people that live, work and play in the Portland area. Swap and Play, Food Front Grocery, Bamboo Sushi, Laughing Planet Café and several neighborhood organizations have signed on. I believe that Portlanders are ready and we need you guys to help put the policy in place and I believe our momentum and leadership will help to pave the way. I'm here not only representing the Surfrider Foundation, I'm representing every person in this room, our families and the businesses that we work for and we're here today, showing you our dedication and support that we're not going to stop outreaching and educating. We're going to continue to see this ban through and want to work with you, the city, all of the people in our community and the businesses to make sure this is a positive lasting change to the place that we all live and call home. So, thank you, and ban the bag.

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Adams: I want to thank you -- give her a round of applause. [applause] I want to thank you and surfrider and everyone involved. When we began the discussions, years ago, we didn't have the army of grassroots advocates for this and who have put it together and all helped put it together and I want to tell you how much I appreciate it.

Pace: It means a lot to us.

Adams: Can we hear communications item no. 1002.

Item 1002.

Adams: Welcome back.

Travis Williams: Thank you. My name is Travis Williams and I'm executive director of Willamette River Keeper and thank you, Mayor Adams and commissioners for listening to my perspective on the need to ban bags in the city of Portland. And we're here, you know, supporting the effort of Suffer Rider and other organizations that spearheaded this from the watershed perspective and my personal experience having traveled the Willamette River system and many others in the state of Oregon that flow into the Columbia, I can tell you first hand that plastic bags are simply everywhere. In the riparian zone, they can be seen floating in the water column, seen whole, they can be breaking into fragments over time and I think Portland has a very critical role to play in this as you look at the flow of garbage and debris that ultimately gets into this river, my organization, Willamette River Keepers has done multiple cleanups over the year and you can paddle a canoe or kayak into the rivers or eddies and you'll see multiple plastic bags in that mess that we try to clean up. You try about the bags, though, that escape from the city limit, either through Portland harbor or to the Columbia directly and I've paddled many islands in the estuaries and the bags in the sand and beaches being broken down and in the willows and higher at times depending on water flows and you do the calculation of what our contribution to this mess in the Pacific ultimately is and I think you would come up with a high number in terms of poundage of the products that get into the Pacific. So I think it behooves us to take this action for the reasons that Stiv and Nastassja outlined and if we can do anything to decrease that load and raise the level of consciousness and encourage people to take that one simple step when going to the store, get a reusable bag and remember to bring it and it's not a issue of paper versus plastic. I think it's raising consciousness and changing how when think of something that's so basic. How do we get goods from the store to our star and back home. I've been very disappointed in myself where I've forgotten and I end up walking out of the store juggling items and I think we all have to go the extra step to switch to reusable bags and Portland taking this step to ban these plastic bags would be a really terrific thing and I huge sign statewide but also nationally. So thank you for your time this morning.

Adams: Thanks for your advocacy. [applause] please read the title for council communications item no. 1003.

Item 1003.

Adams: Hi, welcome.

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

Adams: I must say, that's an attractive t-shirt.

*******:** Thank you. [laughter]

Adams: I think I've seen it somewhere before.

Cheryl Lohrmann: My name -- hello. My name is Cheryl Lohrmann. I'm here from grassroots non-profit called Create Plenty. Which is about a year old. Also -- which is the non-profit that also runs the international plastic quilt project, which was known as Leave No Plastic Behind and about four or five years ago, I decided I did if they want to be a waste making machine or monster anymore so I started these projects, where we encourage participation and connection among people aware of the plastic plague and involve them in a plastic challenge. I encourage your individual participation in this project this year, in August, as well as everyone else here. To add to the plastic quilt. Take this challenge and make a memento of your experience of the plastics that you got any ways, even

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though you were trying to not get plastic. So -- yeah, I did what stiv definitely I bought a house and I quit my job so I could get the tax credit from obama. And that's what i'm living off of right now. To do this project. [laughter] full-time.

Adams: If I can clarify. You got the tax credit for the house, not quitting your job?

Lohrmann: Right. Right. But I think that's a good idea too. So I -- [laughter] -- felt really encouraged in the city to do this project. I don't think I would have felt encouraged to do this anywhere else in this country. I have felt encouraged by organizations like surfrider and the willamette river keeper and there's so many organizations in the city I could name who connect their constituency -- creative ones and i'm motivated every day by people who contact me from around the world who have heard about my work and want do it in their community. I recently went to mexico and went to a small community on the gulf and did this project. And one child said that she used to throw trash. Just throw it out so that the wind could catch it. A snack, throw it away. Once she took our workshop where we told them about the plastic in the ocean and its effects, she said she's no longer doing that. She understands the problem. And so I have invite you to feel encouraged by that simple statement that, den think that anyone is incapable of adapting. No matter what their level of education. They can adapt and accept and embrace and understand the importance of this. Really taking this inside and participating in it on a really meaningful level. Thank you.

Adams: Thank you. I want to thank you -- thank all of you for being here and your work on this. I will see you at the noon hour and by the end of the week, we'll have our draft ordinance out that will ban the single use plastic bag. [cheers and applause]

Adams: We're going to take a 10-minute rescue so -- recess so that you can go on with your day and we'll check on a few other things and we'll reconvene in 10 minutes. [recess]

At 9:50 a.m., Council recessed.

At 10:00 a.m., Council reconvened.

Adams: I move the election of commissioner dan Saltzman to be the president of the Portland city commission. Known as the Portland city council.

Leonard: Second.

Adams: Moved and seconded. Any questions or discussion.

Fish: Are we having a presentation.

Adams: I think we have a power point on all the good reasons why dan should be president. 60 pages long. Please call the vote.

Saltzman: Aye. **Leonard:** Aye. [laughter] **Adams:** Tentatively. **Fish:** Aye.

Adams: Aye. Congratulations. [gavel pounded] give him the plaque. It pains me to do this. [laughter] congratulations. [applause]

Leonard: The dictatorship is over. Thank goodness.

Adams: Sanity has returned. [laughter] quit hurting me.

Item 1004.

Adams: I understand that mr. Hardiman is not available to take advantage of council item 1004. Are there any -- we'll now consider the consent agenda.

Fish: I am not going to pull 1030. Which is authorizing a contract with ethos, but because it's on consent. A point of privilege, if I may, I want to acknowledge, today we'll be seeking authorization for that contract to allow ethos to become the new operator of interstate fire house cultural center. Charles lewis, the executive director and michelle, the artistic director are here along with todd loffgren and I want to thank them for their good service. Thank you very much. [applause]

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Adams: I would like -- or somebody would -- i'd like to pull back 1010, pulled for a statute. So pulling 1010 for consideration of a statute later. Any -- of a substitute later. Any our items? Karla, please call the vote on the consent agenda.

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

Fish: Again, I wanted to just welcome the ethos team. We were all saddened when the prior nonprofit operator hit financial difficulties and had to wind down. I want to acknowledge that the mayor and his arts team have been extremely helpful every step of the way in planning this transition. We did a public process and out of that came what we think is the strongest application and before us is a contract, which -- of two years' duration, I think with one-year review. We have very high hopes for ethos. We think they're a good fit and we're grateful they've stepped up to help us lead this project forward. So i'm pleased to vote aye.

Adams: Thank you. This is a facility that means a lot to me and the neighborhood that I live in so I appreciate your willingness to take it on. Thank you for your good work in helping to make it happen from the parks point of view and commissioner Fish for your leadership and problem-solving on this issue. North Portland is very grateful. Aye. [gavel pounded] consent agenda is approved. That gets us to the time certain, item no. 1005.

Item 1005.

Fish: Is this a second?

Adams: This is a second reading, correct. [inaudible]

Adams: Sorry.

Leonard: That comes later..

Adams: Sorry. Getting ahead of myself. Welcome. Who would like to go first?

Mary Beth Baptista, Director, Independent Police Review Division: Good morning, mayor. I'm mary beth baptista, director of Portland city auditor office independent police review division. When I started in may of 2008. The hot topic at the time was the performance review of ipr and crc done through a contract by the then mayor potter by eileen luna-firebaugh. This performance review was a lengthy document that included a lot of recommendations. Some of them controversial, some not so. For ipr and crc and called into question some of our policies and effectiveness. This is quite an issue for the community. Quite an issue for the council at the time, for the auditor. As well as ipr and crc so it was one of the first things I wanted to dive into when I began. And so we -- so along with the citizen review committee, there was a decision to form a work group, specifically to look at the eileen luna-firebaugh report and go through each recommendation and have a full discussion and hopefully at the end of the line, a report from crc, looking at those recommendations and determining which recommendations they would like to forward to ipr and crc. So we began that endeavor in september of '08 and after several -- well, I wouldn't say several years -- wouldn't say several year, several months, we're here and released -- last month, released the citizen review committee review report on the structure of the independent police review with recommendations and we have two of the workgroup members. Michael bigham and mark johnson, the chair of the workgroup was joann jackson and both joann and mark, it's noticeable, their terms ended right as we were completing this report and they continued their service as volunteers, to make sure they could see this report through because it was very important to them. Joann went back it full-time work and unfortunately, not able to be here this morning. But we do have the mark and michael here to present.

Mark Johnson: Good morning, mayor Adams and commissioners. As has been said, i'm mark johnson, I practice law in southeast Portland and a former member of the crc and a member the work group that developed this report. By the way of a couple of preliminary comments, first, ms. Jackson and I remain available to you and the committee to serve as resources as we go through this. There is a great deal of information to be absorbed and mr. Bigham and I will try to get you an overview of it this morning. Second, this has been a dynamic process and some of will be familiar

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to you and many of the recommendations contained in the report are already in implementation and in the process of being implemented, that's partly because ms. Baptista was sitting in on our deliberations and has been very accommodating in terms of adopting recommendations as we've been going along to the extent she was able to do so and commissioner Leonard had a set of amendments to the ordinance and so on. That were before you, I believe, a couple of months ago. And once again, ms. Baptista served on the workgroup that developed those proposals and served as a liaison between the two workgroups and a lot of what you're seeing has been implemented through that process as well. As far as our processes with concerned, as ms. Baptista has outlined, the luna-firebaugh report came out in january 2008, the product of a rfp put out in 2007 asking for a review of the independent police review division, review of the complaint handling process, review of crc and the set of recommendations for action. Dr. Luna-firebaugh's recommendations are included as an appendix to this report. Those of you on the council when the report came out, i'm sure will recall, it generated a great deal of response. There was a response from the auditor, a response from the director of ipr who was a different director at the time. A response from public -- a -- responses from the public and what we did in the course of this, of this workgroup was we collected all of those responses together in one place. Went through them in a detailed fashion, and created an outline of all of the various recommendations and all the various comments that were made with regard to the way the police discipline system worked. Out of that process came the six primary focus areas of our work. Which are outlined for you on page 2 of the report. In the beginning of the executive summary. They are basically the complaint process, policy development, staffing and training issues, outreach, transparency and also mediation. And then, once -- once the material was organized, we worked through it in a systematic kind of way keeping in mind, always, the goals of our work, which are outlined on page 10 of the report. This is the lens through which we tried to view each of these recommendations for change, or each of the comments we reviewed. Whether it would improve or streamline the complaint process, whether it would support safeguarding the rights of citizen, or clarify the purpose, powers and duties of the independent police review division and finally, whether it would support and value the function of the citizens review committee itself. Having gone through it in that way, we had monthly and bimonthly meetings that extended over a 19 month period, they were all open to the public and attended by representatives of Portland cop watch and league of women voters and we published an interim report in march of this year, received public comment on the report and what you have before you today is a synthesis of those discussions and we believe it provides a viable blueprint for strengthening portlands police oversight system and i'll turn it over to mr. Bigham who will talk about the specific recommendations.

Michael Bigham: I'm the chair of the crc and I was a member of this workgroup also. It's a pleasure to be before you. In january 2008, when the luna-firebaugh report was issued, I was the newly elected chair of the crc by two weeks and my head was spinning. There was a tremendous outpouring of comment from the community, rebuttals from the ipr director stevens as city auditor gary blackmer and a lot of coverage in the media. I think along with the crc we believed in a more measured response was necessary and created this structured review workgroup to examine and report on the luna-firebaugh recommendations. We defined six primary focus areas to be addressed and prepared our recommendation which are before you now. I'm just going to -- you can read the recommendations for yourself, but i'll run through the focus area and talk about them generally. First, the complaint process, we looked at how ipr and ied processed complaints and how crc conducts appeals. Policy develop, we looked at ipr and crc reviewing Portland police bureau policies and making recommendations for improvement. Staff and training issues. We looked at training for ipr and crc personnel, adequate staffing for conducting outside investigations, providing independent legal council to the ipr and crc and providing a dedicated staff person to the crc. We also asked to increase crc terms to three years and to return bureau findings to unfounded,

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insufficient evidence, exonerated and sustained and add three new policy findings of policy failure, training failure and supervisory failure. The fourth focus area was outreach. Talked about increasing outreach activities to the community and that would include, also, the city council. The fifth area was transparency. It was to increase transparency to the community, on how the crc and ipr do business. And sixth, mediation policy procedures. Looked at improving the mediation process, holding bureau members accountable and making it more customer-friendly. As was mentioned before, i'm happy to say the number of recommendations have been implemented by ipr or crc, or were included in the police accountability ordinance you recently passed. The members of the ongoing stakeholders committee have received the report and are taking a look at them and I expect them to report to council sometime in september. The crc hopes you will seriously consider our recommendations and include them in a future police accountability ordinance. Thank you.

Fritz: When we accept the report, we're not saying that we absolutely accept all of the recommendations.

Bigham: I'm aware of that.

Fritz: I'm clarifying for myself and the public.

Bigham: Ok.

Fritz: And the process, then, is the stakeholders' committee is going to look at all the recommendations and you together will bring back something for the council to consider.

Bigham: Correct.

Fritz: Thank you very much.

Bigham: Uh-huh.

Saltzman: I have a question about the recommendations [inaudible] rate as I proportion of all complaints. I guess -- are you saying there should be an artificial proportion of complaints that are sustained?

Bigham: No --

*******:** Did you want to explain how?

Bigham: It's -- no, we're not creating a artificial sustain rate. We're changing the method how it's measured.

Baptista: Currently right now -- and we discussed this briefly in our annual report. When we do our annual report, we look at a snapshot of what happened. For example what we just did in 2009 and what we look at is how many cases came back as sustained. From those that were investigated. And what -- there's been some community feedback to that that says instead of looking at what the sustained rate is from investigations, you should look at every complaint that's come through the door and then say how many of those have been sustained after an investigation.

Adams: Other discussion with council? All right. Anything else you want to say by way of presentation?

Baptista: I just want to -- yes, obviously. I would -- I think that this workgroup was a really good example of -- it was fresh people looking at this. And we had the benefit of really being removed from a lot of the controversy and a lot of the hype, if you will, regarding this report and I think that really lead us to have a more reasoned approach to the document and I think that the end product is really a valuable tool for us. Because we were to reasonably look at the report and look and see what made sense for the organization, and I think it was a really good collaborative effort between ipr and crc, and showed how we can balance our work together. They did a lot of the original writing of it and our staff did a lot of editing and I think it was a really good experience for all of us to learn how we share responsibilities and work together and yet maintain or independence, so I felt it was a very good experience.

Adams: Thank you very much. Appreciate it.

Baptista: Yes.

Adams: Anyone signed up to testify?

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Moore-Love: We have three people.

Adams: Ok.

Moore-Love: Nastassja pace, stiv wilson and debbie iona.

Adams: Good morning. Welcome back.

Debbie Aiona: Good morning, i'm Debbie aiona, representing the league of women voters of Portland. We would like to thank the citizen review committee structure review workgroup for the time and attention it devoted to researching and writing this report. We support nearly all of the crc's recommendations are encouraged by the fact that the police oversight stakeholder committee is considering many of them. Our oversight system is complicated and the learning curve is steep for a new crc members. Increasing the term length from two years to three will reduce the number of inexperienced members on the committee at any one time. In addition to adopting that crc recommended change, we believe council also should increase the committee size by two to a total of 11 members. In addition to the time spent reading case files and preparation for appeal hearings, almost all crc members serve on at least two workgroups that meet monthly and focus on specific issues. Having more members to carry the load will enhance crc's ability it make progress on accomplishing its goals for an improved oversight system and police bureau. Over the years, the crc has had a number of resignations leaving the committee short-handed until the next recruitment process is completed. For this reason, we recommend that two reserve members be selected during that process. Reserve members could complete background checks and training and be ready to step in if someone find it's necessary to resign. Crc recommendations outlined in this report, are especially important to adopt include, change the powers and duties of the crc so it can make policy recommendations directly to the police bureau, dedicate funds for the crc to use at its discretion for the purpose of carrying out its mission, assign a dedicated staff member to assist the crc and work groups. And change the standard of review and appeal hearings from reasonable person standards to preponderance of the evidence standard and return possible misconduct case finding to unfounded and sufficient evidence you heard michael mention that one. Establish guidelines that require ipr to conduct independent investigations in certain types of cases. And evaluate the possibility for an appeal or request for reconsideration of non-investigated complaints, ipr dismissals, minor complaints and/or internal affairs division declines. There's a great deal of public concern about our oversight system and the police bureau and we hope you will be responsive to those concerns by adopting many of the recommended improvements when they come before you hopefully in the fall. Thank you so much.

Fritz: That's a really interesting suggestion about the reserve member. I think that might work for some of our other commissions and committees as well. To have members in waiting --

Aiona: Yeah, the last time around, director baptista, there was one particularly outstanding young woman who was -- didn't make the cut, but mary beth asked would she kind of be on the ready. And a few months later, sure enough, someone needed a new job in another state and she was able it step in. So it worked out well.

Fritz: And that might help people figure out whether they really want to be on a committee and gather more information about the committee so they're able to step right in there.

Aiona: Right.

Fritz: Thank you very much.

Adams: Any of our other people who signed up here? Huh?

*****: [inaudible]

Adams: All right. Then let's move it a vote to accept the report. Do I hear --

Fish: Motion.

Adams: Second?

Saltzman: Second.

Adams: Been moved and seconded. Karla, please call the vote.

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Saltzman: Well, I appreciate this report. It's very thorough and I appreciate the work that the crc members. Both current and former have put in on this effort and as well as the ipr office. There's definitely a lot of recommendations here and I think many of them should become our operating procedures. Or your operating procedures, I should say. Pleased to support this report. Aye.

Leonard: Aye.

