



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **26TH DAY OF OCTOBER, 2016** AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fish, Fritz, Novick and Saltzman, 5.

Commissioner Novick arrived at 9:45 a.m.

Commissioner Fish left at 11:43 a.m.

Commissioner Saltzman left at 12:08 p.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Ben Walters, Chief Deputy City Attorney at 9:30 a.m.; Judy Prosper, Deputy City Attorney at 9:57 a.m.; and Jason King and Mike Miller, Sergeants at Arms.

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

The meeting recessed at 11:35 a.m. and reconvened at 11:36 a.m.

The meeting recessed at 12:08 p.m. and reconvened at 12:16 p.m.

COMMUNICATIONS		Disposition:
1180	Request of Julie Reardon to address Council regarding placing a neighborhood polluter on the do-not-buy list (Communication)	PLACED ON FILE
1181	Request of Sarah Hobbs to address Council regarding concerns about mayoral transition (Communication)	PLACED ON FILE
1182	Request of Steve Unger to address Council regarding need to revisit Airbnb and short-term rentals impact on housing shortage in Portland (Communication)	PLACED ON FILE
1183	Request of Leslie Goss to address Council regarding Bureau of Environmental Services Terwilliger Blvd Sewer Project (Communication)	PLACED ON FILE

TIMES CERTAIN		
*1184	<p>TIME CERTAIN: 9:45 AM – Adopt the FY 2016-17 Fall Supplemental Budget and make other budget-related changes (Ordinance introduced by Mayor Hales) 15 minutes requested</p> <p>Motion to increase Water Bureau employee positions to address workload related to lead testing in water: Moved by Fish and seconded by Novick. (Y-5)</p> <p>Motion to allocate \$20,000 to Portland Development Commission to repair damages to the Portland Mercado: Moved by Fish and seconded by Hales. (Y-5)</p> <p>Motion to increase Bureau of Transportation budget by \$150,000 to provide minor repairs to recreational vehicles lived in by the homeless and resources for RV dismantling: (Y-5)</p> <p>Motion to amend one full time regular position to limited term in Portland Housing Bureau budget: Moved by Saltzman and seconded by Novick. (Y-5)</p> <p>(Y-5)</p>	<p>188061 AS AMENDED</p>
1185	<p>TIME CERTAIN: 10:00 AM – Accept Salmon-Safe Certification for the City of Portland (Resolution introduced by Mayor Hales) 30 minutes requested</p> <p>(Y-5)</p>	<p>37244</p>
1186	<p>TIME CERTAIN: 10:30 AM – Appoint a pool of community volunteers to be available to serve on the Police Review Board (Report introduced by Auditor Hull Caballero) 30 minutes requested</p> <p>Motion to accept report: Moved by Fritz and seconded by Novick.</p> <p>(Y-3; Fish and Saltzman absent)</p>	<p>CONFIRMED</p>
CONSENT AGENDA – NO DISCUSSION		
Mayor Charlie Hales		
1187	<p>Appoint Catherine MacLeod to the Fire and Police Disability and Retirement Board of Trustees for term to expire December 31, 2019 (Resolution)</p> <p>(Y-5)</p>	<p>37243</p>
Fire & Police Disability and Retirement		
*1188	<p>Amend the Fire and Police Disability, Retirement and Death Benefit Plan to extend tax remedy benefits to all eligible members and their survivors in compliance with all applicable Oregon laws and Administrative Rules (Ordinance)</p> <p>(Y-5)</p>	<p>188053</p>
*1189	<p>Amend the Fire and Police Disability, Retirement and Death Benefit Plan so that the Plan will retain its tax-qualified status (Ordinance)</p> <p>(Y-5)</p>	<p>188054</p>
Office of Management and Finance		

October 26, 2016

<p>*1190 Ratify a Letter of Agreement between the City and Laborers' Local 483 regarding Maintenance Confined Space Entry and Hazardous Materials Teams (Ordinance) (Y-5)</p>	<p>188055</p>
<p style="text-align: center;">Commissioner Steve Novick Bureau of Transportation</p>	
<p>*1191 Amend price agreement with Amerlux, LLC to provide LED Acorn Luminaire Street Lighting Kits for an estimated \$2,500,000 (Ordinance; amend Contract No. 31000725) (Y-5)</p>	<p>188056</p>
<p>*1192 Amend price agreement with DJ's Electrical, Inc. to provide bonding and grounding services for streetlight poles not to exceed \$1,250,000 (Ordinance; amend Contract No. 31000766) (Y-5)</p>	<p>188057</p>
<p style="text-align: center;">Commissioner Nick Fish Bureau of Environmental Services</p>	
<p>*1193 Accept a grant in the amount of \$400,000 from U.S. Environmental Protection Agency for Brownfields Petroleum & Hazardous Substances Assessments (Ordinance) (Y-5)</p>	<p>188058</p>
<p>1194 Amend contract with Brown and Caldwell, Inc. for additional work and compensation for the Alder Pump Station Upgrade Project No. E10359 in the amount of \$31,767 (Ordinance; amend Contract No. 30003063)</p>	<p style="text-align: center;">PASSED TO SECOND READING NOVEMBER 2, 2016 AT 9:30 AM</p>
<p>1195 Authorize an Intergovernmental Agreement with Clackamas County for construction and sharing of data network resources in the amount of \$230,000 (Second Reading Agenda 1164) (Y-5)</p>	<p>188059</p>
<p>1196 Authorize grant agreement for \$5,250 to Columbia Land Trust for ecological restoration at Keller Woodlands (Second Reading Agenda 1165) (Y-5)</p>	<p>188060</p>
<p style="text-align: center;">Water Bureau</p>	
<p>1197 Amend Intergovernmental Agreement with Tualatin Valley Water District and the City of Tualatin for the Washington County Supply Line Project (Ordinance; amend Contract No. 30004421)</p>	<p style="text-align: center;">PASSED TO SECOND READING NOVEMBER 2, 2016 AT 9:30 AM</p>
<p style="text-align: center;">REGULAR AGENDA Commissioner Steve Novick Bureau of Emergency Communications</p>	

October 26, 2016

<p>*1198 Amend contract with Versaterm, Inc. for the Computer-Aided Dispatch System used by the Bureau of Emergency Communications to change the not-to-exceed amount from \$7,000,000 to \$9,000,000 to cover the maintenance charges and the purchase of additional licenses and interfaces for the four years remaining on the contract (Ordinance; amend Contract No. 30000502)</p> <p>Continued to October 26, 2016 at 2:00 p.m. (Y-4; Fish absent)</p>	<p>188064</p>
<p>Commissioner Nick Fish Bureau of Environmental Services</p> <p>1199 Authorize contract with the lowest responsive bidder for the construction of the Woodlawn-King Alleys Sewer Rehabilitation project No. E10698 for \$3,780,000 (Second Reading Agenda 1175)</p> <p>(Y-3; Fish and Saltzman absent)</p>	<p>188063</p>
<p>Commissioner Dan Saltzman Bureau of Development Services</p> <p>*1200 Amend contract with Infor Public Sector, Inc. to increase the not-to-exceed amount by \$604,725 for the Information Technology Advancement Project assessment analysis and implementation planning services (Previous Agenda 1080; amend Contract No. 30003361) 10 minutes requested</p>	<p>REFERRED TO COMMISSIONER OF PUBLIC AFFAIRS</p>
<p>City Auditor Mary Hull Caballero</p> <p>1201 Assess property for sidewalk repair for the Portland Bureau of Transportation (Second Reading Agenda 1178; Y1090)</p> <p>(Y-3; Fish and Saltzman absent)</p>	<p>188062</p>

At 12:33 p.m., Council recessed.

October 26, 2016

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **26TH DAY OF OCTOBER, 2016** AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fish, Fritz, Novick and Saltzman, 5.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Heidi Brown, Deputy City Attorney; and John Paolazzi and Mike Miller, Sergeants at Arms.

Motion to allow teleconference by Sarah Anderson, testifier: Moved by Hales and seconded by Fritz. (Y-4; Fish absent)

<p>1202 TIME CERTAIN: 2:00 PM – Authorize a surtax to the City's Business License Tax for publicly traded companies subject to U.S Securities and Exchange Commission disclosure and reporting requirements if a subject company reports that the ratio of compensation of its chief executive officer to median worker is equal to or greater than 100:1 under the Commission's Pay Ratio Disclosure Rule (Previous Agenda 1116; Ordinance introduced by Commissioner Novick; amend Code Section 7.02.500) 3 hours requested</p> <p>Motion to delete outdated directive b regarding Portland Housing Bureau budget: Moved by Novick and seconded by Fritz. (Y-5)</p> <p>Motion to add Revenue Division budget adjustment directive: Moved by Novick and seconded by Fritz. (Y-5)</p>	<p>Disposition:</p> <p>PASSED TO SECOND READING AS AMENDED DECEMBER 7, 2016 AT 9:30 AM</p>
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At 3:10 p.m., Council adjourned.

MARY HULL CABALLERO
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.

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.**

Hales: Good morning everyone welcome to the October 26th meeting of Portland city council would you please call the roll?

Novick: Fritz: Here **Fish:** Here **Saltzman:** Here **Hales:** Here

Hales: Good morning everybody I understand commissioner novick will be joining us he's a little under the weather, but he will be joining us. We'll get to the official business in a minute, but we have one item here before we start our official calendar. We would like to recognize Desiree Williams-rajee. She is a star, and here's how she is a star. On July 15th of this year the white house celebrated ten champions of change for climate equity, and Desiree was among those honored as an agent of change for climate equity and invited there to the white house. She's the equity specialist with the bureau of planning and sustainability. Been a long time for the bureau and for the city, and she has been instrumental in building equity into the core of the bureau of planning and sustainability's work, the 2015 climate action plan is a great example. It drives home we don't succeed if we are not successful on equity. She helped the staff engage with community organizations to rebuild the climate action plan to address equity, and that was not easy. And our work on this front has really only been but has led to profound changes in our plan and program and policy, so we appreciate Desiree as a climate equity champion. Gratifying to see the white house does, too, and those champions honored have actively worked in their communities to -- for public health and socioeconomic effects exacerbated by a changing environment. So I just want to give her a chance to come up and speak about this but I will say on a personal level one of the most teachable moments for me on the subject of climate equity was that amazing invitation that I got to go to the Vatican and meet with pope Francis on the subject, and he said about his encyclical that people say this is environmental encyclical and it is really about people and the impact on their lives and obviously that's your perspective so we're very proud of and you wanted to give you a moment here as well as a moment in Washington D.C to talk about your passion.

Desiree Williams-Rajee, Bureau of Planning and Sustainability: Thank you very much, mayor hales and city commissioners, thank you for having me here, to receive this acknowledgement to be recognized by the white house for the work on the climate action plan and to represent our city at the highest echelons of the nation's government was an immense honor. As I was thinking of what to say today two words came to mind and the first is hope. While in d.c. I was invited to share about our work in Portland, I spoke of how critical it is to connect the issues of race and the environment, and how gentrification is a climate change issue, the challenge for us is to create livable city for all, and a city that is green that does not push out its people of color and increasing their climate burden as others reap the benefits because we know in truth in a global race to reduce carbon emissions it will not be a net win if the progress is at the cost of safety, health, and opportunity for most marginalized communities. The institutional racism is a professional competency. We must, is in fact, an absolute imperative that government be able to understand how policies, practices and programs serve to perpetuate this disparity and actively work against the outcomes that we seek to create a public, as public servants. The prosperities of the city's and public nations depends on our ability to no longer be blind. I

October 26, 2016

spoke about our definition of equity, and how it operates as a corrective mechanism to longstanding its justice. How focusing on institutional racism is a tool to use to think clearly and in a more sophisticated manner, more than just diversity and inclusion. It is a commitment to creating sustained, better outcomes for communities, that have received just the opposite. And in turn create better outcomes for all. The reason that hope is the word that comes to mind is because after the event was over I met with members of the audience. These were members of local government, nonprofit staff, white house staff, and there was even a group of students from Howard university. What stuck with me in their eyes and words, were the profound sense of hope. Embracing. They held my hand and grasped onto my arm to say thank you, to hear what Portland is doing in climate change and equity institutional racism gave them hope, and I realize our climate action plan is giving people hope across the nation that the word in government can be different. I saw the value of our honesty and courage. As our panel moderator Mustafa Ali from the epa said let's have a real talk about real issues and create real solutions. That is not to say that work is not hard and won't trip over ourselves along the way. But it is the right task. It is the journey that we need to be on now more than ever. This is a kind of innovation that cities are hungry for and we, just as we have been with sustainability, are in a leadership role in this country to reimagine and to recreate what success looks like. The second word is gratitude. The word is deeply personal for me. It is not just about a story within my lived time on this earth but product of generations of racial struggle. Civil injustice, on my african-american side, the impact of colonialism on my Filipino side. It is the work to provide the inheritance of racial struggle for my children and children's children, as they are concurrently doing with the inheritance of climate change. What I am grateful for is the opportunity to have this moment in time, in this place, to be doing the work that I do. I am grateful to work with this incredibly talented people at planning and sustainability. It is a privilege to work every day with such intelligent and passionate people. I am grateful to work with Susan Anderson who has been a trail blazer in climate change work and the opportunity to participate in the climate planning legacy that she has initiated for the city. I am grateful for the climate action plan team, Michael Armstrong, Michelle Crim, kyle diesner, Ingrid fish and terrel evans, Tim lynch from Multnomah county and as well as many other staff that contributed and committed to the immigration of equity and to the bigger plan. This process instigated deep learning for all of us that continues today. I am grateful to our teachers in the process. The community organization representatives, Vivian Satterfield from opal, Duncan Hwang and Christine wen and Amanda Kelly Lopez and les Shannon and Cassy Cohen from groundwork Portland and claudia and Julia Myer. I am grateful for the support that city council has given for the space, deep work to happen on carbon emission reduction and racial inequity and for the opportunity to be an ambassador for this great city, and for equity work, and lastly, I have gratitude for work that on a daily basis gives me hope in a climate that is definitely changing. Thank you.

Hales: Thank you very much. Questions from the staff? [applause] questions or comments.

Fish: I wonder if each of us could impose on you and get a copy of your speech.

Hales: I think that would be a good thing to post. Very well said. Thanks so much, Desiree, and I think that one of the questions I would have for you is how do we, through things like what you have just done, at the white house and through c40 hopefully we continue that, but how else do you see ways, particularly, people to people, as opposed to official to official, how we might spread good ideas from one city to another? Bill McKibben was just here, sort of the army of one trying to tell people about this but obviously he has allies and you are one of them. How can we get grassroots work going in other communities based on what we have done here and maybe learn something from them, too?

October 26, 2016

Williams- Rajee: Well, absolutely. I think this work has been a part of, I think, a changing tide in the city of Portland and the groups who participated in the climate action plan equity process have taken their own initiative to really move forward on climate justice and environmental justice work here in the city, and are now being looked at in Verde led by Alan Hipolito and Tony's work in looking at sustainable, economic development that looks at climate neutral communities in places that are traditionally underserved. This city is setting examples across the nation and I just came back from the urban sustainable director's network annual meeting and again shared the work that we've been doing here, and to see that government staff are looking to create those new models and that this is spreading like a really great virus, not probably like the one that Steve Novick has. So is, but something that's really positive and what that is doing, our impact with government staff is having them think differently about the way that they do their work with the communities, and looking at how you empower and how do you know when to move out of the way and when do you know to work side-by-side and in partnership and take away sort of the hierarchical nature of things and work arm in arm on such challenging issues together, and how do we advance as partners in that. So it's happening here, it continues, it continues to work in the community, and I am really so pleased to see what's happening across the country, as well.

Hales: Thank you very much and appreciate the chance to bring you in to our chambers not just the white house's public rooms and celebrate this, as commissioner in charge of the bureau of planning and sustainability I am proud of the work that we're doing and proud of you as one of our employees. Just have a small token to give you from the council for our esteemed. We have a gift that we give to vips around the world.

Williams-Rajee: Oh, thank you.

Hales: This is a scarf. This is a scarf created by the Portland garment factory with the image of the tilikum crossing on it. I gave one to Michelle Obama and it is fitting that we give one to you.

Williams-Rajee: Well thank you very much. [applause]

Hales: Great work, thank you. Great work. We have four people signed up for communications, followed up by the regular agenda, and our consent agenda. I have no requests to take items off the consent calendar, is that right? Basic rules of decorum, welcome to the council chambers if you want to speak on one of the calendar items today just let our clerk know we'll typically allow three minutes for individual testimony, it looks like we won't have so many people today that we'll have to shorten that. We follow the rules of decorum, don't disrupt anyone's testimony or use profanity, you will be considered disruptive and asked to leave or excluded if you engage in those practices. We also like to make sure that people can be heard and not be intimidated so if you agree with someone's point of view feel free to give them a wave of the hand or a thumbs up or some other hand gesture. If you disagree with someone's point of view a polite hand gesture is already but we ask other than celebrating events like we just did, that we not applaud or make verbal demonstrations in the council so that everyone feels like their views can be heard. With that, we will proceed please with item 1180.

Item 1180.

Hales: Good morning, welcome.

Julie Reardon: Good morning. I am Julie, I live in southeast Portland, I am a volunteer with south Portland air equal founded in response to the identification of toxic hot spots by the u.s. Forest service, moss study earlier this year which showed elevated levels of nickel and arsenic In precision cast parts in conjunction with a public comment of the socially responsible investment committee I would like to address the city council directly to request that it divest the 4.8 million in holdings from precision cast parts, and that the

October 26, 2016

company is placed on the corporate securities do not buy list. The Oregon deq has monitored the air around precision and recent results show levels such as four times higher than the healthy benchmarks for nickel, arsenic and chromium exposing many people to toxic air. The Oregon health authority has launched an assessment to see how toxics found in the neighborhood surrounding precision has impacted the health of the community. 35 years ago they dumped over 21,000 cubic feet of toxic waste, including radioactive into the Johnson creek landfill, which was currently being looked into for leech-age. Studies show increasing levels of nickel and chromium and pcb's down the stream from their out-fall. And in 2014 a subsidiary of precision was given a 13.75 million fine for illegally making 84,000 pounds of pcb a year the largest fine in the toxic control act, the same year 20.5 tons of toxic waste was discovered in the drain pipe beneath precision which leads into Johnson creek. And their labor practices are controversial, in 1998 the national labor relations board arranged a settlement for a former employee who was wrongfully terminated for attempting to unionize, and investigators found precision had issued rules against the distribution and discussion of pro-union support, threatened employees with termination, and relocating the plant to Washington if they vote in favor. They allowed anti-union supporters to use company resource and is distribute on company time. In 2001, an employee died after falling into a vat of caustic acid. Since 2008, osha has issued precision at least 62 serious violations, nine of which may have resulted in death, and osha investigated complaints including handling and fall protection. Their market practices are questionable due to their high volume of acquisitions on it years and in 1999 the federal trade commission filed charges against pcc due to the acquisition of wyman Gordon. They alleged by eliminating competition in these concentrated markets the acquisition would have allowed pcc to exercise market power and increase prices. When the city of Portland made history by choosing to divest from Wal-Mart commissioner novick was quoted saying we care about working people we care about the environment we care about human health and money talks. Precision cast parts has committed toxic trespass, fostered a negligent work environment and spent decades cornering the market and mistreated union supporters, to take taxpayer dollars and invest them in a company which exploits our community is adding insult To injury and does not reflect the values of the city. Thank you.

Hales: Thank you very much. You brought this at a good time because obviously we have that coming up on the council calendar in the next couple weeks.

Hales: Thank you. 1181, please.

