



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 14th DAY OF FEBRUARY, 2001 AT 9:30 A.M.

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

OFFICERS IN ATTENDANCE: Britta Olson, Clerk of the Council; Ben Walters, Senior Deputy City Attorney; and John Scruggs, Sergeant at Arms.

Item Nos. 171 and 180 were pulled for discussion and, on a Y-5 roll call, the balance of the Consent Agenda was adopted.

165 **TIME CERTAIN: 9:30 AM** – Report on Crime Mapping on the Internet/CrimeMapper (Report introduced by Mayor Katz)

Disposition: Placed on File.

***166** **TIME CERTAIN: 10:00 AM** – Adjust FY 2000-01 Budget for Winter Budget Adjustments (Ordinance introduced by Mayor Katz)

Disposition: Ordinance No. 175330. (Y-5)

CONSENT AGENDA - NO DISCUSSION

167 Accept bid of K & R Plumbing Construction Co., Inc. to furnish Alder Basin relief and reconstruction project, Phase 4, for \$891,367 (Purchasing Report - Bid No. 100100)

Disposition: Accepted Prepare Contract. (Y-5)

168 Direct the Bureau of Environmental Services to be the lead agency for the City regarding the Portland Harbor Superfund Site (Resolution introduced by Mayor Katz and Commissioner Saltzman)

Disposition: Resolution No. 35962. (Y-5)

Mayor Vera Katz

169 Confirm the re-appointment of Tim O'Connor and Raye Miles to the Taxicab Board of Review for a term to expire January 24, 2002 (Report)

Disposition: Confirmed. (Y-5)

170 Confirm the appointment of Francine Corriere for a term to expire June 30, 2003 and the re-appointment of John Warner for a term to expire December 31, 2004 to the Urban

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Forestry Commission (Report)

Disposition: Confirmed. (Y-5)

- 171** Give preliminary approval for Multifamily Housing Revenue Bonds in an amount not exceeding \$20,000,000 and Economic Development Revenue Bonds in an amount not exceeding \$10,000,000, Museum Place South Project (Resolution)

Disposition: Resolution No. 35964. (Y-5)

- 172** Give preliminary approval for the issuance of Multifamily Housing Revenue Bonds, Yards at Union Station, Phase C Project, in an amount not to exceed \$19,000,000 (Resolution)

Disposition: Resolution No. 35963. (Y-5)

- *173** Authorize agreement with Amcrin Corporation for the Police Bureau participation in the use, testing and evaluation of Crimedex (Ordinance)

Disposition: Ordinance No. 175319. (Y-5)

- *174** Contract with Woodland Park Hospital for Police medical evaluations from handling hazardous materials for \$48,526 and provide for payment (Ordinance)

Disposition: Ordinance No. 175320. (Y-5)

- *175** Lease for ranges and exterior training area at Camp Withycombe for the Police Bureau Training Division (Ordinance)

Disposition: Ordinance No. 175321. (Y-5)

- *176** Contract with Booth Research Group, Inc. to provide assessment center services for Police Officer positions not to exceed \$45,000 (Ordinance)

Disposition: Ordinance No. 175322. (Y-5)

- *177** Pay claim of DeAnn Schnepple (Ordinance)

Disposition: Ordinance No. 175323. (Y-5)

- *178** Pay claim of Charles F. Warren (Ordinance)

Disposition: Ordinance No. 175324. (Y-5)

- *179** Contract with Emmons Architects to provide architectural and engineering services for design and construction of Fire Station 9 in the amount of \$160,876 and provide for payment (Ordinance)

Disposition: Ordinance No. 175325. (Y-5)

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Commissioner Charlie Hales

- *180** Contract with Clarks Energy Services Corporation for \$30,000 and Gardner Energy Management Group for \$30,000 to provide energy code plan review (Ordinance)
Disposition: Continued to February 21, 2001 at 6:00 p.m.
- *181** Amend Professional Services Agreement for Noise Control Task Force support with Jo Zettler to increase the amount by \$11,500 (Ordinance; amend Contract No. 33162)
Disposition: Ordinance No. 175326. (Y-5)
- *182** Authorize Code Hearings Officer to revoke home occupancy permits for code violations (Ordinance; amend City Code 3.30.040)
Disposition: Ordinance No. 175327. (Y-5)

Commissioner Erik Sten

- *183** Authorize the Administrator of Bureau of Water Works to sign a reciprocal agreement with Portland General Electric to provide backup services for payment processing (Ordinance)
Disposition: Ordinance No. 175328. (Y-5)
- 184** Contract with Northwest Economic Research to provide analysis of proposed electric utility rate filings with the Oregon Public Utility Commission (Second Reading Agenda 152)
Disposition: Ordinance No. 175329. (Y-5)

REGULAR AGENDA

- *185** Authorize the Chief Administrative Officer to implement recommendations regarding the provision of citywide administrative services (Ordinance introduced by Mayor Katz, Commissioners Francesconi, Saltzman and Sten)
Disposition: Ordinance No. 175331. (Y-5)

Mayor Vera Katz

- *186** Authorize establishment of a City Employee Transition Services Program and declare a fiscal emergency for the period February 14, 2001 through June 30, 2002 (Ordinance)
Disposition: Ordinance No. 175332. (Y-5)
- *187** Accept a grant from Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms for G.R.E.A.T. regional training by the Portland Police Bureau (Ordinance)

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Disposition: Ordinance No. 175333. (Y-5)

- *188** Accept a \$46,000 grant from the Oregon Department of Transportation, Motor Carrier Safety Assistance Program (Ordinance)

Disposition: Ordinance No. 175334. (Y-5)

- *189** Authorize intergovernmental agreement between the Portland Development Commission and the Bureau of General Services for the design and construction of the Portland Police Mounted Patrol Unit at the Centennial Mills site (Ordinance)

Disposition: Ordinance No. 175335. (Y-5)

- *190** Amend contract with Group Mackenzie to provide architectural services for the Portland Police Mounted Patrol Unit renovation and provide for payment (Ordinance; amend Contract No. 33086)

Disposition: Ordinance No. 175336. (Y-5)

Commissioner Jim Francesconi

- *191** Accept a grant from METRO in the amount of \$17,000 for FY 2001-2002 to continue a pond restoration project in East Delta Park (Ordinance)

Disposition: Ordinance No. 175337. (Y-5)

- *192** Grant Specially Attended Transportation permit to Broadway Cab, Inc. (Previous Agenda 1869)

Disposition: Ordinance No. 175339 as amended. (Y-5)

- *193** Grant Specially Attended Transportation permit to New Rose City Cab Co. (Previous Agenda 1870)

Disposition: Continued to March 7, 2001 at 9:30 a.m. Time Certain.