Fritz: Thank you. -- thank you very much for your work on the report. There's a lot of work and many of the folks who worked on it are here and I appreciate that very much, not only that you put in all the time to research the report and write such a well written and clear report but to come here and testify today. That's generous in volunteer time and it's good to have independent citizen oversight as well as independent staff oversight as we work together to build confidence and trust between the police and the community. I note Irene Konev is doing a great job of bringing awareness of the work of the ipr to the wider community and her hiring and indeed your whole team. Also, I very much appreciate the crc's liaison to council and Rochelle Silver's work in keeping me informed of what you're doing, I think that's a great step forward. The forum you did was wonderful. We need to make sure it happens as we move forward, is all of this good work turns into results and so I'm very glad to hear that the recommendations are going to the stakeholder committee and coming back with some concrete actions council can take to alleviate any lingering mistrust and so we have a more open and transparent process. And I appreciate everybody's work toward that and we'll keep working on it. And I also wanted to offer the assistance of the office of neighborhood involvement. One of the recommendations was to look into which cases should go to mediation and how the mediation process works and if our mediation team in ONI can be of assistance in any way we'd be glad to help. Aye.

Fish: Thanks for your good work. Aye.

Adams: Wow, this is a lot of work for a volunteer group and superb work, I want to thank you all for your commitment to it. It's an excellent report and thank you. I also want to thank the staff at -- that's helped you complete it and I'm pleased to vote aye. [gavel pounded] So approved. That gets us to the regular agenda. Let's do the substitute. Please read item 1010.

Item 1010.

Adams: This was just a technical change. I move the substitute.

Fish: Second.

Adams: Been moved and seconded. Please call the vote on the substitute motion.

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

Adams: Aye. [gavel pounded] substitute is approved. Can you please call the vote on the substituted item for 1010?

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

Fritz: That's good that this is pulled to highlight this wonderful neighborhood event in the Lents neighborhood. Aye.

Fish: Aye.

Adams: Aye. [gavel pounded] 1010 is approved. Please read the title for emergency ordinance item no. 1032.

Item 1032.

Adams: Welcome back.

Vicky Diede, Bureau of Transportation, Streetcar Manager: Good morning for the record, I'm Vicky Diede with the Bureau of Transportation and City's project manager for Portland Streetcar. One of the challenges of operating the streetcar in the city, because of the leaves and oil that gets -- our wheels get flat spots and when brakes are applied in a quick manner and I think you've probably heard this -- ker-thump, ker-thump. To ensure a enjoyable ride to the public, the Portland Streetcar wheels will get trued twice a year and that truing gets rid of the flat spots and makes the wheels round again. A wheel truing machine was in the original budget on the Portland Streetcar but

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because of concerns from the federal transit administration about sufficient contingency for construction activities, the item was deleted from the project but remained on our list of highly desirable items. The project currently is carrying at this point in time \$5.7 million in contingency and we started out at \$6 million. By february of 2011, we'll be far enough on the broadway bridge, which is the highest piece of our project to be able to commit the \$2 million from contingency for the wheel truing. For some reason that contingency not be available, omf has agreed to borrow the funds to buy the machine and pdot has committed to providing the general transportations needed to pay back any part of the loan not covered by the contingency. We have not owned a wheel truing machine at all. Our ten vehicle fleet what we have to do is when its time for the wheels to be trued we have a crane that lifts the vehicle and the wheels are taken off and shipped to a trimet facility where they do the truing for us. As trimets fleet gets larger and larger our ability to make sure that we get those cars back when we really want them becomes less and less and tri-met does a great job but they have their own issues. So the labor costs for Portland streetcar and the tri-met costs is about \$8,000 each time we do this. If we had our own machine on site the labor cost would go down to 800 or 900 dollars and be our own cost. From an economical standpoint this transaction really makes sense when we have about 15 cars. We currently have 10. Next year, we'll have 11 when the prototype is commissioned and in 2012, we'll have 17 vehicles for the loop project and if you take into account the cost of borrowing on this its in fiscal year '15-'17 that substantial savings accrue to the portland streetcar project to the tune of \$400,000 or \$500,000 a year. The maintenance facility expansion that's currently being constructed and has been designed to permanently install this truing machine and from an accountability perspective, it's prudent to have the contractor building the facility also be responsible for procuring and installing the truing machine so that if something goes wrong, you don't have people pointing fingers at other people. Because of the long lead time needed to procure this machine, it's necessary to authorize this order now as opposed to waiting until february of 2011 when we really know where the contingency will be. So by having our own wheel truing machine, not only will it save money over the life of the equipment but also reduce downtime for our vehicles and allow us better services. Perspective, where we are in the project, so you can get a feel for the contingency remaining is sufficient and I think it is, as of the middle of june, 63% of the water main work has been completed. 58% of the sewer work, and it's always that underground work where you have the most unknowns, and 21% of the track work has been done. I would be happy to answer any questions.

Fritz: Looks like we're buying the machine from a company in new york? Is there not a local company?

Diede: Huh-uh. No, not at all.

Fritz: What was the process to decide to buy it from --

Diede: Well, stacy witbeck is our contractor for this and it's their responsibility to do the procurement for the machine so they did the investigation about who makes them and where their at and what the prices are and they bring that back to the project team and we evaluate that and give a yea or nay.

Fritz: Thank you.

Adams: All right. Is there anyone who wishes to testify on 1032? Karla, please call the vote on 1032.

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

Adams: Aye. [gavel pounded]

Diede: Thank you.

Adams: Can you please read the title and call the vote for item 1033.

Item 1033.

Saltzman: Well, i'm pleased to support this agreement. When we last had this before us, I think probably three weeks ago, I raised an issue i'm still very concerned about with respect to our larger

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bargaining unit, the dcu and that's a 40-year old practice of paying overtime when people work less than 40 hours a week, costing us about \$3 million to \$4 million a year. So this is an issue I felt I had the flag last week even though this agreement itself with local laborers 483 actually contains very little overtime. But this is an issue we need to tackle with our bargaining unit and work out a common sense overtime payment practice, one that is consistent with what I think people understand that you work 40 hours and then you get paid overtime. And given the three to four millions in general fund resources that practice costs us, something in budget shortfall times. We have to come to grips with but it's not -- that's really in the negotiations we have to deal with dcu in the future and doesn't affect the agreement with laborers 483 here so i'm pleased to support the agreement today. Aye.

Leonard: Aye.

Fritz: I share commissioner Saltzman's concerns. For me the issue of the overtime is a wellness issue, I'm in charge of employee wellness. In particular with sick time if an employee is off sick we don't want them to be asked to work overtime. After -- while they're still trying to recover and catch up from being away. That's the most concern of me, the overtime issues and I believe that somebody who works more than their designated shift hours should get paid overtime or somebody who comes in during vacation should be paid overtime. But the sick time issue is the crucial one. But this is the laborers 483 contract and they do a lot of very difficult work and i've been very impressed with laborers 483 member over the time i've known them and their diligence and compassion for the work and commissioner Saltzman says there isn't a major overtime issue in this contract. There is a me too clause that's both positive and negative. That if the dcu and the other unions get more and when this comes to the laborers and if there are concessions that are made, that would be reopened with this contract. I appreciate that the contract sets the cost of living adjustment floor at zero percent, if there's no inflationary factor, there's no cost of living raise and that's rational and reasonable and I appreciate the laborers who are rational and reasonable and I greatly appreciate the work done by both park staff and human resources and the commissioners and the council on this issue. Aye.

Fish: I was not here when this came before council on the first reading when I naively picked the dates of my vacation, I thought I picked a week of low controversy. I probably misjudged that. A number of issue that has brought the temperature up. But as the commissioner in charge of parks, this contract and the people affected work for my bureau, and so I appreciate all the comments that have been made by my colleagues, but we do think we have a special relationship with the employees who are also members of local 483. They do great work for the bureau and the citizens and I think it's worth observing that in these times of very tough budget choices, and the toughest recession in my lifetime, this contract contains shared sacrifice. In year one, the employees covered will receive no increase and potentially the way it's structured in years two and three, employees could potentially not receive an increase. And that's important because not only did they forego a wage increase if year one but agreed to reduce the floor for calculating the cpi, consumer price index increase in years two and three to zero. So they could potentially have no increase in years two and three and when we talk about shared sacrifice in tough times, this is what we mean. Labor partners working hand in hand with us to find ways to share the pain during times when we have fewer dollars to spend on vital services. I know from the materials i've reviewed, there was a healthy debate about the overtime issue and the last time this came up, as someone who was involved in labor relations for 20 years, my iron rule is we discuss those things privately, not publicly, particularly when they relate to strategy of the city and I appreciate the comments of my colleagues but i'll not make any public comment honest this because I think when you're in active negotiations its better that those comments be made privately. 90 employees are covered by this agreement, plus or minus, and has been observed this contract has a unique provision which is a flex time provision, a way in which people asked to work more than 40 hours can get time off in

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lieu of overtime and as a result, we've had very little overtime expenses incurred under this contract. Whether this is an issue you care about, on the overtime side, as my colleagues noted, this is not a contract which raises that issue in a significant way. So i'm grateful for the team at h.r., yvonne and anna and all of the people at the table on our behalf and equally grateful for our labor partners, buzz beetle and the whole team at the laborers who have negotiated good faith to get to the agreement and I'm pleased to vote aye.

Adams: Aye. [gavel pounded] so approved. Please read the title for nonemergency first reading 1034.

Item 1034.

Saltzman: The sewage pump station on northwest front avenue services the industrial area of northwest Portland. A malfunction would cause a backup in the combined area of sewage system and sewer overflow into the willamette river. This facility hasn't been upgraded since the 1960s and this project will upgrade the electrical systems and add control systems, lighting and backup power.

During the course of the work, the environmental services, maintenance staff identified additional issues that expanded the scope of work. Those include evaluating the replacement of the 50-year-old pumping station and other equipment. So the estimated cost is \$52,293 and funds are available in the environmental service budget so this is a first reading and if there's questions, we have bes staff to answer question. I think. Yeah, we do. Any other questions? Ok. Then this will move to second reading. Ok, the next item on the agenda is item 1035. Second reading.

Fritz: Before we do that, president of council, did we already make you president of the council? I was not here.

Saltzman: You missed that vote.

Fritz: I'd like to state for the record that I support commissioner Saltzman being president.

Saltzman: Thank you. There was a huge --

Leonard: There was a huge question about that when you were gone for the vote. [laughter] there was an unspoken concern.

Fritz: Well, sorry --

Fish: I thought the second panel, the testimony for chief of staff was slightly contradictory. Perhaps there's a change of heart. I don't know. [laughter]

Fritz: Sorry I mentioned it.

Saltzman: Next item is 1035. Second reading. Please call the roll.

Moore-Love: Read the title?

Item 1035.

Leonard: Well, I -- I appreciate the approach the police bureau is taking in interacting with not just the council, and the public in general, but particularly the new work group that we've heard alluded to in an early ordinance, that is going through ipr processes and procedures, the citizen review commissions process and procedures with the goal sometime this fall making recommendations for further potential changes to the review oversight process of the Portland police bureau. That approach by the police bureau, I think is healthy, and where the professionals are weighing in and giving their objective advice, how best to make their processes balanced and fair while at the same time making sure officers always know that they have not only the right, but the responsibility to make split-second decisions without fearing overly being second-guessed by those of us on the council or citizen oversight groups or whoever, those are tough balancing acts to make and I think in those questions of oversight where the police bureau is a whole and credible and participating partner, they should get the benefit of any doubt of any request they make. On this point, I think that they -- they have made the case that of the three members they have on the police review committee that will take effect september 1st, they would prefer to remove one member of the police bureau and insert another member of the police bureau and I think that given their approach to oversight at this point, that ought to be recognized. And it does not in any way, as i've said many

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times, water down or dilute the more important change, which was to make sure the ipr director was a sitting member of the review board, with full voting rights which didn't happen before the council adopted the ipr changes in march. And two, that the citizen member or members that are appointed to the police review board not appointed by the police bureau any longer. They're appointed by the auditor and confirmed by council, that was the nature of the significance of the change that occurred on that particular aspect in the ipr reforms that council adopted in late march of this year. Based on those reasons, I think that this is a -- a change that makes sense and is balanced and I vote aye.

Fritz: I voted for this amendment when it was an emergency ordinance. Both because I -- I thought it was my duty to do so having asked for the minor amendments on the language and also because I thought it was the right thing to do. I still support the change to september 1st. However, we now have more information than we had three weeks ago and the stakeholder group has met. This change was just adopted in march of -- march of this year and the stakeholder group was set up to encourage transparency and communication between the community and the police, as well as to review changes to the ipr ordinance. And the members of the stakeholder committee have expressed concern about the process, as well as the actual change. And I have concerns both about the process and about the change. I was willing to vote for this based on the police chief's desire stated before it would be helpful to him. However, the committee pointed out that the parc report twice recommended against this change and in thinking about it more, as I have thought about it a lot over the past three weeks, I think there's a advantage, even though it's more work to have two commanding officers looking through a file, that can be a good thing and I know when I was doing peer review as a nurse on documentation on outcomes, that the non-assigned -- the non-commanding officer was the responsible -- I forget what the r.u. stands for. Having a peer look over, decisions can be a helpful thing for the organization as well as the outcomes. I don't think this is an administrative housekeeping amendment. I think it's obviously significant and although I think there are compelling arguments put forward by members of the stakeholder committee and, therefore, I can't support the changes at this time. No.

Fish: Again, I was not present for the first reading on this, so I have gone back and reviewed the record and i've also had a chance to read correspondence that came in on this, particularly from dan handleman and had a chance to meet with the auditor and ipr director to make sure I understood the issues. I'm going to associate myself with the comments of commissioner Leonard who said this is a balanced approach and I agree it is. I'll go one step further, since the issue that has caused dispute has to do with whether the change will enhance or diminish accountability which is the question put on the table, I actually believe, based on the work i've done as a lawyer, a labor lawyer and involved in all kinds of administrative procedures that this has the potential to strengthen, not diminish accountability because the commander or captain with direct involvement is at the table with the other committee members and, therefore, in a position to be held accountable as well. So my instinct on something like this, beyond wanting to make sure I understand the issues is to look to our team to see where the various leaders within this building are and the fact that the chief of police, the auditor, the ipr director and commissioner Leonard, who is has played a leadership role on this body moving this forward, all are in accord with the proposal before us gives me confidence we're on the right path. I take seriously the concerns of any advisory group, while we're not -- we do not march in lockstep with recommendations from advisory bodies we take serious their recommendations and I think in this instance, we'll know better within a year whether the concerns are well-grounded or not and as I talked to the ipr director, if in the processes of -- processing of these cases it's an impediment and not an advantage, I'm sure the council can revisit this issue and as to the process question, you know, we -- I -- I take those issues seriously as well and would note that the taskforce has had a chance to weigh in on this and I think cures the major objection which is that they didn't have a chance to be heard. Our job is to be respectful to weigh the information

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that comes our way but to make our own independent judgments and I believe the proposal before us will strengthen not weaken accountability. Aye.

Saltzman: Well, I asked for a -- or my vote last time was to allow time for the committee to meet again and to revisit the particular issue of whether the commanding officer should be a voting member of the police review board for reviewing a case of an officer who serves under him or her. That meeting did occur. It seems there was not consensus achieved amongst the citizen members and amongst the professional members. And while maybe I was hoping for too much to expect harmony on this issue, there isn't. And I guess I -- well, I give a lot of deference to chief reese and commissioner Leonard, the auditor and the ipr director, i'm -- what troubles me most about the change we're making here is it's so sharply recommended against by the parc reports of 2003 and 2006. And I can not -- we hired that group to use their professional judgments to give us recommendations how to best make our police review process work and work well. And again, with all respect to the other parties, I don't feel it's wise on this point where they so sharply call it out as something that we should not do. I'm not willing to support this so I also will vote no.

Adams: Been around the building a fair number of years and i've seen many different variations of efforts to improve accountability and the operations of the Portland police bureau. I have never in my time here at city hall seen an auditor who is as demonstrably committed to moving -- demonstrably to moving forward accountability policies and policies to create change and improvements in the police bureau as I have with auditor lavonne griffin-valade and she's relatively new on the job and she has sponsored and requested this change and i'm going to let her run with it and support it. I know she'll be vigilant in reviewing the impacts of this change for any unintended negative consequences. So it's for that reason that I vote aye. [gavel pounded] so approved. Where are you all from? Huh?

*****: [inaudible]

Adams: That's great. Welcome. We welcome your input. Look forward to hearing it. You'll have to come back and share it with the city council. You came just in time because we're going into recess. Recessed until 2:00. [gavel pounded]

At 10:51 a.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 and should not be considered a verbatim transcript.

Key: ***** means unidentified speaker.

JULY 14, 2010 2:00 PM

Adams: We're in the afternoon session, it is wednesday, july 14th, 2010, 2:00 p.m. Karla, please call the roll. [roll call] quorum is present. We'll proceed to the time certain at 2:00. Which is the only item we have. Please read the title for report 1036.

Item 1036.

Leonard: In the last couple years we've seen a historic decline in revenues at the bureau of development services that have led to unprecedented layoffs well over half of the employees at the bureau of development services by this point in time have been laid off. It's had a number of consequences, but I would tell you that the layoffs at bds, economic constraints at bds find itself in - - is in fact a result of a larger economic crises in the country and the world. We have approached depths of the great depression of the '30s in the united states, and the barometer that most accurately gauges that locally is building permits and our building permits have been punched right between the eyes. And staggered the bureau of development services and while they are trying to recover they certainly haven't dropped to their knees but in fact are strategically and very much in The leadership I expect from each of them seeing this as an opportunity to do something different. And one of the things that we long recognize that needs to be done different is how we issue building permits. We are as a songwriter once wrote, lost in the '50s. And not in the good way, we're shuttling papers back and forth with paper carts, storing plans in store rooms, notwithstanding being surrounded by jurisdictions and the state of Oregon that uses cutting edge technology for permit issuing. It's a time when the bds actually that's borrow money from the general fund to pay its employees. It's actual it will best time to make this change for a variety of reasons. This system would have allowed us to hire -- have on staff far fewer people at the height of the economic boom, allowing more people to put more money into reserves. There are collective bargaining issues implementing a system like this when you're at peak capacity because the result this system is it will be a more sufficient system, and as many people to operate as -- at peak capacity than we were if we have an efficiencies item like this in place. So the -- what the council asked for and what you're going to be getting a report on now is how is the bureau doing in terms of its projections, its own economic recovery, which are in trick -- intrinsically tied to the national economy's polls. It's determined by the national Recovery act, stimulus spending, it's determined by the ability of banks to make commercial loans, for developers to dig holes in the ground and get permits and we're just a small piece of that. So projecting what that means in terms of the future is more art than science. Thus you won't get anybody of any credibility to say this is what's going to happen by this date. What we can expect is parameters as to how we're going to get out of the hole we're in, and I think that's what had you before you today. Without further ado I remember paul scarlett the director of bds to walk us through this report.