Item 1181.

Hales: Come on up.

Sarah Hobbs: For the record I am Sarah Hobbs. On the 12th of the month I condemned the city hall to say hello and leave. What I saw was a quiet group of people and thought they are ok. And two steps from the bottom of the stairs, I stopped and looked up, wondering what was happening as I look now here panicked and screaming. What I was witness to was brutal assaults by Portland police officers as they were pushing people down the stairs after being given the order by you, mayor hales to clear out the building. One man was pushed so hard at the top of the stairs, he ended up facedown at the bottom of the stairs, having landed at my feet, and I was not allowed to help him or even check to see if he was still breathing. I saw a woman startled by something behind her. And she turned her head and watched as pepper spray hit her in the face. I watched people fighting, to people falling and getting trampled and worrying the entire time about the man still on the stairs. If this is an example of improved policing, I am badly frightened. In transition, I know that mayor elect wheeler could opt not to take on the position police commissioner, but I would ask that your discussions, that you discuss what happened.

October 26, 2016

One thing that insults but broadened to the discussion is Multnomah county sheriff's deputies were also involved. We were pushed out the door by Portland police, but then we were pushed to the sidewalk by Multnomah county sheriff's deputies. I know that people were very taken aback by my reaction, but at that point, having just gotten pushed out the door, by the police, when I was told to move by the sheriff's deputies I said no. Next thing I know, I got a nice stick in my chest pushing me back to the sidewalk again I said no, was pushed again. Friends came out of concern for my safety, and got me back. I know commissioner Fritz you saw the picture that ended up in the news of me helping the young lady that got pepper sprayed on the transit mall. That is normally what I do. I am not one to be confrontational but I was so overly appalled by what I witnessed happened in that back door.

Hales: Thank you, Sarah. 1182 please.

Item 1182.

Hales: Come on up.

Steve Unger: I e-mailed copies of my slides if anybody needs them.

Hales: I am not sure if we got those. Thank you.

Unger: Ok. Slide one, two years ago city council developed a new ordinance to help regulate Airbnb and short-term rental this is Portland, since then the issue of housing availability and rising rents have become much worse, especially in central Portland, close to the neighborhoods. Unfortunately, the short-term rental ordinance 1.0 has failed to regulate the Airbnb, especially Airbnb host absent the entire place rentals which convert long-term rentals to short-term vacation rentals. And Airbnb has been unwilling to help. Slide two, the housing shortage affects both the affordable and market rate housing, especially in central city and close to the neighborhoods where the rents have risen dramatically, and people have been forced to move farther out to find housing they can afford. Slide 3, one culprit is Airbnb host absent entire place rentals which are really urban vacation rentals. According to the website Airbnb has 2,000 entire place listings in Portland, 60% of all the listings, and 40% of the Portland Airbnb hosts have multiple listings even though the current law limits rentals to a homeowner's primary residence. Slide 4, significantly entire place rentals on Airbnb affect some neighborhoods greatly while others not at all. Slide 5, Portland's attempt to regulate the short-term rentals has failed, there are now over 3,000 Airbnb listings in Portland, over 2,000 are host absent entire place listings and of the 3,000 listings, less than 400 short-term rentals were Licensed in Portland. Slide 6, what caused the failure? The short-term rental ordinance 1.0 focused on the number of bedrooms rather than the type of listing. It allowed landlords to rent entire apartments. It allowed homeowners to rent adu's, bds compliance lacks resources and most of all Airbnb refuses to help. Slide 7, there are, there is a lot that Airbnb could do but they continue to refuse to do so. Airbnb will not provide any city with contact information for their house. They will not take down listings that do not display a city permit number, they will not take down entire place rentals after they are listed for rent for 90 nights in the calendar year and when Airbnb quotes statistics on impact on housing, they give misleading city-wide averages rather than on entire place rentals by zip code or neighborhoods. And Airbnb consciously pits private room rental hosts against the city for political purposes. Slide 8 what needs to happen is to amend the current ordinance. Host resident, private room rentals should continue to be encouraged because they do not affect housing. The focus should be on the listing service and the entire place rentals. If Airbnb continues to refuse to help, the city should increase the lodging tax on entire place rentals from 11.5% to 100%. Since Airbnb collects lodging Tax this would price the entire place rentals out of the market without violate is internet freedom of speech.

Hales: Thank you very much. I appreciate you bringing this to us. Thank you.

October 26, 2016

Fish: App apropos of this I have a copy of the complaint that Airbnb filed against the mayor of New York and the attorney general, and in it Airbnb takes the position under federal law both the constitution and statutory law that local jurisdictions are preempted from requiring them to enforce any local rules. As an operator of a platform. It's a sweeping challenge to the ability of the local governments to hold Airbnb responsible for any local rules and regulations, and it effectively takes the position that it is exclusively a concern between the host and the guest. In light of that, because the net effect of this, of the claims in this lawsuit is that we have no recourse under their view against Airbnb for the community standards that we have established, I am going to ask the city attorney to give us an opinion. Furthermore, I think that we have to, as a council, come together and talk about the implications of this lawsuit because this is the nuclear card. This is effectively saying that our regulations cannot be enforced against them, on any basis claiming protections under the first amendment and preemption under federal law and if that's their position, then the implications cover every City and state in the country, and I would hope that we would have an opportunity to discuss that in light of our efforts to get them to comply with our rules.

Hales: Thanks for raising this and we are looking forward to seeing the complaint if you would not mind distributing that commissioner before we get the city attorney's opinion. So timely. Thank you very much. Ok. Let's take 1183.

Item 1183.

Moore-Love: She called and is not able to make it.

Hales: Let's move to the consent calendar again. I don't think that we have any requests to take the items off so let's take a vote please on want consent calendar as printed.

Novick: Aye. **Fritz:** Aye.

Fish: Mayor in the consent agenda, for appointing Catherine MacLeod who has previously been considered for a position and is very well regarded, so we congratulate her for that appointment to the fire and police disability retirement board, and there is also an item in which the bureau of environmental service is accepting a 400,000 grant from the united states environmental protection agency to address ground fields and I want to thank the professionals for their great work in securing this grant and as my colleagues know the centerpiece of our comprehensive plan going forward is converting brownfields to productive use and this is a small step in the right direction so I want to thank my team.
Aye.

Saltzman: Aye.

Hales: Aye. [gavel pounded] let's go to item 1184 please.

Item 1184.

Hales: Andrew Scott walk us through this proposal. Sorry, I didn't mean a bad pun but you are walking.

Andrew Scott, Director, City budget Office: That's a good step forward. I am here, Andrew Scott, budget director and here with Jessica Kinard the city's supplemental budget coordinator. I am going to do a very, very quick recap. We did have a work session on the fall supplemental budget last week. We went through in detail the requests on there and I will talk a bit about again recap what's filed and then there is some amendments that have been passed around so as a reminder we did have an \$8 million excess balance carryover from the last fiscal year, and in the bump filed that has been -- 4 million is set aside for capital projects and the other 4 million went into general fund contingency. As filed the ordinance funds 4.7 million of capital projects so exceeds the 50% financial policy and passed by council 3.7 million in new requests, which would leave about 1.64 million in unrestricted contingency for the remainder of the year. In terms of the position changes there are 81.88 so just under 82 positions added. The bulk of those in transportation

October 26, 2016

bureau of development services and omf and scattered, as well. I want to remind you what we talked about, the bump does include a, an adjustment to the current appropriation level target for the housing bureau, and to address the iga, the intergovernmental agreement with Multnomah county for the joint office of homeless services so increases the budget by 3.5 million which will be incorporated into the forecast that we issue in December.

Hales: Ok. Questions? I have one. I want to make sure that this is in the record. I am happy to have included in the proposal the vision zero appropriation for outer Halsey, it was my intent in doing that and the commissioner in charge is understanding that those dollars from the general fund will be matched by the systems development charge dollars and that the complete project will be build, not just part of it.

Scott: And mayor the budget does include a budget note to that effect.

Novick: I was at an east Portland transportation forum a couple of weeks ago when we heard support for the project, I think that we would be very happy.

Hales: Other questions? We have amendments to talk about. But other questions for staff? Ok. Then maybe we should take amendments and have you two standing by and we'll take the testimony.

Fish: I have to amendments to offer. And these somewhere been discussed with council offices. The first is -- I move to adjust The supplemental budget as follows. Increase the position authority in the water bureau by 3.0, regular fte, including one environmental specialist, laboratory analyst 1 and laboratory coordinator to address the increased workload related to the led testing in water. The bureau will fund the positions by reducing the water fund, contingency by 297,444 in the current year. And ongoing funding for the positions will be included in the annual budget development process and rates update, with impacts to rates offset by other rate reductions. This would also require updating exhibits 1-5 as needed to reflect this change, and I make that motion.

Hales: Is there a second?

Novick: Second.

Hales: Let's keep going.

Fish: I have a second amendment. Mayor, this is one co-sponsored by you the mayor and me. It is to allocate 20,000 in unrestricted contingency to special appropriations to repair the damages to the Portland Mercado food carts and we would update exhibits 1-5 as needed to reflect this change, and I have some, first, a second and I want to explain that.

Hales: I will second that.

Saltzman: 20 or 25?

Fish: 20.

Hales: It was originally 25 but looks like 20 will make a difference.

Fish: On this amendment, the Portland Mercado is a Project of hacienda cdc and has been funded by the Portland development commission. Recently the food trucks were vandalized, and someone broke into the food trucks, damaged the doors, and stole the property, and did other bad things, and a number of food trucks were knocked out of business for a couple days as part of the rebuilding there is extensive damage to the food trucks and to the area, and they have started a kick starter campaign and are receiving the private contributions to help repair, I understand people are contributing between \$5 and \$500 towards this cause. But the reality is, these are hardworking immigrants, small businesses who can't afford to be out of business for one or two days. It is shameful that someone chose to damage their trucks, which is their livelihood. What we're proposing mayor, you and I are proposing that we set aside the 20,000 that we asked the Portland development commission to determine the extent of the losses and less whatever insurance provides, and private fundraising, and that this be used to help with the repairs, and of course, it would be my hope that not all the money would be necessary to be

October 26, 2016

expended. I spoke to the executive director of pdc, and she is happy to play that role to determine what the extent of the damages are, and then to oversee the distribution of the funds. And then it would be my intention to report back to council, how the funds were Expended.

Hales: The only thing that I would add to that summary is that I was out at the ground-breaking for the first of the four projects in Lents that are finally implementing the Lents action plan, and last Sunday, and there was a great community gathering of all the folks that have worked for years on Lents. I was joking with ray heights, some of you know is an activist, that when he ski started talking about these projects they had dark brown hair. But nevertheless after all this time and all this planning they are happening, so this is a great celebration and there were a bunch of people there from the Asian health and services center who were talking about how wonderful the Mercado is so here we have the Asian community celebrating the Latino community's biggest accomplishment in the community development. So the fact that we have that support means that we should step up and help them to make sure that this place stays great. Those two amendments are before us.

Saltzman: I just had a question, so it is your intent that this says a one-time emergency appropriation, not to become an ongoing shadow appropriation?

Fish: Yes, and commissioner Saltzman thanks for raising that and it's also an issue that our independent budget office cares about, as well, and this is a purely one-time grant to help the local small business, with it, deal with an extraordinary occurrence, and this is not intended to be a recurring budget act.

Hales: It is for purposes of the emergency repairs. As stated. So want to take action on the first of these and we can move onto the rest of them? Other questions? We'll take testimony on everything but we'll -- let's put them on the table then and take testimony and adopt them in order. Ok let's take the next, the next motion please on the amendments.

Novick: I move to make the adjustment to the supplemental budget as proposed, increase the bureau program expenses for the Portland bureau of transportation by 150,000 to provide repairs to recreational vehicles lived in by the homeless, allowing them to relocate or to make their vehicles safe for habilitation, and to provide resources for the dismantling of the certain r.v.'s, if approved those dollars will be used to recycle derelict r.v.'s that are cost prohibitive to recycle. As a result, these are sold through auction for minimal amounts and recycled through the tow yards and back on the streets. They are not safe, impose an environmental hazard because of a range of fluids that leak from them. Pbot estimates it will allow the bureau to dispense of all 75 to 100 vehicles in the first-year and 800 to 1,000 per vehicle. Our plan is to allocate 30,000 for repairs, and 120,000 for Dismantling and recycling.

Hales: I will second that.

Fritz: As a clarification, none of the vehicles that people are living in regardless of whether they should be living there, they are not going to be towed and squashed.

Hales: These are vehicles that have already been towed. I think. That's right. Somebody -- we had a presentation about this, it's my understanding, a good question and let's make sure that we understand this, my understanding is the vehicles involved are ones that have already been tow and had coming out of the tow yard empty of people.

Fritz: My question is are they empty of people before they are towed.

Hales: Good question I don't know the answer to that.

Novick: Is Dave Benson here? Are you here?

Fish: Are we going to do a presentation?

Hales: It looks like we need to have questions before we put the amendment before us, so let's get those questions asked and answered.

October 26, 2016

Dave Benson, Bureau of Transportation: Dave Benson Bureau of Transportation I am sorry I didn't hear the question.

Fritz: These vehicles when they, are any vehicles towed to the tow yard that still have people in them? Are people ejected?

Benson: I know the towers when they go out, if there is people in the vehicles, they will not tow them. Thank you.

Hales: So that amendment is in front of us. Stand by in case there are more questions after testimony. Commissioner Saltzman you have an amendment?

Saltzman: Yes. I would move to make the following adjustment to the supplemental budget as proposed. Amend one regular full-time equivalent currently requested as a regular position to limited term in the Portland housing bureau's budget, and this position will provide data collection and analysis services for the joint office of homeless services and was intended to be a limited duration request and update exhibits 1-5 as needed to reflect this change.

Hales: Second?

Novick: Second.

Scott: Do we have a second on novick's amendment.

Hales: Yes, I did and he did, too, so two of them so go ahead. Other proposed amendments to put on the table before we take the testimony?

Fritz: I don't have a proposed amendment but I want to make it clear what's happening by adopting this budget. As you will remember parks asked for 1.6 million as a match for 7 million in fema money for the repair of things that got dislodged in the floods, and the rains. And the city budget office and the counselor by adopting this budget has directed parks and me to use 1.2 million from the sail of the property to the housing bureau, which I had been planning to use to buy acquire property in park deficient areas or build a park in a park deficient area, and instead we've been asked to put that towards the fixing the problems from the floods. And because of the amount that We got from the housing bureau is 1.2 million, that leaves 478,641, which we don't have a match for, and which means that we would be leaving 1.4 million from the federal government on the table when we would not be able to do the project, that is quite clear that in my opinion, we should be repairing things and we will need to come to council to let you know what's not going to get repaired.

Hales: I don't think that's an outcome that I would like -- I don't understand the time line, so by when, must we put up all those match funds, and in order to gain all of the federal dollars that we would be matching.

Scott: My understanding there is 18 months to put that up but I am not sure when.

Fritz: The point is I don't know where I would get the 400, 500,000, it can come back in the spring.

Fish: They have done an admirable job framing that concern and I think that we have time to address it and in the interim I would want to know if we have any flexibility with the win-fall, whether there is adjustments that we can make in the budget because one of the great benefits of this market is we're getting huge amounts of charges to address something that you and I care about which is building parks in east Portland. So I would want to know how that, how that balances out with this request.

Fritz: Thank you for bringing that up. We have already allocated 6 million of system development charge money, so you are doing work at park lane, which is what the, what is the Greatest desire and we would need 20 million for that which we don't have, and we also allocated money for various other projects and obviously we cannot use the system development charges for doing the repairs.

October 26, 2016

Hales: It might be useful to know that date, is it July? Is it January 1 of 18, when is that date? Useful to know that and remind me what the match ratio is.

Fish: 3-1 so its nearly 4,5 million.

Hales: In my opinion, and I suspect that the budget office might agree with this opinion, because I know how they think about money, it would be crazy to leave that kind of match unrequited, so one way or another I think that the city should make sure that we fund fully our side of that equation so that we get \$3 for every one that we spend because we don't get those opportunities often. The question is just when do we have to spend all of those dollars in order to achieve that match, but we might need a budget note in order to make it clear that, maybe we don't have to have a budget note but it would be my hope and expectation that we do that.

Scott: We can get back in he remembers it of when that time line is up and in the analysis, we, salesman, suggested the parks take existing maintenance money in order to ensure that we get the match for the repairs, which of course, would delay the existing maintenance projects so there is a trade-off but we felt like it was manageable within the resources.

Fritz: We've got the boilers were not funded in this bump either and I do want to return to the 1.2 million from selling the property to housing. I thought we were being entrepreneurial and collaborative and would help everybody out by having that money available for new parks. I know I don't have the vote for that.

Hales: Other amendments, suggestions, question for staff?

Novick: Mayor I would like to ask Andrew, what's your response to commissioner Fritz's concern? And do you think that what we're doing is appropriate and we can wait to get the match later on? Or do you think -- I don't want to put you on the spot but can you give the arguments, the argument for putting us in a situation that we're in now?

Scott: Yeah, around this issue, we absolutely think that we should capture all of the fema money that's available. When we looked at the entirety of all the requests, including those from parks, you know, in our view it was better to take the money from the existing sale and to make sure that we got that match, which there is a trade-off there as the commissioner noted is not you know, expanding the park system, on the larger issue one of the things that we raised is the ongoing concern that as we expand the parks system we are shifting more fund to operating and maintaining the parks so we want to be really clear about those decisions. But we suggested taking that funding and reallocating the existing funding so I don't want to overshadow, there are trade-offs in that but we felt like they were the best way to repair the damage from the storm and continue to work on those other maintenance issues as we move forward.

Fish: Andrew, for me this is the first time this issue has been flagged, and if no one has brought it to my attention and this is something that the commissioner in charge feels strongly about, then I agree with the mayor I would like to know what the options are going forward and the time line and whether we have other options, and it sounds like we have much time to come up with a creative solution.

Fritz: Commissioner Fish I think you missed the work session and you were ill or traveling.

Fish: It's the first time it has been brought to my attention.

Hales: My philosophy and reflected in this when we get a match opportunity, we should step up and do it, and if it's otherwise an investment in the city we don't want to make we are doing that with the halprin sequence in this proposal because the time is right now. Either we do it or don't and when -- we should not pass that milestone with this opportunity, without fund understanding the match. But the question is when, how long does the council have and how many more budget exercises will we go through before it's

October 26, 2016

too late, and I think that there is at least two. I think that there is the spring bump and the next general fund budget, but it's worth checking.

Ryan Kinsella, City Budget Office: From what I know from the bureau, Ryan Kinsella city budget office, the project managers indicated that, I believe it's 18 months from the time of the event that they would need to make a claim with fema for the reimbursement so that would be June of 2017, that they have for the time line and we also indicated the bureau has indicated that the 1.2 million, the current estimates are an estimate, and it could be less or substantially more so the full 1.6 million might not be needed after everything.

Fish: Can I make a proposal? This is a fairly good conversation why don't we drop a budget note that says in the spring bump, what's the next bump? Spring bump, that in the spring bump, we would ask the budget office to come forward with options for how we can capitalize on this fema match. And work with the commissioner, the then commissioner in charge on developing options for how we can fund it. Does that capture the spirit?

Hales: I like that idea.

Fish: Commissioner Fritz?

Fritz: Thank you.

Hales: So that's, that's a consensus about that, and let's put that in the match and that's before June. So just like with the halprin sequence, now we are paying for it and it would be the same process. Ok. Good discussion and appreciate that commissioner Fritz. Any other questions? Now let's go to the testimony. Ok Mr. Johnson make your first.