Commissioner Erik Sten

- 194** Status report on the implementation of the Water Bureau customer information and billing system (Report)

Disposition: Accepted. (Y-5)

- *195** Accept a Youthbuild implementation grant under the Office of Economic Development of the U.S. Department of Housing and Urban Development in the amount of \$700,000 (Ordinance)

Disposition: Ordinance No. 175338. (Y-5)

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City Auditor Gary Blackmer

196 Assess property for sidewalk repair by the Bureau of Maintenance for billing processed through January 5, 2001 (Hearing; Ordinance; Y1041)

Disposition: Passed to Second Reading February 21, 2001 at 9:30 a.m.

Communications

197 Request of Romon Bunton to address Council regarding Housing Authority of Portland, Section 8, discrimination toward a single father (Previous Agenda 157)

Disposition: Continued to February 21, 2001 at 9:30 a.m.

198 Request of Patrick Dinan to address Council regarding Police issues (Communication)

Disposition: Continued to February 21, 2001 at 9:30 a.m.

199 Request of Richard Koenig to address Council regarding unaddressed Police business (Communication)

Disposition: Continued to February 21, 2001 at 9:30 a.m.

At 1:50 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 14th DAY OF FEBRUARY, 2001 AT 2:15 P.M.

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

OFFICERS IN ATTENDANCE: Britta Olson, Clerk of the Council; Kathryn Beaumont, Senior Deputy City Attorney; and Peter Hurley, Sergeant at Arms.

- 200** **TIME CERTAIN: 2:00 PM** – Appeal of Mill Park Neighborhood Association against Hearings Officer's decision to approve the application of Qwest Wireless LLC and Earl W. Hopkins, property owner, for a conditional use for a wireless telecommunications facility that consists of a 75-foot high monopole at 727 SE 122nd Avenue (Hearing; LUR 00-00553 CU)

Motion to deny the appeal and uphold Hearings Officer's decision: Moved by Commissioner Sten and seconded by Commissioner Francesconi.

Disposition: Appeal Denied. (Y-3, Mayor Katz recused herself)

- 201** Tentatively deny appeal of Montavilla Neighborhood Association and uphold the Hearings Officer's decision to approve the application of Grace Evangelical Lutheran Church, property owner, and VoiceStream Wireless, lessee, for a conditional use for a wireless telecommunications facility consisting of an 80-foot high monopole at 9330-9342 SE Grant Street (Findings; Previous Agenda 100; LUR 00-00587 CU)

Disposition: Appeal Denied. (Y-3, Mayor Katz abstained)

REGULAR AGENDA

Mayor Vera Katz

- 202** Amend Code for Landscaping and Screening, Parking and Loading, Nonconforming Situations, Columbia South Shore Plan District and Quasi-Judicial Procedures (Second Reading Agenda 127; amend City Code 33.248, 33.266, 33.258, 33.515, 33.730)

Disposition: Ordinance No. 175341 as amended. (Y-4)

- 203** Amend the Central City Plan Fundamental Design Guidelines (Second Reading Agenda 163; amend Ordinance No. 163325)

Disposition: Ordinance No. 175340. (Y-4)

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At 3:30 p.m., Council adjourned.

GARY BLACKMER
Auditor of the City of Portland

Britta Olson / BO

By Britta Olson
Clerk of the Council

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

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Closed Caption Transcript of Portland City Council Meeting

This transcript was produced through the closed captioning process for the televised City Council broadcast.

Key: ***** means unidentified speaker.

FEBRUARY 14, 2001 9:30 AM

Katz: Live on the internet and can be assessed from the city's home page, if you follow the link called, "council agenda," and the weekly council agenda is also available on the internet at that same site, so for those of you who have nothing better to do, you can watch us and struggle with us as we struggle with the issues of the day. Happy valentine's, everybody. Say something nice to anybody, would be better than not saying anything at all. All right, I also want to let the council know that we have a real full agenda today, so please be respectful of that, if we all want to get out at a reasonable time. At some 171 is pulled off the consent agenda item 180, any other items to be pulled off the consent agenda item? Anybody in the audience to pull off the consent agenda item? If not, roll call on consent agenda. **Francesconi:** Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye. **Katz:** Mayor votes aye. Item 171.

Item 171.

Katz: Why don't you come on up?

Bruce Wade, Housing Development Manager, Portland Development Commission (PDC):

Hi, I am Bruce Wade.

Katz: Do you know why commissioner Saltzman asked to pull this off?

Wade: Yes. Bruce Wade, development manager with Portland development commission housing department, and we have Erik here with the office of management, and John Warner, also, with the development commission. I don't have a presentation, and due to the, the full agenda, I think so that we are just here to answer questions of, of the council --

Saltzman: I really -- well, maybe it is a question, this is preliminary financing for the museum place south project, which is a very important development project, pdc is working on with psyche-eye development and some other developers. I had simply met with the project manager, pdc project manager, Les, and Doug, one of the private developers last week, just to seek assurance that, as this is one of the first major projects, pdc will be financing, since we passed our green building standards, a few weeks ago, that, indeed, these projects would be built to be certified under our new green building standard, and I, indeed, was assured that by Les, and that those agreements will actually be drawn up in the actual development agreements. Pdc will have language in there requiring these projects meet our green building certifications.

Wade: I am here to reconfirm that that will be done.

Saltzman: Okay. Great.

Katz: Love is not enough, huh? [laughter] All right, those projects, and some of this one, will grow eventually to include another big project on the south, south end of the block, and I am sure that it will all be, be available for the green standing, but --

Saltzman: I was pleased that both pdc and the developer are here to make sure that they meet the --

Wade: Yes, actually, it is a section of the, of the predevelopment agreement that, that the commission is taking action on today, includes a section on green buildings, so we are committed, and I have no doubts that that will be accomplished.

Saltzman: Great.

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Katz: Just a little note for me on the design issues, you understand that? Before anything is signed, sealed, or delivered.

Wade: Absolutely.

Katz: We need to look at the design, this is a very important part of the with its end project. Thank you. Anybody else want to testify on this? Roll call.

Francesconi: Aye.

Hales: Great project. I am really looking forward to it, high.

Saltzman: Aye.

Sten: Weave have a lot more time to talk about this, but I want to thank pdc and the mayor's office to for making this work out, I think that we are going to recreate the streetscape by breaking up the big block and I think, prove once and for all that there is nothing stopping condos downtown, except our own fear of it, but I think this one is going to work just great, so I am very excited about this, and now it is green, as well, so aye.