Paul Scarlett, Director, Bureau of Development Services: Thank you, commissioner Leonard. Pleased to go through the report that was produced by jerry johnson from johnson read llc. As part of our budget process and requirements we're required to do two things. Because we're an operating bureau, one, if -- we have to submit and provide a balanced budget hundred percent cost recovery and additionally we're required to show a five-year financial plan that indicates growth projections and any adjustments in the economy that allows to continue to operate efficiently. This has been

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more -- more challenging time or experience would be an under statement for the last couple years.

We have struggled, we have realized opportunities as part of the struggles in terms of being more efficient, and the plan to improve our operations Through technology is not something that's new, that was discussed two years ago, one year ago, it's been something that's been discussed for many years. And we're at that juncture now where we feel pursuing the technology in the form of increase in our ability to provide the service to our customers, the plan -- electronic plan review, remote technology that allows inspectors to do activities in the field, and for our customers and anyone interested in our processes to access information from their home rather than coming down and reducing travel miles, reducing time. The analysis that was performed, it was for us, we're pleased that the information shared back from mr. Johnson indicated that the bureau -- within the realm of reasonable projections. The reduction in our staff by half which is about 160 employees over the last year is an indication of work going down, but more importantly the revenues that have been more challenged and the revenues insight tied to the valuation of the projects. So in march and february of this year, council, you asked us to get a third party review of our projections and our financial plan was presented in february, the cost of the i.t. Improvement is about \$5.2 million, the concerned, if you will, about our -- the bureau's ability to repay a loan, where is that confidence level? How real is it when we're challenged on a monthly basis to meet cost recovery to retain Staff? So the report that is in front of you, which includes information on the some of the questions that were asked, such as what are the indicators that should be reviewed, the bureau has used a number of indicators including business models and some residential modeling, and with construction rate indexes and we have come within fairly close realizations of projections. An example, if you will, we reduced our staff by last november and from november through may our projections, we were off about \$150,000 each month. That's a lot of money because yes unable to retain the staff, but it's also minimal difference in terms of larger context of projections. So we're within the baltimore park, but we didn't have any cushion. In fact we had to get a loan to continue operations. So we made additional adjustments and unfortunately it's at the expense of laying off more staff. As of end of june, we're now operating at 100% cost recovery and the projections for another year is seeing that there will be 100% cost recovery. Because of course the biggest cost we have are employees. And so come in the next year we should be in a good position to start hiring back employees and a part of their ability to hire back and to afford the payments is part of what mr. Johnson reviewed. So before -- rather than going into more information, I can Give that you context and in these climates -- excuse me. We want to make sure that all the requirements that you ask us are being met. So part of the context is how do we move forward with the information mr. Johnson provided us with budget notes that you have included as part of the approval of bds's budget in may of this year. Can you quickly go through the steps, and then we'll get to mr. Johnson.

Denise Kleim, Manager, Bureau of Development Services: So part of the issue is that we have a budget note that has a number of parameters in it. A number of parameters in it, the council has asked us to respond to prior to embarking on the i.t. Project. And then there are recommendations that miss johnson has made. So attached in your handout and also what was given to you with the councilman packet is a proposed work plan on how to merge those two things. You asked us to do a cost benefit analysis on the project and that's something we are working on. And you asked that we make sure that we set aside enough resources to ensure -- payback of the loan, and that certainly is what we're going to be doing. We certainly don't want to buy something we can't afford. So we're working on that. Then you asked that we present a new financial plan and that the council has to approve the project before we actually proceed and expend money on the project. What we're proposing is that we Update our current financial plan, that we get input from the -- from some experts in both real estate and in economic forecasting as well as our own internal budget office, and that we use that as well as leading indicators to update our financial plan. There's a

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recommendation that we have -- that will be coming I believe from mr. Johnson that we develop a real estate projection model that would run parallel to our current model, and we're more than happy to do that, but the time frame is very tight to be able to do that. It's a huge, huge undertaking for us.

Especially with our limited staffing. What we're proposing is to get data and information to help us update our financial plan, but that actually doing that model that we do that with our next financial plan cycle, which would be turned in January. The review committee I kind of spoke to in the budget note. It talks about a review committee that would have real estate expertise, and a person from the small business advisory committee and a person from development review advisory committee, drac, and we would like to expand that to also include the recommendations coming from mr. Johnson that says we ought to also have experts in economic forecasting. So still have an advisory committee, but just expand the membership of that. So those are our thoughts, our preliminary thoughts.

Saltzman: On that point, I think the intent was five to seven people, including drac and sbac.

Kleim: That's my understanding.

Saltzman: There should be at least five other people.

Fritz: The budget notes also said chief administrative officer would be convening that. Have you had discussion was them?

Kleim: We have, and we're right now working on ideas for membership. Of the group. Planning for August to bring them together. Is there anything else you want me to go over before we turn it over to Jerry?

Scarlett: We have Andrew Scott and Hank McDonald that can provide responses to questions you might have.

Jerry Johnson, Johnson Reid LLC: We were asked to do a number of things with this. First of all, take a look at the research tests confirm the programmatic assumption in the forecast, inherent in the budget. Take a look at the five-year financial plan and provide comments on that and recommendations for improvements, review of the fee structure proposed, and impact of that. And provide some input on the overall economic outlook for residential commercial development of the city of Portland for the next 24 months, which I think is the most difficult forecasting. First of all, some general comments, the forecast that was produced by bds, first of all is transparent and based on our review of similar forecasts, reflect more or less a best Practices type forecast. A model based on purely typical types of factors. One would value -- evaluate when trying to forecast the future. We thought of the good faith effort going forward, the real difficulty we have with this model first of all, all models out there right now have missed the last downturn. It's been more difficult, this is the economic -- what they call an off model event, which means not denzel didn't get it. They expected something not quite the depth that we've seen. One of the things I think is particularly unique to the bds situation is since bds is based on development activity, is & is more tied to a real estate cycle than a business cycle, and one of the things we found in reviewing not tell that's being used is more typical, it's common in the industry, or for these types of departments to do a model that really is reflecting the business cycle but the real estate cycle does not always correspond with the business cycle. Attempts to anticipate business cycles and end before the cycle does as well, although occasionally they won't always follow the same path. You look at residential construction, the last downturn in the business cycle in the early 2000s, the residential market didn't see that, while the commercial-industrials these things don't always track. One of the things we were recommending which was alluded to already is a model that basically takes a look from a real estate perspective. Real estate cycles are fairly well documented in things that are tracked by a number of different outside groups and is a little different than a standard business model. Business cycle model. Because of that we'd like to see a dual model structure where we can anticipate events beforehand. There's one thing to say what was done was consistent with the norm and model, but I don't think we should end there, we should try to figure out how to better anticipate the

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unanticipated issues. And I think looking in hindsight, economists are much better at autopsies and forecasts we can go back and say here's what we've missed, what we did wrong. We should pick up on the back side and we're looking at basically some parallel modeling structures going forward for bds to get more assurance and maybe a second trigger point to raise the flag when something like this may be coming forward. And a lot of these things are things we tend to see in real estate markets where we get an overbuild situation which then collapses the market and stops all construction activity, which is fairly similar to what we saw in this last down turn in the real estate side. These could be seen in indicators that aren't being tracked and we'd like to see those added to the indicators tracked going forward. The city of Portland development environment is quite unique. Because most of the development opportunities will be infill Redevelopment sites. The city of Portland is on the margin is going to add increasingly to a largely more expensive situation, cost recovery situation for bds. Because the cost recovery on smaller scale infill redevelopment is less lucrative for services like bds and it's going to be more difficult to recover the fees. I think changes the fee structure being proposed are consistent with that because they're trying to change the waiting. It's much more expensive to do the small-scale projects than the condominium project that we won't see as much in the future as far as a percentage of overall development mix. We took a look at the service schedules for bds and from our expectation, our experience with development industry, we don't see the fees onerous enough to cause a life safety issue by people avoiding fees. We think as long as service can be maintained or improved to the extent that timing is predictable for inspections and they get done on time, that's more of an issue than the fee. In reality receptive to the cost of construction projects they still remain relatively small and somewhat negligible. More a time issue of waiting for the inspection and inspection not being reliable or more of a to -- an important factor to the production of real estate. We looked at the recommendations, one was some suggested changes in the indicators for the model. I believe the models can be Improved. Despite the downturn they actually overrode their model and sort of dumbed it down to some extent and dropped a lower rate of expected growth which still overshot the market. The economic models tend to miss -- they do well when things are chugging along but tend to miss the amplitude of the wave. The we do think the business cycle forecasting should be combined with forecasting real estate cycles by product types. I think that would be very useful. It's not particularly difficult to do, though it's something that hasn't historically been done, it's something that's more relevant to bds than the traditional business cycle models. We'd like to see additional peer reviews from agencies that are doing more forward-looking state economists office, a lot of public-private forecasters that are out there right now it's useful to look at the assumptions and get a look over the shoulder. The addition, the real estate industry can provide some assistance because they can typically anticipate where they see the trends before they start showing up in the indicators. And that's by and large our results. We thought the model on its own was a fairly strong model, it's just clearly the model missed and it missed in a significant way. And it wasn't alone in missing that significant way, we're looking for waves ways time prove the model on the margins So unanticipated issues like this are important to -- anticipated in the future.

Adams: Council discussion?

Fritz: Questions. I appreciate your work on the report, but it doesn't really answer the questions that I was hoping to get answered. Specific recommendations for improvements in the five-year financial plan. What are your recommendations for how specifically on how to improve it?

Johnson: Recommendations specifically for the plan is primarily laid into the modeling activity. To create a model that is more predictive. I think the model right now as far as the forecasted revenues seem consistent with what we've had internally in our office. So I think the numbers are about right by -- they primarily became because of an override because they took the numbers down to reflect more current information. On a go-forward basis, the real recommendation is to change

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modeling structure so we're relying less on business cycle modeling and more on real estate cycle modeling.

Fritz: Did you tell them what specifically you'd like in the models to make sure it's more accurate in the future?

Johnson: We have pulled out some specific pieces of that have been talking about helping them specify some specific changes in the models as we go forward. There's many models on business cycles. But there are -- they can actually be fairly simple because they're just very much related to supply demand balances over time. Real estate basically follows a cycle where the pricing in terms of rents or sales prices is well below replacement costs, which induces supply at which point they overbuild the market which collapses price points which makes no new construction viable and we sort of reset until the prices get back to the point where we overbuild the market again. It's a fairly predictable cycle in what you're monitoring, standing vacancy rates and pipelines relative to demands so we can see when we're heading off the cliff. It's always more important before the cliff as opposed to after.

Fritz: We know even with adjustment it didn't capture it, so do you -- have you given them specific, put this in, take this out so it's more accurate in the future?

Johnson: Yes. We actually provided some pieces that come up, forward leading indicators as done by the state economist office as well as a -- so we have a more forward look. It's not predictive far enough in advance to anticipate these things at the same time we're taking a look at additional variables. The real estate, probably before it -- it's one of the reasons the business cycle did go down.

Fritz: This is a glitch in how it's been -- this does haven't any information in it, but this is really the relevant graph in terms of the historic and the projected and the Projected revenue which we will -- if we could get that information, what I was hoping for from this report was to tell me this, is what bds's model projects, and this is reasonable or not reasonable, do when -- when do we get back into the black, how much do we get back into the black. Your report says on a percentage basis which i'm not sure what that means, revenues are expected to begin increasing again in financial year 1213. So how much money --

Johnson: We had a printing glitch.

Fritz: That is something we'll need to look at. So in terms of how in millions of dollars, and also in terms of you looked at the fee structure, you mentioned about the smaller projects don't have a bigger percentage margin of revenue back to the city as the larger project. So given the new fee structure, do the smaller projects break even, come in under, over, what's your analysis?

Johnson: The smaller projects are variable so it's hard to know on a project by project. On average the smaller projects have been subsidized. The actual cost inspections for the projects exceeded, the expenses that the -- being incurred by bds whereas the larger projects were offsetting that. This changes that relationship to some extent to -- as far as full fee recovery, it's going to be a project by project. We're moving in a direction that is positive, we don't have detailed breakouts.

Fritz: I thought that was one of Your charges, because we adjusted the free structure and I thought you were looking at, did -- how much after difference did that make and if we had had those fees in place, in the past year, how much closer to breaking even would we have been?

Johnson: I didn't know that was -- we were looking at the fee structure, and looking for avoidance issues. We did not backwards check it against the actual activity. To see if the fee recovery would have been similar. We would not have had a positive situation was of primary impact from bds's position wasn't a drop in the small recovery, it was drop in the large projects.

Fritz: One of the charges that you -- in the report says review the fee structure for all funds in the funds ascertain reasonable fee increases are being proposed to cover the cost of services including a proper level of reserve for each program. Do we know how much these fee increases will increase the reserves in each program?

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Johnson: We only have the forecast from the budget which the budget was making the assumptions. And the fees basically look at the profile of anticipated development activity which seemed consistent with what we've expected and so in the budget it's already incorporating a change in the fees.

Kleim: We do have that information, I didn't bring it, but we do have our projections based on each program and the impact for This next -- for the current fiscal year on the fees.

Fritz: That was one of the charges of the independent report, to check and make sure your assumptions and calculations were correct.

Kleim: I think his charge was a little more global and sort of higher levels and -- than the questions you're asking. Which are get nothing a lot more detail than I think his report got into at this point. But there are -- but we do have data and information on the fee increases and what the impact is and what mr. Johnson looked at what's an overall impact on the current fee -- the fees for fiscal year '09-10 and the proposal we had for 10-11 and are we going in the right direction with how we're changing our fee structure and I think he confirmed it we are going in the right direction to answer one of your questions on -- we still know that for our minimum fees that our cost recovery is not at a hundred percent, but we're planning on the next several years to raise that minimum fee to get it to be 100%. So we for sure know that for some of those minimum fees that it's not full cost recovery, but we just at this point didn't want to impact our permit applicants in this first year with a huge fee increase.

Fritz: Right. And I appreciate all the work that's been done. I was looking for more information on the projections and particularly the five-year forecast and wondering if we decide later in the year to loan The money from the general fund to purchase this system, when is it reasonable to expect that it might be paid back.

Kleim: That information we actually are working on. Part of the issue is coming up with the cost estimates for the system itself, we're reviewing and redoing our financial forecasts as for the next five years, this year and the next five years, and also relooking at our costs in terms of what staffing level do we project in the next several years. So that's information that we would bring to you at the end of august, when we come back to council.

Fritz: And that's my final concern. This is directed to staff, and that is the time line for coming back to us. It's already the middle of july. And to convene a stakeholder group including somebody from the small business advisory council and from drac. It sounds like the will one that the doa was going to convene and the real estate and stakeholders group, and to me those things are maybe a little different. But i'm open to being convinced they could be combined. To get those folks to meet and do that kind of in-depth analysis by the end of august seems to be an overly ambitious time line to me.

Scarlett: The focus is to come back and that is a piece of it, and now -- the analysis to pursue the recommendation from mr. Johnson utilizing real estate modeling, would be something we are asking that we Include in our financial budget plan, which is to -- due in january. And so the committee that's formed would assist us in getting that information to be submitted during that time frame. We want to talk when we come back more about the i.t -- the bond council information that management information about the ability to what money can be utilized to pay for the i.t. System. And so it's a number of pieces that's moving in a particular direction.

Fritz: What about the challenge you have had, you've suffered such great staff layoffs, and the staff is doing a magnificent jog of -- job of getting the inspection and following up on concerns, regardless, there's a limit to how long too few people can keep doing that. Particularly if construction starts picking and up we want to keep the permit flowing, what is the plan for figuring out how to divide up the revenue that's going to be coming in to put something into reserves so you, start looking to pay this back, versus hiring back staff?

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Scarlett: Right. Fortunately we have very good workload data that comes in and is captured on a daily basis. And the ability, there is a relationship between how many people can do how many inspections. And so the number is coming in, what's not coming in at a corresponding rate is the revenues to support and offset the workload. So I am reviewing that very closely on a daily basis, and making the determination whether to recall a position, we have that option that's available, so we'll be looking at recalling to meet the service demands, and at the same time looking at a reserve goals of trying to put away as much as we can. So there's a fine balance between how many people do we call back and based on the economic crisis indicators, how long are any blips going to be sustained. So you might call someone back for a month but then things go down. So watching it very carefully, but the ability to turn around inspections within a certain time frame or plan review within a certain time frame is dependent on the number of staff we have, which is dependent on our ability to afford the staff. So right now after laying off the fourth round an additional 16 positions, we're now just experiencing 100% cost recovery. That's projected to retain all the way through next june except for the winter months, which historically have gone down. So if we're exceeding 100% cost recovery in a monthly basis, that's a surplus funds we can use to recall positions or to put into the reserve to help us pay for i.t.

Fritz: Thank you. I appreciate that. I know you and commissioner Leonard both have been working really hard to keep morale up and will sensitive to the timing of this. And I think you've risen to that challenge magnificently and I greatly appreciate that. I understand that this money being barred from the general fund is for the specific project and that some of the money will be hired to be able to enter the data to get the system running. So that alleviates one of my concerns. That we wouldn't be asking the same planners and others who are working at the permits to also be doing data entry. And I know you will be very sensitive to the timing of when -- which ones are implemented first. And while I concur with what has been said as far as now being the time to -- that we can look at implementing a system like this without making labor cuts, it's going to be a while before we're back up to anything like the level of staffing that we had before and so to my mind there's no particular rush to start this project while you're still in the rest of the troubles. But we can discuss that. Thank you.

Fish: Thank you for a clear, lucid presentation. Two questions off of what you said. One has to do with the notion that the fees generated from larger projects ended up cost subsidizing smaller projects, where the cost recovery was not as -- was not a hundred -- was -- .

Scarlett: Underfunded.

Fish: And i'm curious, was that -- in your opinion was that an intentional policy, or was that just effectively how the fee structure works?