Charles Johnson: Good morning, commissioners, for the record, I am Charles Bridge crane Johnson, and in the context of this budget, it's -- modification, it's important that we note it's really not a proud Portland tradition, and in addition to abuse, to protesters from police, we have a shameful tradition of compelling people to sleep outside on sidewalks, bridges, tents, and for those who are really attentive this discussion comes with the 48-page pdf, and while we are making strides and we have a joint office with the county work on the homelessness, we know that the de facto policy of this city is for 1,000 plus people to lay on our sidewalks and lay under our bridges and with almost nothing. Sometimes a tarp. They cannot get that from any city agency if they don't have a tarp or a blanket. They have to hope the Portland rescue mission has not run out. If the temperature is to around 33 degrees, we might find volunteers that will open the buildings that they can go into until 7:00 in the morning or maybe some places for a full day if it's really super cold. So when we talk about this budget modification adjustment, it's important that we don't be overly congratulatory to ourselves about what we are accomplishing because what we are accomplishing is deliberately, willfully, choosing to treat local people worse than we treat refugees in foreign refugee camps and emergency service centers in Haiti and in people fleeing Syria and they have tents and camps with waters brought in, and the reason that they don't have trash piling up and creating trash in the Lents neighborhood is because the government agencies and the ngo agencies service those people by providing them with hygiene facilities and trash disposal, which we don't do. We will intentionally, this year, keep about 1,000 people from having any safe hydrogen issuing place to live. Hopefully, we will be able to look back and say it was a smaller number this year than it was in the previous year. And the truth is, we're choosing not to allocate services, resources so that the hundreds of toilets in the coliseum and moda center that don't get used won't be available to those people. We have not found a way so let's not be overly congratulatory and admit the Portland way as talked about in front of judge Simon is not such a great way. Thank you.

Randy Gragg: Randy gragg from the halprin landscape conservancy and I wanted to thank you for including us in the budget. The 1.5 million we believe will be extremely well spent. We have increasing momentum with our efforts to restore the fountains and bring

October 26, 2016

them back to life. More businesses coming in and buildings coming in and we have a growing embrace from the neighborhood. There is a branding campaign of the businesses there to rebrand the area as a fountain district so there is an embrace of the plaza that hasn't been there. I came back from the American society of landscape architects where we did a presentation on Our efforts there and we had 250 folks from all around the country and one of the preeminent architects of our time, Lori Ollen, has done much work here in Portland, got up and talked about how important these fountains have been to the profession. To the influencing of a whole generation of landscape architects to make more playful urban spaces and so I recognize tough choices that you have to make, and thanks for this vote, and in restoring these important resources to us. And lastly I really want to thank the staff at parks. We worked through really difficult budget choices, and they have been so fantastic to work with. We have an established budget and we are ready to roll so thank you very much for your efforts.

Hales: Thank you, and Karen and others who have gotten people to make commitments to match our money. Next. Go ahead please.

Mary Eng: I am Mary rose Lenore eng, and eng is Norwegian for meadow and German for meadow and Chinese for something, too, so I want to thank you for this microphone, for this timer which reflects that I have two minutes and 43 seconds left, thank you for Karla, all the work that she does and Robert king for always being so fantastic and kind to me and gracious. I want to thank our city attorney, Judy prosper, who we endured a very tough meeting last night, and I want to thank you, mayor hales, and miss Fritz for being present for Mr. Simon and I want to thank the Mercado for pricing up Lents, and I love the beauty of it, and the beauty of the Latino activist movement as I knew it in los Angeles. When my own family had abandoned me I felt like the Latino community opened their arms to me and treated me so kindly. I want to thank miss Laura vanderlyn, who is of Mexican nationality and had beautiful black grandkids and black daughters and I think that in some ways we have got to realize our multi-cultural landscapes involves complicated families, I have black cousins and I want to thank avel gordly for working on the coab and congratulate her of her lovely development coalition house that she has obtained -- or house sale, that's interesting, some people are viewing it as a kick-back for cash. I am not going to make a decision on that yet, but I want to point towards Angela graben, working with open government, and I noticed your open data transparency initiative and she would like you to give Laura Vanderlyns iPhone back as well as unblock her on twitter because open data means that if we have an emergency like we did when I was scheduled to speak and was on a bus when that explosion happened downtown, you want to be able to reach your citizens and they may be looking towards twitter, that may be their main agenda so with the budget, make some budget for your own investment in your own spirits. I suggest yoga and meditation. I suggest you resign again Charlie hales on the o'day shooting. I will go with you to Europe if You want to run away with me, and we can go to the tape, I love that and the galleries. We could -- I don't know do something humanitarian go and rescue refugees in the Mediterranean. But there is a point where the city leadership requires dedication to the principal of riot prevention, and when you push people too far with not respecting their needs for good leadership, you have to take accountability, sir, for the things that you blame on other people when you pepper spray amputees and children and women, and I don't condone rude or poor behavior, but I do recognize that we have a standard of decency that we need to ensure for all members of the community including our guards and Michael Cohen who I understand has been exposed for having some background problems and some brutality here. Thank you.

Hales: Thank you. Go ahead, please.

October 26, 2016

Lightning: Yes, I am lightning, I represent lightning watchdog pdx, on the Mercado food carts, I have a problem. I understand you said that was a grant. My problem is if the insurance comes through and covers the cost will the grant be reimbursed back to the city? My understanding --

Fish: It's a pool of money. I don't want to interrupt you but it's a great question, as always. They have some of the small businesses, have insurance, and others don't, and so the idea would be for those expenses that are not covered by some other source, we would provide the grant money to help them, and while I have asked for 20,000 I anticipate that we won't expend the entire 20,000. And we'll have pdc administer it so that there is a report back to the council about what was a covered expense and what was not.

Lightning: Ok. Very good. And now the issue on the Portland parks commissioner Fritz's position on this is that in my opinion, with the match of 3-1, in dealing with fema, things can come up that can change funding all the time, new administration, other disasters in other areas when you have a 3-1 match you want to move in on that immediately because that opportunity can disappear. You don't want to hesitate. You want to put up that funding and it sounds like you are able to do it in some manner but to extend this out in my opinion would jeopardize the overall ability to get that money in the future. That's just my opinion because things change all the time, you want to move on that faster, and get that into place so my position is to try to move some funding in that area immediately. Issue number two on the r.v. Situation, it's my understanding when an r.v. Is towed off the streets, it goes into the tow company's property and is their problem, and as you know when you get into the Selby scrap of r.v.'s they are not really something like schnitzer steel or where it's going to have an interest in but there is a lot of headache into that in insulation and environmental issues and all that other stuff that can come into play when you step into position on that, and in my opinion set it aside to the tow companies. You handle it plain and simple and keep the city out of that entirely. And the other issue on transportation, and it's nothing really negative, I don't like to see a lot more employees being hired at this time. I think that we're in a bubble that's going to -- we're going to see that when new administration takes position. And we need to be very cautious right now and begin to look at thinning out the labor force and not adding more. That's my opinion. But I think that within the next six to 12 months we'll see the reality, thank you.

Hales: Thank you. Good morning.

Robert West: I am robert west and I want to bring up the r.v. issue. A lot of these r.v.s that the police are towing are, actually, owned and operated, they are people's homes. And just because they are not there at the time doesn't mean that they are just abandoned. People can't afford to put them in private property and stuff like that. You are losing a lot of r.v. space and they are building spa houses and stuff like that so people wind up with r.v.s out on the street. You are giving the police and you are giving the meter maids open cause to go out and to just tow these vehicles. We should not encourage the tow companies, police, or meter maids to tow these people's homes, if I were to go over and remove your home you would be very upset. And these people get upset, this too. Everything they own is in the r.v., it gets tow and had they cannot get a hold of their personal property, and they lose everything. That's not fair or right. Some of these people that live in the r.v.'s work and stuff like that. What the city calls abandoned is someone's home. At no point should the city put out any kind of money to dismantle or to take someone's home. Unless the city can show for a fact that someone is not living in there, and that's what I wanted to bring up.

Hales: Thanks very much. Ok. Others?

Hales: Go ahead, please, I think you are first.

Janice Thompson: Janice Thompson citizen utility board of oregon. I am here with some suggestions related to the budget process and the utility bureaus, and it's, you know, it's

October 26, 2016

taken me a while to, you know, sort out this process, it's been doable, and especially since oftentimes more typically the -- there is minor tweaks coming up. It's a bit more challenging this time with the atypical position of the positions in the water bureau's bump. If it's challenging for me, it seems like it is fair to say it's probably trickier for the public with their monthly meeting schedules. I have got three suggestions, one is more proactive discussion by the utility bureaus, about bump requests in general but especially if they are atypical or more on that end of the spectrum, with both cub and pub. And sharing the cbo analysis of the utility bureau's request with cub and pub, last Thursday I was watching online, I couldn't be here in person although I understand that the pub representatives were, members were, which is great, but for example I couldn't, online, various information that was being discussed was not up yet. And also have cub and pub as has been occurring in the regular work sessions, also be a participant at the bump work sessions, akin to the budget advisory committee whose oversight has more of a general fund focus was at your meeting last Thursday. I was listening and I know some pub members were here, as well but not in a way that provided an opportunity at that point to ask questions.

Fish: If I can just respond and thank you for all three suggestions. On the first two we have to do a better job, and the excuse can't be you meet -- that the pub meets monthly. While this is not a structural change of any note, I think that any change in a bump should be reviewed, so I agree with the first two suggestions and mayor on the third, I wish that I had raised that during the bump. Because we did have the co-chairs here of the pub. And I would hope that with the next administration that we formally invite the co-chairs and the representative of the cub to sit at the table akin to our citizen budget folks, when any bump request involving the utilities is discussed and I would hope that's something that my colleagues would support. Thank you.

Hales: Thanks very much, yes. Good morning.

Joe Walsh: My name is Joe Walsh and I represent individuals for justice. We object to the process that you go through. When you do the amendments, you completely confuse everybody. You are the only ones that really know what's going on because you have looked at the amendments, and I hope you have had some conversations about the amendments, and but then you put them on the table here and you go through two or three amendments and then you take a vote. Nobody knows what you are doing, that's why you go an f on your transparency. That's one of the reasons and it's so simple to resolve. If you are going to do amendments on the budget especially the budget, and you want people to understand what you are doing, then hold it over for a week or so, and then have another compensation where you have community input so the community gets some time to look at it and to try to figure out what you are doing.

Novick: Mr. Walsh we discussed --

Walsh: Wait. There should be no separation between you and the community, and up here when I sit here and I listen to you, that's a thought that goes through my mind. They think they know more than everybody out here. And that's not true. You know more than I do, obviously. You don't know more than everybody. So give everybody a chance to talk to you. So when you do these amendments, hold it over. I don't know if you are going to vote on this, that's what you usually do. You listen to us and three minutes is up and boom, and red light and get out of here and vote and aye, aye, aye, and you sound like pirates. That's what you remind me of, aye, aye, aye. Five ayes. Hold it over, and let the community come in and talk to you. Because we are in trouble. We all acknowledge that. We're all struggling trying to figure out how if god's name we bridged the gap, and the gap is getting bigger. Not smaller. Throughout the whole country, and here. Here especially. When your staff asked me last week, Joe, can we hold a meeting without a demonstration? And I said it's up to the mayor. Stop being a jerk. And you will not have demonstrations, you see,

October 26, 2016

Demonstrations here, do you see that today? You have not been a jerk yet. So please Mr. Novick, commissioner novick --

Novick: We discussed all these amendments except for the Mercado in the work session last week. I also wanted to say that I appreciate your referring to us as pirates because I think that's the most complimentary thing you have ever said about the city council.

Walsh: Ok. We can't attend all the meetings. The public cannot attend them. They see this meeting as the most important. Because you take the votes. Ok. So you can't say to me well, we did it on a work session. We don't have the time to I am retired and I don't have the time to follow all the committees around. We can't do it. We are here, and I know that is at a disadvantage because there is so much work done before you even get it. However, this is a community speaking to you. Not just me. But a lot of people.

Hales: Thank you very much. Thank you. Anyone else on this item? So first take action on the amendments as they were proposed. So let's take commissioner Fish's first amendment which is -- ma'am, you may not interrupt the council meeting. If you interrupt again you will be excluded. You will be excluded if you interrupt. Ok let's take commissioner Fish's first amendment which is the three positions in the water bureau. Take a vote on that.

Novick: Aye

Fritz: I thought the pirates went arggh, not aye.

Fish: Thank you, colleagues, aye.

Saltzman: I wanted to thank the water bureau and the commissioner Fish's office for providing me a detailed analysis of this amendment. Aye.

Hales: Aye ok now we'll take up the second one which is the Mercado emergency repairs \$20,000.

Novick: Aye. **Fritz:** Aye.

Fish: I want to thank my colleagues on this and I also appreciate the feedback that the mayor and I got. We will administer these funds wisely and we will provide an accounting and we will make sure that these funds are net of other funds that the aggrieved small businesses receive from insurance and other sources, and this is our, our way, as a body, however, to speak out against someone who would vandalize the trucks and the small businesses of immigrant entrepreneurs. It is shameful and I am proud of this council for stepping up. Aye.

Saltzman: Aye.

Hales: You know the -- there was obviously last week while we were having this meeting we had this huge disaster in northwest Portland, and I am happy to see our city bureaus coming together to work on how do we respond to that. When we have a situation like this one way or another we ought to be there and I appreciate this.

Fish: Can I also acknowledge that driving back from the site visit to report to you, your office immediately said co-sponsor you want to move on this, and I thank you for your leadership.

Hales: Thank you. A good piece of work. Aye. Let's take commissioner novick's amendment. And there were questions about it, testimony, I think that we can answer as we vote. Commissioner novick's amendment about the r.v. Program.

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

Hales: One was raised here that I think, I want to emphasis and that is we ought to be exercising, and I hope and expect that we are, great sensitivity about what happens when we do tow somebody's vehicle, whether it's their automobile or their r.v., and I expect and will hold people accountable that we do that. Once one has been towed, then what I believe the intent of this program is, is to do triage and say that one can be repaired, and used as housing for people that are desperate for housing. Good. That's what we should

October 26, 2016

be doing. The ones that are beyond repair are the ones that should be, obviously, recycled. So that's our expectation about this program, so a bit of a pilot project and the council is going to want to hear back about how it is working as a program and how it is working for the people affected but I think it's worth a try. Thank you. Aye. Commissioner Saltzman's amendment. One, fte added to the housing bureau's budget.

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

Hales: Aye ok and that's all the amendments that I believe so then let's take a vote on the supplemental budget as amended.

Novick: Aye.

Fritz: Thank you for your last four budget submissions and for many of the things that you are in, it is an emergency ordinance so I will be voting for it and despite the concerns I raised and particularly I am pleased that the council agreed to continue implementing the policy that I led dedicating 50% of ending balance and fund one-time money to capital projects in transportation parks and emergency preparedness. It's important to see these needs maintenance needs funded in the bump and disappointing to see that many others that still need funding and grateful that there are funds for additional park rangers to help patrol around the spring water corridor in east Portland, I was concerned about the seasonal park because it seemed like 350,000 for a one summer and that seemed high so thank you for your staff, for letting me know, especially for five years, and so about 70,000 a year, and I am still a bit concerned that the Administration, administrative costs and the outreach contingency are almost 150,000 so that's 40% of the allocation, and so that's still of concern and obviously, I am glad that the Halprin partnership has been forged and you got the property owners to pitch in so that lovely resource can be preserve and had maintained, and glad for the 1.5 million. What I've been doing when I get requests from affluent neighborhoods to fund something, and to partner with parks, I try to find the money with system development charges and other things to at the same time provide improvements in the neighborhoods that don't have parks, so I am disappointed that the council is choosing basically take the money from the sale of the property to housing, which will bring to you on November 16, and taking that money as the match for the repairs, in forest park, and elsewhere, and then leaves me with not the 1.2 million that I was hoping to get for the Portland parks in east Portland but thank you again, and I appreciate your partnership. Aye.

Fish: I want to join commissioner Fish in acknowledging this is your last official budget act. Thank you for the skillful way that you handled this and other budgets. I think for a casual observer; this seems to be relatively drama-free. We have to make tough choices around competing requests and values, so I want to thank you, I thought that this was a particularly effective budget Modification process, and I want to thank Andrew and his team because they do all the hard work and make it look easy, and I want to thank my colleagues for the discussions and the consensus and the public for helping to shape this, and there is a number of things that I really care about. I am pleased that we are carrying over money to help Dan fund winter shelter. Winter shelter is a service we need to fund and the partnership between the city and the county is bearing fruit, and I am really pleased that Steve is getting some money to make progress on vision zero. You don't have to just be one of the two people up here whose lives were touched by tragedy to understand that vision zero has to be at the center of what we do as a city, and people should have an absolute right to expect that the sidewalks and streets are safe. And Steve you've been a champion for vision zero, and it is an audacious goal and one that will be very hard to reach. But it's a goal that will get closer to if we make these investments, and I particularly appreciate all of the community partners who educated me about the benefits of better naito on a seasonal basis, and the imperative of, on an equity basis of going out

October 26, 2016

to east Portland and addressing this challenge where people are dying at an alarming rate. And I want to thank our friends from Halprin, what commissioner Fritz and I and all of us who have had the honor of being commissioners in charge know, is that the needs of our system outstrip our ability to pay for them. So when the public spirited individuals and companies come forward and say we're going to contribute through a partnership for the benefit of our city, we need to embrace that and say thank you. And I deeply appreciate that commissioner Fritz has, is investing the bulk of the resources in the places that have gone without for so long, and one of her legacies will be a developed park system in east Portland, that ten years ago was a dream but no path forward, but it is also important when we have a master work like the Halprin sequence that we invest in maintaining it and I believe it will be another destination place in our city when it is restored, and we cannot do this without private partners, and Randy thank you for writing the book and Karen and Randy and all the partners thank you for raising the money. And I also want to acknowledge something commissioner Fritz said, it was under her leadership that we took the step of saying 50% of these funds would be dedicated to maintenance and that responded to a public that this that we're not investing enough in maintenance, and it was the kind of symbolic and substantive gesture that has born fruit and millions of dollars is going to major maintenance that otherwise wouldn't have. And I think that we owe her a debt on that and finally on the Mercado the one question that I have received in the last 24 hours in terms of the pushback Is why would we invest in the Mercado? This group of small business people and not others? The answer is we do invest in others. Under this mayor, we have invested a ton of money to the Portland development commission in supporting small business, access to capital, and storefront improvements, and investments in infrastructure. That's all in aid of small business. And you have also increased the funding for the venture Portland which helps the 50 neighborhood business districts prosper, and when there is an emergency, we always step up and ask what we can do as you indicated along 23rd street, and I thank you and Dan for the prompt way that you are on the site and that you were reaching out to folks. And so the Mercado is a project of the city. It's part of our core strategy of equity and opportunity, and when someone vandalized those trucks, they struck at the heart of something that we are trying to do, which is to give people that were shut out a chance to prosper, and the modest investment that we played there, in helping new immigrants chase a dream, is something that we should be all proud of, and this modest investment is a way of saying shame on the person or persons that tried to prevent them from earning a living, and I am proud to be on a council that would act to remedy that. Thank you for your leadership and Andrew, the ending fund balance is just under 2 million, and you said that you wanted us to keep a reserve, and we could have spent that money, but we have shown the discipline of keeping it in a rainy day account if we need it, and I am pleased that we have done that in this budget, as well. Aye.

Saltzman: Aye.