Katz: Yeah, this is a huge project for that end of town, and commissioner Sten is right, there will be a plaza, so we will break that huge block. Safeway is going to move. They are going to have their own block with underground parking, and we will have an opportunity at some point to build a market rate, a mixed use project, as well, and when you look at that corner, and you look at the future of that corner, it is a wonderful place for people to live in the downtown, aye. All right, 180.

Item 180.

Katz: Who pulled this?

Britta Olson, Council Clerk: The opdr did.

Katz: Hales?

Hales: I am sorry, I am not up to speed on this. I am not sure why it got pulled.

Katz: Margaret, come on up. Somebody come on up quickly, we don't have all day.

Margaret Mahoney, Director, Office of Planning and Development Review (OPDR): We had -- this is the -- we had to pull this because it was voted upon by the union. And they agreed with it, and their business agent asked for more time.

Hales: So you want to set it over?

Mahoney: Yes.

Hales: I am sorry. One week?

Mahoney: One week, we will try and get that.

Hales: That would be what I would request then, thank you. Sorry, everybody.

Katz: Any objections for bringing this back in a week here? None so, ordered. All right.

Item 165.

Katz: Come on up, chief kroeker. I have asked the chief to bring some of these projects along because all we have heard in the last couple of months toward the end of the council are other issues, and people begin to think that nothing is happening in the police bureau, and I want everybody to know that there are some good things that are going on, in addition to the fact that men and women every day are on the street, keeping us safe, but internally, something, something very interesting is going on, and I wanted to share that with all of you, so chief?

Chief Mark Kroeker, Police Bureau: Thank you, mayor, and members of the city council, I am mark kroeker, chief of police of the city of Portland, and today we are here to introduce that we have flipped a switch, as of this morning, on a new program, called crimemapper, which will allow our communities, our public, anyone who is interested, to check in on the internet to the things that matter most to them, having to do with crime in their neighborhoods. We absolutely believe that crimemapper is a program that takes the technology of the current time, the internet world that everyone is joining, and links it with community policing in a very positive way. This, as we look

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at community policing, is a tool that will answer the questions that people have about their neighborhoods. We -- we look at community policing with our biggest barrier being communication. We need to reach people. We need to communicate with them. We need to invite them with meetings, to meetings. We need to fight against the fear that is out there, if it is unjustified. The apathy, out there, if it is there, and to get people informed, and with this tool, people can, right out of their home, with their morning coffee, check in on how the crimes are in their neighborhoods. They will be able to do their own version of crime analysis, to the extent that they wish to, and they will be able to see how had he fit in the whole picture of crime and as they work with their partners and neighbors in getting involved with block captains, working with the, the members of the crime prevention staff of the office of neighborhood involvement, and with other coalitions that are out there in neighborhoods, service providers, and with police officers, soon to be senior neighborhood officers, who are working with them, they will be able to solve those problems that are producing the crime, because they will be able to see in very clear fashion, in a way that they can actually print and extract from the computer off the internet, those things that are happening in their neighborhoods that are, are of most concern to them, having to do with, with crime and so we believe that it is an approach to reducing crime and the fear of crime by getting people informed and involved. I want to pay a special tribute to two people from my staff, who worked very hard on this, first jane braden, who is the, the manager in charge of our planning and support division, and it is under here leadership that this program was developed and launched and is alive and well last night, and officer dick carmen, for his contribution to the mapping and steve minic for his contribution having to do with the member site of this work. So now -- having to do with this website, so that is a demonstration of how it works. Very deep appreciation to, to the city's corporate team, who has worked on it, it is a corporate geographic info system project, and so we are very grateful and we will turn now for the rest of it to a flow that will take us into the depiction and description of how this will actually work.

Katz: Good, thank you. Go ahead.

Glenn Meyer, Bureau of Information Technologies (BIT): Good morning, mayor Katz, and city council, I am glenn meyer, the bureau of information technologies director for the city. Tim brew, the chief administrative officer for the city asked me to make a few brief comments. We would like to thank council for their ongoing support. Crimemapper demonstrates the return on investment in the it and city mapping capabilities that you have support and had invested in. Second, crimemapper demonstrates how we can work together to build solutions to barriers that prevented the sharing of information in the past. In this case, the Portland police bureau is able to share appropriate information with the public, insuring that investigation, victim and suspect information, remains confidential and protected. I would also like to personally thank council for its ongoing support of the gis program, I started five years ago in the capacity as corporate gis manager, and so I have sort of a vested interest in when we make progress there. Lastly, chief kroeker, on behalf of the corporate gis team and myself, were especially gratified with this opportunity to work with the Portland police bureau, in support of your permission, we appreciate the value and importance of the service they provided to the community and we look forward to a continued excellent partnership in the future, thank you, chief.

Katz: Okay. Thank you. All right. Come on up. Steve and rick.

Rick Schulte, Geographical Information System (GIS): For the record, I am rick and I am corporate gis manager for the city of Portland, and we will go ahead and get started here today and I will lead you through some demonstrations you will see on your monitor there. I have also printed out, in case we can see clearly a hard copy of what you are going to see today, please feel free to interject and ask questions, and steve will be able to offer the police side and I will offer any

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help I can on the gis side. What we have done here is built an application that allows citizens, the public, to, from a variety of ways, to find out information about crime in their areas. Two of the means they can do that is to be able to search by a particular address, say their home address or an intersection so, we will go ahead and type in an address of a particular individual. Also, to mention that, that the addresses that you are typing in here were not getting crime on that address, it is merely to orient ourselves and to get information around that address, so it is not crime in a specific address, we protect the anonymity of any individuals at any address. So once you have found an address, you can then -- you get a list of choices there. You click on the address there, and what you will then be presented is with an overall crime report, for that area. And what it does is the first window on the top there, actually, shows total crime. And what you will see there is that one of the methods in which we try to depict crime, or crime occurrences, due to the nature of how they are mapped, is the crimes occur at a specific location. However, if you have multiple crimes at a single location, you really lose the perception of crime. So what we did was created a generic grid across the entire city, that's a quarter mile of grid, and then we summarize all the crimes within those quarter mile grids and color-code them based on intensity, so in that first one, you see very light pink, which means kind of a lighter crime, and they start to get darker red as you get more intensity, so it gives you a very good perception of the amount of crime that's happening in those quarter-mile grids. As you --

Saltzman: Over what period of time?

Schulte: Oh, this is for a calendar year.

Katz: 12 months.