Johnson: I think it's effectively how It worked. There's been some very large projects I think when the fee structure was initially implemented, probably wouldn't have been anticipated to begin with. The relationship between the level of large projects to smaller projects had gotten very heavy on the alarm projects a few years ago. Going back to a more traditional smaller project, bias in the city of Portland, but house by house inspection recovery can be different, but on the larger projects with same floor plans on every floor and recovery based on percentage of values, it makes it more difficult to get the smaller ones full cost recovery.

Kleim: The fee schedule we used is not the rates themselves, but the sort of the parameters of it as dictated by the state of Oregon. And it's actually a model that's use order a national model. Our situation with larger projects really bringing in more revenues than smaller projects is pretty much the way it is in our industry. On a national level.

Scarlett: Specific example in reviewing the fee schedule this year, I believe the minimum permit fee was around \$44. And we, through analysis, determined it should be about \$90 to offset the expenses. As denise indicated, part of the our processes in the budget plan process is to increase fees, gradually, to help mitigate the impacts on our customers. So we've gone up to \$70 as a

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minimum right now. And so that is projected, and commissioner Fritz you were asking what the fee increase is. When we presented our budget back in february, fee increase were included at about 5%. That was anticipated to generate 1.5 million dollars. We raised it to 8% after talking with drac and that we needed to recalculate the projection from activities as projected now will generate \$1.8 million. That will go towards expenses as well, but any surplus will go into the revenue. So fee increases is a big part of what helps us to stay solvent or to close the gap between expense and revenues.

Fish: I remember my -- guess my second question has to do with lessons learned in the course of the work you've done, looking at the five-year financial plan, and some of the assumptions. Obviously if this was a science we'd all figured out and make money in wall street and other markets. So we understand that there are -- these are best kind of projections we can make and then event intervene. But in the course of your work, did you -- were you also asked to look at the relationship between the forecasting that's done, the fee structures, and what a prudent reserve policy would be?

Johnson: We didn't take a look -- you probably would take a look at statistically you can look at standard deviations of variance and look at some level of -- there's a certain level of uncertainty in all forecasts, certainly, and we're probably at The absolute peak of uncertainty. This is hopefully a once in a career event, at least for me. But as we look at these, this is something the state's also -- I said -- the governor's council, economic advisor to the state, they're spending a rot of time dealing with issues like the rainy day fund and reserves, and it bounces around. This huge levels of variability in what people think. The state is talking like 8%, or up to 8-14% and it bounces around. And how much volatility we should expect in these funds. Again, on revenue side we missed low and high, what you're looking for is consistent biases so you can keep those reserves somewhat tight. As long as you're not consistently missing low or high. And so there's some level of flexibility in between that needs reserve to carry it through those times. Real estate cycles go on seven-year periods, and when you're going to be out of balance it's probably only a two- or three-year period. So I would be looking at something even if it's a 10% reserve you're talking about three years out of seven, so maybe 40% of the time you'd have a variance that would be substantial enough to do something with. You can come up with a number. We haven't seen a lot of people who have -- there's a hard fast rule we haven't run into. As far as reserves. I think it's a concept that's Useful to look at, because we do recognize that this is a particularly city -- a particular city service that has unusual variability in its revenue.

Fish: I appreciate, I think I understood most of what you just said. Not being a trained economist, but I think I understood the gist of what you just said and the -- it occurs to me there's potentially three questions there that are of interest to us. One is, what is the appropriate level of reserves for an agency of this size, given the kinds of projected fluctuations. The second is, how much of those reserves would you anticipate being used, drawn down for certain kinds of events? What are those events and the -- what would the policy allow in the ordinary course of how much of a draw-down. And number three, since it's a bureau that is dependent on the fees and certain things that come in and is not funded through the general fund, what is the trigger in terms of the system that's set up in the reserves so that the council is aware of a problem recognizing the council is going tonight back stop with general fund dollars if you reach a critical juncture. So those seem to me to be three questions that arise when you look at reserve funds.

Leonard: If I could just point out, at the beginning of the downturn, the bds reserve fund was over 25% of its operating fund. I think the most wildest conservative projections would never call for reserves as high as we had. We are where we are because of the absolute free fall of the economy that nobody predicted.

Johnson: I think it's almost, using a flood insurance analogy, this has been the hundred year event. The reserves were inadequate and people don't set aside for the hundred-year event, they do set

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aside for the 10-year events. So I think you can gate prudent reserve fund to make sense. 25% is higher than I would have expected would be even prudent. But we hit the hundred-year event.

Fish: I guess looking forward, and this is not science, this is mopped morning quarterbacking, and also just -- this exercise as I understand it is to provide useful information for doing the next five years and just learning from whatever the experience that we've gone through as though what is the trigger that causes a broader examination of a precipitous decline in reserves. So that -- and then what -- at what point does the trigger cause you to consider earlier layoffs or other kinds of actions as opposed to hoping that at some point there's a turnaround so it's just a cyclical event? I don't know the answer, but -- .

Scarlett: The trigger we have in place is two to three accounting periods. Which is what the reserve would typically cover if we start out on a consistent basis, commissioner Leonard and I saw the trigger. And we mitigated as best as we can using -- utilizing reserve and implementing cost saving -- cost saving measures. Silt a nimble situation.

Leonard: What we expected as a retro look of what happened, what we expected to have happen when we started taking those measures in September of 2008, I believe it was, was that by May what had historically occurred every May and every building season for which we had records was an upturn in permits, commercial permits. It didn't happen. In fact, the whole summer of 2009 didn't happen. In fact, a declining percentage of revenues each month which throughout every -- isn't just the city of Portland, it was the region, the state, the nation's model, what happened, and the construction industry which still continues to confound us. We still have no benchmark with which to measure what's actually happened against historical.

Fish: Thank you. That's very helpful. I guess to make sure one other related piece, and it's perhaps a preview of what I think is to come in our agenda, is it correct to say the health of bds is a function both of the right cost recovery model, on the revenue side, plus the reserves being replenished at an appropriate level? Do both have to occur in order for you to say it's back to health?

Johnson: I would think you need a healthy reserve again before you felt like it was stable. We'll still go through cycles. There will be need for reserve. Again on the Monday morning quarterbacking thing, because in hindsight we look at what could have been anticipated on the commercial side. People who track the real estate cycle from the commercial side called this real estate cycle done on the commercial side in 2007. And just expected nothing would be happening for a while. So we've got continuing activity, but from a real estate mood -- model as opposed to a business cycle model, looking backwards, that model would have been a better job forecasting than a business cycle model. Their revenues are more tied to real estate activity than business cycle activity.

Leonard: Which could be clear would have predicted what we ended up doing, something we were going to do as opposed to having it drop in our lap. The result would have been ultimately the same.

Johnson: Yeah. There's not much you, do.

Saltzman: So moving to more of a real estate model, what are some of the variables that would be included that aren't, for instance, included in our financial forecasts?

Johnson: I think a lot of the stuff that's readily trackable inside the inventory and the pipeline coming through, hard construction starts and expected product productions. You can track things like market occupancy rates, market rent levels, we're typically looking for when, for example, an office -- overall office vacancies rise over 10% we see softening of rents and we start seeing a reduction of new construction. That can be anticipated well in advance because we can take a look. Even before it hasn't gotten there, if we see a pipeline that says there's 500,000 square feet of new office space when it hits the market we expect the office vacancy rate to go to 18%. Therefore we can expect that's probably the end of the cycle until another five years when we absorb that space and are ready for another cycle. Those things can be -- seem looking forward, and if we talk with

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the brokerage community, they always assume they have cross purposes, but the same time, we have -- they have excellent data and it's data that's readily available.

Saltzman: This data is readily available from brokerage firms and people who really --

Johnson: Sure. Some of it -- if you're talking about a macro level for the Portland metropolitan level a. Lot of it is distributed freely. The broader forecast pieces, almost every brokerage firm has newsletters on a quarterly basis.

Saltzman: I guess my final question is for paul, or denise. I guess i'm a little confused on the five to seven-person committee that's supposed to look at the future and predict whether bds's ability to repay a loan. I thought it was supposed to report to the chief administrative officer or omf.

Scarlett: We've had conversation with andrew scott and with are working through the budget note We respect and we are looking at that and identifying groups and individuals to be part of that committee. However, mr. Johnson's also made a recommendation of a committee which would focus on really state modeling. So we felt rather than having two parallel committees, why not meld them together. And if it meant going from seven to nine members, it's a recommendation we planned to make to you by the end of august. How to satisfy the budget note as well as a recommendation in mr. Johnson's report.

Fritz: I have a couple of the budget notes I want to pass out, because it is pretty specific. The cio is going to convenient, and i've had my troubles with bureaus in the past so I know we want to make sure we honor them, it seems to me there might be benefit just hearing what you're talking about in having the two committees and hopefully they both come to the same conclusion. That would be very strong evidence that everybody is looking at it the same way.

Scarlett: There possibly could be. A discussion with ken rust, which has been preliminary, not necessarily ruling out anything, when we saw this and we had commissioner -- discussion was commissioner Leonard, part of it is the information that would be evaluate, if you have both committees looking at the same thing, why not meld them. So we have a more robust committee that includes parties from all the different entities. So it's -- it's still in discussion. We haven't presented back to you how we're satisfying that budget note, we are only discussing some options.

Fritz: When you come back with the financial forecast, this graph that we now have is really helpful. And it shows that the program revenue is going to be the same in january of 2012 as it was in 2008. So it's taking it -- right? I'm getting a nod. So -- but we know because you had such big staffing cuts, the same level of revenue is going to result in a greater level of reserves or excess. So that information would be helpful to me when you come back with your budget forecast. Because of the savings in staffing, and include in that please your projection for adding back staffing to make the workload more tolerable and get more of the things done we haven't been able to get done. That component what is the excess that could be dedicated to the new system.

Scarlett: A yearly basis from here on out.

Fritz: Yes.

Scarlett: We can only calculate till end of next july in terms of what we're seeing now, but we're projecting the next five years what we would have. So we'll have that information.

Fritz: And I have from my colleagues, mayor Adams and I got from mpac a couple of -- june 9th, there was a panel of experts who gave usa regional economic outlook which has some exceptionally good information, which i'll get to you. And it too forecasts about 2012 or even 2014 is when we're going to be back into a more robust economy. So i'm still leery about this expenditure at this time. Not knowing how long it's going to take before the construction industry in particular rebounds to its prerecession level.

Scarlett: That's information that council will provide us in terms of paying off a bond. Which corresponds then to the reserve and the recovery. And we'll provide that information at the end of august. A number of things need to line up. Part of paying off the loan is based on the reserve and the construction activities.

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Leonard: I'd like to address that, specifically the paying off the loan. I toyed with the concept of when to ask for a loan or ask for an outright grant from the general fund to pay for this. The reason is the city can't afford not to do this. There's no other large metropolitan city in the United States that has such an archaic form of permitting than does the city of Portland. There's no other way to put it. I've since being in office, have had a number of industries come my way usually through the mayor's office or PDX that are considering doing a development here in Portland. They have never once in the dozens and dozens of meetings and often times successful meetings, have never once said, "SDC fees are high, can you cut me a deal if I locate my business here?" They've never said, "Your permit fees are high, I will locate here if you can cut me a deal." But they have consistently to a person said, "With every serious inquiry is, I am concerned about the time frame that's going to take to get my plans reviewed, approved, get a building permit, get an inspector out to inspect what assurances can you give me that I can get through this process as quickly as possible. In those instances I've had to call Paul, these guys will sit here and testify to you all day long, them, and say, with this particular group, I've made these particular assurances. And I'm sorry this is going to impact your other workload. And sometimes I'm not that polite about it when I say that. I'm sorry it's going to impact your other workload. But this group we've made these assurances to them, and we have to get them here in the city, they provide jobs, they provide construction, blah, blah, blah, we need to get them here. That comes at the expense of somebody else in line who frankly I pushed out of the front of the line back so these folks were contemplating coming here or often times expanding their business here, will sign the deal. That's the deal. So this \$5.2 million really in these economic times, I would agree with my colleagues at this point, we really can't afford to pay for it. The city council should pay for it outright, because of the much money as we loan for economic development for a variety of functions at times, I've voted for it that are questionable this, is the most certain economic development tool that is possible for this city to assure new businesses that want to move here or business these want to expand here. Then get through the permit process sitting at their office, sitting at home, without bringing down plans, without interacting with anybody, all online. Not to mention the convenience for the person at home that wants to add an addition and wants to do the plans themselves, they do it all online, be assisted online, get their permit issued online. This is an important discussion. The economic development tools are important discussions to have. But they are what they are. And at the end of the day what we're talking about here is not whether or not BIDs can accurately predict what the future activity -- economic activity is going to be in the building industry, but rather whether we can expeditiously as possible deliver permits and get inspections and we're talking about the difference between inspectors today. Today, as we sit here, going out in their cars with a car card, making notes on their card, going back to their office, entering data and filing the card in a file. If that guy is on vacation or sick leave and somebody needs to pick up his inspection workload, they go to his file card, pull out the card, see what his notes are and go out to the site and best guess versus these handheld tablets most communities are using where it's all done online, inspectors can be out in the field and they need you there immediately, all of this new system has the capacity to do. We cannot leave this out of this discussion. It isn't just about the ability of BIDs to repay the loan. It's about getting technology in place to that gets us up to speed with Hillsboro, with Beaverton, with the state of Oregon and every other large city I know of in the United States.

Fish: Is this considered an amendment to the outline we have? There's a whole section on the debt requirements for getting this done. Are we shifting --

Leonard: I want to put -- I just want to put this discussion in context. It's easy to get lost about what the larger goal is and larger goal is to keep up with the rest of the development world and the region if not the country.

Adams: Other discussion? We have more to hear from, is that right? More people to hear from? Or no?

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Scarlett: No. First I want to acknowledge the good work Mr. Johnson has done and we appreciate the good review and recommendations. We're amenable to incorporating those recommendations and we're hopeful that council will accept report as well as the attachment which includes the outline for how we move forward. If you do want to hear a little bit more about the i.t. process, how it's gone with the bond council and discussion with the state, Hank McDonald who is the lead manager on that project, is here as well as Andrew Scott from OMF who can speak to some of the arrangements.

Leonard: I would like them to come forward to keep this entire discussion in context. It's important to know why we're doing this.

Scarlett: Go ahead and tell us the update on the i.t. Technology and the purchases information.

Hank McDonald, Sr. Program Manager, BDS: Good afternoon. Hank McDonald, Bureau of Development Services, Senior Program Manager. In the last couple months since I last visited you and spoke with you about what our proposal was for the information technology package, we have had numerous meetings with other bureau work groups within the city of Portland and with State Fair Oregon and also with regards to how we strategize improving our process and how we issue permits, how with DOE plan reviews and plan inspections.

Saltzman: What is Oxella?

McDonald: Accela. Oh, I'm sorry. That's the organization that the State Fair Oregon entered into a contract with and the statewide e-permitting system is that system and that's what we're looking to implement in the city of Portland. In any event, we're working with the State Fair Oregon and Accela on how we would strategize improving our processes and how we would implement this new technology. There are a number of options at that point, is it a decision point and one of the decision points is, do we purchase the technology and do we host it here at the city of Portland, and make it our own and integrate with the State Fair Oregon or do we actually go through the State of Oregon as a full service jurisdiction in the state e-permitting system. The decision-to-appear to have been made that we're going to be a full-service jurisdiction through the State of Oregon and so that has benefit on the short-term. One is that we don't spend the money for the software. We still have to spend the money for the implementation services and those services will end up coming directly from Accela because the implementation of the jurisdiction like the city of Portland is a bit beyond the capability of the State of Oregon at this time. And certainly is not within their schedule. They're just completing some of their implementation and won't occur for another week and a half. So in order for this to occur on our time line, and when I say our time line, the State Fair Oregon has suggested they could implement it in about nine or 10 years, so our time line is a little shorter than that. We'd like to accomplish this within about two years. So we're strategizing our statement of work and our intergovernmental agreement with the State Fair Oregon, the anticipation is that that will include only the cost of the services necessary to implement the system. The cost of digitizing our historic record assist still an element that has not changed. So the 5.2 million dollars total price tag may end up being a little smaller. It could be below 5 million, it could be a bit over 4 million. We haven't arrived at all those numbers yet. But we're hoping to do that with the State of Oregon and with Accela once we complete our discussions on the intergovernmental agreement. We have meetings scheduled for the next couple weeks on that. Once we have that statement of work and that IGA, then we will have been able to define exactly what that portion of the project will cost with this newly adopted strategy. Then at that point we'll go back to our bond council and talk about exactly what this cost of the project will be. But it will be small. We're also working on incorporating into our model the exact expense to the other bureaus. So that dollars and cents that were not a part of the original proposal that will be the quantification of the impact on these bureaus can be included so they don't have large budget impacts at a single point, and they will then pay back their portion. So that pretty much gives you a quick idea on exactly where we're at with the i.t. Project and how we are currently with the bond council. We are working on getting that statement

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of work done. Bond council is waiting for that and we're still basically negotiating that out with the state and accel.

Saltzman: I had a question. You mentioned, is it digitizing historic documents?

McDonald: That's correct. One of the facets of the project as originally proposed was to take all of our historic documents which are on paper and microfilm and turn them into digital records and store them in the city's data base. Have them also be retrievable through our computer system for our customers. So there will be a layer on our corporate gis and we'll have information from that corporate gis is pushed forward across the firewall so the customers can look through the web portal and get the information that they traditionally have had to walk into the bureau of development services to get and have our staff members go --

Saltzman: I guess my question is, the auditor's office has the archives, and I assume they have the same capabilities, so have we looked at maybe what capability they may have to do some of that work?

McDonald: We have had conversations with the auditor's office. They have come to our bureau, they sent two people over, one person who was a technological expert in how you would accomplish digitizing these records. The other person was their in-house expert on the archival law so they would look at all of our stuff, determined what could be digitized and then what's the best method to make that happen. And so it was from those conversations that we developed our strategy on digitization of our historic records.

Adams: You're going to be digitizing it, so it's searchable.

McDonald: That's correct. It will be searchable by land parcel or anybody -- for anybody that comes on to our web portal.

Adams: But also is it searchable by words within the digitized document?

McDonald: That's correct. There will be a number of search fields. They'll include map and tax lot numbers, they'll include addresses, potentially previous owners, they many include contractors and so on.