Hales: Well some people say that budgets are boring. And they might be to many people but I have like mayor Katz did, put a lot of my time and effort into the city's budget during the time I served the city as mayor so this is my last opportunity to do that and I am very proud of this one even though it's obviously the smaller element of the budget process compared to the big annual budget. And that's consisted of emergency response, the first big budget we worked on was one that was \$21 million in the red when we started. And we have done well together, I think, in trying to make these budget decisions so I want to thank my colleagues for good work, and you are right sometimes it appears like there is no drama about the budget but there is because as you can tell people are passionately concerned about serving the community and we do that in lots of ways, and there's never enough money to do everything that we want. I also want a second the commendations to

October 26, 2016

you for having this policy that when we have extra money we spend at least half of it on capital investment and that's just good management. And you can put that into our dna as a city, and it's very Good, but that's how we operate. And I am very proud of some of the elements of this budget. The fact that we are restoring the sequence with people that worked so hard to make that happen, you know the parks and fountains of the city they may happen to be located in one neighborhood, and I have a love for Laurelhurst park. I don't live there anymore but that's where my kids first wandered around the city park so whenever I go there I see my kids sliding down the hill in the snow, and so that park is a treasure for everybody. Whether they live there or not. And it's the same with the halprin sequence so I think it's a proud moment when we invest in those place that is make Portland, Portland. And I am very happy that we are fixing the southwest community center group, although frustrated that we had to, because when I was the parks commissioner we passed the first bond and you helped us to pass the second one, commissioner. And every time I go in one of those centers I say that's good work and they are always full of life and activity and so we have got to make sure that sticks around. So putting that building right, is something that we must do, I am very happy about better naito and in terms of the community involvement I want to thank the hundreds of people who let us know that that's a priority for them in this city. It really helped to make the case that having more safe places to bike and expanding the public realm for bicycles is Something that we are committed to and this is a step in that direction. This investment in vision zero is something that I really want to commend you, commissioner novick, and the transportation bureau for making a priority. Gang violence is still a serious problem in this city. And although it's down 20% from last year. We have had 1069 shots fired and 39 people wounded, two killed. We have had, I think, 15 homicides in this city. We have killed 34 of our fellow citizens with cars. And that's the number one threat to the public safety. We had the mother of fallon smart here at this table talking about the hole in her heart from her daughter's death on Hawthorne when she was run over by a reckless driver. So vision zero is real, and it is human, and it matters, and that's why I am as we proud that we are making that investment, as well. Budgets are how you put values into action, and this is good action, and I am very proud of it. Thank you all very much through our work on this, and Andrew, you have been a pleasure to work with. You get to work with really smart people at this table, and you are one of them, and the folks that you have assembled in our budget office are the best in the business as it was best validated by the Bloomberg foundation in the recognition for the work that we are doing on data and on open government. But just the quality of analysis That goes into this budget process, and the coherent philosophy about spending money intellectually well and prudently that you represent every time and in every meeting public or private, is something that is an asset to the city so I want to commend you and the budget office for serving us and the community very well. And finally my own staff has worked a long time on the budget issues, and finding time to do that in the midst of everything else so Tara and to the folks in our office thank you for good work and I am proud of this day. Aye. Thank you very much. Ok let's move on, please, to the next item on the list, which is another happy moment.

1185.

Item 1185.

Hales: Let me say again this is a proud day for us as a city in 2013 I made a pledge at world environment day, that we would become a salmon-safe city, and now we have done it. And we're the first salmon safe certified municipality in the country, and we have made a commitment to do what we do in terms of the public works and investments and maintenance in a way that protects the fish that is the symbol for many people of our part of the world. Certainly for native people it is and for the rest of us, as well, so I want to

October 26, 2016

thank our bureau directors who are here, and the staff who have been working on this, and to getting us to the point that we're the first and the best and that's always nice when Portland is in that place, so thank you very much. Susan, I think that you are on first.

Susan Anderson, Director, Bureau of Planning and Sustainability: Thank you. Council, Susan Anderson, director of the bureau of planning and sustainability and with me are Leah Treat, transportation director, and Jane Bacchieri from BES, and my partners on many different projects, and today we're pleased to bring you the report on the city of salmon safe program, BPS acted as we often do in a lot of kinds of projects as the convener of the nexus and worked with staff from several of the bureaus to get through the process, and more than a dozen people from several bureaus were involved. And I am going to briefly list all their names quickly just the first names from the different bureaus and if you are here could you stand up or wave so Counselor can recognize your hard work on this effort. So the list has Kaitlyn and Melissa from BES, and Mike from Water Bureau. Rich from Transportation. Greg and Shawn from Fire. Dawn and John from Fleet Services and Stacy and Larry from Procurement and Jamie and Sarah from Facilities and from BPS and Debbie and Roberta. And in addition Mike Abbate and the Parks Bureau has been working on salmon safe for years and maybe back when you were on the Council originally when it first came out it was that the Parks Bureau embraced, seen as a model, and in addition I would be remiss if I did not mention this effort was made possible in part by a grant from the Spirit Mountain Community Fund so we want to thank Spirit Mountain again and another partnership where we wanted to do this work but we wanted to build some kind of partnership with the community in order to be able to do it. So the report that you have in front of you was completed by salmon safe. Their science team, and did interviews with the staff and they examined the city policies and our programs and they went out to various sites and facilities and together we all identified various ways and options to improve our policies and practices. The report outlines how each bureau is going to focus on different practices, and they will talk a bit more about it from the storm water run-off to the water efficiency and pesticide reduction and water quality, and protection, and other work. So again the five bureaus participating were BES and Transportation and Water Bureau and Fire and Rescue and OMF. And you know I think that we're going to see this certification pay off. It's in a specific way, and one of the things it's going to do is allow us to walk our talk as we spend a lot of time working with other companies and industries in the community, and in terms of resource conservation and watershed health, we need to be able to say we are doing what we are telling others to do. And this will help us to be more transparent and it will provide very clear standards. And so to close, I wanted to say that again salmon safe has been an opportunity for the bureaus to work together, and we have learned a lot together, and I think that it's another opportunity where when that happens, the people meet and they, actually, begin to form relationships with advances. Work in those bureaus as they share information on all sorts of different kinds of practices so I will turn it over to Leah.

Leah Treat, Director, Portland Bureau of Transportation: Great, thank you, Leah Treat, director of the Portland Bureau of Transportation. We see salmon safe certification as an opportunity to further improve the environmental safeguards that PBOT already takes during our operations. My bureau currently meets the majority of the salmon safe requirements, but we see the biggest return on investment for this program in improving our facilities. In particular, we're looking for to develop a site master plan in coordination with city fleet the upgrade out maintenance operations facilities. Many of the conditions for salmon safe certification would be addressed in our site master plan and the subsequent development and the master plan will include a comprehensive storm water management plan for the maintenance yard. Thank you for the opportunity to speak on behalf of salmon safe.

October 26, 2016

Jane Bacchieri, Bureau of Environmental Services: Good morning mayor Hales and commissioners for the record I am Jane Bacchieri I am the watershed manager for the bureau of environmental services. On behalf of BES I'm really pleased to be here today to celebrate Portland certification as the first and hopefully not the last salmon safe city. The salmon safe certification as Susan explained provides an independent third party validation of the—that the way that we do business is protective of the environment so that we don't create problems for future generations. Imagine if we had this certification when the city built its first combined sewer and we made the decision to have the flows go into the Willamette. So we're pleased that salmon safe has recognized leadership the value and the benefits of our work to date how Portland conducts business directly impacts both the Willamette and the Columbia river watersheds. Including the salmon that swim past the city and swim up to the headwater stream and then pass back through the city towards the Pacific Ocean. Environmental services is responsible for managing wastewater and storm water treatment and the overall health of our watersheds making sure we continually protect public health, water quality and environment. The same report commends our current efforts and identifies opportunities for improvement enabling us to strengthen our commitment to environmental leadership. BES has worked closely with salmon safe to meet the requirements within the current work plans and business model we have today. In other words conditions are ways for us to improve existing plans and programs and to have better outcomes for salmon. They are not new or extraneous efforts. One example is condition 5 which requires objective assessment of our in-stream projects. BES will update the model from the past and we intend to update in the next five years however as a result of the salmon safe report we are proposing to accelerate the update of this model and use it differently this time around in a way that complement and informs our storm water system planning efforts coupled storm water and in-stream improvement. We will use the results to fine tune our efforts so that we are constantly improving and using dollars more efficiently. Environmental services is looking forward to working with our sister bureaus to improve storm water planning and prioritization project evaluation and erosion control coordination these recommendations converge seamlessly with the ongoing efforts that we have to use rate payer dollars wisely. Keep environmental services striving to operate and plan ahead with sustainability and low impact goals in mind. We also hope that Portland's salmon safe certification will encourage other public utilities to employ business modeling and incorporate sustainability and good water practices. It enables us to meet our regulatory mandates especially as they become stricter in the future. Adopting these practices today will hopefully become conventional and guide our business practices in the future. We're proud today our city has received the certification and thanks so much for your time.

Hales: Questions for this panel of leaders inside city government?

Fish: Mayor, we have a time certain scheduled for the day after the election. Everyone will be exhausted. [laughter] we'll be presenting an update and closeout on the crystal springs initiative.

Hales: Oh right.

Fish: There's no current initiative of BES that more clearly frames the focus on salmon and health of our salmon and the dividends to our watershed and our community. So we look forward to that.

Hales: Thank you all very much. We have another panel here. Dan Kent from salmon safe and Jim Bernau. Nice to have you here. Good morning.

Dan Kent: Good morning. I'm Dan Kent, executive director, co-founder of salmon safe. Congratulations today to the city of Portland, the first city in the world to complete a comprehensive assessment with an independent third party verification organization with

October 26, 2016

the goal of reducing its impact in its watershed. Working at sites across the city for more than three years with our independent science team to evaluate operations of city bureaus with respect to impacts on the Willamette river, we saw firsthand the commitment of city workers to ensuring Portland does its part to protect our urban watershed. I want to extend salmon safe's appreciation and also appreciation of our independent science team to the five service delivery bureaus that were mentioned by Susan and were the core implementation team for this project. Also to the bureau of planning and sustainability for coordinating with salmon safe and our science team over the last few years. I want to thank you, mayor Hales, in particular for your world environment day challenge to the city to follow the lead of Portland parks in seeking salmon safe certification across core facilities and operations. Salmon safe has been here before in front of the council in our long time work with Portland parks but just as a reminder we're an environmental certification organization focused on water quality protection and habitat conservation. Salmon safe provides rigorous third party audits of watershed impacts and we also provide the framework of an environmental management system for reducing those impacts over time. For Portland our work started with the comprehensive gap analysis of city-wide programs, policies and plans related to environmental management then expanded to bureau by bureau inspections all across the city looking at sites ranging from streets under construction to operations yards to motor pool fueling stations to fire station equipment washing to graffiti removal and countless other practices and sites that have the potential to contribute polluted runoff to the Willamette river. Today we're honored to present the salmon safe cross bureau certification report, which you have in front of you. The report includes conditions for certification that are the actions that the city will take with respect to continuous improvement. That means further efficiency with respect to water conservation, for example, and many other examples of ongoing improvement in environmental management. Portland is the first city to achieve salmon safe certification. But the impact of Portland's commitment is even greater because it joins a movement in the private sector. Salmon safe started in the late 1990s working first with vineyards in the Willamette valley and we're now working with more than 300 vineyards and wineries from British Columbia down into the rogue basin of southern Oregon. Jim Bernau is here to talk about his work with salmon safe over two decades. Salmon safe principles have been embraced by world leaders from Nike to Lewis and Clark college to Portland state university. In Seattle developer Vulcan is working to develop an entire neighborhood of Southlake Union applying salmon safe principles in large scale development. As we work through this first ever third party assessment of how a major city impacts watershed we realize Portland is just the beginning. Every city impacts its watershed and it's our suspension that Portland serve as a model. Thank you.

Hales: Thank you. Mr. Bernau, welcome.

Jim Bernau: Thank you for this opportunity to speak to you. I'm Jim Bernau, founder of Willamette valley vineyards south of Salem. In this market area. The salmon safe has been leading this environmental sustainable effort for nearly 20 years. During that time as mentioned there's now almost 350 vineyards from British Columbia, Idaho, Washington, Oregon now so certified through several different certifying agencies that are scientific third party audited organizations. One is called Live. Low input viticulture. That's the largest. Oregon till is an organic organization. Also a certification for bio dynamic practices in the vineyards. All lead up to preserving and maintaining health in the soil and in all of our waterways. In our habitats. In addition, we have worker provisions that provide for safety and involvement in decision making linked to our practices. I did bring a few examples just to show you how we tell the story. The reason why I wanted to come today was because this is a big deal. This is a really big deal. Because when Portland, the city of Portland

October 26, 2016

takes this step to tell the world of the commitment that you're making, it helps all of us who are following these practices trying to convince people of their value gives us a great way of telling that story. Years ago people would buy products or services based upon price and value. But more and more people are making a choice based upon price, value and values. The largest part of where we get support for our products and services is entrepreneurs in the northwest and in Oregon. Comes from people who travel here. Experience Oregon firsthand. Now they will be able to make a decision to travel to America's only city that is salmon safe. So thank you so much.

Hales: Thank you. So what do you have in your show and tell bag there? [laughter]

Bernau: The product itself:

Hales: I don't think we'll drink this here right now, Jim. The label says salmon safe. On the label. This wine has been created using healthy agricultural practices that help keep rivers clean enough for salmon to thrive. We should be looking for that label on the wine that we buy, should we not? Hear, hear.

Bernau: Mayor, I wanted to add that over this time this last 20 years, Oregon as you know produces a fairly small fraction of the world produced in the nation and what's consumed in the nation, but the reviewing organizations like line suspect tater magazine, even though only about 1% of Oregon wines are the ones that are reviewed in wine spectator magazine, over the highest percentage of scores above 90% of the scores approaches about 20% of the wines reviewed. So these practices not only are important to our health and to all the health of all living creatures, but it actually following these practices leads to quality and leads to a much better outcome for consumers.

Hales: Great. Thank you both very much. It's an honor. Thank you so much. [applause]

Fish: We may have folks that want to speak on this resolution. Anyone signed up?

Moore-Love: One person. Mary eng.

Hales: Come on up.

Mary Eng: Howdy. What was your company name, sir? I wanted to thank you.

Hales: Willamette valley vineyards.

Eng: There's a funny joke to tell you because I'm a police brutality activist I was framed with a false weapon so I could be beaten up on the steps of city hall. That was a corkscrew. Now we have the missing ingredient. The d.a. had to drop the charges because it was a fake scene to get revenge on me for being an ada advocate. I'm not a drinker and I don't bring corkscrews. You can search my bag. We do worry about alcoholism with the police chief, so does the doj. That's an interesting coincidence. I don't know which one of you drink or have drinking problems but I do want you to show some seriousness about your job and seriousness about tourism. We had an international boycott of Portland declared by Sean king, a famous activist on a lot of media channels due to the brutality out there. On one side of your mouth you may be talking about bio dynamics and water preservation and respect of the salmon. I just want to really put out there that I am vegan in diet. I don't eat cheese, milk, honey. I don't believe in eating animals. Sometimes wine processing really needs a higher level of certification to be certified vegan because some of the clarification processes with wine make it actually not vegan. I want to say that just because your vegan or go to veg fest or support vegetarianism or nonviolence in your way of living, doesn't mean that you can't understand and respect the spiritual aspects of the relationship with the land and the water and the salmon that was arising in the indigenous people who were colonized and exploited through this nasty pattern of dominance, destruction, industrialization, pollution and bio accumulation. The principle is that every bit of smog or lead or toxic or pharmaceuticals in our water and our air will soak into organic matter. So that if a fish either another fish that has bio accumulated toxicity you have toxic buildup. We have a system of overfishing in our ocean that has not replenished the stock.

October 26, 2016

So I have 29 full seconds. I thank you so much for not being rude today, Charlie. Did your city attorneys talk to you? Who is the city? Are we the city are you the city? We are ultimately the actual clients, we, the people of Portland. You represent us and you are our servants. We have asked you to resign for your failure of leadership. Not to say you haven't done good things. I said I love you and I said resign so I'm saying resign and I love you. It's in your best interests. Thank you.

Hales: Welcome.

Lightning: Yes, my name is lightning, I represent lightning watchdog pdx. One of the points that I like being brought up was on the salmon-safe certification toward new development projects such as Paul Allen at Vulcan real estate who look a real concern on the environment, on the salmon and enjoys his very beautiful yacht, the octopus that he enjoys quite a bit out on the ocean, but the reality is that when people begin to focus on this and understand that we need clean water, clean air, and we need to focus on that because in the past we have had entities and businesses begin to put profit over protecting the environment, and from the city of Portland's position I'll use an example is that when we're talking storm water runoff such as at the Willamette boat ramp, we need to focus on these properties and also understanding when we're allowing things to go into the water and when we're talking dredging the city can make a stand and understand best practices are to take contaminated silt from the Willamette and dump it into the center of the Columbia. When you allow that to happen and do not speak up, that is not salmon safe. You have to stand up and speak out and say, it may cost more money, we might need to go to the Oregon marine board and get some type of a grant, but you do not pour pollution into the river. Society is stepping up now. We're not putting up with it any more. We're not happy about the superfund cleanup. By the way, the superfund cleanup, get ready, governor brown, because I'm proposing to drop the whole bill on you. You can pay for all the submersible land pollution then worry about getting funded down the line but you can take care of your submersible land and pay the whole bill. I want you to pay \$10 billion for the Portland harbor superfund cleanup and you figure out where to get that money. Again, we need to stop polluting the river. Stop allowing the city of Portland to get permits to remove toxic silt from the Willamette and dump it into the Columbia and then get your salmon safe certification which I think you should have it pulled for those type of actions. That is, you, commissioner Fritz, allowing that to happen, not speaking up and stopping you from polluting this beautiful river that should never have been polluted to begin with. Thank you for your time.

Hales: Thank you. Go ahead.

Robert West: Yes, my name is Robert west from film the police 911. I want to congratulate you on the salmon safe. It is just unfortunate that the women and children in this community are not safe. The bulk of this month police beat and pepper sprayed women and shoved them downstairs including one that was missing a leg, and injured a lady that had brain surgery. Like kif Davis has said several times, this city is known to be the number one city for child trafficking, so instead of having police do what they are supposed to be doing, which is enforcing the law as you set them against peaceful protesters in riot gear and beat up women and children and you pepper spray the women and children. That's not cool. You know, you might get awards and say how salmon safe this is, but the women and children of which community are not safe. They are not safe under your command because you don't know, you know, you're the police commissioner action and you just allow police to brutalize women and children? You think that's good? You don't put any money forward to or very little money forward to stop child trafficking in this town. I would be ashamed of myself if I were you. In fact, nothing I have to say, you should resign, mayor. You're not doing nothing. You took the hat of police commissioner.

October 26, 2016

You know. You're not doing anything. All you are is a conflict of interest between the mayor's office and the police department. You know. And this city is standing joke. People are going to sit there and say, yeah, it's salmon safe yet you brutalize women and children and disabled people. I have brought up several times about the parking of disabled people along waterfront avenue. Business owners sit there and park and two hours, three-hour spots, not in spots where, you know, the exempt places where they can park with exempt placards when they got exempt placards in their cars. When someone that's disabled wants to enjoy the waterfront or go by the fire department or down by the piers they got to park five, six, seven blocks away because these business owners are taking up these spots that disabled people should have. Charlie, you need to pay attention to your city, not sit up in the mayor's office and kick it with just the richie rich people. You need to see what the city is about. You need to go out there and experience getting pepper sprayed like these women and children were.