Schulte: Right, 12 months, for this particular screen that we are looking at here. The other thing we also do is we scroll down, because not only the map tells a story, we also wanted to use some other means and graphs were another solution that we brought forward. And what you see there is actually a graph for that area of the percentage of each part one crime for that area, so assault, arson, burglary, obviously, you can see larceny is usually the largest one, so as you move around the city, the various levels and percentages of crime, and how they relate to each other. As you scroll down, you then get to see individual crime reports, by crime type. We have all part one crimes currently, and you can see that there is assault, arson, burglary, larceny, vehicle theft, robbery, sexual assault, and homicide. If you would like to, say, go to burglary, you can click on the map, and get down to some more detail. Once you, once you get to that perspective, we break out into a half mile radius and bring back the number of crimes, again, for a 12-month period, and then show you also the actual locations of the crimes at a scale where you can't really identify the particular exact location of the crime, but it does give you a pretty good approximation of the location so you can get an idea of where these crimes are actually occurring. The only exception to that is, is in our sexual assault category, where we actually remove the actual point location so we never do display those to keep that, to keep that private. We do -- we do, however, paint the grid there, so you can see where they are occurring. Then we go down into a more detailed graph where you can see by month the amount of crime activity for that half mile area. You also get a listing of all the particular crimes sorted by distance, down below, so you can see the individual crimes, when they occurred, what time they occurred, and day of the week. You can then again drill down and get more information for a particular month. You can do this by clicking on the graph, and then what that will do is also update the map so that you can see the crime locations for that particular month and then you can, you can, again, see the various individual crimes for that month. The other options that we have also allowed is you can also sort by, I would like to see it by the day of the week, that these crimes occur on, so by clicking on the day of the week, you can then see another profile of crime activity by day of the week, so you can get a better idea of maybe some of

the indicators for what's happening out there. Also, giving you some more clues about, about possible prevention. You can also then search by, sort by the time of day, which is another unique profile that, that we, graph there, as well, and so what that does is actually graphs out the time of the day in which in which the crimes occur, again, giving you more information and more indication of possible solutions for prevention. Finally, this allows you to, essentially, interact with a map. It allows you to drill down and discern more information, chronological information, get locations, but another feature that we can do is actually go and interact with the map, and by clicking on the map, what we do then is actually launch an interactive map explorer, and here you can actually, very easily, click on the map, and actually pan around the city, and see various crimes throughout the city. Down on the bottom there, you can -- we are currently looking at burglary, say we would like to look at robbery, so by clicking on robbery, the screen is automatically updated and now you can look at robbery, in its various forms. So it allows the user to basically get out of their area, go around their neighborhood, and see how they compare with other areas of the city, very easily. And finally, what we do for, for folks that are actually, once they pass this stage, they would like to have more information, is we have, we also have a very advanced interactive mapping, and what this does is allow the user to, to come in and do custom, more advanced queries on crime so they can search by crime type, such as homicide, and hold back all the various homicides, and it maps them across the city. So, it allows them to do date searches, also pull back for a specific neighborhood. Those types of things. Go downtown. If I would like to know homicides in downtown, they can interact with the map and zoom down into the, the area. So, with that, I wanted to leave some time for suggestions, comments, ideas. Again, this is work in progress. This is our first cut at this, and we would certainly love input on how we can make this better so that we can continue to grow this, this functionality for the citizens.

Hales: I think that I have a suggestion. Is the list of layers, in other words, the offenses that are being tracked here on the last screen, that's it. That's what you are tracking at this point.

Schulte: Currently, yes.

Hales: Well, then allow me once again to reiterate, I am sorry that I have to be the one to bring this up, but the number one concern by the citizens of the city of Portland, not the number one police concern, not the number one budget concern, the number one concern is traffic safety in neighborhoods. The number one cause of death, violent death in the city of Portland is not guns, not all the stuff on this list but death by automobile, so, so why aren't we tracking those offenses and that's the big one. That's, that's where we are losing more people and injuring more people than by the crimes you have on this list, so --

Kroeker: True, and we are, in fact, studying at this moment, a traffic management information system that will track our traffic collisions, of course, we have now a, a, an approach that is in our safe programs, strategic enforcement where we are tracking the locations of the calls that are being called specifically to collision locations. The traffic citations --

Hales: Is that just car-to-car. Again, we are killing 20 pedestrians a year --

Katz: This is part one crime. This is part one crime --

Kroeker: Specifically part one crime, in our evolution of the development of the traffic management system, as to where the traffic collisions are happening, those will be added. Now, fortunately, the numbers of fatal traffic collisions are low, 27 last year, and so we have that, that very clearly mapped. There is no question.

Hales: So that's in the system? That mapping is --

Kroeker: That is not in this system, that's a crime mapping system, speckly, so it is a separate system with a separate contractual agreement that was specifically for crime. But, we are looking at that, and we are looking at an approach where we would, in time, be able to not only tell our own

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people in a graphic way where the collisions are occurring, but also tell the public, so they can check that in on their, on their web --

Hales: Yeah, it seems to me, why would we develop two separate systems. Part of that is -- part of my concern with that is convenience, and part of my concern with that would be, would be priority, and that is, this gives the impression that the work of the police bureau and the really important stuff is, is assault, burglary, homicide, and again, those are, are serious crimes, and it is part of your job to deal with them. But the number one problem in the community is traffic safety, and the number one cause of death is death by automobile. So, I would hope that the system ultimately acknowledges the importance of that, just as we acknowledge it in how we allocate our people's time.

Katz: Let me respond to that. This was a grant, a block grant specifically for the department of justice for crime data. Crime defined as part one, crimes. There is even more interesting information on part two, and part three crimes, that, that I hope eventually gets overlaid on that, and those are -- a lot of the mission-driven crimes that are not, necessarily reflected in part one crimes. So, just wanted to know that --

Hales: I understand that, and I am not drying to give the police bureau a hard time. I think we all have this problem, of assumption that killing somebody with a baseball bat is a crime, running over somebody with your car is an accident. No, it is a crime to kill somebody with your car.

Katz: Commissioner Hales, as crime but not a part one crime, and that's what I --

Hales: I don't care about the categorization, as much as I want to make sure that we are having that consciousness flow through everything we do.

Kroeker: Believe me, that is very much alive in the Portland police bureau.

Francesconi: But if the grant requires part one crime and traffic crimes are not part one crimes because they don't involve intent, I am not sure the police bureau -- anyway.