Saltzman: My bottom line point is, if the archives office is, maybe they use somebody on a contract basis to do that work, but we should look -- is it less expensive to perhaps join on to that contract as opposed to maybe contracting through the state for that portion? I'm just saying that's something --

McDonald: We did that so -- we did ask questions of printing and distribution as well as the auditor's office and the final recommendation was that because of the type of information that we're looking at here and because it does have to be screened prior to going into our database, that we would do internally and use our -- some of our oss staff that we've had to lay off to digitize the records and then use our Technology staff to review those records prior to going into the database because there are records that we have on microfilm that are not recoverable. When you pull them up on our viewers and when you digitize them, what we end up with is a big black blob. So we have to cull through all that information. None of the contract organizations do that. They will digitize everything that we give them if you send them a shoe they'll digitize that too. But we want to make sure that what goes into the historic record is something that has some cumulative value to us.

Fritz: Thank you for your work Mr. McDonald, and I just learned from commissioner Leonard in a discussion over lunchtime that you -- when you went to salt lake city and montreal to look for the best system in the country you decided accel was going to be it, and then find out that's the state of Oregon and we could patch into their system, which obviously could please the construction industry that they could, as commissioner Leonard said earlier, get this thing response in hillsboro as they get in Portland. Ours will be better, i'm sure. I didn't understand what you were saying as far as what the state was willing to do in 10 years.

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McDonald: Currently what the state of Oregon is doing is they are offering to provide all of the implementation services. I have concerns over the long range that with the size and complexity of the city of Portland, whether or not the city -- the state of Oregon can give us the level of imitation services we're going to need. I hate to be -- I don't want to insult anybody, but it seems to me if you've implemented a hundred small jurisdictions and then you're thinking that you can implementer jux, that would be like saying i've built 37 doghouses that therefore I can build a 37-story building. To me notwithstanding the time frame, I truly believe that the level of complexity that the city of Portland offers implementation of any computer system is such that we will need resources that are really beyond the state of Oregon's ability to deliver.

Fritz: We'd have to pay them anyway, right?

McDonald: No. Our customers are paying a 4% surcharge right now and that is funding the majority of that system just the surcharges are coming from the city of Portland.

Fritz: We might be ability to get --

McDonald: We've made a run that but we've been unsuccessful.

Fritz: What's the indication on the other bureaus?

McDonald: We have a couple of numbers back. We're looking at a range of prices right now, we met with parks and there's no impact there because they're going with the separate system, and they're going to be with drawing their folders from our or current or our future system. We have a number from the bureau of transportation I believe that number was in the neighborhood of self or \$800,000. We're also looking for a number from the bureau of environmental services and the bureau of water but we haven't had those meetings yet. We're anticipating a number -- an overall number probably right around \$2 million.

Scarlett: It includes equipment purchases, larger screen for plan review.

Fritz: So then the council needs to find the seven or \$800 for transportation for their share of it?

McDonald: We're planning to incorporate all those numbers into the final package.

Fritz: Does the 5 million include all the other bureaus' shares?

McDonald: It did not. It did not include the staff and the hardware expenses for those other bureaus. Did it include the software expenses.

Fritz: That will be important to me to get back whenever we decide whether to move forward. And then my last question is regarding this availability from remote places. Some of the building plans would be proprietary, right?

McDonald: That is correct. So we have to protect the building plans from being copied out there. That's intellectual property. So there will be an ability to view those but they'll be protected so they cannot be downloaded or copied.

Fish: 13 years ago I bought a house and i'll never forget the conversation with the sellers' realtor who said all the code issues were up to date, but signed off on the renovation. So we pulled the card, we took a while to find it, found a card and nothing had been signed off on. So presumably that would all be digitized so you could go online, see if you're going to buy it, if you are going to buy a house, you see all the information and what's been permitted or not and what's open.

McDonald: There will be a lot of that information that will be digitized. There will not be the exact inspection card, because that is a card that goes to the contractor and it's out in the field. However the record of what inspection were done when they were done whether they were approved or denied, that will all be there. Whether or not the permit was finalized or if it is still in an open status that will all be there.

Fish: Just knowing whether it's been approved or someone has initiated the process is relevant information.

McDonald: Critical information.

Fish: Is someone going to address this question of bond council and debt management? I want to join him because I have 250 million dollars of asks in the pipeline. We'll talk to the mayor after the

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meeting, but if we do go the route of somehow debt service, what are your thoughts? What are the mechanics?

I think it would be better for Andrew to answer this.

Andrew Scott, Office of Management and Finance, Financial Planning: Good afternoon. Andrew Scott with financial planning. There are a number of financing options, and I think that's one of the key points when we come back to council at the end of August. To talk about those one would be general funds infusion, we don't have a lot of general fund money, but that is an option we can talk about. Another option, budget. Is the option of Bids borrowing the money. Most likely given Bids's financial condition that would have to be a general fund backed borrowing. If it was solely a Bids revenue bond, certain lay Bids borrowing pack by the general fund. We would be able to borrow the money. As we noted, and financial planning for general, we recommended that Bids move forward with the project given the operational impact but we noted it is significant risk to the general fund. That's something the council needs to be aware of if that's the financing option that we take. And another thing we're looking at and exploring is the possibility of doing that sort of a loan with the general fund picking up the payments in the early years, Bids picking up the payments in the out years and paying back the general fund in the out years as well. That's another option we're looking at.

Adams: Any other discussion?

Saltzman: Was piqued about the ability to see building plans online. I suppose that's all public information.

McDonald: Yes, it is. All of our records with some exception are public information. And those exceptions would be perhaps specific plans having to do with sensitive building features like maybe a vault of a bank.

Saltzman: That is restricted.

McDonald: Some of that stuff is not going to be in there. We'll specifically remove that.

Saltzman: That's what I was wondering about.

McDonald: Correct.

Adams: I think there's --

Fish: There's existing statutory stuff. I know you can't disclose the location of safe houses.

Adams: Thank you for your work. Commissioner Leonard, any final thoughts?

Leonard: No.

Adams: We're adjourned -- we're recessed until tomorrow. Anybody here to testify on public -- I didn't think. So we're recessed. [gavel pounded]

At 3:14 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 and should not be considered a verbatim transcript.

Key: ***** means unidentified speaker.

JULY 15, 2010 2:00 PM

Saltzman: Karla, please call the roll. [roll call]

Saltzman: So our first agenda item is item 1037, Karla, would you like to read that?

Item 1037.

Saltzman: Can we have staff come up here for a presentation?

Sandra Wood, Bureau of Planning and Sustainability: Hello. I'm Sandra with the Bureau of Planning and Sustainability, and this is Jessica Richmond. We're here to present RICAP 5b, regulatory improvement code amendment package. The Bureau of Planning and Sustainability has been presenting these packages to Council for several years now, and this is our latest rendition of that. Council adopted RICAP 5 in March of this year, and in adopting it they adopted the bulk of it, and direct the us to take two items back to Planning Commission for their consideration. Those two items were the development of lot remnants and retaining walls which will get to. In our drafting and review of that, those two provisions, staff also identified five other items that needed to be amended in the zoning code. Soon era they're than later. So we put those seven unrelated items into a package that we're calling RICAP 5b, and our -- just to achieve economies of scale and moving them through the legislative process, and our bringing -- brought that to the Planning Commission, which they held their hearing on June 22nd, and we're bringing those to City Council for -- to present their recommendation. If you'd like to take a look at page 1 of the report that contains the table of contents with the seven items. I'll be going in order of those seven items, so you can follow along there if you'd like. The first item is development of lot remnants. The regulations that City Council adopted regarding lot remnants in the regulations adopted in March were different from what Planning Commission recommended, and so Council asked us to take this item back to Planning Commission for their consideration. And actually Jessica is going to show us a little drawing of lot remnants, just to refresh your memory. In RICAP 5 we're trying to solve a problem we nicknamed creating something from nothing. That's where you have a little sliver of a previously platted lot. In this case -- this is lot four, and the dash line depicts the division between lot four and lots five, which is the original lot line. And some -- sometime in the past before 1979, this lot line moved over here. We don't have any record of it, because we don't keep records before 1979 for property line adjustments. This now a sliver of a piece of property, and that -- there's a loophole in the regulations that says that this chunk is developable. So we call that the creating something from nothing because all of a sudden have you three lots and three developable sites where originally it was platted as two sites. We work were closing that loophole in RICAP 5 and said if you have a lot remnant, a little smaller piece than -- less than half of the original platted lot, that shouldn't be developable. When we brought it to Council, Council said, wait, what if the lot line moved substantially over and this chunk is actually meets the minimum lot size? Should this lot be developable? This lot remnant, even though it's only a portion of the original lot, it meets the minimum lot size and a developer or property owner could achieve this through a land division. So your determination in March was, yes, if it's big enough, it should be developable. We took that back to Planning Commission and they agreed with you. So that's their feedback.

Fish: How many lots have these characteristics?

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Wood: We didn't do a full analysis. It would take a lot of research to look at the whole city to see where the original platting was about twice the size of what the current zoning allows, and look at the multiple layers of platting. It would -- have to be in the r5 zone, where the lot sizes were plat the at twice the size Of what the current zoning allows, which isn't very common at all. Based on our experience.

Fish: This is the planning commission concurs with our recommend indication?

Wood: Exactly. Any other questions about that? So i'll keep going through what the amendments are. Amendment number two now, which has to do with retaining walls. This is the second amendment that council requested that we take back to the planning commission for their consideration. Prior to ricap 5, we didn't regulate retaining walls at all. You might remember in your previous hearing, betsy broom showed us pictures of a retaining wall that had been built across the street from her house and how -- what a stark surface that was along the street and what an impact that had on the livability. Council had asked -- the adopted standards at that time for large retaining walls, and requested that -- adopted standards that limited retaining walls along the street setback to four feet high, and that they be terraced. So that was your recommendation. And you also put a six-month sunset period to those standards. And asked us to take it back to planning commission. And between council and planning commission, we did? Research and looked at numbers of how many retaining walls we permit, and one of the cruxes of this proposal is that we don't require permits for retaining walls that are less than 4 feet From the bottom of the footing to the top of the retaining walls. So we're trying to jive with what the building code is. So planning commission recommends when we presented to them that we do adopt permanent standards for retaining walls, but to exempt steeply sloping lots and those in environmental zones so the standards would be the first wall along the street would be four feet high, the next one would have to be terraced back, and the second wall and subsequent walls could be taller than that. That's -- and I believe commissioner Fritz will have an amendment to that which we can discuss later. Or now.

Fritz: Let's do it now. I appreciate staff work and your collaboration with our office. I distributed a substitute amendment to you regarding the retaining walls. Which way they can be in the front yard, and I believe these better meet the intent of what we were trying to do when we asked the planning commission to clarify, to regulate the height of the walls in front yard areas even with a three-foot setback. And we also clarified some of the proposed exemptions in environmental zone and deeply -- steeply sloping lots. If anybody has any questions, i'd be happy to field them.

Adams: Any questions or discussion?

Leonard: I'd like to hear staff's feedback.

Wood: We've worked with commissioner Fritz and we're fine with these recommendations. I think it was the main differences, that we had proposed planning commission had agreed to exempt all steeply sloping lots. Her office felt that exempting downward sloping lots made a lot of sense because -- you have a downward sloping lot here and the house isn't here, to require terracing on the inside, was a bit much. So that made sense. On the upward sloping lot, we don't disagree that a large wall along the street is -- detracts from the livability of the area. And our concern was the replacement of existing wall and some of the older neighborhoods, some of these walls have been there for a hundred years are and we incorporated that replacement into the code. And we worked with bds on them too.

Fritz: I move the substitute amendment.

Fish: Second.

Adams: Any additional discussion on the amendment? Karla, please call the vote on the amendment.

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

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Fish: Thank you by the way for this cheat sheet that you gave us to track the amendments. It's extremely helpful when we have multiple amendments like this. Aye.

Adams: Aye. [gavel pounded] amendment is approved. Additional discussion on the amended -- we're not there yet.

*******:** Not yet.

Adams: Keep going.

Wood: Item number three, green energy and use. Through ricap 5, city council adopted regulations related to green energy production. Because those standards were woven throughout the code, all the base zones, overlays, we missed some of those references and provisions. So this amendment corrects those minor oversights and are slightly above a typo. We don't have any amendments proposed to our planning commission's recommendation on that. Item number four is historic design review for solar panel. The intent was ricap 5 was to exempt solar panel and ecoroofs from historic design review only if they were proposed in isolation of any other alterations on the sites. If they were proposed as part after larger project, the intent was that they would be viewed as part of the larger project, and that's consistent with how our bds's design team reviews them. This amendment makes that clear. That when they're part after larger project they would be subject to those design criteria. Item number five is historic design review for mechanical vents. This one you also have an amendment proposed by staff on this one. We received some testimony which i'll go through. What this amendment does is exempt small vents from historic doe sign review. The exemption facility -- the bureau of planning and Sustainability has called the clean energy works program, we received a large grant for this program and we're facilitating retrofitted existing housing stock for energy efficiency. So vents are often required when new appliances are installed in a house and when a vent to the exterior on the historic structure or in an historic district is required, it triggers design review, which is an eight-week process, \$1200 and some. So what this amendment does is exempt vents that are of a certain size, pretty small in scale, from historic design review. Staff is proposing an amendment to the planning commission's recommendation, and that is the purple sheet, the lavender sheet which has completely new code language. The amendments in response to the written item, you received from peter, who recommended that while vents be limited to six-inch projections from the wall. We didn't have a limitation on how far vents could be projected from the wall previously, so this six inch provides a cap to how big that vent can be. And we are supportive of mr. Mider's suggestion. And in addition, the state historic preservation office recommended that rooftop vents have -- be able to project the maximum of 2½ feet from the top of a roof. So we incorporated that also and feel that both of those are in keeping with the intent of planning commission's discussion and recommendation.

and to be clear, it's not only when you seal up a house as tightly as we seek to do, if clean energy works you need one-way venting in the winter months to prevent condensation.

Fish: I move the recommended amendment.

Fritz: Second.

Adams: Moved and seconded. Any discussion on the amendment? Karla, please call the roll on the amendment.

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

Fritz: I happen to be meeting with art, the chair of the historic landmarks commission in my office this morning, and so I ran this by him and asked if they wanted -- if he thought the commission should look at it first, and he didn't think that they needed to. But obviously they could comment if they didn't like what we did and we could change it again in a future package.

Wood: We actually took it to historic landmarks commission before we took it to planning commission.

Fritz: Excellent. Thank you. Aye.

Fish: Aye.

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Adams: Aye. [gavel pounded] amendment is approved of the next item.

Wood: Next item, number 6, design review in northwest plan district. During the northwest district plan project, council passed a resolution back in october directing staff to bring forward this amendment which changes the procedure type for a larger projects meaning those That -- with a valuation of 1.865 million or more in the northwest plan district from a type two to three. Design review. That's consistent with most of our other districts that are near downtown or --

Fish: I just may have forgotten, what is the significance of 1,865,600 as the trigger?

Wood: That's a common question. So that -- jessica, do you have the historic knowledge on that?

Jessica Richman, Bureau of Planning and Sustainability: That number used to be \$1 million, and then we started indexing it to inflation. And so every year on february 1 we adjust it based on the construction cost index, and that's the current figure to use in a number of places throughout the code for triggering nonconforming development upgrade and similar things.

Fish: Glad I asked. Thank you.

Wood: And the final amendment is irvington historic district. And this is an -- in anticipation of irvington becoming a national registered historic district at the state level. They're pursuing that designation at the state and federal level independent of the city. But should -- irvington right now is a conservation district, which is a lower tier on the echelon of historic importance. Which means property owners can use community design standards, which are embedded in the zoning code. When those standards -- the standards contain language right now that specific to irvington, Certain size pillars, and trim around the houses, etc., should irvington become a historic district, those community design standards won't be an option to property owners anymore, and we feel that could cause confusion. So we're proposing to eliminate those references. The amendment removes the standards for irvington, conservation district, and we've structured the ordinance so the amendment doesn't become effective until december 1st. And we have a green sheet in front of you actually that amends those dates from november 1st to january 2nd, we just received word yesterday that it looks like the soonest -- not the soonest --

Richman: It's taking longer than we thought. It may take past november 1st, which is the date we had proposed for these regulations.

Wood: So we're thinking january 2nd would be a good effective date. And that -- the district will be -- will receive historic status before january 1st, and then the amendments go into effect after that.

Fish: I move the recommended amendment.

Saltzman: Second.

Adams: Moved and seconded. Any discussion on the amendment? Karla, please call the vote on the amendment.

Saltzman: Aye. **Leonard:** Aye. **Fritz:** Aye. **Fish:** Aye. **Adams:** Aye. [gavel pounded]

Fritz: I have one further amendment going back to the First piece on the lot remnants and staff fixed it for the rest of the city, but then -- if you turn to page 7 of your packet, there's a particular set of regulations for west Portland park and I need to state I live in west Portland park subdivision. It doesn't affect me to a greater or lesser extent than anybody else who lives in that subdivision, therefore i'm continuing to participate in this discussion. And I have an amendment. With the amendment that we asked staff to make was in the form of 2c with the 2.5 zone. We're clarifying the 2.5 zone in west Portland park is the same as twot.5 zone in the rest of the city because that rezoning was done in the southwest community plan. So the intent to keep our 2.5 zoning in west Portland park at 2500 square foot lots that can match the table. In looking at this staff hospital helpfully tried to clean up the code language to match the rest of the 70 moved d to part two. But my amendment which I distributed to on you the white piece of paper has a substitute section two which clarifies the language a little better to meet the intent of the previous regulations while still

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matching the word ownership instead of family or business. So I -- does anybody have any questions on that?

Wood: We're in support.

Fritz: Thank you.

Fritz: I move the amendment on the white paper.

Fish: Second.

Adams: Moved and seconded.

Wood: One clarification on that. The amendment that commissioner Fritz is basically changing, the section 33, 110212d2 to say on lots of record, lot remnants or combinations thereof, and instead of the word sites that we -- that we used, but it is correct to use those longer lots, lots of record because it's more precise. But if we make the change there, it would be good to make the change in 33.110.212c3 also for the rest of the city.

Fritz: And I agree with that.

Wood: Thank you.

Adams: All right. Karla, please call the vote on the amendment.

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

Adams: Aye. [gavel pounded] amendment is approved.

Wood: That's the end of that package.

Adams: Does anyone wish to testify on this matter? Any further council discussion? Thank you very much for your excellent work.