Hales: Thanks very much. Next. Go ahead.

Laura Vanderlyn: Yes, I want to talk about runoff that goes into our rivers and our oceans and I was here on the 12th when you had like a cluster of people that were being pushed out the back door. And -- I'm going to talk about pepper spraying chemicals, running off into the river but before I get to that point, while all the pepper spray was going on in here and in the stairs, there was a cluster of people and I was outside watching and I honestly thought that I was watching a murder happening before my eyes. There was a young man being trampled while people were being simultaneously pepper sprayed. Pepper spray on the streets, it's running into our oceans. How does that affect the fish? I don't think you care. If you don't care about people being -- having chemical weapons deployed on them I felt that you care about salmon safe city or you're trying but it's such a joke. It's a joke. You sit here and you are acting like you're doing something nice and you almost murdered somebody. I think that was the intention. There's a woman, her name is Sarah Long. She was sprayed with pepper spray and she is sitting outside. It's on video and she's suffering for it like 15 to 20 minutes straight you hear it on video. Police are just surrounding her. Safe city? That's a joke. There's chemical weapons sprayed all over the city in a place where we have rain and it rains on the chemical, runs into the oceans. Are you kidding me? Are you kidding me? Give me back my phone. Hi my phone taken away. I was led off at midnight after absolutely no -- I have been arrested twice for asserting my first amendment rights. I was left to fend for myself after midnight, a woman, without anything. My dogs were stolen. My phone was stolen. You all still have my phone even though there are no charges against me. It was a false imprisonment, I think. I don't know why I was ejected and put in jail. I was taken out of this city hall, domestic violence style -- no, I still have two seconds. Don't interrupt me.

Hales: Actually, you're done.

Vanderlyn: Gimme back my phone.

Shedrick Wilkins: Last week I talked about students making their own bottled water. Shedrick Wilkins. My view is it will take thousands of years to clean up the Willamette river. Let it flush naturally. Lightning talked about \$10 billion. I don't think it will do any effect. My own view is folks do --

Hales: Folks, do not interrupt.

Wilkins: In 1996 there was a flood in which president Clinton came out, it almost flooded over the banks of the Willamette river. We also dipped into the Columbia river well water for the first time and there's accusations there's radon. About that time or maybe hand ford my daughter got bladder cancer. I think at that time they should have issued a warning that pregnant women and young children should not drink the water and drink bottled water. I don't believe in a society -- I'm sorry like we have contaminated the water. It's impossible

October 26, 2016

to clean it up. We should spend more money making sure when children are young they have a sensitive immune system, we're bigger, we're adults. My daughter was conceived or she was just born when we had dranken this water. Okay? I think we should make a science in Oregon since we like water we have a low population of filtering water. I make a joke that I drink beer because it comes from Wisconsin and they boil it and it's got fluoride in it. That's okay. I'm saying that's pure water and the bull run water is not filtered. It's unfiltered. Drink bottled water. I would like to encourage high school students to make distilled water that's pure and give it to the fountains or something. Stop this idea that you're going to have pure water. It's impossible. It's not a local problem. All major rivers in the united states like Michigan are contaminated.

Hales: Thank you very much. Anyone else? Then let's take a vote, please, on the resolution.

Novick: Really appreciate the work of the bureaus and of salmon safe. I just want to call out some of the plaudits that salmon safe gave to the bureau of transportation on page 13 of the report. Pbot employs significant management practices and programs innovative and consistent with salmon safe standards. Including an innovative storm water wet land treatment system recently installed on a two-acre section of the Albina storage yard. The Sutherland facility a well-managed facility for both bulk composting large quantities of leaves from street sweeping and on-site stormwater treatment to a swale and rain garden. There is minimal input of herbicides, fertilizers in irrigation and greenspace areas. There is good coordination and partnership with other bureaus on jointly managed sites. So I think we can all be proud of our bureaus. We really appreciate the work of salmon safe. We appreciate the existence of salmon safe. I also want to say although salmon of course are the symbol of the northwest, we all care deeply about salmon, we also care about other species and I hope sometime in the near future a bee safe certification organization will arise to applaud the city for efforts such as commissioner Fritz's efforts to ban neonicotinoids. Aye.

Hales: Please, no more interruptions. Let people speak whether they are citizens or members of the council. Please proceed.

Fritz: Thank you, mayor. Congratulations. This is fabulous. I didn't realize we were the first salmon safe city. This is the kind of thing that would come to council if you were running for reelection. Yay, well done. I want to reflect you were able to this in partnership with your bureaus and all the other work you've been doing because you have been dedicating yourself to the work you were elected to do. Thank you for that. I was confused at first. I was thinking we have done this before, haven't we? You explained we have done it for the parks bureau, Jim francesconi was the commissioner in 2004 when we first did it, commissioner fish got it recertified in 2012. So it's fun that we passed on such a great legacy from Parks and have this partnership between the other bureaus. I want to thank Roberta Jordan back from retirement because she cares so much about this. She spent her career doing good things for the city. I thank you all very much. I have learned not to say thanks to anybody else because they are retired. I'm told by staff I tend to make mistakes that people tell me they are not retired. Thank you, everybody. It's good to celebrate that we do, do some things right so we can have a salmon safe city in the midst of a superfund which we're all committed to cleaning up. I also want to thank the Willamette vineyard for the gift of the wine which the mayor and I will accept on behalf of the city. We all have gift rules and rather than be rude and ask how much this cost we will donate it to a community event so everyone present can enjoy it at that event. Aye.

Fish: Mayor, I want to echo what commissioner Fritz said. Thank you for putting an ambitious marker on the table, leading this effort. I want to tell you how proud I am of the work of the two utilities, the water bureau and the bureau of environmental services, for

October 26, 2016

stepping up and being part of this effort. It has become engrained in their culture to think about these issues, sustainability, salmon safe. These are not ancillary, its core to their mission. I love that comment that the gentleman from the vineyard said that our competitive advantage in the future is price, value and values. I have thought about that. I haven't heard it stated so succinctly. We know the utilities that people tell us good value trumps price if they get good value. Now we're saying values in addition to value and price. So that's a good outcome. We're proud to be part of this. We will continue this work even as you move on to the next challenge in your life. Thank you. Aye.

Saltzman: I also want to congratulate mayor hales for bringing this home and getting Portland to be the first salmon safe city. It's quite an honor. I also wanted to commend the five or six bureaus that are involved. While water and sewer and transportation and parks seem like likely suspects having Portland fire and rescue also be part of the salmon safe and think about things like runoff when they wash their vehicles and how to keep that out of our storm sewers is also an important part of being salmon safe. I appreciate Portland fire and rescue being at the table too. Pleased to support this. Aye.

Hales: I thank my colleagues. This has as you just mentioned been a multi-bureau effort. Each has had people working on this challenge and on being the best. I appreciate that very much. I little want to say I have used this phrase a couple times. This is typical Susan Anderson. That is when I say typical Susan Anderson it means we're doing something better and first but we're doing it in a way that brings people together and I'm not quite sure how she does it but she does it again and again and I appreciate her very much in this work. I also want to thank Jackie dingfelder, a member of my staff who was a big proponent of this along with Zach and Brian, who are still advocating for this in our office. It is good that Portland sets the tone for other cities. I have seen that happen. I have seen that happen in transit. I have seen it happen in lots of progressive causes. Dan, we appreciate the fact that you put us through a very rigorous analysis and that we passed and that now we get to pass it on. Well done all around. Thank you all very much. Aye. I understand dan may have a plaque that he wants to present to us. Is that right? Maybe we could get the bureau staff who worked on this to come join the council and take a picture together. Please. Come on up.

Hales: I'm going have to recess. You're excluded. You have to leave now. Just for a second so she can leave.

Fish: One minute, joe.

At 11:35 a.m. council recessed.

At 11:36 a.m. council reconvened.

Hales: Dan mentioned that this plaque was made by a recycled highway sign but he was at some pains to point out that it was legally obtained. [laughter]

Hales: Let's move on, please, to the next time certain item, 1186.

Item 1186.

Hales: Good morning.

Constantine Severe, Director, Independent Police Review: Good morning, mr. Mayor, members of council, my name is Constantine Severe, director of independent police review here to forward the auditor's recommendation of a pool of community volunteers to serve on the police review board. There are 13 folks who will be recommended to you. The police review board briefly serves as an advisory body to the chief of police and police commissioner. Hear serious disciplinary cases involving police officers and all officer-involved shooting, in-custody deaths. The police board also makes policy recommendations to the police bureau and the chief and as well as training recommendations. So according to city code the auditor's office particularly the independent police review, serves as the city agency that gathers the community members

October 26, 2016

so that council can appoint to the police review board and the diverse group of individuals before you today is the result of the extreme efforts of Irene Konev, in our office, built upon prior recruit men cycles of going all over this community to get a community member volunteers that reflect the diversity in this community. We have folks who are poets, librarians, attorneys, several individuals who help the most vulnerable in our society. We have eight women. So I'm really impressed with the quality of applicants that we can present to you. I'll just read their names. I believe you have their background information. I'm pretty sure you read it already and are impressed as well as I am. So the 13 individuals that we are presenting to you today are Bruno Amichi, Zara Ascencio, Austin Battledon, Jeff bissett, David Denneky, Bridget donogan, Emily Duquette, Svetlana Glinka, laura ore, rihanna orezaga, jow pew, Lisa rogers, and Lindsay short and just in the interest of time I'll cut my presentation short.

Fish: Can we match names and faces here?

Hales: Yes, good.

Fish: Even if it just means have people stand if they are able.

Severe: Can all the prb applicants stand if they are here?

Hales: Thank you for being here today and for your willingness to serve. Questions?

Fritz: So could you just for people watching, tell what the police review board does and what the volunteers will be doing.

Severe: Great question, commissioner. The police review board most simply hears fully completed misconduct investigations and makes recommended findings and proposed discipline in misconduct cases in an officer-involved shooting and in custody deaths. These community members before us today will serve individually as part of a community member pool. The police review board has five voting members. There is one slot allocated for one community member. In officer involved shootings there are two members included.

Fritz: So are the others just advisory on policies or is that the only function folks are applying for we're going to approve today taking turns on the different boards?

Severe: Yes, so the way it works is basically on an individual case we will -- the police bureau will put together the five voting members and the community members who are here today, each one of them serves on a particular board.

Fritz: How is it selected which one would serve.

Severe: That is done randomly with the review board coordinator. A lot of it is based on availability of community members. That's actually one of the biggest struggles of one getting volunteers and having peevs serve terms. A lot of boards are in the middle of the day and it can be anywhere from two hours to four or five hours. The fact that we have so many community members willing to give up a significant part of their workday I believe most of the community members who are volunteering for this particular three-year term are fully employed and/or have obligations with their family like being full-time mothers.

Fritz: About how much time will they be given in advance to know they were selected for a particular board?

Severe: About two weeks.

Fritz: Is there any attention paid to make sure there's a balance of women and men, racial diversity on the boards?

Severe: I believe one reason why the auditor's office has given the privilege of gathering the community members was so that we would do a pretty diverse and wide reaching selection of community members, so one of the things that Irene does and other ipr staff members do when we are doing our outreach event is trying to go to particularly events that are aimed at women and particularly new and emerging Portlanders. When you go back say six or seven years ago we had a police review board particularly on the

October 26, 2016

community member side that was overwhelmingly retired overwhelmingly white and didn't really reflect our community particularly on police oversight issues. I think there's important aspect of making sure that all Portlanders are represented because we all have a stake in the success of the police bureau and holding officers accountable. These community members as you have seen really are a very diverse group of individuals.

Fritz: I appreciate that explanation. I'm also wondering when you're going to seat the five voting members, somebody is picking the one, is there attention paid to who the other four would be in.

Severe: The five voting members, that's determined by city code. The involved officer's commander is one of them. Ipr director, assistant chief in charge of the branch and a community member and a peer officer member. Those are the five voting members of a police review board.

Fritz: I'm sorry, I'm not being very clear. That was good information. If you look at the person appointing whichever one that volunteered gets in on a particular case, look at we have four people with these demographics. Could we find someone who matches, for instance, the appellants or the officer.

Severe: I do not know that answer.

Fritz: You and the auditor are currently looking at the review board process and bringing back something to council?

Severe: The police review board process, no. As we're aware there was a focus group that looked at variety of changes to the accountability system, so what the auditor proposes is a relatively narrow attempt at fixing particularly issues revolving around earlier stages of the administrative investigation process involving ipr, internal affairs, and the appeals stage involving the citizen review committee. The only change to the police review board would be to allow community members to be able to be present during the fact finding section of the police review board and be able to speak at the police review board which they currently do not.

Fritz: One point there was a suggestion to put more citizen review committee members on the board.

Severe: So that was part of the option of possibly merging the review committee's review function with the police review board. There was significant public feedback on that. One of the biggest issues was the police review board is not a public body so there is not ability to comment publicly. The city could choose to do that but it would face significant issues from the employee side of possibly that being a mandatory subject of bargaining. So that's where I guess the decision makers within the city left it.

Fritz: Thank you for explaining to people watching at home in very clear language what all of these roles do.

Severe: Yes, ma'am. Thank you.

Hales: Let me follow up on something commissioner Fritz raised. I have to step carefully here because I'm talking about a specific case. Folks, please do not interrupt me or anyone else. Commissioner Fritz raised the issue of gender balance on these panels. There was a recent case involving sexual misconduct by an officer, a male officer, and the entire panel that reviewed it was male. What are we going to do about that?

Severe: So the police review board that is something that is within the police bureau. The auditor's office's role is in recommending to council the citizen volunteers from a global perspective of making sure that all aspects of our accountability system reflects our community. I think that's part of the conversation that we have been having for the last year or so particularly around changing the accountability system. Going forward I think that's a conversation we should have as long as your mayor as well as with the future mayor. It's going to be a long-term conversation of part of it is you weigh our accountability

October 26, 2016

system. Ultimately the decision rests with the chief of police and yourself as police commissioner. The community has certain parts where it can participate, but there's a lot of it that rests within the police bureau. The police bureau is not as diverse as our society is. Police bureau is overwhelmingly male. Part of that is making sure there are more police bureau commanders, assistant chiefs who are female. Because when you look at who the five voting members are on any police review board, three of those slots are police bureau slots. There's one ipr slot, one community member slot. You know, on the ipr side, two-thirds of the managing folks at ipr are female. If you look at the police bureau, it's not going to be two-thirds. It's going to be 80-something percent the other direction. Part of it is starting with the police bureau.

Hales: I want to flag that issue. It's a police bureau issue, a structural issue.

Fritz: In that particular instance of allegations of sexual misconduct the one person we do have the ability to make sure that there's both sexes are involved is to choose one of the females on the -- from this volunteer group. And make sure that those particular case there's is somebody who looks like and identifies with the appellant.

Severe: Sure.

Hales: Good suggestion.

Fritz: Might be something to put into policy when we bring it back.

Severe: Yes, ma'am.

Hales: Thank you. Other questions? Thank you. Let's take testimony, please.

Moore-Love: We have seven people signed up.

Shedrick Wilkins: I'm Shedrick Wilkins. I wouldn't mind being on the police review board. Something has changed my mind recently. A month ago joe and I sparred around about the issue of blood testing people after a car accident, and mayor hales says, what, 33, 34 homicides by car is more than guns or whatever, 15. It is possible that if people with going to be blood tested they me resist police, try to flee police and there may be possible to have additional police officers to restrain them or chase after them or whatever to give them a blood test which I insist is something joe disagrees about search and seizure but I don't agree with that. Actually this week some guy in the united states crashed a truck and killed ten people and himself. And they don't know if he was -- I do agree with this is coupled with the idea we now have recreational marijuana. Some people are blind-sided. They think they are better drivers if they are high. Unlike alcohol, if you're high let's say if you have a fender bender you almost have a heart attack you should be stressed when you're driving. This idea that you're totally relaxed is ridiculous. Your blood pressure should go up. I don't think if you're on Prozac you should drive a car. You should be stressed. That argument. So I'm saying that because of this, I have now changed my mind. I support the police contract. We'll need additional officers to support blood testing. I agree with the mayor, Amanda Fritz and the police contract. You can boo me if you want, but I'm saying that people who.

Hales: Actually, you can't, folks. Keep going.

Wilkins: People here who generally opposed police contract also do not want blood tests. Think about that one.

Hales: Thanks very much.

Joe Walsh: Good morning, my name is joe Walsh, I represent individuals for justice. For the record. Once again we take issue with the process. We all know in our hearts and our brains we are in serious trouble, and mechanisms are not working as far as police department is concerned. So we should redo them. My understanding on this is you have five members and one is a community member. That is accurate? Four votes then you have this community person that is sitting there with the cops. They probably have their guns. They always carry their guns in these meetings. That's not a good environment to

October 26, 2016

have truth and understanding of what is going on. Here's what you should be doing. One way you can redo it is set up a charter commission. You promised when you came in, mayor, you would do that. You never did. It takes the mayor to do it. You really have to institute the charter commission. Maybe you could say ted wheeler when he's coming in to think about that and look at all of our commissions, all of our committees. They are not working. We know that. Whatever we're doing is not something we should continue to do. What I said last night is accurate. We are one incident away from a riot. Look at it. If it takes a charter change, make the charter change and give it to the people that are voting on it. You have to get this city involved. It's not. You have a very small group of people that come here week after week after week. We don't get paid for this, by the way. We do this on our own. It's because we believe in what we're doing whether you like it or not and we'll continue to do it even with ted wheeler. You have to make the changes. If you keep doing what you're doing, this city is going to be in serious trouble and mayor, you almost caused it last week. The way those cops came after those people -- I missed it but I watched it on video. It's awful.

Hales: Thank you. Mr. Johnson, go ahead.

Charles Johnson: Good morning. I'm being identified as Charles bridge crane Johnson. It turns out you probably can't see this because of the weird lighting but it looks like I'm seated in what was the seat of that guy who has been charged by the Oregon department of justice criminal division with a misdemeanor for shooting people in the back or some events related to that. I regret that I'm not really prepared so I don't know who the other people gentlemen are. That's Karla love Moore and joe Walsh, very diligent citizen. On the next tab on my browser it says byzantine Portland police. 14,900,000 results. You remember the department of justice? We talked with them yesterday. I don't think she mentioned me by name and my cup of water, but we still have a by an teen -- byzantine police department. It was like more impunity and more emancipation. I'm not as prepared as probably some of the following presenters. I'm hoping that Mr. Handelman has chosen to testify. He will talk to us about why when we recruit citizens that's not what we mean. We mean we're going to recruit lawyers and business owners. I didn't even take notes about the exact number of people but -- some people think there are certain situations in this country that are a mess. And that maybe we should draw nor clear lines to the percentage of attorneys that -- look, they are missing. They are missing from the city commission. I'm up here talking about attorneys having an excessive role in government and attorney Steve novick and attorney nick Fish will be not participating in government at this moment. Beautiful. Perhaps they have gone to Salem or their eyes are probably on the prize, the senate. The point is that at least this is not called the citizen review committee. Our current committee is staffed by a former prosecuting attorney, 12-year prosecutor and d.a. In Michigan. We're not really getting citizen involvement. We're gleaning some high level people. Police don't prosecute those people for crime. They troll among people of color and the poor and their conduct is judged by interesting people on this panel I'm impressed with a couple of people but I hope mr. Handelman will speak more clearly.

Hales: Next?