Hales: I am not saying they do a bad job, I am just saying that we have a cultural assumption that car stuff is one thing and real crime is another. And I fear that that got, accidentally, reflected in the very --

Kroeker: Absolutely not, no. Separate funding sources, the national highway traffic safety administration, for example, would be a funding source for that kind of grant, and we are looking at that specifically for the mapping, for the traffic management information system that comes to us through an entirely separate funding source. It is a good start.

Francesconi: Chief, I have two questions. One is, may not cover this, this grant. This mapping, itself, but can you explain, chief, about mapping, not from the public's information standpoint, but from, from your standpoint in trying to control crime, with guiliani and bratten and all of that, can you give us a report on how you are using technology to identify hot spots and then deploying additional police officers to prevent crime?

Kroeker: All right, very quickly. Crimemapper, in a sense, is the public's version of the camen effort, which camen is crime and management information network, formerly, crime -- just only crime, but we have added the management side of it. And in the camen, with police managers, we looked at where the crimes are happening, and by the way, traffic, also, as we look at these moments, and then we examine the spikes that are occurring, the trends that happen, the times of day, day of week, and so forth, where is it happening, the clusters of crime, we asked questions about the accountability of police commanders, who are in the precincts, as to what they are doing with the community about it. Now, as we deal with that, in our meetings and we ask these questions, hold commanders accountable for initiatives that include the public and community policing efforts, then with crimemapper, this becomes the public's version of camen, where we take

it out of the board room, as it were, and put it in the home office, where people are involved in their own home.

Katz: And we are going to get a demonstration of camen very soon.

Kroeker: Yes, and what I would liked to, too, and not to interrupt the flow of your questions, but reta is a crime prevention specialist and she wanted to make a few remarks. I actually wanted her to make a few remarks about how this fits in with the crime prevention specialist and their work with the community and with the block captains that are out there.

Katz: Before we get to that, I don't -- I know this is reflecting on a television show, which i've been wanting the chief to watch. If you watch the television show, "district," it is really born out of what you just talked about. It is the use of the new york system, which would be our own camen, and overlaid on the crime data is other gis information, for example, liquor establishments, maybe halfway houses, maybe not, whatever other overlays of social services and other information, so that you can begin to see traffic lights, you begin to see what is actually happening on the streets around where crime is occurring, other than, than just the crime data, per se, and that, hopefully, will evolve as this project grows, so that the community would know that you have got other issues going on around an intersection, and the police bureau would then try to understand what else is going on, so that when they begin to look at solving crimes, there may be other indicators, other than just the crime data, itself, that has an impact on crime. So that's kind of the next step. How many of you watch it? [laughter]

Kroeker: Now knew ordered me to.

Katz: Some of us who are into this demographics and data are fascinated by it, of course, granted, it is a show, but it is based, basically, on this kind of crimemapping analysis that helps the bureaus in the community solve crimes.

Kroeker: Like everything, when you have information, it is not so much the raw information, but what you do with it, and how you analyze it and how you apply it. The interferences you draw from it, and for that, you need people that have that linkage to be able to explain and to meet with people and to apply these things in crime prevention kinds of tools and ways at the local neighborhood level.

Katz: Why don't -- somebody move the mike for her or move yourselves.

Rhetta Drennan, Office of Neighborhood Involvement, Crime Prevention: 3534 SE Main, 97214. I haven't played musical chairs in a while. First of all I want to apologize because there is not more crime prevention specialists here but this happens to be the day for our monthly meeting. We are all very excited about this program. This is something that we have wanted for a very long time. We have been looking for an interactive way that our constituents can get access to this information in more real-time. We receive a lot of requests based on statistical information for various neighborhoods or for a series of blocks. At present, the best that we can do is give them statistics based on the whole neighborhood association. This doesn't always answer the need that they are trying to fill at that time. If they wanted mapping, we have had to wait 3 to 6 weeks for planning and support to be able to meet that need, also, and not that they haven't been great, because believe me, they really have been great in that regard. It is just a matter of getting the process done. It has also been very difficult in the past, having only that information to really get neighbors to concentrate on specific narrow -- on a specific and narrow focus. Be it, whether they are wanting to look at, at robberies in their area, if they want to look at a specific group of streets, this is going to be a really powerful tool for them to really focus, and not only focus on it for one time, but they can look at it, every week, to see, well, not every week, every month, they can look at it every month to see if they are making progress, if the efforts that they are making in their neighborhood is affecting that location or that particular crime. At present, they haven't been able

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to do that, so specifically. I met with Steve Minic earlier this week, and got a demonstration of this program, which really blew me away even though I had seen it once before. They really made improvements. We printed -- he printed off a lot of maps for me and answered a lot of questions. Since then, we have been talking to neighbors about this programming, and I haven't showing them the maps, and they are just so excited that they are going to have an opportunity to work with this tool, and they are already -- their minds are already starting to go, oh, well, we can see what's really happening, and oh, you know, we could really take a group over here and we could focus them on this, so this is something that they are already getting really excited about, and a number of people really wanted to be here today from the neighborhoods to talk about this issue. Unfortunately, they are either at work. They are on vacation, or a couple of them have had some family emergencies. I think one of the excellent aspects about this tool is that it is also very user-friendly. If you are -- if your computer skills aren't a high level, they have made this simple enough that a person with some limited computer skills can still go in and get a lot of information, and really, manipulate this tool to get them what they need. If you are hiring a computer user, you can go into it even deeper, so I think that they really addressed, not only the high-end computer user, but a person whose skills are not quite so sophisticated. I think, though, that the most important thing that the police bureau has done with this program, is that they have, they have built this as a system to be improved. They are not putting us out to the public today saying this is, this is it. They are putting this out saying, this is our first generation. We want to hear from you, we want to know what else you need, and we are willing to go back and look at our system and see if we can make those improvements.

Katz: All right. Rita, what have you heard from the neighbors in terms of what, what the, the next steps are for the mapping, what are they interested in seeing?

Schulte: I think that one of the things that the neighbors have been interested in is, is right now, this is going to, to work on the 12-month data set. In the future, they would like to see a longer term than that so they could look back and see what was happening at the 12 months before and can do a comparison, march of last year to march of this year, would be a very handy thing for them. I think that there will probably be some requests on, because we get these continually, in the category of larceny, there is not a lot of breakout in that category, so there will probably be, at some point, some requests for some breakout data.

Katz: Chief, next steps?