Wood: Thank you.

Adams: It's nonemergency.

Fritz: Let me just take the opportunity while you're here to thank you very much for your diligent work on this and also my colleagues for your patience with our detailed oriented work. And indeed your enthusiasm in some cases by our detail oriented work and also thank my chief of staff who worked really hard on this.

Wood: Yes, he did. Thank you.

Adams: I want to thank amy Ruiz and bureau of planning and sustainability. We're recessed until 3:00.

At 2:24 Council recessed.

At 3:00 Council reconvened.

Adams: Portland city council will come back from recess. It is thursday, july 15th, 2010. We have a 3:00 time certain. Karla, please read the 3:00 time certain.

Item 1038.

Adams: All right. Who is the -- is the auditor -- ah. Some fine representatives of auditor lavonne griffin-valade. You don't want to come forward? You're observing today? Great. Hi. Welcome back. Please begin.

Derek Reinke, Auditor's Office, Independent Police Review Division: Good afternoon mayor and commissioners. My name is derek, i'm the analyst with the auditor's independent police review division. And after the ipr and the citizen review committee were established in 2001, Portland city council also passed an additional ordinance directing the auditor to hire outside expert review of Portland police bureau investigations of officer-involved shooting and in-custody deaths. The los angeles-based police assessment resource center, or parc, produced four such reviews under contract with the auditor and ipr, and an original report in 2003, and three follow-up reports in '05, '06, and the final one in 2009. Collectively these reviews covered 70 cases dating back to 1997, and contain a total of 124 recommendations. The original 2003 parc report includes the bulk of those numbered recommendations, 89 of them, and in each of the follow-up reports the bureau's progress

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on a third of that original list was noted. So parc commented on all of the 89 original recommendations by their third follow-up report. Crc members sought an enhanced role in those reviews. At some level, either in gauging kind of the implementation of those, or being some kind of public sounding board of those recommendations. In that effort they formed a work group and decided to focus on the 26 new recommendations that had been made in the first and second follow-up reports. The work group met over 30 times and worked for more than two years. They reviewed lesson plans and other documentation, they tracked policy changes, they interviewed some key police bureau management folks, including high-ranking staff in training, detectives, and internal affairs, accountability and professional standards, and the Portland police association. The president of the union was interviewed by us. The Portland police bureau also provided written status updates on each of those new 26 recommendations for the work group to review. In my role I staffed the work group's efforts on behalf of the auditor and ipr, meaning that I facilitated their meanings -- meeting and interviews, assisted with report format and technical writing, but I largely tried to stay out of their way. I saw my role as a facilitator as scribe, almost, and not as a contributing member of the work group. Largely because I wanted the resulting report to be truly their process, their findings, and their recommendations. So in that spirit, in just a minute i'll hand over the presentation to the work group chair and crc chair, michael bigham, who will run through the findings and recommendations. One point I wanted to mention before I do, that much like what you heard yesterday with the presentation of the structure review report, many of these recommendations contained in this particular report have already been addressed or are being implemented. Early drafts of the report did inform the ipr ordinance change that was brought before you by commissioner Leonard and the city auditor. For example, one recommendation that calls for the professional facilitation of the use of force and performance review boards obviously that's been a big part of the discussion over the last few months, the makeup of those boards, combining them into one board and the limitation of that.

Adams: Could you get closer to the mike?

Mike Bigham, chair of the Citizen Review Committee, chair of Citizen Review Committee workgroup: Sure.

Bigham: Members of the council, Mr. Mayor, mike bigham, chair of the crc, and chair of this work group. As derek said, we took a look at 26 recommendations over two years, and i'm glad to say we're happy to say that the bureau has implemented most of those recommendations. And some of those as derek mentioned were included in the police accountability ordinance that you passed. I would like to take this opportunity to highlight a few of our recommendations that weren't covered in those two areas. One is that the bureau should edit its directives that a cover officer or supervisor should be present before extracting a subject from a vehicle unless they are unavailable or circumstances required immediate action. Parc recommended this as a result of one of the investigations they looked at, and the bureau rejected it basically, but I still think that there should be a policy that she's generally this is what they do. And this is how we train. The next three i'll talk about medical aid to people that are injured. One is ppb should edit policy to make sure edit -- medical policy is rendered as soon as possible unless the circumstances demonstrate to do so would unreasonably endanger the officers or medical personnel. If I talk to the -- talking to the community, one thing that really seems to upset the community is when the person is shot, they lay on the ground and bleed out while waiting -- police wait for sert. That person -- that aggravates me also. So I think the bureau should aggressively kind of figure out what to do in that situation and help those people.

Fritz: did the bureau consider making that change and not do it? Or did it not get discussed? The change that you're recommending in terms of the medical aid.

Bigham: I don't know whether they discussed it or not. It was something that parc recommended, and the bureau hasn't followed up on as far as I know.

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Saltzman: One of the things I ordered implemented in light of aaron campbell's shooting was shield deployments. So now every sergeant's car has a shield so officers can approach a down subject safely to determine their medical status. So that's in place.

Bigham: It was not when we finished this report. But that was before the aaron campbell shooting.

A couple of these next two things, the bureau does sometimes -- is use of force board should routinely and by policy address if medical aid was appropriately and timely rendered. The bureau should edit policy that -- annually review all cases in which force -- the use of force resulted in transportation to the hospital. The bureau should develop a time line checklist to accompany each officer involved shooting or death in custody and use baselines to set reasonable targets and manage resources. It's just more of a time management thing that we think they should take care of. The city council should provide adequate resources for scenario-based training of bureau officers and supervisors. It seems to be more effective than just sitting around in a classroom. We feel that the council should fund that kind of training. And last one, the city council should expand the role and authority of ipr in officer-involved shooting and in-custody deaths, including the ability to conduct independent investigations of those cases if needed. They should also include monitoring roles such as oversight of crime scene procedures, evidence collection, and interviewing of witnesses. And I know that the director baptista kind of -- gets nervous when I talk about the ipr director rolling out on these kind of scenes, but I think that that -- they should have that ability and not because I don't think that homicide or iad do a good -- don't do a good job, because I think they do an excellent job. But I think sometimes these investigations especially if you look at the chasse investigation, they get stalled by the bureaucracy and I think there has to be somebody with some kind of monitoring or oversight ability that can move those investigations along in a timely manner.

In conclusion, I would like to thank my fellow work group members, hank miggins and loren erickson. Derek of ipr for his diligence and in valuable assistance, mary beth batista for her constant support, members of the bureau, specifically mike marshman, john tellis, eric hendricks, dave famous, and scott westerman for their willingness to attend our meeting and answer our endless questions. The members of the community, dan handelman, debbie iona for their contributions and input into this process. And finally the commission, the council for being willing to listen to what we have to say.

Adams: Thank you very much.

Loren Erickson, with the CRC: I'm with the crc, one of our other recommendations deals with the employee information system, and basically ppp should set a firm deadline for utilization of the data and case management components of its employee information system, the bureau should establish its eis advisory board, which includes crc and other community members. And/or be open to the involvement of ipr and crc on eis shows. Annual progress on eis and other functions of the bureau's office of accountability and professional standards should be publicly reported. I was on an advisory group for this, and the group just kind of dissolved and we have never heard anything more in the last two years or so. So this is also one of crc's recommendations.

Fritz: What is the employee information system?

Erickson: It would be easier for the bureau to answer that, but it's basically -- well, i'm not quite sure --

Fritz: What's your concern with it, then?

Erickson: What they were doing was they have a system in place, an older system where you get in three car wrecks and you're going to be looked at. And they were trying to improve this system. It's part of the recommendation of parc. And so the bureau got together, they hired a consultant, they were trying to get a software program and a program -- basically be out at -- you can be at the precinct, you can check your own personal record as well as the supervisor could look at your record. And so they can kind of stay on top of things. So if all of a sudden you're acting a little bit

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different and some flags are starting to show, they can use that as a tool to help you, the employee.

Fritz: And so we're looking for a better system, because they haven't gotten the new one in place yet?

Reinke: I think what happened -- eis is -- it's really a collection of different data sources all in one place. So it does draw complaint data from the ipr, and iad, it draws data on car accidents, it might draw other data on missing court dates. I don't remember all of the elements, but a number of different things, maybe a use of sick leave or something like that. Bureau manager could say -- see a number of different variables or performance indicators on a particular officer. There was one -- what they called phase one where they were getting all these data from different sources, and getting them into one place into a computer program and then user screens, and I think all of that went pretty smoothly there. Was a consultant from denver, and this is four or five years ago, it's really been functional. A lot of the hang-up or the delay was in phase two, which was really negotiating with the bureau and the union on how exactly this would be used. Could this be used for discipline, what our particular threshold -- if someone gets two complaints in six months s. That enough or does it take a third or fourth complaint to rise up to -- where you could -- even if they're dismissed where could you do a behavior review on a particular officer. So a lot of that negotiation is where it's held up. And loren and one of our other members were a part of the -- an advisory committee in the phase one, and then there was a good two or three-year window when there was just no updates, nothing to report, eis will be great once it's finished, or we'll do that once it's finished. So I think some of that frustration came through.

Fritz: Thank you.

Adams: Any other discussion with council on this panel thank you very much. Appreciate it. Is there more invited testimony? Let's go to the sign-up sheet.

Moore: We have one person signed up. Dan handelman.

Dan Handelman, Portland cop watch: Good afternoon, mayor Adams and members of city council. I'm dan handelman with Portland cop watch. Overall we agree with most of crc's recommendations, though some of you not go far enough and some key issues were overlooked. We really wish that crc had agreed to look at the 89 recommendations made in 2003 which are now seven years old, in addition to the 26 they looked at in this report, and now there are nine new ones from 2009 which haven't been looked at yet. I know the oir report on the chasse investigation is coming out soon and it seems once again the recommendations will have been run by the bureau for feedback before that report gets published, but nobody from the public including crc will have been asked to comment on them contemporaneously. I think it's scheduled for july 28th. One of the issues that is overlooked by the crc report because it was not a new numbered recommendation was of course parc's recommendation not to allow the commander of the officer under scrutiny to vote on the reboard. That issue vote order yesterday at council, without any public testimony about the police oversight stakeholder group's discussion and recommendation that we made on that topic. The minutes of the july 1st meeting reflect commissioner Leonard said he was going to report on the council on the vote and the concerns raised by the community and he did not do so. In politics we say i'm disappointed that happened. I would go further to say the way this issue was handled to not -- did not bode well for the stakeholder group process. Also, omitted to the crc work group did discuss the issue was that parc recommended bringing less lethal weapon into psychiatric facilities. This is about the jose mehia case. We heard -- to prohibit the carrying of firearms into hospitals. A large number of people have died after being shocked with tasers are people who suffer from mental illness and it seems wrong to encourage their use to a population that is statistically vulnerable. Recent actions also reflect the bureau hasn't taken heart all of parc's 2005-2006 follow-up comments on those 53 earlier recommendations, which aren't actually addressed in the report, but we addressed most of them in our analyses in 2005 and 2006 that more information is on our

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website. The ipr we agree should be able to conduct independent investigations into shootings and deaths in custody causes, including rolling out on to the scene, the police review board is already according to the new ordinance, supposed to review all cases in which officer use of force results in a hospitalization, we hope these were used to take place for individual cases and not just on an annual basis. Which the report suggests. And maybe there could be a level of in-patient or hospitalization injury to prioritize the cases like stitches versus broken arms if they want to hear a bunch of it at once, they could be lower level injuries. Again, with the employee information system, we would like to see the ordinance require bureau compliance with ipr and crc wanting to make sure that system is working properly. We think the police review board should address the timeliness of medical aid the way crc recommended. Parc talks about how that shows the bureau values human life and we --

Adams: Go ahead and finish your statement.

Handelman: We'd like to have restrictions on the use of weapons after the injury has been inflicted because there's been incidents where people have been shot or bit by dogs or tasered after they already were mortally wounded.

Adams: Discussion from council? Anyone else --

Leonard: Just address that one point about me not telling count. I didn't but it was because joanne bowman had sent an email that -- in detail explained what the committee did to the council, and I agreed with that. And that gave a synopsis I thought was sufficient for the council.

Adams: Thank you. Anyone else wish to testify? This is a report. Did you want us to accept report?

Fritz: May I ask what happens to the recommendations in accepting the report, what happens with these Recommendations, what's the process for figuring out what's going to be done about them?

Bigham: [inaudible] they go before the stakeholder committee also.

Fritz: So the stakeholder committee will help figure out which ones to move back to council for policy changes? Thank you.

Adams: All right. I move to accept the report.

Fritz: Second.

Adams: It's been moved and seconded. Karla, please call the vote on accepting the report of the citizen review committee on -- dated june 2010 on police -- independent police review division.

Saltzman: Thank you again for your hard work, and continued diligence. Aye.

Leonard: Aye.

Fritz: Thank you once again volunteers have created a very professional set of recommendations and a very thorough analysis, and I think mr. Bingham and mr. Higgins for being here twice this week and spending a lot of time with council, advising us and for all your work in the community and on this committee. I'm encouraged to hear that it goes into the stakeholder committee and notwithstanding the concerns raised by mr. Handleman, I do believe that that committee is a key part as indeed is the citizen review committee. So thanks to auditor griffin-valade and mary beth baptista for all your good work too. It's time and a lot of good work is being done. Aye.

Fish: Aye.

Adams: Aye. [gavel pounded] report is accepted. We have an 11-minute recess.

At 3:19 p.m. Council recessed.

At 3:30 p.m. Council reconvened.

Adams: All right. The Portland city council will come back from recess for consideration of agenda item no. 1039. Today is still Thursday, July 15th, 2010. It's 3:30. Karla, please read item 1039.

Item 1039.

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Adams: Commissioner randy Leonard.

Leonard: Thank you. Chief, do you want to come forward with your group? Whoever that panel is and then we'll have, I think, one other person -- actually, we have chief reese here somewhere. That will testify on behalf of the police bureau, and then I think one other person. I appreciate the council holding this hearing this afternoon. I'm not going to get into a lot of detail at this point as to what this measure covers other than to say, there was a lot of discussion over a number of years regarding various elements of this referral. Including an increasing concern at the fire bureau and my office about the aging and deteriorating condition of front line apparatus that are so old, some first put into service back when I had hair.

Adams: Wow.

Leonard: And actually, believe it or not, still on the front lines, 17 years later with 150,000-miles and we have a number of apparatus in that condition. The result has been an increasing number of breakdowns of apparatus, not just while being tested, but enroute to emergency incidents throughout the city. Including fires. I don't think I need to detail the tragic consequences that could follow an apparatus responding to an emergency that couldn't get there because they had an mechanical breakdown. Other aspects of the bond measure include finishing an investment that the city has wisely undertaken beginning under mayor potter to create a unified emergency command center that would take disparate centers and house them behind the current bureau of emergency communications center and create one place that not only all of us would respond to in an emergency, including the council and mayor, that, of course, would be ultimately responsible in a natural disaster, but also take the water bureau current security crew and the monitoring they do of their reservoirs remotely at their interstate office. Move them out full time to boec -- and add the benefit of having the bureau of emergency communications having full time security staff on their site. Which they currently do not have. And also, upgrade the current radio system which there is no other way to describe it than obsolete. It is so obsolete that motorola will not service it anymore. We had to go out on the open market to hire and train people to be able to service and keep together the current system so that firefighters and police officers have communications during emergency incidents. It's intolerable to allow this to exist any further. We've been working on it for three or four years. With a plan that ken will go into more detail on with respect to the radios and transmitters around the city, but it's a situation that we have to address, this bond measure will address. And finally, I would say that I sent out a detailed email on june 6th, 2010, alerting the council I was bringing this forward asking for input. Until now, some council members had taken me up on that offer, and while the discussions have been at times detailed and at times tough, resulting in what I consider a much better resolution to put before the voters. In that vein, I would like to move the amendments submitted by commissioner Saltzman along with his exhibits before each of the council members.

Fish: Second.

Adams: Moved and seconded. Council discussion on the amendments that will serve as the basis for our consideration for the rest of the hearing?

Saltzman: I'd like to the opportunity to describe the amendment, if this is the right time.

Adams: Absolutely. They've been moved.

Saltzman: Ok. The first amendment is as part of this bond measure, Portland fire and rescue will purchase a minimum of four rapid response emergency medical response vehicles. Modeled after Tualatin valley fire and rescue's experience with these vehicles. I think the whole idea is that recognition 80% of the current fire bureau calls for service are medical related and we need smaller vehicles that are more nimble to respond to sort of non-life threatening ems calls, emergency medical calls, and we need at least four of these vehicles to achieve that. One the benefits will not only be quicker medical response but preserve the wear and tear on the heavier fire engines that are dispatched to these emergency medical calls when often that's kind of overkill. So we'll preserve

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for a longer life, the vehicle apparatus, the larger vehicle apparatus we have. And I think this is somewhat of a paradigm shift for Portland fire and rescue, but talking with the chief, I think it's something that is welcomed and I think it's a change we need to incorporate to really be -- reflect really the volume and types of calls received by Portland fire and rescue. My second amendment states that bond expenditures will be overseen by a five-person independent citizen committee reporting to the city council and the chief administrative officer. I offer this amendment because I believe that transparency and accountability in the use of bond proceeds will be achieved through the appointment of such a citizen committee and provides for each member of council to appoint one member. This committee will report to the chief administrative officer, Ken Rust, on a quarterly basis and to the council, itself, on an annual basis, as to whether the scope and the nature of the expenditures made under the bond proceeds and whether they're meeting the mission of the measure we put before the voters. I think we're talking about large seismic construction projects and talking about public safety data and communications projects, upgrades and these can be inherently complicated and many examples abound throughout the country of where these projects can go wrong. Or go over budget. So I believe having this extra set of eyes and ears on the projects will be helpful to taxpayers. The third amendment is something that I think is hopefully will be sort of a covenant how we do business with voters in the future on all ballot measures, or any measures, and that's to say if we have savings in construction costs or apparatus purchase, those savings will be passed on to taxpayers and how that it will do that under this bond measure is that this contemplates one or two or perhaps three separate bond issuances. If, in fact, we issue the first set the bonds and realize there are construction cost savings or apparatus savings, the council will have the opportunity at the second bond issue to reduce the amount of that in an amount identical to the construction cost savings or apparatus cost savings. I think it's a transparent way to do business, as I said, I think it should become a model for how we do business. There's been a lot of questions and skepticism of issues of contract savings and this is a way, I think, establish with the voters for this bond measure, contract savings, apparatus price savings will be returned to the voters and my final amendment is simply to say any buildings built under this, a new fire station 21 or rehab, the new emergency response center, must meet the city's green building standards which are currently lead gold. This is just to clear up any ambiguity that may exist. So those are my amendments.