Dan Handelman: Good morning, mayor, commissioners. I'm Dan handelman, Portland cop watch the pool of civilians rotates on to the police review board one at a time. It's a misnomer to call it a board since members never talk to each other. Also since the hearings are not open to the public or the media or as yet to the person harmed by the police they never interact with the community. Because a crc member rotates on to seven member boards no two ever sit together. Portland cop watch sent a second inquiry to the bureau about where their July 2016 prb report had not been posted and they quietly placed the highly redacted case files online last week. I don't know why if they are so transparent

October 26, 2016

why the public is shut out that we get this report that they don't put out a news release and inform people when we wrote an email asking where that report was we didn't even get an email back. We like to play police review board record mad libs because it's so highly redacted you don't have any idea what they are talking about so we put in Kim Kardashian. The prb is so secretive we have no idea how many previously appointed members are continuing. 13 are being nominated. It helps to have legal analysis of police misconduct cases. Standards are much different. The question of how many people are in the board. I would like to hear an answer how many total there are in the pool. The auditor's team has created new authority for the bureau with the ordinance stating police bureau will select citizen members from a pool of volunteers recommended by the city auditor and appointed by city council. One of the applicants' biography states she's looking forward to representing all voices not currently on the table. There is no mechanism to communicate with the broader public about what they are doing. They never hold public meetings, names are not used in the reports. The board is composed of three or four police managers from the prb and ipr. [reading from prepared text] the simple solution to speeding up appeals would be to allow members to rotate on to panels. They have the same training and on that note the training used to be public and posted online as videos for the public to see. Can I have another 30 seconds?

Mary Eng: May I as well? In the interests of equality?

Hales: He's representing an organization.

Handelman: Thank you. Similarly, so community is not even invited to those training any more where we used to be. I do want to just say that it was brought up that part of the problem with having prb meetings in public has to do with the contract, your ten days to rescind your vote has passed but I still would call on you. You suspended your rules to push everybody out, to leave the chamber, to change the order of the agenda. You can suspend your rules and revoke the contract. It doesn't go into effect until the 11th and we urge you to rescind the contract right away so these changes will be made to the oversight system that are urgent. [shouting]

Eng: Hi. City council, nice to see you. I'm Mary Eng. Dan Saltzman, I commend you on your style of presentation. Whenever the mayor is absent you show respect you receive respect back. My mom taught me about the psychology -- if you're looking for the worst in people you can bring out the worst easily. I really thank you for that. For these applicants or nominees, I want you to keep very much attention to the latest report from the DOJ. It's a very dense document, a lot of very heavy acronyms. But there are some very interesting points regarding the utilization of neo-Nazi to harass Jewish people at the police accountability meeting. Very coded language but it's on page 107 regarding using a neo-Nazi to assault the accountability process. I'm very thrilled with the DOJ assessment. Moving forward. I have been on a letter writing campaign, speaking at city council, facing direct retaliation including being bruised at this chamber. I have a process under review John Roads at internal affairs is -- he's investigating the brutality applied to me for being as a trained paralegal and advocate for police brutality victims. You must know there's direct retaliation and intimidation tactic including point of weapon on me so I might be killed. Mr. Hales won't let me know if he and Engstrom conspired, if they conspired. We have a lot of possibilities as to who came up with this dodgy excuse to beat me up. But it is very fishy. You have to be prepared for that because when I talked to John Roads at internal affairs he said, oh, Todd Engstrom would never do anything like that. You know what I said to him after he had covered me with bruises, I have heard a lot of things about you, Todd Engstrom, but you're a perfect gentleman, which was a stretch of the truth because he was not treating me like a normal Swedish man. In Sweden we have gender equity. I said I'm Norwegian. These American Scandinavians are not up to par on gender equity. This is

October 26, 2016

quite unusual. I have studied policing memoranda from the Swedish police. I find their progressive ideas very important. I have to make it known on our coab testimony we went after marshman's choking of his son, his stalking of his ex in uniform. We kept after them, no woman in her right mind would go to a police force that involves a child abusing choking stalker for a chief back to back with a shooting scandal with alcoholism and a cover-up.

Kenner Swain: Good morning, I'm Kenner swing. Pardon me for turning my back. There's a reason for it.

Hales: I'm sorry, we can't hear you on the microphone if you do that.

Swain: I would like to say as a citizen that it's very stressful to come to these meetings. I'm fairly new to Portland. And hear all the rude interruptions that I have heard, so I'm a citizen. I'm not an elected official. No one is paying me the big bucks to say anything. These usually are open meetings. And so pretty much everyone gets a chance to sit and have their say. I do feel that having said that it's also disheartening, it was disheartening to not have an open public meeting when the contract was finally voted on. And I think having taught high school in Chicago for several years, having worked at a psychiatric hospital preaching sermons for a year, if you are being paid the big bucks or medium bucks or whatever, keep control of the room. It's difficult. It's your job to keep control of the room. It's difficult but it's your job, in my opinion to arrest people, maybe not use pepper spray but to keep public meetings going. So maybe it is an idea if it's too far outside the box maybe you could cancel the contract and take heed of commissioner novick's objections and say we have an emergency and maybe we could do something to reconsider. I don't advise anyone to resign. Everyone should finish their term in my opinion. If you're getting paid you should do that. This particular issue of the police review board it seems to me to be -- I don't know how it's related to the citizen review committee, but it seems like it's going down the wrong direction toward less transparency. Seems that way from what I read. I don't know if the media is distorting things. I appreciate being able to speak without interrupting and editorial comment. I really wish people would have enough respect -- [shouting]

Hales: Mr. Johnson, you're excluded. We're recessed until he's excluded.

At 12:08 p.m. council recessed.

At 12:16 p.m. council reconvened.

Hales: We have to start over. You got more than that. Our apologies for the interruption. Please proceed.

Swain: I would almost apologize for having made methodological remarks that might have provoked some people. I would like to repeat that I appreciate your holding open meetings. I lived in Boston, I lived in Chicago for 20 years. The meetings didn't seem to be quite as open. So that's an important part of keeping a civic culture going. So I don't know nearly as much as many of the people who testified about what really is happening and what needs to be done, but just a couple of comments, these are rhetorical questions first. How is this new entity similar or different I wonder compared to the crc and the independent police review process so that's just a question on the table for me. Is it going the wrong direction in terms of transparency? The Portland mercury and some other people seem to indicate that in terms of transparency it could be going the wrong direction.

Hales: There are some proposals that the auditor has made for changing the structure of this. That's not what's before us today. This is just appointees to the current structure. That's a separate discussion that's been postponed because it was a lot of opposition to the proposals. This is just people being appointed into the current structure not changing the structure. I think that's what's before us from the auditor.

Swain: Okay. I little read that apparently the police chief or police union had advised police officers not to show up before meetings of I guess it was citizen review committee or

October 26, 2016

previous entity. To me that would be an important issue. Not in terms of the powers if any of this new board but I think that's an important thing if you have the police chief or union or the new mayor or you as head of the police bureau at least encouraging or mandating police officers to show up.

Hales: They are required to show up.

Fritz: Clarification, this board serves internally its internal review with one citizen here today as well as others who have been participating and will continue to participate. The citizens review committee is all done in public right now. Not separate process.

Swain: So my two overarching points, I'll try to be brief, are mayor hales said two or three weeks ago, at the very end of a meeting, before whistling, said no good deed goes unpunished so I hope that this new entity doesn't make that proverbial wisdom true. I hope that whatever in new thing is gives the lie to your remark that no deed goes unpunished which is often true. I do think that speaking of which you were talking about the 48-hour rule and I do hope that citizens are interviewed on average on the same timeline as police when there's a legal case or a murder or act of violence. To me that's the main thing. The police contract, the thing that struck me most was the police said we're going to stand on our capital c capital r, constitutional rights. I spent one morning at the Bundy trial. Now sounds to me like they are talking about Ammon Bundy, who probably has a political future, but that's another story. To me the overarching issue is, is there a monopoly on the legitimate use of force and violence. That's what -- you do want that. You need people to serve and protect, and that's the role of a state to have a monopoly on legitimate use of violence. So there's a thin blue line on the one hand but then citizens have been testifying I think and protesting to make the point that there's a huge gray area of -- is there legitimate violence going on, illegitimate violence going on? I'm sure that you need to keep holding public meetings in so far as you can.

Hales: Folks, please don't interrupt.

Swain: In so far as you possibly can you need to keep holding public meetings to talk about the issues of legitimate versus illegitimate violence and you don't have a civic discourse if there's not respect for everyone having their say.

Hales: Thank you very much.

Swain: Thank you.

Fritz: Thank you for your comments.

Swain: You're welcome.

Fritz: Yesterday we had the status report conference with judge Michael Simon about the department of justice settlement agreement and one of the things he said was we need to have a conversation about how we have conversations. That because people are worried and concerned about individual actions that the council takes we haven't had a community conversation about how do we continue to have respectful disagreements. The council is very committed to having open meetings. We're concerned about what happened on the 12th and the mayor has ordered a full investigation. This police review board would be part of the review of holding officers accountable if mistakes were made. That's why it's important to have community volunteers who take interest to be on that committee. Other internal affairs, which is also completely internal and the citizens review board committee appeals. So there's been a lot of discussion since I have been here, I have been in Portland over 30 years, and we are continually looking at how we can do police accountability better. What's important to me is that the contract and the agreement was that the police are accepting the discipline guide. In the past things have gone to arbitration and the arbitrator has said it's past practice you didn't fire officer y for doing this, you can't fire officer x either. Now there's a standard discipline guide which police have objected. That's a huge step forward. There's also -- mayor hales fired 12 people in the

October 26, 2016

police bureau while he's been in office. Chief marshman has fired four since he became chief, not that long ago. Those people are going to stay fired. Then the issue about the 48 hour rule that you raised, because community members rightly called out the body camera draft in the public hearing that we had with everybody having a chance to testify they called out that the draft camera policy is no way, shape or form what would be acceptable. The mayor then proposed an amendment that said no, that's not the draft policy. It could be but we're going to convene a stakeholder committee to look at what would be best practices body camera policy. That recommendation will come through council for a full public hearing and I will absolutely be looking to make sure nothing in that review or policy means that officers can delay artificially the investigation of their actions. We have to remember that everybody in this country has the right to freedom to protection under the fifth amendment. If they choose to not speak then they choose not to speak if it's a criminal investigation. If it's other kinds of reports they can be asked to speak and to tell the truth. I know my colleagues are being very kind in letting me explain. There's been so much misinformation about what's in the contract and what's not. It's definitely a conversation we need to have. I agree with judge Simon we need to have a conversation about how to have conversations because we continually have council disrupted and that means that other people can't get to speak.

Swain: Thank you, commissioner. I'm almost finished. If you're firm, fair and consistent in dealing with the council meetings themselves and the mandatory bargaining as over the unresolved issues, if you're firm, fair and consistent like a good instructor things will come out okay.

Handelman: Some of the things that were said were not accurate. I need to correct them. Are you willing to hear --

Hales: What was your question?

Handelman: I feel like what commissioner Fritz just said was inaccurate.

Hales: You can disagree but we're not going to have a debate.

Handelman: Just check our fact sheet on our Portland cop watch website.

Hales: Check ours as well. Who is next?

Moore-Love: That's all.

Hales: Are we ready to take action on this report? Is there a motion to adopt the report?

Fritz: So moved.

Novick: Second.

Hales: Roll call, please.

Novick: I really appreciate the willingness of folks to serve on our volunteer boards, commissions, committees, et cetera, especially this one which is such a time commitment and such an emotional commitment on such controversial issues. I really appreciate your service. Aye.

Fritz: You are courageous people. I'm surprised you're not rushing to push your name off the list cause this is what you will be dealing with. Portlanders care passionately about having a police company -- I don't like to say police force. Officers who serve the community and who do good things. I appreciate your willingness to sit here for three hours and hear concern from the community then volunteer to be on the board. I particularly thank Irene Konev for your fantastic outreach and also I don't know if it was you or Mr. Severe that wrote the impact statement but it's absolutely outstanding in terms of telling community people who want to know about this what the process was and how they got to these nominees. Thank you very much to all of you. Thank you to the mayor as police commissioner. Aye.

Hales: Thank you for serving. We do depend on citizen volunteers for all kinds of things in this city. We're immersed in the comprehensive land use plan, we have crazy volunteers

October 26, 2016

who spend ridiculous number of hours doing that. We have literally dozens of these citizen roles and there's real power in it. In this case it's a particular kind of power because it's the power over one individual's life and career. As each case goes through the process. I'll tell you, I have had to do some difficult things as a boss and as a mayor. One of those is visiting wounded firefighters or police officers in the hospital like I did this week with lieutenant St. Johns, who was the hero of the incident on northwest 23rd avenue who took the brunt of the blast because he was about 20 feet in front of the building when it went off. I didn't know going into this job how difficult that would be. Then the other thing that is difficult is those recommendations that come forward from the chief and having been reviewed by the police review board for people's discipline come to my desk and I read them word for word, page after page. Some of them are pretty disheartening to read. In a few cases including one under way right now I have rejected them because the police review board process didn't recommend a sufficient level of discipline. So it works. This process works. As long as everybody involved is acting in good faith and taking their responsibility seriously. I know you will as volunteers. I want to thank you for that. The city will be better for it. Thank you very much. Aye. Okay, we're going to try to get one more thing done here then take a recess until 2:00 p.m. That is, we're going to hear item 1198, but not take action on it.

Item 1198.

Hales: Commissioner Novick

Novick: Colleagues our 911 system runs on a computer aided dispatch system commonly known as the cad, the cad is the backbone of the service boec provides dispatching first responders to an emergency. This ordinance extends the contract Portland has with verseterm for cad and lisa turley and Murrell Morley are here to explain more.

Murrell Morley, Bureau of Emergency communications: Good afternoon my name is Murrell Morely and I am the technology assistance manager for the bureau of emergency communications and we're here today to ask the council to amend the existing contract between the city of Portland and verseterm to increase the total not to exceed price from 7 million to 9 million dollars. So this contract consists of three terms the first initial term was the implementation of the computer aided dispatch system which had a total cost of 4.2 million dollars the second term was for a guaranteed support of five years commencing after the initial term to be paid annually this had a total cost of 2.4 million, and it covered the support through the fiscal year of 2015. The third term was for the optional one-year support period, and in either single or multiple year increments, upon mutual consent of both parties. We have chosen to exercise the optional one-year support clause for the duration of the ten-year contract period, but the current contract does not have a high enough dollar value to extend support for the entire period. With the average support costs of the system being around 632,000 per year, we are asking council to increase the contract limit by \$2 million. This will cover the annual support as well as technology, advancements for the duration of the contract.

Hales: Thanks sense. Questions? Thank you both. Anyone want to speak on this item?

Novick: Thank you.

Hales: We're going to continue that until 2:00 p.m.

Fritz: I just have a comment. Thank you very much for bringing this forward this afternoon we'll vote on it this afternoon when we have four. I think a different way to explain it, when we put the contract forward in July, July 3 of 2009, and we somehow -- I was in charge of the bureau at that time but in my defense I had only had it for four days, maybe I did not do the math correctly but this was envisioned it would be a ten-year contract so it looks like a lot of money right now but that's what we are planning to spend, and again, thank you for implementing this system and thank you for all the work that you do, and that's the first of

October 26, 2016

the first responders.

Lisa Turley, Director, Bureau of Emergency Management: Thank you, and Lisa Turley, the director, I wanted to thank you personally commissioner Fritz, you have been a rock solid supporter of this, and sometimes this difficult project from day one, and so thank you very much.

Hales: Good work and thank you very much. Let's go ahead and take action on our second reading items just so we'll have a couple of things held over to this afternoon and let's take 1199.

Item 1199.

Hales: Roll call please.

Novick: Aye. **Fritz:** Aye.

Hales: Aye. The other second reading item 1201.

Moore-Love: 1200 is being referred back.

Hales: I am sorry, 1200 is being returned, to commissioner Saltzman's office, and I will do that. And 1201.

Item 1201.

Hales: Roll call please.

Novick: Aye **Fritz:** Aye.

Hales: Aye. [gavel pounded] and we are recessed until 2:00 at which time we will vote on 1198 and go to the time certain item immediately after that.

At 12:33 p.m. council recessed.

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.**

OCTOBER 26, 2016 2:00 PM

Hales: Good afternoon every one welcome to the afternoon session of the October 26 meeting of the Portland city council. Please call the roll.

Fritz: I'm here I would like to thank the operators of the cameras and the producer of the Portland community media for the way they covered this morning's testimony when the person was showing doing her own testimony they were showing that the stuff she was handing up that was broadcast as a measure of free speech and when it was her turn was over and we were to concentrating on somebody else the written papers were being handed back and forth and the camera operators and producers did a fantastic job helping the viewers at home concentrate on what was going on. So thank you Portland community media.

Hales: Nice work. One item left from this morning that we'll move on then move to the afternoon item. First I want to make a motion about a special procedural exception here. I'm going to move to allow Sarah Anderson to participate by phone during council hearing in consideration whether to allow a person to testify by phone council should consider prior attempts at apparently attendance to provide testimony, two, distance traveled or other evidence of good faith and significant undertaking and three, extenuating circumstances that prevented attendance in person to provide testimony. Council if they adopt this motion will find this person has traveled across the country over five hours by plane to attend the meeting. Council canceled the meeting and reset it for two weeks later, rescheduling to travel to this meeting would impose unreasonable hardship due to significant time and cost to travel back and forth again. I so move.

Fitz: Second.

Hales: Any discussion? Vote, please.

Novick: Aye. **Fritz:** Aye. **Saltzman:** Aye.

Hales: Aye thank you. Now we have one item from this morning. We have conducted the hearing on 1198. It's an emergency ordinance. Unless there are further questions or discussion we can take a vote on it.

Novick: Aye. **Fritz:** Aye. **Saltzman:** Aye.

Hales: Aye. Thank you. We're to this afternoon's item, 1202.

Item 1202.

Hales: Commissioner novick.

Novick: Thank you, colleagues and guests. A couple of years ago I read about the united states securities and exchange commission new rule for pay ratio disclosure which was required by congress as part of the Dodd frank reform bill. It requires publicly traded companies, companies that sell stocks and reregulated by the scc, to report the ratio compensation of the ceo to that of their median worker. That means for the first time we'll get hard data from the largest companies about how much they are contributing to the growing gulf in disparity between the superrich and the rest of us. It also means we'll also have a tool for policy making to address growing income inequality which is bad for our economy, bad for democracy. The surtax proposal is an example of the kind of policy available. Thomas lannom described the mechanics of the surtax and we have a few

October 26, 2016

people with invited testimony. First I want to show a few slides illustrating the problem of income inequality and why it matters. I also want to state for this proposal will come back for second reading and vote December 7. That is included in the impact statement but I wanted to state for the record that that is my intention. With that Katie Shriver, please show the first slides.

Hales: Here we go.