Kroeker: Well, we will like you to accept the report today. We have produced for you. Now, we, we move into a generation, in community policing that is very exciting, when we are taking technology, the internet, and linking it to our homes, our communities, our crime prevention specialists and the people who are working so hard to reduce the crime. As we look now at crime and where it is, some, some evaluation show that we are at a low that is taking us back to, to several years. And I do want to point out that, that we do not wish to become an anesthetic, although crime may be at a low of 20 years, that was unacceptable then and it is unacceptable now. You can see looking at these charts, the number of cars that are being stolen, the people that are being assaulted and so forth, and we wish this to be a tool that will help us in our, our efforts to reduce crime in Portland. And one last thing is that, for some time now, the web page of the Portland police bureau has been used extensively in recruiting police officers, and we have -- I have been told that some 40, 50% of our police candidates come from the web, and now, as of today, we have opened up a recruitment for block captain, also as a link on the web page, so that as they look, they will see, with this link, that you can become involved as a block captain to work not only to get the information, but to use it with your neighbors and with the crime prevention specialists and the police officers to, to return the crime level in the neighborhood to where it should be and to build that crime resistant neighborhood that we are after.

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Katz: Thank you. Questions? Mr. Saltzman?

Saltzman: You just answered my first question, which is, are we going to have some sort of a link or publicity for the neighborhood block watch captains in my other question was, this will be, so all part one crimes will be updated on a monthly basis? And who, who will do that? Is that gis or police or --

Steven Minnick, Program Coordinator, Police Bureau: It is a combination of, of effort, the police bureau downloads that information from the Portland police data system, and they code that information and then supplies that to the corporate gis, so that they can load that then onto their server. I am sorry, I am steve minic, program coordinate at the police bureau.

Saltzman: So we don't have to worry about this information not being updated on a monthly basis? Because I think that's --

Kroeker: Steve is our web master, he's our web manager, and developer. He's doing a fine job in making this web an outstanding web page.

Saltzman: Great. We just don't want it to get stale.

Katz: Further questions?

Francesconi: I just have one, it is a concern, maybe you can respond to it. When I was -- when my wife and I bought our first home in Portland, we did a crude version of this, and just got police reports, and we didn't really have the information. We didn't put it in any context and actually, it frightened us, and we didn't purchase a home in this part of town. Well, then, later on, we purchased another home, without doing it, and it turned out the second place had more crime than the first place and the point that I am making here is that, that you know, part of your job, is reduce the perception and fear of crime. Sometimes when you see these numbers, and you don't have the access, the information you do, I am concerned that it is going to have the reverse effect, unless you have so much, you know, adequate staff to kind of explain all of this. So, I think my concern may be legitimate, is it legitimate, how are you going to address it?

Kroeker: No, I think that it is a legitimate concern. And, we see red, inversions of -- versions of red, we don't want red lining to occur as a social kind of a, of a, of an element. We want, we want information to be shared, and to have that information be accurate, honest, and up to date, so as I said earlier, this issue of, of fear, sometimes even hysteria, can be resolved by the interpretation of the data with crime prevention specialist and is police officers working with the neighborhood, and then to take it from that level to the action steps that are needed in the neighborhood to reduce that crime level, and to build that crime resistance, so the alternative is to not share the information, and we think that that's unacceptable, and I do have to point out that, that coincidentally, this seems -- when you look at it on the web page, it seems so easy and nice, but it requires an enormous amount of work and there has been a huge amount of effort in getting this to this point, and I am very grateful to steve minic and to carmen, and of course, our corporate supporters? The bureau of information technology, and so we think getting the information out is first, important, and analyzing it and treating it responsibly is equally important.

Katz: Further questions? I will take a motion to accept the report.

Sten: So moved.

Katz: Second? Roll call.

Saltzman: Second.

Francesconi: I think this is great technology and I think, chief, you are right that you have the information, you should get it out in a user-friendly form to people, neighborhood associations, business districts, others can benefit from. I think that it is really important that you have the personnel available to explain this, or else it can create more problems than it can solve. I guess the other request, and I think you are doing it, you know, information, we can always provide more

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and more information. The key is the kind of information most useful to the customer, so you have done a good job by having citizens and residents and businesses involved in the process of what information they can really use, and I think that it is important that you do that, or else you could be spending a lot of money for something that, that really, they can't use that much, and so as you do this, it is really important you keep doing that process, which I know you will. And I thank you for taking this, this community policing to the next level in our community, which you are trying to do. Aye.

Hales: Aye. **Saltzman:** Good job, aye. **Sten:** I think this will be very useful, good work, aye.

Katz: I am pleased. I've been waiting many years for this, so I am pleased that we finally have got it up and running, and available to the public. I predict that the public is going to want to break down the assaults. They are going to want to know what's to know what's behind the assaults and what kind are they, so chief, be ready, if you are not doing that already to do that -- to do that. They will also want to know a break do you know on larceny because those numbers tend to be large, and so they are going to want to know what kind of larceny, they are also going to want to know other crimes that are not part one crimes, that are drug activity, street drug activity, gang and drug houses, so I predict there will be a lot of work for all of you to continue that, and I want to see the social service components overlaid over that, including where we have health clinics and schools, so we can begin to understand a little bit more about the structure of the neighborhood and as it relates to criminal activity, if it relates to criminal activity. This is a wonderful start. Thank you, chief. Thank you, everybody. That's been working together. And the council will have a, an informal on our new york system, called camen. Aye.

Item 166.

Mark Murray, Bureau of Financial Planning (BFP), Office of Management and Finance

(OMF): Good morning. Mark from financial planning. This is the, the second of our three trimester reports, and changes, major changes to the budget. Larry nelson, will give a wick overview of the major changes, and then we will also highlight the contingency requests, as well. Larry?

Larry Nelson, (BFP): Okay. This is primarily used for the programs and budgets. This particular bump, we use this bump to adjust the general funds, overhead charges from the previous year. As a result of the general fund revenue, overhead revenue is going down about 530,000, we use contingency to balance this. Other requests, from contingency, include 108,000 reduction, that's a transfer to the facility to reimburse the chinese classical garden and 270,000 request from, to refund business licenses. I total 2.8 million that has transferred within this bump, 3.2 million is transferred within other funds, 353,000 is transferred within the general fund. Major changes within this bump include the mayor's office, transferring the piac position and programs to the auditor's office, transportation is creating two positions as a result of the central city streetcar project, and.