Adams: Any discussion on the proposed amendments? Karla, please call the vote on the amendments.

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

Fish: I just want to acknowledge that as these issues were floated, the efforts of both Chief Klum, Commissioner Leonard and his office and Dan's office in reaching common ground and particularly, Chief, the rapid response and quick turn-around on your part with a number of these points and your willingness to engage them. Aye.

Adams: Aye. [gavel pounded] all right.

Leonard: Chief, lead us off and we'll go from there. Thank you.

John Klum, Chief, Portland Fire Bureau: First and foremost, thank you for the opportunity to talk to you today. To give you background. Council knows that is the apparatus was brought forward as a package or significant issue for the last nine budget cycles and seeing we were getting behind with the challenge of trying to balance the budgeting process. With that said, there's some interesting changes in the fire service. As fire service has evolved into not only providing the structural fire protections, which will remain, but it's also evolved as the primary emergency responder. There's a couple of factors associated with that. Though the number of fires has not declined and the statistical data shows we've averaged approximately 2500 fires per year, dating back to the '70s, the EMS calls went up substantially at a rate of -- seeing about a 10% increase per year. With that said, if you look back at where we were in late '80s and '90s where we had 35 fire stations and 12 rescue similar to the first response unit, life support rescue, we've been able to meet

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the service delivery demand with less than 50% of the runs at that time. And through the scaling down in the '90, down to 30 stations and a high of 12 rescues down to currently one. And we welcome the opportunity to look at other ways to deliver service delivery. But the fact remains, since we're an all-risk fire agency, public safety agency, we have to tool up for the risk of structure fires and showing an average we're having seven fires per day and just recently in the last three months, we've had \$6 million in fire loss in three months in over 300 fires. So things are -- aren't getting any better on the fire front and in my opinion, our base core of the 30 fire stations geographically located within the city gives us the bare bones for the fire suppression. How that ties into the EMS side, the fire service had assumed the EMS responsibility just because of our training, our geographical locations relating to responding to fires in a timely fashion and evolved into being the ones who could get there in the time frames to relevant make a significant difference, life or death, or critical care emergency medical service responses. As the commissioner said, 69% of our calls are EMT related. But if you look at the study in spring of 2008, they did a comparison with Portland fire and rescue with other jurisdictions within the United States is that we were already below the locations for stations on similar cities. What it equates to, since the early '90s, 37% increase in runs with 28% less apparatus to respond to and trending of 10% per year and so these proactive approaches to how we're going to do the service delivery is critical because it affects what the recent auditor's report has shown, is that as you get busier, it affects your response reliability and to be available and as the demand for runs increase, time out of service and that means apparatus from adjoining fire management areas have to respond which increases our response times and makes it more difficult to meet our response time goals and that's important to get the pre-flash and also early intervention on cardiac events because the survivability decreases for every minute of response that's increased. As you know, we monitor our mileage and years of service of fire apparatus and try to rotate them from the busier to less busier stations. And we were able to do that more so in the '80s and '90s, but now we have no more slow companies to do that anymore, and don't have the flexibility to spread out the mileage and a lot of our trucks and engines are getting to that 15-year mark or past it, and well beyond the 100,000-mile range. We have nine engines currently over 100,000-miles and four over 120,000. The poster child for this is Station 6. Engine six is 18 years old and 182,000-miles on it. If not for the highly skilled people we have open a daily basis keeping these apparatuses in service, the downtime would be substantially more. The older the apparatus gets, there's a direct correlation to increased maintenance costs. We're seeing the breaking point is about 8 years. Where you're seeing a 44% increase in the number of breakdowns since 2005. The newer rigs are showing 56 fewer repairs and far less time out of service and less costly but it's the eight-year mark we're seeing the decline for the 7 last years of its life and able to keep them running as efficiently as possible. Another key point is that if you look at San Francisco, Seattle, Sacramento and regional partners, Clackamas County, Fire and Rescue they're on a 10-year replacement and we're at 15 and that carries throughout the West Coast, that we get a lot of use out of our apparatus. Getting back to the smaller vehicles, again, I support that. If I could go back in time, like we were when we had the 12 rescues on that, that was doing the same to what Commissioner Saltzman's amendment gets us pointed in the right direction but there's added other -- other added benefits. Not only will we be able to maintain our response time goals and also increase in workload we'll be able to adapt and amend to that. One of the primary things I wanted to look at and a primary thing within our strategic plan is looking at what we're responding to. The public, when they call, it's a significant event going on, but we're seeing more and more of our responses are truly not code three emergency responses. They're significant issues for the person that is having the issue, but is there a better way of delivering that remedy to those individuals, whether it be looking at more closely partnering with dispatch. With Multnomah County Health. Is it a simple issue that a person is initiating a call to the 9-1-1 system when all they need is a transport to the urgent care facility. Those are things that are going to be packaged as kind of a collaborative

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approach to where the smaller response units take some of those runs out of the actual code three system. Because it's a significant risk to the public when our companies are responding code three with these large rigs on non-emergency incidents. A little bit in regards to the fire station relocation is that we're starting to see more of a need, that original station site we had at 5 southeast madison was closed as a result of ballot measure five. We closed two engines and that was one of them. It was not in the mix during the 1998 facilities assessment which ended up being the 1998 fire facilities bond project. Since that time, the need for river presence has increased and in the last two year period, 274 responses on the river where we had 14 confirmed rescues and it's hard to quantify what the -- having the availability there is on the way you make a difference before a person actually goes underwater. That's hard to quantify but that combined with a significant challenge that i'm concerned with is the effect on fire station 23 and their primary and secondary response routes as a result of the buildout of milwaukie light rail and we're hoping we can still partner with pdot and get tri-met to address that issue but I have to plan accordingly, if it is a ground-based crossing, what the effect would be for station 23's ability to respond. So with that said, i'd like to turn it over to either questions or turn it over to director merlo.

Carmen Merlo, Office of Emergency Management: Thank you, i'm carmen merlo with the office of emergency management. Let me describe what the role of the emergency response center is and it has two roles. The first is to provide support to emergency responders and to the on-scene response effort and the second role is to coordinate the city's leadership and coordination responsibilities after a disaster. What's wrong with our existing facility? Quite a few things. Right now, water bureau, emergency management and water bureau security personnel are in a modular unit in both a potential landslide and earthquake area. We need to get them out of there. And my office is in a downtown office building in Portland and the emergency coordination center is located about a 15-miles away at the facility at the emergency communications. Assuming you can get there, it would take a half an hour to an hour to ramp up and get the facility ready for use.. And it has a split-level design that separates certain functions of the emergency coordination center and lacks certain communications capabilities. This proposal would complete the funding plan for the emergency response center. And it would satisfy our long-term strategy for ensuring timely and effective response operations. Commissioner Saltzman, to your question or comment, rather, about the leed green building, absolutely, this building, which is currently by the way, in the 30% contract document phase has an ecoroof and through at least a minimum leed gold standard, so --

Adams: Who else?

Karl Larson: Mayor, commissioner, i'm Karl larson, the radio project manager for public safety systems revitalization program and the deputy program manager. I have over 30 years of public safety experience, been in law enforcement officer and non-sworn position. I've been as a fire executive for a city and county and emergency manager. In all of those position, they've all concerned radio planning, and radio maintenance and enhancements as i've gone along and public and regional efforts. The process right now is a crucial one for the city of Portland public safety users in the community. Not only for the people that use the radio, but also the citizens that rely on police, fire and emergency medical services response in a timely and effective manner. The effort is not the popular word of the day -- interoperability. Currently, the analog system is operating well in terms of being table able to talk to the region. But it has -- the ability to communicate in the future, when other states change their radio systems. It's not about radio coverage. It has coverage limitations and situation where is coverage is not so good. However, the system has a whole provides excellent radio coverage throughout the Portland response area. It's not about the ability for our current radio technicians to provide maintenance and repair. Commissioner Leonard was correct in reaching out to outside contractors and such to make sure that the radio stays in repair condition. In general, we provide timely and expert services in making sure that the infrastructure and mobiles in the field are taken care of but we've been fortunate we've had no major failures. It's

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about the age of the system, the reliability, the ability to maintain the current working level, to provide parts and rapid replacement without jeopardizing coverage and communication challenges available. And the current age and availability of parts will put the city in a situation where extended limited communications by radio may occur. Putting public safety service, the men and women that provide that service for this city, might be in jeopardy. Two examples of that vulnerability. Recently the brains of the radio system, tracking where radios are communicating and who communicates to who, had a power failure. This current piece of equipment is no longer supported by the manufacturer as commissioner Leonard stated in his opening. The radio shop called the neighboring jurisdiction and got a spare power supply. After a few weeks, that failed. While the controller has three power supplies for redundancy, no backup was available for that failure. And should two of the three fail, the radio system would go into a mode that would severely limit communications coverage. Second example and one that highlights the age the analog system concerns the electronic boards, another unsupported piece of the equipment. Several instances of radio scratchiness or static has been reported by the users of the system. That happened over a extend period of time. Upon research, it was found some 70 circuit boards were of such an age, used 24 hours a day, seven days a week, almost for 17 years, that there are diodes leaking fluid, causing the boards to short out and causing poor communications. Equipment failure due to age will continue to occur. Equipment downtime is likely to be extended due to the difficulty of finding parts and some replacements to newer equipment is not possible with our current analog radio design. This is what the radio system is about. New equipment will bring our system up to better standards applied throughout the united states and public safety frequency and provide increased functionality for public safety years and that digital technologies will bring us in the coming years. We don't want our obsolete technology to leave us in the dust. We're working hard for our regional partners as well as to ensure our planning efforts for coordinated radio system is going on and working closely with the state of Oregon well. I appreciate the ability to speak to the radio system, i'd be happy to take any questions and we appreciate all the commissioners and the mayor support of the project.

Ken Rust: Thanks, karl.

Ken Rust, Chief Administrative Officer : I'm ken rust. I want to talk about the finance plan if approved by the voters. The city would be issuing unlimited tax g.o. Bonds and these -- general obligation bonds. These are the kind that carry the city's AAA bond rating. The highest that a municipality can have. And what that means is that we're able to enter the market under good financing terms. our estimate is that the overall interest cost would be about 3%. Attractive rates and hoping that the bond market will produce good results as we go forward. The city has issued little of this type of debt and we have less than \$60 million of voter-approved unlimited general obligations. Under the Council-approved debt policy, we limit this type of debt to three-quarters of 1% of real market value and even if we have these approved and issued all at once, we have in excess of \$535 million of this kind of debt capacity we could utilize for other projects. So debt capacity in my opinion is not a issue, either before or after this measure would be approved. In terms of the credit rating, we're very careful how we manage the credit rating. I don't believe that the approval of these bonds and issuance would have any negative consequence on the city's triple-a bond rating. Our plan if the voters approve it, split it into two series. Possibly three. The first being in 2011 fiscal year end, and the second in fiscal year end 2013 and carefully structure the bonds so that the under lying assets whether they're building with a 20-year life or longer, will be paid for and amortized over a 20-year life. If we're buying apparatus and equipment that have a useful life of 15 years, we'll amortize that debt for only that 15-year period and if the structure bonds such that the equipment is gone and written of the books and records and we're still paying debt on it. It's an important credit rating concern and an important financial management principle we'll adhere to. Taxpayer impacts there will be a increase in tax rates if the voters approve this

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measure. We estimate it would be an increase of 9-cents per \$1,000 of assessed value. The basis upon which tax bills are calculated. When all series are issued we estimate it would increase to just under 14-cents per thousand. The assessed value, not real market value, but assessed value for tax rate purposes, the average for a single family home is a little over \$150,000. So the initial tax bill for that particular property owner would be just under \$14 per year. When all bonds are issued about \$20.50 according to our estimates. If your home was worth more, the tax bill would increase.

For a \$200,000 home, the estimated initial amount about \$18.50. Increasing to just over \$27 when all bonds are issued and decline thereafter. Obviously we'll be asking voters to approve a measure that will raise taxes and the proceeds used for extremely important public safety issues and make sure that those improvements are ready when citizens are require -- require them and need them but the impact on tax bills and taxpayers is relatively modest. We have an excellent interest rate environment and a construction environment to make these improvements happen at the best possible cost and we think that trade-off between impact financially to the city, taxpayer in exchange for the benefit received is a good one.

Adams: Thank you. Questions from council? Commissioner Fish?

Fish: Thank you, mayor. And chief klum and ken rust, thank you for the briefings you gave me in my office answering most of my questions. But there's two issues I want it briefly touch on. Ken, putting aside the issue of voter fatigue, which -- who knows, at what point you reach a point where voters say i'm paying enough, or too much in taxes. Is there any impact based on what we're likely do today on any future council action, such as what I intend to bring before council sometime in the next two years, which would be a proposal to go to the voters on a parks capital bond measure, is there anything in this proposed action which would adversely affect the future of a parks bond measure?

Rust: Set aside the question --

Fish: Voter fatigue.

Rust: In terms of city's debt capacity and the debt burden it places on the city and the credit rating effect, as I mentioned we have a substantial amount of unused debt capacity pursuant to our debt policy and less than allowed under state law. We have a conservative view. Even after this the issuance of this set of bonds and an additional of bonds there's sufficient capacity to accommodate those plans that is the council may want to move forward with the voters at some point in the future.

And I don't believe if we were to be successful in a subsequent effort, it would have any negative consequence on the city's credit rating because of the way we structure our debt policies, we've had these carefully viewed and they're comfortable with the level of indebtedness and might incur subject to voter approval.

Fish: Chief, i've read or heard from people -- the proposal to bring staffing over from 23 to 21 and replace 21 with a new station, the concern some have raised is the proximity of station 21 to the elevated freeway could present hazards to the people who work there and affect service delivery in the event of an earthquake or something like that.

Klum: Commissioner Saltzman requested I kind of look in details because I had some preliminary information on the seismic upgrade that odot performed on bridges. In 1995, there's a significant -- commencing in 1995, there's a significant upgrade seismic stability of the marquam bridge. The study showed two critical infrastructure brigeds. One was the boone bridge, crossing the willamette river at canby and the other was the marquam bridge over i-5. So in 1995 and they did substantial pier upgrade but also seismic improvement to the ramp, and the ramp to current station 21 was with that upgrade. Further research, I wanted to find out what they referred to as -- it's called peak ground acceleration, a factor that the engineers use, and the optimum is 0.15. And that's just perfect ground. And if you look at the base there, their seismic assessments on the cascadia event, which is a subduction zone earthquake, equating to 6.5 equivalent in the west hills fault, which is substantial quake, I posed the question to them, specifically on the ground where fire station 21, the proximity

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where the i-5 overpass is is what is that peak ground acceleration factor for that? And it came back as 0.19. And based on that, it said that that particular structure on a 500-year cascadia event, after a one-hour period for Oregon department of transportation to do an assessment of the structure of the bridge and overpasses, that if they feel it would be open to emergency traffic.

Fish: Thank you, chief, and finally, the difference between the estimated cost of rehabbing station 21, to bring it up to the code on the seismic changes, and the proposed budget for a complete replacement.

Klum: Looking at, that too, when we had discussions about the funding for the rescue boat, part of that was to do a geotech study for station 21's ground and water avenue was filled with miscellaneous concrete, dirt, rock, in the early 1900s, to actually extend the waterfront out. So the geotech assessment came back, there's approximately 35 feet of fill soil there to where it would require approximately 120 micro piles at a angle to reinforce the existing station and figure it would demolish the station. So the cost analysis, a new construction and retrofit was within \$600,000. If you have balance that with construction history of assuming the risk of basically major remodel, it's more cost effective to actually scrape that building and build fresh and gives you an tune to -- an opportunity to design the footprint for the building even further way from the i-5 overpass.

Fish: Thank you, chief.

Saltzman: Thank you for doing that research for me too, appreciate it.

Adams: Commissioner Fritz.

Fritz: Thank you. And first, thank you. All four of you are at heart of our basic services provision and you do amazing work and appreciate you coming forward on this ordinance today. Chief klum, you said in the presentation that the budget for the apparatus has gone down for the past nine bundle cycles? Why is that.

Klum: I've got my budget expert, jack graham here, but i'll try and answer that. Since fiscal year -- actually before. Up to 2000, the city had a process called capital review committee to where there was a minimum amount of apparatus replacement front loading the budget and it was a pool of money that all the bureaus would get together with the capital review committee and basically work together to see how that would be dispersed and so you would have capital issues from parks and capital issues from the general fund bureaus that were pitching their reasons why they should get x amount of money from the funds available and so right around 2001 and '02 budget -- or actually, 2000-2001, the transition to more of a end of the budget process and so those subsequent years and jack graham has the -- jack graham has the data. Each year we received a partial amount of apparatus money and as time progressed through the subsequent budget cycle, we kept getting further and further behind and that's why we brought it forward as either a decision package to get that money reestablished or if that was impossible, we brought it forward as a significant issue.

Fritz: Thank you. And you do have \$1.7 million in ongoing money for apparatus, is that right? Something in your base budget.

Klum: That's correct.

Fritz: 1.7? How much of that does this bond measure take care of? All of your apparatus needs for the next 15 years?

Klum: The way it's factored -- the \$1.7 million with the apparatus is for us to maintain without the back log, we would need \$2.4 million ongoing. So with that said, there's always -- you slip the \$600,000 further and further each budget cycle. But the \$1.7 million, what we were looking at is -- the \$1.7 million, we were looking at different options so where we can take some of that apparatus money and set it aside after the bond is done, to extend the value of the bond out more years. So in other words, if you were -- for instance, to take half of that money, for an example, and set it aside to where that went into apparatus replacement at the end of the bond, that would carry us out several more years past the bond to where we would get into a situation where we were behind.

Fritz: Does the bond take care of all your needs for the next 15 years?

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Klum: I think -- not sure 15, but 13.

Fritz: I think this general, council should set policies that don't get us further and further behind on crucial equipment. Your safety as well as the citizens' is at stake. If this pass, it seems the 1.7 million that's not needed currently for fire apparatus and the council decides what the priority, we make a decision on where that -- this is just a comment rather a question to you. Because -- this is a comment rather a question to you.