Novick: This graph shows the big picture of how much income inequality has risen since 1970. There's a dramatic increase for the superrich and the rich compared to everyone else since 1979. Second, it's really increases in income for the richest of the rich, the top 1/10 of 1% that is driving the growth in extreme inequality. The next graph shows that today in the United States the top 0.1% hold between 7% and 8% of total income. In the 1970s that figure was about 2%. Research shows that the extreme compensation for top executives is not just a dramatic example of but a major driver of this level of extreme income inequality. In fact, he estimates that 66 to 70% of the top 1/10 of 1% are executives at large firms. In addition to income and equality there's wealth and equality wealth it is important. It keeps us going when times about bad but increasingly it's concentrated across the top 1/10 of 1% has 14% of the nation's wealth. That fraction has 1/10th of 1% of the nation's wealth and that's a conservative estimate. Some economists estimate the top 0.1% has even more wealth and it may equal the 90% of income earners in this country. Wealth inequality becomes more striking when you look at the racial wealth divide. The wealth of the 400 richest Americans and the and the Forbes 400 hundred list that's the bar to the left compared with the wealth of all black American households in the millions and all Latino households means the 400 richest Americans have a lot more wealth than 16 million black American households and 15 million Latino households. Those numbers are stunning. I think they are stunning for all of us. Why do they matter? Here's just one illustration from a "New York times" magazine article entitled who gets if you have the highest score the gap is bigger for students who earn low sat scores. 52% of students who earn low scores earn a four-year degree from a rich family but only 8% of low income families with the same score earn a degree. Inequality begets even more income inequality and so on. What this growth and inequality means, what the fact that the vast majority of income and wealth over the past 40 years that has flowed to the top means is there is more and more people in the middle struggling to get by. Mothers and fathers working two jobs to try to earn enough to keep a roof over their kids' heads. If you had seen unequitable growth and income, we would have a -- doing a simple math exercise if the income of the top 1% were reduced to the already pretty large percentage of total income in the 1970s you could give everyone in America a 10% raise. The surtax that I'm proposing would give companies an incentive to narrow the economic divide within their own firms by reducing ceo pay and/or raising workers' wages. This reform alone will not close the divide but send a powerful message that our community is ready to take a stand against what harms all of us. I'm under no illusion that just what Portland does will have a dramatic impact on at the fortune 500 but what we have seen over the last few years is a progressive idea that starts in one place will spread to others. If other state and local governments as well as congress begin to use this scc policy, we will see change as shareholders realize the collective effect of policies like this proposed surtax. We know California and Rhode Island are considering policies and republican congressman Mike Mullaney from South Carolina offered an amendment designed to prevent the us export import bank from subsidizing the scu paying 100 times that of it's median worker pay just last week a member of the San Francisco board of supervisors, San Francisco city council, called my office to inquire about the proposal before us today. Together we can make a difference on this issue. Before asking Mr. Lannom to come up and explain the mechanics,

October 26, 2016

I do have an amendment to propose. The ordinance before you have a statement that is somewhat out of date. It says now therefore the council directs item b, the city budget office will increase the ongoing current appropriating level to the Portland housing bureau by 2.5 million starting July 1, 2018 to supports efforts to help people move off the streets and out of shelters. When I proposed this surtax there was a 3.5-million-dollar gap between the commitment we had made to funding homeless services in the coming years and the amount we spend in ongoing funds this past year on homeless services. I proposed that the approximately \$2.5 million that we expect the surtax to raise would help close that gap. In the meantime, in the context of a fall bump we actually have already raised the target for the joint office of homeless services by 3.5 million. Technically the proposal I had here is no longer necessary. However, in the broader picture we know that we are looking at potential budget deficit next year, the city budget office has already told us we should ask public safety bureaus to anticipate 2% budget cuts, others to anticipate 5% budget cuts. I know speaking the commissioner in charge of bureau of emergency communication that that bureau could not tolerate a 2% budget cut, I'm sure my colleagues feel the same about their bureaus. So although I have given what we did in the bump on homeless services funding funds this proposal is no longer targeted to a specific service, raising this additional revenue will help us bridge the gap between revenue and demands in the coming years so that we will not have to make cuts in critical services.

Fritz: I'll second the amendment. Just to be clear it's not going to help with our deficit next year. It wouldn't happen until 18/19 right?

Novick: We expect next year it would raise a little money but yes because the disclosures won't kick in until 2017 and reported until early 2018 we don't expect the full 2.5 million to kick in until 2019. That's correct.

Hales: So we have the amendment on the table. Do you want to conduct the hearing? Any other questions, suggestions, staff presentations you have? I know we hope we have Ms. Anderson on the phone as invited testimony.

Moore-Love: We need to test that. Are you there? Hello? I understand she can hear us but we can't hear her.

Sarah Anderson: This is sarah anderson.

Hales: There we go. It works: Welcome.

Anderson: Thank you.

Novick: Mr. Mayor first I would like to ask Thomas lannom to come up. Mr. Lanham has a small amendment to propose as well I believe.

Thomas Lannom, Bureau of Revenue and Financial Services: Good afternoon, mayor, council, tom lannom with the bureau of revenue and financial services. This is Terri Williams. We have other staff here for questions. I'm just going to talk at a very high level about the mechanics of this thing. Before I begin let me thank you all for passing an ordinance in 2015 allowing for parental leave for employees. My son francis morgan lannom was born on august 12 and I availed myself of the full six weeks. That was just a wonderful time that I never would have taken a full six weeks had that not been in place. So we had one heck of a summer. Thank you very much, especially commissioner.

Fritz: Your very welcome, thank you for setting the standard as the director of the revenue bureau to show your employees, male or female, to take that time with your children.

Hales: Thank you.

Lannom: The ordinance before you imposes a business license surtax on publicly traded companies doing business in Portland. The surtax applies only to those publicly traded companies reporting ceo to median worker compensation ratios of 100-1 or greater to the scc, as required by the Dodd frank reform and consumer protection act. It would apply to approximately 550 of the 92,000 businesses we have operating in Portland today. The

October 26, 2016

proposed surtax is 10% of the business license tax liability, so in essence a tax upon a tax. Would only apply to those publicly traded companies with again 100-1 or greater ratio. The surtax rate would rise to 25% for those companies that had compensation ratios of 250-1 or greater. The computation of the tax is very straightforward subject to taxpayer with a business tax liability of \$1,000 for example would owe an additional \$100, for 1100 total if their ratio was 100-1 or greater but less than 250-1. So the mechanics of the administration of the surtax would be very low burden for the taxpayer and the revenue division, low for the taxpayer because they are already required to report this information to the scc. We are not asking them to modify in any way that reporting. The ratio calculation could be reported on existing tax returns for the revenue division. So we're estimating approximately half of the fte worth of work mostly confirming reports published on the sec website. The proposed tax is estimated to yield an additional 25 to 3.5 million dollars in general fund revenue with fully ramps up in fiscal year 18/19. The assessment was based on actual business license tax filings for subject taxpayers. We estimated ceo compensation pay ratios computed by a third party. So that concludes my remarks. I would be happy to answer any questions and will be available throughout the hearing.

Novick: Could you mentioned amendment?

Lannom: My notes told me to do that but I didn't. This is a straightforward technical amendment. Therefore, council directs we want language that makes it clear we're coming back in the 17-18 budget process to make some adjustments to this new program should it pass council. Under now therefore council directs add new language, c, revenue division -- correction the bureau of revenue financial services and the city budget office will prepare the necessary adjustments to the revenue divisions budget in the fiscal year 2017-2018 budget process.

Fritz: I'll second that for a discussion would you expect that would start in the calendar year 2018 or would there be work in the last half of '17?

Lannom: The work will begin in the last half of '17 as we really begin to publish information about this. We'll be fielding taxpayer phone calls and will probably have to publish some administrative rules for clarity so there will be work in 17-18.

Terri Williams, Bureau of Revenue and Financial Services: There will be notices we send out as well we'll need somebody to work on that.

Fritz: Do you have an estimate of how many staff ftes would be needed to staff this?

Williams: About a half.

Fritz: Okay. Then remind me, is your bureau is similar overhead funded or general fund?

Lannom: All general fund. There's a mix of interagency revenues from water, bes and other bureaus we collect from.

Fritz: I appreciate Mr. Novick since the housing bureaus budget is going to be taken care of next year that this is not going to be targeted to go into the general fund bucket. And the general fund bucket pays you so we don't have to worry about making sure that the administrative expense is paid fir it cause it will thank you.

Novick: Commissioner fritz I appreciate your second but I don't think I actually moved the amendment. I move the amendment.

Hales: Moved and seconded. Not necessarily in order. Other questions?

Saltzman: You mentioned how did you arrive at your estimate of 2.5 million? Simulation?

Lannom: We took actual tax filings for subject corporations that we identified publicly traded companies and took their actual tax filings we received in '13 or '14. Then we took a third party analysis of estimates of compensation ratios for each industry or sector and retrofitted that back to those individual taxpayers. It was built line by line. We feel high confident certainly on the 2.5 side of the range.

Williams: The economic policy institute is where we got the data from to do the ceo ratios.

October 26, 2016

Saltzman: Are they an advocate for this or are they impartial?

Novick: I don't think that they have actually endorsed this concept. Again, we'll have much better information comprehensive information on ratios next year but a variety of nonprofits, analytical organizations have been trying to estimate the ratios over the next 30 years so we have some degree of confidence.

Lannom: Our auditor is here today, Jason McKay, did review for reasonableness the numbers that were published by epi, and found them to be reasonable.

Saltzman: Thanks.

Hales: Thank you very much.

Novick: Thank you very much Thomas for all the work that your office has put in on this issue over the past year or so during which we have been talking about it.

Lannom: Happy to help.

Novick: I would like to ask Sarah Anderson from the institute of policy studies in Washington d.c. To testify by phone.

Anderson: Thank you very much. I really appreciate this opportunity, and also appreciate all the hard work that the revenue department has done on this proposal so far. First I thought it would be helpful to say something about my background. I work at the institute for policy studies, a nonpartisan think tank in Washington d.c. Over the course of the past 23 years I have done extensive research on executive compensation. I was also very involved in pushing for the new sec regulation that will require publicly held corporations to report the ratio between their ceo and their median worker pay. The Portland surtax proposal being considered here today is exactly what many of us who worked hard for this federal disclosure rule hoped would happen. By linking this new metric to local tax policy you have the opportunity to use public policy to narrow what has become a very dangerous economic divide. I believe you would set a precedent that would inspire many other cities and states and maybe even the federal government to take similar action. I believe this surtax is not only important because it addresses the problem that commissioner novick has already covered on inequality and economic unfairness it's also important because our current extreme gap between ceo and worker pay are bad for business. On the ceo end, executive compensation encourages behavior that may boost short term profits and executive paychecks but harmful to workers, consumers and the broader economy in the long term. The wells fargo scam is just the latest example. For years and years top executives raked in tens of millions of dollars in stock-based pay that was inflated by criminal activity. Pay packages also encouraged the reckless behavior that led to the 2008 financial crisis. And this perverse short term reward system is a problem throughout corporate America, not the just wall street. Secondly when companies have extreme gaps between their ceos and workers, it undermines employee morale which can reduce productivity and increase turnover rates. There's a lot of academic research on this and I would be happy to provide sources in writing but this is why peter Drucker, founder of modern management science, believes that ratios above 20 or 25 to one were bad for business, why whole foods has capped their pay ratio at 19-1. Not all business leaders agree with this and I would like to spend a few minutes responding to three arguments that you may hear from lobby groups representing large corporations. The first is this surtax would drive companies away from Portland. This is a familiar argument from the local living wage fight and yet cities that have adopted significantly higher minimum wages have not experienced layoffs or slower job growth and the surtax is even less likely to drive companies away because unlike the wage increases, the surtax would almost exclusively affect very large corporations that consider many factors when deciding where to do business. Moreover, let's face it, change needs to begin somewhere and there's a lesson in the living wage campaign it's that reversing our nation's extreme inequality will require

October 26, 2016

bold action outside Washington d.c. A second argument we often hear in the ceo pay reform debate is government has no business meddling here. That ceo pay is strictly a shareholder issue. The financial crisis should have put an ends to this argument. That's just the most dramatic example of how ceo pay affects all of us. Lawmakers have as much responsibility to encourage less risky ceo pay practices as they do to protect us from harmful chemicals and labor practices. Finally, I know some have raised questions about why the surtax applied only to publicly traded corporations and I think that's just a practical matter since the new disclosure rule only applies to publicly health firms but even if it did apply to small firms they are unlikely to ever have to pay it. Do the math. A company with median worker pay of \$25,000 per year would have to pay their ceo at least 2.5 million to be subject to this tax. I looked up how much the average salary of chief executives in Oregon make. It's \$168,000. Finally, to sum things up look at three ways they could respond if this surtax is adopted. First, they could lift up worker pay, which would benefit the economy by boosting consumer spending. Second, they could lower ceo pay, which would reduce incentives to reckless behavior and free up resources for job creation, research and development or other long term investments. And three, they could make no changes in pay whatsoever which would result in more revenue for Portland to address the needs of your most vulnerable residents. Any of these in my mind would be extremely positive. In conclusion I just want to emphasize that by adopting this surtax you would be setting an historic precedent, one that addresses a key driver of extreme inequality which is a broken ceo pay system that benefits the very few at the expense of the rest of us. I truly believe your action would inspire similar policies elsewhere in the same way as the living wage campaign spread around this country. Thank you.

Hales: Thank you, Sarah. I appreciate you coming out before and being back with us this way today.

Anderson: Absolutely. Thank you.

Fritz: Thank you for doing individual meetings with each of us when you were here before. It must be very satisfying having done the underlying policy work in d.c., seeing it put into action as you had hoped.

Anderson: It's truly exciting. As many of you know, we don't see a lot of progress in Washington so we were thrilled last year to see the scc finalize this disclosure rule but I think the next steps will be taken at the local and state level to really put teeth into this disclosure and make it meaningful. Although I will mention that there is just recently there's been a bill introduced in the u.s. Congress that mirrors very closely your proposed surtax in Portland.

Fritz: Excellent.

Hales: Other questions for Sarah? Thank you very much. Do you have other testimony?

Novick: I would like to invite tom chamberlain and Jeff Anderson of the house of labor to come up.

Hales: Welcome.

Tom Chamberlain: Good afternoon. I'm tom chamberlain, I'm the president of the Oregon afl-cio. We're a federation of unions that represent over 135,000 working men and women in Oregon. While our members are fortunate to have a contract on the job, we also pay a lot of attention to those folks who don't. That's why you see the afl-cio focusing in on an agenda that increases the minimum wage. Retirement security, banning the box to give ex-felons a fair shot at a better life. Housing. Health care and job creation. As my experience testified in front of you many times and as my experience always bears fruit that my testimony changes because you have a real good foundation of what this does. I just want to add a couple of things. In 1960 the ratio between ceo pay and the typical worker was 20-1. According to the afl-cio executive watch, today Oregon ceos the ratio

October 26, 2016

is 327-1. A report by the university of Oregon's labor and education research center focused on the fact that 25% of our work force today earns less than \$12 an hour. Our economy is changing. And if you're a worker, perhaps not for the best because what you're seeing is more and more low wage jobs being created. Which is going to have an impact on how we generate taxes. How we provide services. And when we have low wage workers we know services are more in demand. If you're a low wage worker it's very hard to take care of your elderly parent or a disabled child. Often in the past we were able to take care of folks like that in the home. Now we have to provide rely on the government to provide those services. We have to start thinking creatively about how to capture new revenue and I think this is a very creative way to do that. I would ask you to do one thing, though. That's to focus this new revenue on folks who need it most, the jobless, homeless, those disabled. We stand in support of this measure. Thank you very much.

Hales: Thank you. Good afternoon.

Jeff Anderson: Good morning, mayor, members of the council. I'm Jeff Anderson. I'm president of the northwest Oregon labor council and I'm secretary -treasurer of the united food and commercial workers local 555. It's comprised of 25,000 members primarily in the retail industry throughout Oregon and southwest Washington. A little over 12,000 in the Portland metro area. We stand in support of this concept because it's really about moving to what we would call a point of self-sufficiency. Self-sufficiency is the idea that you don't have to rely on government to provide you the basic necessary means to support your family, that your job provides the economic means to a self-sufficiency. One study about a year and a half old that we were looking at on the minimum wage discussion show that in Portland today self-sufficiency would be about a \$17 an hour job. What we know is that since the late '70s as president chamberlain has brought forth there's a disparity in income has become much broader and wider between the top and the bottom. One document I'm having passed out shows ceo pay has grown 90 times faster than the typical worker's since 1978. This information all but buttresses and supports president chamberlain's comments about this disparity. I call it moving from a shared economy to an indentured work force economy. We see it just in my membership which we're unionized, we have benefits, we move to a higher level of self-sufficiency yet that deficiency is there. If somebody working in the retail industry under our contracts the average hours reported is about 122 hours a month. That's not 40 hours. That would be 173 in a month. That tells you that we have a part-time built-in system. I was looking at that, looking at a top end rate of a nonfood clerk making \$12.90 an hour and that's about \$7,000 less than what the self-sufficiency would require in the city of Portland to make ends meet. It's picked up by the government. You're subsidizing in essence as policy makers subsidizing the private sector to privatize and produce bigger profits. It just seems like we need to start incentivizing companies that reinvest in our society over the last 20 years the city of Portland has lost over 40,000 manufacturing jobs, and that's in fact I would say over the last 16 years based on data that's within the employment division. We need to have a reinvestment policy to incentivize companies not in the short term to provide the export of jobs whether they leave the country, leave to another area, at the same time we need to take the incentive of saying we could be the next wells Fargo. We could be the next Enron in incentivizing short term gains and dis-investment in local communities. It's with that we support this measure. One of my members who is here a couple weeks ago who has breast cancer survivor, struggling to take care of herself and her family has the difficult time of not just the hours and the irregular hours but the short income that it takes to make all ends meet. It's with that I encourage you to support this endeavor. Thank you.

Hales: Thank you.

Fish: Our guest from the institute of policy studies --

October 26, 2016

Anderson: Not related to me, by the way.

Fish: No. Said that if we adopted this approach it might help raise worker morale and it might boost productivity. So you represent a lot of people who work in our community. How might that happen?

Anderson: Well, give you an example. I won't say the name of the employer because really this is a policy about not going an employer but setting a practice and a model. In 2015 the ceo of one of our employers was compensation was \$11,128,000. That's why a typical part-time worker working 122 hours is getting the equivalent pay of about \$19,000 a year in retail. If you think about that, how far can you go just basic needs after taxes paying rent in the city of Portland today? We know that there's a crisis taking place. So anything -- it's not a gotcha policy, but it's certainly a message saying we need to have a community investment if you go back in the day companies were part of communities were part of that community ingrained up and down worker to at all levels. Today that is not the case. So if there's something that moves and sends a message that policy makers across the country are going to start working on the income inequality in that bend I think it's a real positive step. Portland could be the actual leader in establishing the right practice, the right thing to do doctrine.

Hales: I can also answer your question commissioner Fish from my personal experience. I left the city government and took a position in the private sector now 20 years ago, 15 years ago. And I joined a company called hdr engineering. At that point there were 2700 employees. One reason I joined was that it was employee owned. I particularly like that model of corporate ownership. All stock was held by employees. In fact, no one was paid stock as bonuses, only paid in cash based on the prosperity of the company. But the company was entirely owned and remains entirely owned by the people that work there. Our ceo pay was I think about ten times the average of the professional workers in that company and during the time I was there the company grew from 2700 employees to 8,000, and only had one year in which profit fell below 15% each year. Now the company is about 10,000 employees. So obviously it proves that that model leads to prosperity. I was happy about that on a personal level, and it certainly has helped my family and helped me put a couple kids through college but from a morale standpoint it was even more profound that everybody worked a little harder than they should, your success was my success, and it created an atmosphere where we all knew the ceo was only paid a little bit more than the rest of us in fact most of the executive staff was still required to have billable hours. It just created that egalitarian culture. Created a very powerful work ethic that drove the company to considerable success in the marketplace. So I would say it was a win-win proposition. A win for shareholders who were the people that worked there but also a win in terms of what it was like to work there. It was a great experience.

Fish: Thank you.

Hales: Thank you both.

Novick: We have also invited Marion Haynes and the Portland business alliance representing the loyal opposition.