Murray: There is 245,000 -- they are recognizing 45,000 in pdc for various projects, and lastly, bureau from communications, is appropriating about 600,000 to refund these kinds of restrictions, cost for the cap. Getting back to the contingency list that we have, for this year, as a result of the transactions of this bump, we now have available approximately 47,000 for the remainder of the year. So, I -- I will put that in better perspective for council. Going into the bump, there was about, a balance of about 1 million dollars in contingency. We had requests for \$1.8 million. Frankly, a number of those were seemingly legitimate. In fact, more than we have recommended. What we have done to help the bureaus and council, not wipe the fund ow completely, is help the bureaus, looking at their projections to year end to see if there are ways that we can fund some of these, within existing budgets, with the recognition that, that, since some of these are legitimate, we will come back to council in the spring bump, as necessary, to find ways to address these as

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needed. For instance, dignitary protection and police, overtime, there is a budget note that says, if there is funds for dignitary protection needed, council said that they would fund that, that's, that's the final figures on that, 2 \$240,000. We have worked with the police and the mayor's office, recognizing that yes, it is legitimate, but given the precarious position of the funds at this time, we will work with the bureau to see if we can, and find a way to manage that through this year, if not, we will be in front of council in the spring to address it.

Katz: Does that -- that doesn't include the, the overtime for demonstrations? I am sorry, I couldn't tell you, probably not.

Katz: Just the presidential visits?

Murray: Right, all the election visits, and they set up specific cost centers for each of those. So, the bottom line is, the contingency is now, almost tapped out. We recognize that emergencies will happen. We will be working very hard to find ways to address it, to get us through this year.

Katz: Questions? Yeah, there were a lot of requests that we just weren't able to meet, and we hope that from this period to the next bump, that people can make adjustments internally, if not, we will have to be very creative at the end of the fiscal year to make sure that everything balances out. All right. Anybody else want to testify on this? Thank you. Roll call. **Francesconi:** Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye.

Katz: Mayor votes aye. Thank you. All right. We are now on the regular agenda.

Item 185.

Katz: On my -- on my little sheet, my time to make introductions. I am I am going to skip that and I am going to relinquish my time to give tim an opportunity to go into as much detail since we have a lot of people here in the audience and watching, that probably are very interested to go into the great detail of, of why, how, when, and where. Maybe not necessarily in that order, but those questions answered. So tim, go ahead.

Tim Grewe, Chief Administrative Officer, Office of Management and Finance (OMF): Thank you, mayor Katz. Members of the council, for the record, I am tim, chief administrative officer for the city. I have before you today an ordinance which outlines my current recommendations and response to your directives on administrative services. I am going to give some brief background on this action, and after overview of the ordinance. Also I will discuss some of the issues that have surfaced since the filing of the ordinance. Members of the team are here to respond to your questions. As are the managers from other bureaus that were included in the asr review. Also there is advisors that have served on the committees that are also here to help respond to your question, as our city bureau managers. As mayor Katz just said, there is a lot to cover. I will try to go through it as quickly as possible. Ten months ago, the council took action to form the office of management and finance, and created the new chief administrative officer position. You directed me to reduce administrative service costs by 10%, and to create framework plans to guide the city's internal business functions into the future. As part of that process, you directed me to review organizational options. As you know, the first 5% of the reductions has already been incorporated into the budget. To address your directives, administrative service review committees were formed for each business area. The corporate managers headed these teams. They were designed to provide those managers with information upon which they could base their recommendations to me on both reductions and framework plans. To compose the city employees both from the operating and the central bureaus, in some but not all cases, they include representative of labor organizations, and each committee had outside advisors to help us think outside the box. I also brought together the managers of the city's largest bureaus, to advise me on the asr reports. And finally, I formed my own group of external advisors to assist me in designing and guiding the process. A great deal of work has been completed, over the last ten months. Corporate managers

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have presented their recommendations to me, using the information from the asr committees. The bureau managers have reviewed these recommendations and presented me with their issues. I have used that information in developing my recommendations. I have also received, in the process of reviewing the framework plans submitted by the managers, who will be presenting those plans to council in march. You will find that they are -- that they not only point to a, a future of great challenge, but also a future of great opportunity. I also use that information in presenting my recommendations today. Today I am presenting recommendations that I believe meet the council's directives to reduce the cost of administrative services city-wide, and provide the best level of service possible with the remaining resources. I believe these recommendations recognize the reality of the city's financial future while attempting to minimize service impact. Nevertheless, you can't cut over \$11 million without some kind of adverse service impact. The ordinance before you recommends changing how we provide information technology services and human services within the city. We will centralize accountability by having all employees in these areas report to the corporate manager. We will provide services through a system that has the most responsive to bureau and city business needs, given the level of resources available. That means the staff may be deployed centrally, on-site in the bureaus, grouped by program areas or organized by locations. Whatever, whatever organization is best to meet the needs. This recommendation is based upon my belief that this service delivery model will increase our ability to address strategic business needs within the city, and provide clear lines of authority and accountability to the ceo and the council and between the central and the operating bureaus. This will normalize levels of service, city-wide, tailored to available resources and city-wide priorities. We will also improve flexibility, the ability to shift resources to meet critical business needs, whether it is the crisis of the day, or a new business opportunity or challenge. It will also position the city to achieve additional efficiencies in the future. This type of fundamental change is especially difficult. I understand that, and continue to be sensitive to the needs of the bureaus and the involved employees. To that end, the ordinance requires the, that transition plans be developed, that address the concerns of the bureaus. The ordinance also requires development of very specific service agreements with each bureau. Those agreements will detail, level, and types of services to be provided. The costs of those services, performance and service standards, and service agreements will be used to give bureaus the opportunity to identify and prioritize their needs and address issues and concerns. Although relationships will change, employees will remain in the bureaus performing their existing duties and responsibilities until the transition planning phase is completed. Many of those employees will be called upon to assist us in that plan. Finally, I am recommending through the ordinance that we begin the process of implementing proposed reductions, detailed in exhibit b of the ordinance. Those recommendations are, for the most part, consistent with the asr reports submitted by the managers. The proposed reductions are not binding and will be subject to change as the mayor prepares her proposed budget and as you prepare your approved budget. We will also continue to bring proposals forward to you that will further streamline administrative services as council moves through the budget process. As indicated in the chart, in the attachments, these proposed reductions total nearly \$5.3 million, of which we estimate \$2.6 million will be in the general fund. Currently, a net total of 17 positions would be eliminated, additional positions would be reclassified, or reassigned particularly in the restructuring of hr services. It is important to point out that we may experience some offsetting expenditures, as we implement. Later this morning, you will consider an ordinance creating some new tools, to deal with employee transition during periods of financial crisis. If passed, those may result in one-time expenditures. Before concluding, I would like to cover some of the issues that have arisen since the filing of this ordinance. Some will question whether or not the sr process has been completed. There seems to