Leonard: That's what we're supposed to get. Not what we have got. The \$1.7 million is what omf recommended. This last budget, what was the amount? \$300,000.

Klum: Yeah, I think after the budget, so I think \$1.2 million of that, \$1.7 million --

Leonard: \$500,000?

Klum: Yeah.

Leonard: So the reality has not been \$1.7 million for 10 years.

Fritz: Thank you, that's a helpful clarification. That's a policy question the council needs to wrestle with. We have other bureaus with that problem. I know in station one and 18, you were originally looking to rebuild and then came to the conclusion that remodeling or reinforcing was the better solution. Are you confident that this site is different from those two?

Klum: Yeah, just a brief history on -- station one, in 1998 where they looked at the feasibility where a station could be seismically upgraded, the geotech mapping they use had a broad swath along naito parkway -- and it was a result of the big pipe project where they did site specific at the ankeny pump station that brought to our attention that's not necessarily true and we commissioned a site specific survey and found out there were 28 feet of troutdale layer that you get below that with the new technology that you can actually seismically stabilize that that's why they said you can't do it and the new technology had more information on the actual ground conditions allowed us to do that and save a substantial amount of money. With station 18, it was more of a service delivery question. We were looking at the question whether we were going to build 21, southwest Portland and during that time, it was a good idea because the technology, the technology of the apparatus -- it didn't make sense to move it further out. With that decision and improvement in technology, the decision was made to retrofit station 18.

Fritz: And 21, you've got 35 feet or more of the liquefiable stuff?

Klum: Correct.

Fritz: Thank you. On the emergency response center, how confident are you that the cost is going to come in at \$17.6 million if we're at 30% design?

Merlo: The one outstanding issue is the infrastructure for voice data and i.t. There's the one area we don't have high confidence right now. We're meeting with bts, comnet and folks from our contractors and architects to finalize the requirements for data and i.t., but I would say low confidence on that piece, but moderate confidence with the overall hard and soft costs for construction.

Fritz: And what happens if it goes over? Where would the money come from?

Merlo: We have currently have a placeholder for the i.t. Infrastructure. The additional funds, we'd have to come up with a funding plan. I don't know right now.

Fritz: It seems to me when we discussed it last year, the cost estimate for the building itself was \$17 million to \$28 million. Aren't we already at the lower end of the cost estimate?

Merlo: We are, however, keep in mind, back then, the building was envisioned as a one-story facility. It's now currently one and a half stories. So even with the added second or partial second floor, with the economy, we were able to capitalized on savings and realize cost efficiencies.

Fritz: I see, thank you. And carl, what was the plan for paying for the radio? How long is the radio replacement project been going?

Larson: The current project has been in process since the middle of last year.

Fritz: And what was our plan before this proposal to put it in the bond measure?

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Rust: I'd be able to address that. We've been work ongoing and the plan for a number of years and the plan was to continue to look for the general fund as a source of funding. There's a budget note for the adopted budget this year that requires omf to put into the general fund forecast, the next time we update it, \$1.2 million. One of the installments for finishing the funding plan for the radio system. If we're successful with this particular measure that won't be required and so the forecast will not have to include that as something that would you -- you would see as a budget need going forward. And that in itself is no sufficient to fully fund the buildout of the radio system. The thing we've been challenged with since we started the project is we have a number of different project, some cash reserves and replacement money stockpiled and general fund one time and general fund ongoing. And the crc money is one of the last things we did. The projects were so important we were going to commit the limited number of general fund capital set aside dollars it that particular program because we needed to continue to make progress on the different element, the cad, the regional information -- and radio system to be sure we had the ability to continue to serve the needs of the citizens but not been able it fully fund the radio system. We'd be turning back to the general fund.

Fritz: Before our plan to put the money into the general fund.

Rust: Correct.

Fritz: And supposing we did 15 years instead of 20 years, how much savings and interest would we get?

Rust: I haven't figured out the total. I can tell you the taxpayer savings.

Fritz: I saw that.

Rust: I think -- the impact over a year, for taxpayer, the typical bills is less than \$1. So it's relatively modest. What we've done is a traditional approach where structures and things that are long lived are 20 years and we don't go any longer for this type of debt and 15 years for the shorter life assets but if the council had a interest in making it a shorter bond term, we have the ability.

Fritz: It doesn't lock us in?

Rust: No.

Fritz: It's like getting a 15-year house mortgage rather than 30, you save on interest.

Rust: And we'd save on interest and recycle the debt capacity more quickly.

Fritz: I'd like to know those numbers. Thank you.

Leonard: Chief reese. Thank you all, panel, for being here.

Michael Reese, Chief, Portland Police Bureau: Thank you.

Leonard: And then I have somebody after chief reese.

Reese: I appreciate the opportunity. I'm mike reese, chief of police for the Portland police bureau.

The police bureau is the largest user of the radio system. We have approximately 1800 of our hand-held radios and car radios and 350 of our police computers that we have tied in the system. It's a system that was designed in the 1990s, an analog system and it's outdated and I applaud the efforts of radio shop to keep it working but we've had failures in the current system and there's significant dead zones where it doesn't work and they're often in areas in southwest Portland where we have, for example, geographic barriers that limit our number of officers we have out in those area, their ability to get around as well as our basically to communicate. The radio system is our means of communicating with our dispatchers and firefighters and other police agencies. It is critical for us and -- in our work and we certainly would support the fire bureau and other agencies, in the bond measure. The as I said, the current system is analog in nature. The new federal standards require us to have a digital system in place and we rely on a lot of federal contracts and grants. Many of those are -- look at our interoperability with the federal systems and federal guidelines to continue meeting and get those grants, we need to upgrade it a digital system.

Saltzman: Questions? And finally we have the president of the Portland fire fighter association.

Leonard: Thank you for coming.

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Jim Forquer, Portland Fire Bureau: You bet. I'll make my comments brief. I'm here to speak on behalf the bond measure, specifically to the apparatus replacement piece. I appreciate council considering a bonds for this issue. Portland fire and rescue, the business management side and reviews from corporations like tridata show that we use industry benchmark for the business management side of the way we run our shop. The apparatus replacement, I think we've done more to squeeze out life than most of our comparable jurisdictions and I think that's not just in the local area, but the west coast well. We're at a critical juncture in developing a plan and that's one of the concerns from ppfa. We've had no plan in place that consistently addresses the apparatus replacement component. So having said that, I just appreciate the opportunity to speak and let you know that we're supportive of commissioner Leonard and chief klum and the plan to bring this to the voters.

Leonard: Thank you, jim.

Forquer: Thank you very much.

Adams: All right. Ready for testimony? How many people have signed up?

Moore-Love: Two.

Adams: Ok. Pete, go ahead.

Pete Colt: Hi, there. First, I want to thank you, commissioner Saltzman, again. I think I sat here several years ago, I said you were the one who looks out for our pocketbooks. And commissioner Fritz, you're up there too. I appreciate the collegiate atmosphere between you and commissioner Leonard to arrive at these amendments. I have a question for commissioner Leonard. In that bond measure is a \$1.8 million for a park. A memorial park. And I don't know if that's been taken out.

Fritz: It's been taken out.

Colt: It has been taken out? There will be lots of us who be despite excited to vote for this bond measure. It's prudent and necessary and you've done a great job with that. And this is a historic day thanks to that amendment. It allows us to -- in sydney, they use motorcycles and we have tight streets and alley that will benefit from that. And what else it does, and mayor Adams, you're arranging our city for clusters businesses. We could cluster bureaus. Now, there's in the a need to have all of firefighters and fire personnel and first responders in that bureau locked to being in a fire station. So maybe find efficiencies by having police substations and fire stations share a facility and if the mayor could see fit, I would recommend, for example, make a cluster. Police, fire and non-emergency dispatch would be a cluster. Another cluster might be public right-of-way. Sidewalks and parks together. A third could be environment and health. And it really does lead to efficiencies that way and again, I want to say thank you. I think -- i'm -- when I leave here, i'll be very happy to sing your praises and encourage all of my friends to be voting for this. Thank you.

Terry Parker: Thank you, once again, the taxpayers are being confronted with a narrow focused political spin to pay extra for equipment that's identified as aging and at the same time, public dollars spent for frills. The change in direction is needed. The taxpayers cannot afford the misaligned primary that indicator budgets to the desires of special interests. The city's basic services need to be fully funded first and that must include conservative spending as well as bringing back cost-effective models that are financially prudent. Prolonging life and extending usefulness, sometimes for decades, therefore, saving taxpayers the high cost of short-term replacements. Portland too has demonstrated a willingness to keep a rein on spending while refurbishing the central fire station and adding a new truck bay and re-purposing the historic building located at 56 and sandy boulevard. Now Portland needs to extend that kind of thinking. If there's a replacement, equipment is true think needed -- out of the box ideas is needed. There's an "oregonian" article, responding to medical emergencies with small vehicles instead of large fire trucks and reduces the use of fossil fuels and saves wear and tear. Portland needs to follow suit with a similar concept. Maybe respond to go medical emergencies with electric vehicles that can be charged at fire stations or maybe something like mini-cars and motor scooters. All emergency

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response times could be improved with the removal of curb extensions and speed bumps and all of these concepts must be fully explored and examined before any additional funding is requested. In this economy of high unemployment, underemployment. Financial sustainability means not staying the same course. The question on the ballot should be asking the people do we want to fund. Arts and street parties rather than the things like the fire bureau that should already be funded.

Adams: Thank you both. I have to leave and we'll have a quorum, but I have a long pre-scheduled 4:30 with an out of town business. Unless there's objection. We'll proceed with the vote.

Moore-Love: Adams.

Adams: I want to thank commissioner Leonard and the officer of emergency management and the bureau of technology services and the bureau of police and everyone involved in working with commissioner Leonard and his team in putting this together for consideration by the voters. I'm voting for this today and i'll vote for it again in november. It does address, begins to address, by no means solves, but begins to address the fire apparatus issue that's been growing since I started as chief of staff to a former mayor. Hopefully, those are -- you know, two independent --

Fish: Unrelated.

Adams: Unrelated? Thank you. But this invests \$20 million for new fire apparatus which is needed. We've spent two decades getting people cleaning up the river, spending, investing in new infrastructure to get people close to the river, on the river, and we are succeeding. Unfortunately, we don't have the kind of rescue and fire coverage for the river and central Portland. This general obligation bond would provide \$8 million to begin to address that. As you've heard from director merlo, 15-miles between the headquarters and the site where we are supposed to -- between city hall and the site where we're all supposed to assemble in the event of an emergency and once we get there, the facilities are inadequate for an emergency response center. As was documented by top-off, this general obligation begins to address with a \$4 million contribution. And a radio system that is hopefully through this process, the public will understand a radio system so woefully inadequate that it's leaking fluid. You know, this general obligation begins to address. And to answer commissioner Fritz's question, how are we going to come up with the \$35 million, a, we didn't yet know how we were going to do that, but, b, it has something to do with cutting other services. So this is a very tough time in the midst of a recession to ask people to consider an investment in their own public safety, but I think they will. When they hear the facts, they'll get it and support it. And again, I want to thank commissioner Leonard for his good work in putting it together and bringing it forward. I'm pleased to vote aye. [gavel pounded] whoops, i'm not supposed to bang the gavel.

Leonard: There's no more sacred responsibility than any city government has than to provide the safety of its citizen's lives and property and we do that through fire and police bureaus, both of who hire the most talented men and women to perform those sometimes dangerous jobs. There's nothing more frustrating for a police officer or firefighter to have their equipment not perform in the way they need it to perform. Whether it's a fire engine not working at a fire, a fire response rig breaks down on the way to a fire. A radio not working. A number of factors that cause an incident to get worse. We on the council, I believe, need to do the best we can to give those men and women the best equipment we can. I appreciate the successions from earlier -- actually, in late spring until now with various councilmembers to get to the point we're at. To bring this ballot measure to the voters. The work of chief klum and the rest has been outstanding in articulating the need that brought this ballot measure forward and I appreciate all the firefighters in the room, both in uniform and not in uniform and this council's state to you that we'll do everything we can to make sure you have the equipment you need to do your job and be as safe as possible, including police officers, so I really appreciate us being to this point, and from now, to november, I have really one task in mind, to get this passed.

Leonard: And I will do everything in my power to make sure this passes in november. Aye.

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Fritz: I firmly support the men and women who provide public safety in our -- I firmly support the men and women who provide public safety in our city. We're honored to provide and I know how hard everyone works on that and our staff should have the best equipment and certainly functioning equipment that doesn't leak fluids of any kind. Not supposed to be leaked either from engines or radios or whatever. This is a basic service and this is something that should have been prioritized I believe in the city budget, and had I been more aware of the deficiencies during the budget process, I would have asked for questions and perhaps made different choices in the budget. I was aware we were planning to dedicate money over time for the radio project and taken some money out of apparatus for fire, the station move is a new request. And we didn't have a -- previously had a funding mechanism for the emergency communication center. These are basic services and this is what the city should be funding as a priority out of the general fund budget, in my opinion. I will post on my website some more detailed comments but although the property tax measure would be about \$30 a year, which may not seem overwhelming, for some on top of the water rate increase and all the other increases and lack of funding they have with lack of jobs and such, it's a significant burden and I think one of the job that is the council is not only to prioritize spending on general fund money on basic services and making sure that the staff has that equipment to provide those services it's to protect a vulnerable minority who may have difficulty paying if it passes in november. If the council chooses to pass the measure, I will support it in november, I hope we did a better job in the upcoming budgets making sure we look at across the board cuts but better prioritization of what the core essential needs are and have a discussion about other cuts and I recognize that impacts the bureaus i'm currently in charge of even more. I believe it's the responsibility of the city council and all of the citizens of Portland to figure out how to provide basic services and not have to ask for extra to pay for them. No.

Fish: First, I want to commend my colleague and friend commissioner Leonard for the work he's done to bring this forward and we know that ty kovatch does all of the work in his office, I want to acknowledge ty kovatch's contribution as well. In december 2008, he conspired with the mayor to steal the fire bureau from me. And that there was a renaissance going on at the time. And it was an honor to be the commissioner in charge at that time. But what gave me comfort was that chief klum was firmly in charge of the bureau. And randy, congratulations for bringing this forward and I want to acknowledge that there was a robust discussion behind the scenes about elements of this package, the timing of this package, the need for this package, and other things. And we're not always accused of conducting our business in the most collegial way and I wanted to acknowledge all of my colleagues in a fairly compact period of time that they discussed their issuance concerns and frankly, some of the -- issues and concerns and how we can tackle all issues that come before us. So I want to compliment my colleagues. For me, a litmus test on anything like this is to sit down with the director of the bureau and because it's a matter that involves the city's credit rating and financing, to sit down with ken rust and put the question and I did -- with ken rust and put the question squarely and chief, do you have any qualifications about your support; and he said no. To me, you can take that to the bank. And I asked ken rust, through thick and thin, this clearly has not generated much controversy. He's been candid in his assessment and I asked him if he had reservations or qualifications about this proposal and he said he did not and fully supported it. With chief klum and ken rust offering unqualified support and the hard work that commissioner Leonard has done to bring this forward, i'm comfortable supporting this referral. And at the heart of my support is that I believe that the men and women who risk their lives every day for us, the people of our -- particularly of our fire bureau, deserve the best equipment possible to do their job and it's not just a matter of the public's safety, it's a matter of their safety. And to those who question this particular mechanism for funding, every year we get a report from the auditor we're around \$150 million short on our ongoing capital needs. That might be a little low. But roughly the figure. And that's not because we're spending money on frivolous things and otherwise could find it. It's that the

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public expects us to fund lots of things that meet urgent needs and that why's from time to time, we agree as a body to refer to the voters capital bond measures and i've been working on one for parks bureau. There's a significantly greater impact on people's property taxes if you ask for \$200 million than \$70 million and, second, while I think we can acknowledge that public safety not only for this body and for the public comes first. That's not to say that housing isn't important or parks and other issues but when you ask the public what comes first, public safety is always the top of the list and rightly so and that's why budget time, this body, for the last two budget cycles has prioritize public safety over the other needs for this council.

Fish: I'm pleased to support the amendments which we've adopted which were well conceived and want to acknowledge commissioner Saltzman's leadership which commissioner Leonard has noticed and goes a long way to strengthen this overall package. I want to just say one word to those who may be watching who are anxious we meet other needs in the city. And in particular, I am going to say a word to those who I report to as parks and housing commissioner. We have tremendous needs in housing and in the next few years, we're going to have to find a new dedicated revenue source to meet them and staggering in the parks system. In supporting this referral, neither I nor other members of the council are backing off the commitment we've made to move forward at the appropriate time with the referral for parks. The difference is the timing, the economy, and the priorities of the citizens. And this particular referral based on all the evidence available to us, has a very strong chance of being successful in november and the process we went through with the parks bond referral told us it would be prudent it wait and not risk an unsuccessful referral. This fall, i'll be pulling together a blue ribbon group to lay the groundwork for what we hope is a successful parks -- I want to say that i'm pleased to support this referral, proud of the way my colleagues have worked together to get to a revised package and very pleased to support the public safety professionals in our community who I think are unparalleled for any city our size in the nation. Aye.

Saltzman: The safety the citizens is the number one priority of this council, but we can't ignore the financial condition of our citizens. With the third highest home foreclosure rate in the nation and more people than ever under or unemployed, struggling to make ends meet. Any proposal to increase property taxes must be done with the us most transparency and accountability. I believe that this measure, with the amendments that have been adopted, we will be sending a referral to the voters that will say -- does say, we'll use your attach dollars in a way that's more efficient and accountable. By using these dollars, to invest in more nimble emergency response vehicles, we will initiate a new paradigm for Portland fire and rescue. That changes and reflects the reality of the overwhelming calls for service being medical related, rather than fire related. Government is often accused of resisting change and maintaining the status quo at the expense of taxpayers. I believe this proposal chapels those act accusations and -- challenges them and I would like to thank commissioner Leonard and chief klum for embracing these changes for which our city will benefit for years to come and I believe we've establishing a new covenant with taxpayers by providing the assurance that if we find construction cost savings, we will not spend those dollars for other uses, we will pass those savings on to taxpayers. So I would advocate that this become a regular way we do business. Again, I would like to thank my colleagues for the support of my amendment. Thank the work of commissioner Leonard and happy to vote to send this measure to the taxpayers. I vote aye. So, the measure passes. And we are adjourned until next wednesday. Thank you.

At 4:44 p.m. Council adjourned.