Hales: Come on up. Are you persuaded by the arguments you heard today? [laughter]

Marion Haynes: Good afternoon, mayor, members of council. I suppose thank you for that introduction, commission novick. I probably am the outlier of the people that have been invited to speak to this issue, but thank you for the time nonetheless. The Portland business alliance represents over 1850 small, medium and large businesses in the Portland area. We focus on advocating for economic prosperity throughout the region. I would note that about 80% of our members are small businesses in that way we're very much like the chambers of commerce you see in communities across the country. We do oppose the proposed business income tax surcharge based on pay ratio between ceo and

October 26, 2016

median workers. Growing income inequality is an issue. We agree with that. We during the last legislative session sat down at the table with some of our colleagues and the unions and came up with a framework for an increase to the minimum wage. We were happy to do that it was a challenging discussions we thought it was the right thing to do and we were also okay with creating a differential in which the number in Portland was higher. We recognize that Portland, its cost structure and economy is different than Ontario or some other communities across the state. We also about a year ago produced middle income jobs report because of growing concerns that we were seeing growth on both the high ends and the low ends of the job scale and not as much growth in the middle income category that has been passed to the American dream in getting ahead and putting your kids through college. We certainly understand the issue. Our approach to how to address it I think would be different than what's been proposed and we don't think that this proposal will actually get us very far down the road on addressing what is a big global national issue. The ordinance does acknowledge that if other jurisdictions follow Portland's lead then maybe some changes will happen, but there's no guarantee that that will happen. Something similar to this has come up in California. It was rejected. It didn't move forward. We don't believe there's a nexus between the Dodd frank rule requiring disclosure of the ratio of pay and the city's business income tax. In many cases those ceos, those decisions are being made in other states and other parts of the country that really has no rational tie to the business income tax in the city of Portland. The Dodd frank rule with the ratios primarily intended to be used by shareholders in making decisions for their investments when they are comparing similar companies. It's not -- it wasn't originally intended I don't think aside from maybe what some advocates hope for to be a tax policy tool. It was an informational tool for shareholders. Because it was not built for tax policy it doesn't necessarily treat all businesses equally. It does include only publicly traded companies and not all publicly traded companies are even included in it. I would disagree that the ones that are not publicly traded are not included are all small companies. There are large corporations, llc, that are not included in this. I have heard from members including those that have looked at their numbers that will not be impacted by this proposal that do have concerns about the perception that it will create in the city for businesses, many of these businesses that we're talking about, the 500 on the list, employ thousands of people in the city. They make charitable contributions in the city. They are a part of this community. Many of them reflect that in how they operate and how they interact with the city and nonprofits and things like that here. It's also impossible to know, and this has been noted until the rule has been put in place, who it's impacting. We don't know what companies and industries will have to pay in what amount or what that impact might be. What this does is impose a cost without any benefit. Because again we don't think that this will have an impact by the city of Portland's action on corporate pay structure. So in a sense you're not buying anything for the cost that you're imposing and I would argue that this is different than, say, a sick leave or something like that which we had struggled with at the time but worked on the policy to try to make it work as well as it could, but in that action it had a meaningful impact on the workers in the city that you were trying to do something for. This is sort of a stab at trying to hope something will happen, trickle down the road, depending on the actions of a whole bunch of other people. It imposes a cost. It creates a challenge perhaps for some businesses without any kind of meaningful benefit for the people in the city of Portland at this point. So we would urge you to reconsider this proposal at this point. We think there's better opportunities, better ways to provide opportunities for Portlanders. We heard about manufacturing, needing support, those types of things. You can grow middle income jobs, increase people's opportunities for their families and we really think

October 26, 2016

that's in the city's wheel house. That's something where a meaningful impact could be made. Thank you very much.

Hales: Thank you. Appreciate commissioner novick inviting you even though he knew you didn't support this. Also appreciate you acknowledging the problem that ceo pay is up 997.2% since 1980 and typical worker pay is up 10.9%. So appreciate you acknowledging the problem of income inequality. You said your approach would be different. What would it be?

Haynes: Well, our approach -- coming from an action that the city of Portland could take, would be like I said doing things to encourage manufacturing, doing things to encourage middle income job growth. We have made progress with the gas tax making needed investments in the transportation system, but ensuring that freight can move efficiently. Things like that. I don't have a full list off the top of my head, but there are actions I think that the city could take that could increase opportunities for people here now.

Hales: Do you know of anywhere in the country taking that approach where the income inequality gap has narrowed?

Haynes: I'm not going to defend the income inequality gap. My suggestion is that there are actions that the city could take that will have, could have an immediate benefit to the citizens and the city whereas this will impose a cost without providing any real benefit to the workers or to actually addressing that income inequality gap, which has grown and is something that we --

Fish: I appreciate Steve inviting you. I'm just since we're in the baseball season I just want it thank you for batting on my scorecard I think you're batting 600. I think you supported the gas tax. We deeply appreciate your support for the housing bond. It sounds like you have a philosophical disagreement on this tax but your support particularly on the housing bond was important.

Hales: We appreciate that. Again, the dilemma for me is the city's booming. The city is an economic boom unlike any we have seen. Unemployment is way down. City revenues are up. All the indices including the number of cranes on the horizon are positive. We got a thousand people a month moving here. In part because the local economy is so great. Yet this pervasive problem of income inequality is not ameliorated by the general trends. General trends are the averages if you will don't do anything about what the distance between the top and the bottom of that average. If prosperity and trickle down would solve the problem, we would be trickling down all kinds of benefits on working people right now. But doesn't seem to work out that way and we have conducted an experiment in the last few years of Portland's recovery to show that that alone won't solve the problem. General prosperity we had a lot of new middle wage jobs, software engineers as opposed to manufacturing jobs, but nevertheless they are great jobs, and yet for the low income workers in the city there's been really no progress. So I think that's the economic dilemma that we as policy makers are facing it's just general prosperity and hope are not going to solve the problem.

Haynes: Mr. Mayor, we were actually going to be updating our annual economic checkup that we do, and some initial numbers show we're seeing wage growth both in the low and the middle income end. Quite large numbers, larger than has been seen in a decade and frankly in Portland those numbers are climbing higher than any of the comparator or peer cities that we use. I think I agree with you that we have had a lot of success. There has been a lot of job growth. We're seeing wage growth now, which is absolutely terrific. My only point is that I don't think because as you said we're seeing all this prosperity we have not seen a lowering of the income gap that it's not something that the city has any control over. So thank you.

Hales: Thank you. Other questions? Thank you very much. Other invited testimony?

October 26, 2016

Novick: I think that concludes it.

Hales: Other folks here to speak?

Moore-Love: Two people signed up.

Hales: Come on up, please.

Peter Miller: Great. Thanks for listening to me today. I'm Peter Miller, retired software engineer, not a real CEO. [laughter]

Hales: You play one on TV, though.

Miller: I support this idea. I think it's an idea whose time has come and with this new information from the government that provides this kind of metric of the CEO pay I think it's a perfect opportunity and I'm pretty sure if Portland adopts this it won't be the first or the last city certainly to adopt something like this because I think it's the tax that fits the crime. It's a very simple, easy to understand tax that has a direct impact and will help the city get some money back from these rich CEOs and corporations that pay them these exorbitant amounts. I was just thinking of Wells Fargo CEO who just walked away. They think he's going to walk away retiring in so-called disgrace with a \$200 million in cash, stocks and all the benefits from being a CEO of a large company and making that kind of disparity and Elizabeth Warren said to him, CEO, you squeezed your employees to the breaking point so they would cheat customers and you could drive up the value of your own stock and put hundreds of millions of dollars in your own pocket. I think it was mentioned by Sarah Anderson and the disparity creates these kinds of opportunities for desire for malfeasance among our CEOs. Looking here in Portland I have a friend who is a night baker. He's worked at that job for many years, very stable employee. Couple things I help him do his taxes every year and as a retired software engineer I'm in the middle income and he's not. He pays a lot more percentage of taxes than I do simply because people have more money can take advantage of all the deductions and all the things that and CEOs are doing that big time. So by bringing forcing them to bring the money back down and to the level of more middle income people I think the government will see an increase in tax revenue in some way because the money is being sucked into these -- the .1%ers and they tend to pay fewer taxes unfortunately. I really appreciate this. I think this idea will spread like wildfire. Thank you.

Hales: Thank you.

Novick: I want to note you're here to testify on October 5th and we appreciate your persistence coming back.

Miller: Thanks.

Hales: Thank you. Good afternoon. Welcome.

Karly Edwards: Thank you for addressing this issue, commissioners. Thanks to Commissioner Novick for his leadership on this issue. I'm Karly Edwards, state director for the Working Families Party. Our political party represents 11,000 registered voters and roughly 30,000 supporters. They are working people, parents, small family farmers and this is exactly the kind of common sense creative policy that our voters and supporters are interested in. A lot of our voters are sort of disenfranchised, first time voters, people just getting involved in democracy and the process of civic engagement. These are the kind of creative ways they are looking for government to address the things they care about most. One thing we hear about our voters and superintendent porters talk about their kids going to college. Our voters and supporters are worried about keeping a roof over their head and putting food on the table. Being able to send their kids to college is something that's very important to our folks. This is something that we think is along the lines of the issues that they care about. In a past life I used to be the affiliate leader for the hotel and restaurant worker's employee's union locally. When I hear about this policy it makes me think about the largely women of color who are moms who work in hotels and that they are working for

October 26, 2016

barely over minimum wage while ceos of Hilton or Marriott make millions. At one point when I was with the union workers of the Hilton downtown actually voted to authorize a boycott that eventually cost almost \$2 million in lost revenue for the hotel. That meant lost shifts for them, lost tips, that was a hit and that's how hard those workers had to fight to get a wage increase with those companies. So this is the kind of common sense policy that we think that workers and our supporters absolutely will be seeing as a step in the right direction. I think that the testimony we heard earlier, it's very hopeful that this could have an impact of lifting the bottom to be able to close that inequality gap, and should ceos and their boards have hard conversations that don't result in those kinds of increases for their workers I think there's really excellent common sense ways that this is addressing being able to have action that the city can take in the form of a surcharge. So we're very supportive and enthusiastic of the policy and grateful that we have such committed leaders who are taking on this issue. Thank you.

Hales: Thank you. Questions? Thank you so much. Appreciate you being here. Anyone else want to speak? Come on up. Good afternoon.

Shedrick Wilkins: Mr. Shedrick, a little history or something is when there's good economies like you say right now are we consider the leaders of the corporations are gods and they are like artists like Steve jobs they do no wrong. This is where the income comes from. But there are downturns and I think given the debt and stock market there will be eventually downturns. Sometimes good government has to get involved. The case was I guess after the great depression there was a general motors strike in 1935 in which franklin Delano Roosevelt was expected to send in the fbi and bust up the strikers. He did the opposite. He actually supported the strikers, managed their problems and aided the ceo. So he investigated, found out the striking workers had rights like commissioner novick is suggesting.

Hales: Thank you. Anyone else want to speak? Staff? Thomas, terri, both? Please.

Saltzman: So what is the definition of executive workers' compensation? -- is that taken care of in the sec ruling? [speaking simultaneously]

Williams: It's my understanding it's defined by the regulations that the sec adopted.

Lannom: That's correct.

Williams: It includes --

Saltzman: That's all I need to know. Give me an estimate of what a 25% surcharge would be on the largest business income taxpayer in the city of Portland.

Lannom: We do have examples.

Williams: We have some examples. It's not like -- we have a couple of industries and some examples of what this might look like to get to discuss. We can do that for you.

Lannom: We have one here, a large bank pays the city of Portland currently, this is not an actual taxpayer.

William: It's a conglomeration.

Lannom: Sort of a median impact to this industry. Large bank pays city of Portland currently \$250,000 in tax. The ceo to median pay ratio is 1,000-1. They would be above the 250 to 1, therefore subject to 25%. Their surtax would be \$62,500 for a total of \$312,500 tax owed. Another example a large beverage company, currently pays the city of Portland \$100,000 in tax. The ceo to median worker pay is 175-1 in this example. This would be above the 10%. This would hit the 10% surtax so their surtax would be \$10,000. Total tax would be 110.

Saltzman: What was the ratio on the first example?

Lannom: 1,000-1. We have looked at some ratios that are well above that and verified those with media reports and other ways of benchmarking the data we got from that third party source I mentioned earlier.

October 26, 2016

Hales: Thank you.

Saltzman: Thanks.

Fritz: I have a question for the sponsor. I'm really surprised there are so few people here either in support or opposition. I'm wondering, had you been able to hear this on October 5 were you expecting there would be a lot more people on both sides?

Novick: We had a number of people from some of the organizations represented here prepared to testify. It's just hard to get everybody back again.

Fritz: Miss Haynes, presumably that's the same for the Portland Business alliance that you had people who were planning to come in October 5th and weren't be to make it today? Thank you. Calling it to everybody's attention. This is a problem with the democratic process. The city, people can't rely on when things are going to happen. Thank you for your perseverance and for getting your testimony in by telephone. I was spoiling for a fight but -- more polite and reasoned discussion on the issues. Thank you.

Hales: Thank you both.

Saltzman: I have a couple questions of commissioner novick. Maybe I'm the biggest skeptic on the dias. I'm not an apologist for inequality in pay but I have a hard time believing this is going to really influence behavior at the level we're expecting in terms of reducing ceo pay or increasing median worker pay. Just looking at the two examples that were given, an incremental 62,000 is a -- business license liability on a \$250,000 bill for a 100-1 ratio -- I'm hard pressed to be persuaded this is going to influence the type of behavior we want. There's the global movement, national movement, Portland first, I get all that stuff, but as a practical matter if this does not influence behavior, are you going to say, well, let's increase the ratio. Jack it up to 50%, 100%. My philosophical concerns are I don't really support sort of designer taxes. That's what this is. We are -- this is a designer tax well intended and it's got a good intended outcome, but what's to stop us from coming back and saying, let's do a surcharge based on carbon emissions? Based on the number of black women and minority in the work force of a particular company or companies. So where does it end?

Novick: Well, commissioner, we do have any number of designer tax provisions. We give tax breaks for creation of affordable housing. There's the home mortgage interest deduction which commissioner Fish raises occasionally which is original suggested as a way to promote homeownership. We have a tax deduction for charitable contributions. The city doesn't but --

Saltzman: That's my point. There's federal and state but not much at the city level.

Novick: The tax code has often been used to promote certain behavior and also to signal disapproval of certain behavior. In the 1960s it was partly a matter of greater union bargaining power but the fact that every ceo in the 1960s made only 20 times what the typical worker made was partly the result of a societal consensus that it was inappropriate for ceo's to make these vast sums. Part of what we're doing is sending a signal that as far as we're concerned these vast disparities are not appropriate and I do think there's every reason to believe this proposal would be duplicated in other jurisdictions. There's already been national attention simply to this proposal. Robert reich put up a Facebook post about it.

Saltzman: But I'm saying if it doesn't influence behavior in the way we want are we going to say let's jack up the ratios because people are not responding? Many local governments do not have a local business income tax. Portland is the only or Multnomah county and Portland are the only ones in the state of Oregon that have such a tax and nationwide most cities do not have income taxes because they have sales taxes.

Fritz: In Portland we have the council has dedicated Airbnb taxes to the housing fund. We have already got one so-called designer tax. That has influenced how Airbnb operates.

October 26, 2016

Saltzman: What if it doesn't influence behavior?

Fritz: Excuse me. This is an appropriate tax because it taxes the richest of the rich. Whether it changes the behavior of the companies as shareholders is less important to me than whether we have enough taxes to cover the services that people want including housing.

Novick: In response, commissioner Saltzman, I think that the key thing is the effectiveness is that other jurisdictions follow us. If others do not, I would not conclude that we would make a huge national difference simply by increasing the surtax.

Hales: Other questions or discussion? So we should take action on the amendments today so this comes back December 7 ready to vote?

Novick: Yes. And I should note that the city attorney has discovered a scrivener's error in finding 4 that says data from the economic policy institute with the apostrophe s shouldn't be there.

Hales: Seeing no objection that's fixed. Now to the amendments that actually have substantive impact. The first is commissioner novick's proposed amendment deleting 7.0 it.500, sub b, right? Further discussion about that?

Lannom: No. We're not deleting any in the city code itself.

Hales: Oh, in the ordinance. That would have been 702500 -- but now we're not including that language.

Lannom: I would defer to the commissioner terms of the --

Fish: The mayor's amendment just substitute a carbon tax. Thank you for catching that. [laughter]

Hales: Is that correct, commissioner? Now we're clear. Let's take a vote.

Novick: Aye.

Fritz: I have lost track of how many amendments we have so I'm going to make my comments on this one in case I missed the last one. I want to thank commissioner novick and his staff for bringing this forward. I do think it looks like a way to pay for the services that the city has promised. Originally you intended it to be paying the gap in the housing bureaus budget to fund the joint office of homelessness so I applaud that original intent now because we're finding that money this coming year in the budget I'm sure there will be other needs of the city that need to be funded, I also would expect if measure 97 passes we will have a discussion before the vote on December 3rd to decide -- 7th. To decide whether there should be what effect that measure passing might have on whether or not we should pass this one. Just putting that down since they both would tax large corporations. Thank you for your work. Aye.

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

Hales: I'll just make a couple comments as well. We have second amendment to deal with. This discussion about what impact do we have is interesting and worth having, but I think it's also notable that earlier today we were recognized as the first salmon safe city in the country. We expect other cities in fact I have already heard online from mayor Robertson of Vancouver, b.c., mayor Ed Murray in Seattle that they are going to try to catch up to us and also be salmon safe certified but if you look at issues of climate action plan we adopted the first one, streetcars where we built the first one, marriage equality where we adopted a domestic partner's equality policy, ban the box, living wages, lots of times there have been cases where some city started it. I'm proud more on which be than not that's Portland. It became a movement that then changed the national dialogue. I think that could happen here. Again from my own experience, there's a way to run a company that's both socially responsible and profitable in a 1,000-1 ratio between the ceo and employees cannot in any way be described as that. You tax things that are anti-social in some cases and that's what this would be doing. Aye. Second amendment is to add the

October 26, 2016

language in what will now be subsection b, right? It would have been c, that says the bureau of revenue financial services and the city budget office will prepare adjustments in fiscal year 2017-18 budget process. Proposed by the revenue bureau. Any further questions about that? Roll call on that, please.

Novick: I'll take the opportunity to make my closing comments on this amendment. I want to thank everyone who participated especially had Sarah Anderson, Jeff Anderson and Peter Miller and Marion Haynes. First it's a step towards narrowing the income gap national name and I think it's likely other jurisdictions will enact similar policies. Together we can make a difference encouraging companies in a fair, more equity pay structure. I'm glad the mayor brought up the example of climate. That's another example of what Portland alone does is not going to prevent global climate change but setting an example and doing our part has been and is still significant. Second, this proposal will help us balance our budget. The city budget office told us we'll have at least 11 million in ongoing budget needs beginning is budget year 17/18. The forecast is I hope likely to help with some of that we need to make cuts or identify resources to make up for that. This raises a relatively small amount of revenue, 2.5 to 3.5 million, but it could be a big help. Commissioner Fritz pointed out the city won't realize any significant amount until the 2018-19 budget. That's true but also point out since we budget on a five-year basis this will help balance over five years if we enact it now. This is set for a vote on December 7th. I appreciate everyone's efforts and participation and look forward to continued discussions. Aye.

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

Hales: Aye. Thank you all very. This will come back for second reading on December 7. We're adjourned.

At 3:10 p.m. council adjourned.