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be lots of issues that have -- issues that have been raised, not fully addressed, there seems to be a lack of detail. Yes, there are issues that we are continuing to deal with and there will be loss of issues that arise as we move into the implementation phase. The asr process was designed to give information to corporate managers, upon which they base their recommendations, to me, on both reductions of framework plans. That happened with the submission of the reduction plans. The system was also designed to get the input of managers. We have attempted to do that. I elected to come forward to council in order to get clear direction on outcomes, those outcomes include changing the way we do business and proposed reductions. I also came forward to council because I believe strongly we need to move into the implementation phase of this project. We will need all the time that we can get to make these recommendations happen by July 1. We also need direction on the reductions, to assist preparing the mayor's proposed budget and your approved budget. That proposed budget process has already begun. We will continue to resolve issues, as they are identified, in the development of transition plans, and service agreements. Another concern has been expressed, is that these actions will result and reduce the administrative services within the operating bureaus. Now, you can take positions away from bureau, spread resources thinner and still provide the same or improved level of service. Let me be clear, again, you can't tap 11 million out of the budget without negative impact on services. Our goal is to minimize the negative impact by doing business differently. We are taking what is left and trying to make it work as best we can. I don't know how the bureau can make significant reductions and not experience similar results. The only way that can happen is if bureaus are opting to cut other nonadministrative areas. You directed me to cut administration. Some suggested actions, by progress the fleet, may very well have service impact. We will need to take a look at that, as we move through the budget process. Another issue has arisen or question that I have been asked, is what the efficiencies are that council was seeking. Across board reductions seem to be the rule, versus deficiencies, it is true some of the asr committees defaulted to across the board approaches, but the way that happened has typically been to buy time to do more work. For example, the accounting team is continuing to work on system changes that they believe will produce alternative approaches to savings. They have a clear work plan to get that work done prior to July 1. On the issue of efficiencies, we have already been doing system changes and there is plenty of rethinking how we do business throughout the asr reports. For example, for increasing the use of procurement cards and working towards automating the entire purchasing process, you can already access city bid documents on the web. As you saw earlier this morning, GIS is creating new tools and information systems to improve bureau operations. We have automated time and attendance reports and travel expense reports. We are implementing earnings, which will drastically change how we do voice communications. We are reemploying the standard of practices. We have been attacking large liabilities of the city by pers. In the IT area, we are reviewing going to what is called the thin client system. It will change the desk top devices we use, but not the applications. It would extend replacement cycles and possibly decrease the need for support staff. We are also looking at standardizing network software. Reorganizing user support services city-wide. We are looking at becoming our own internet service provider and investigating converting our existing accounting system to a web-based system which is critical. We will be pursuing commerce development over the next two years. I can think of no single effort that has greater potential for producing efficiencies and improving services. In other areas, we are limiting the hours, our buildings are open and going to remote monitoring systems without impacting work. We will incorporate copiers into computer networks, decreasing the need for more expensive printers. The list goes on. We are moving as fast as we can, and we are making progress with very limited resources. I have also been asked why we need to reassign staff. It doesn't seem to save any money, and in fact,

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someone suggested it will cost more money. Other reductions contained within the ordinance probably somewhere between 2 to \$400,000 can be attributed to restructuring. The savings isn't what it is all about. It is about taking what's left after an \$11.2 million reduction and make it go work as best we can, about making sure that staff remain focused on activities that will have the most gain for the city in the future. It is also about developing enterprise wide systems that can serve the entire system or groups of bureau and is provide a common foundation for development of bureaus specific applications. Also about increasing flexibility, so we can shift resources to meet new business needs, even if it is just a crisis of the day. We will be providing services equitably, within the city having levels of services based on what the bureau can afford. It is also about increasing accountability, making decisions with less processing, and finally, it is about insuring that we don't create standards and policies but we insure -- we don't just create those but we insure that they are uniformly applied throughout the city. If council is going to hold us accountable, for these services, then we need to have better control over the tools and resources. I've been asked why I didn't let the bureau managers complete their deliberations. The asr reports have undergone review by the managers. That review identified issues that I will be continuing to work on. The concern is that the executive management team did not meet the finalized recommendations nor did they meet to review the ordinance before you today. That's a fair criticism, and one that I take full responsibility for. I elected to move forward with the ordinance based upon my assessment, we needed council's direction. The bureau managers and I were largely in agreement on the proposed reductions. We also were in agreement on many of the issues identified during our meetings. Where we could not reach agreement was on the issue of accountability and a general step to restructuring service delivery systems, with the magnitude of the reductions we are facing, I believe it is very important to restructure in order to make what's left work well. We are engaged in a difficult process, it becomes more difficult if we are not clear about the outcomes and where we are headed. I also elected to come forward to the council now because of the changing financial condition of the city. As you know over the last ten months, we have seen revenues flatten, causing a gap within the general fund. Water environmental services are also facing substantial financial challenges. Transportation is taking some bold actions to deal with their financial issues. All city funds are experiencing financial problems. These reductions in administrative services may well help offset what may, in fact, otherwise be reductions in direct services. Finally, I elected to come forward to you because it will take time to implement these reductions, if they are to be released next year. It has been applied by people outside the city. This just verifies that we have been spending too much on administration. Not true. In fact, we have been thinning the soup for quite some time 68 we are down to a watery broth. As part of this process, we benchmarked services against other jurisdictions. In the case of human resources, we were aided by an assessment, completed by hr northwest. A similar assess element was completed by the group for it. In a nutshell, what these assessments tell us is that the level of resources dedicated for these business areas are comparable to, and in some cases, less than what is found in other similar-sized jurisdictions. We are not over budgeted in these areas. The assessments do point out that we should consider different ways of using our resources. Also tell us that investments will be needed in the future in order to maintain services in these areas and obtain additional efficiencies. Also we have been asked why pdc hasn't been included in this assessment. As you know, pdc lost its levy as a result of property tax measures approved by the voters, which significantly reduced, and as a result of that, they significantly reduced their administrative services. As time passed, they were able to restore a levy and now are forming new districts. Over time they have gradually increased support services to meet the demands of a larger work program. Under the assumption that they had already gone through extensive review. They were not

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included in the asr process. Finally, i've been asked how we will manage to keep the knowledgeable people in the bureaus for which they have expertise. That is part of the transition planning process. Our goal is to do everything possible to keep our valuable employees and where possible to keep them in the areas of expertise. That may not always be possible in a restructuring environment. But, we will do our best. The employee transition, you will be considering later this morning, will give us some new tools that may help with that. To summarize, approval of this ordinance will move the asr process into an implementation phase. As a result of the ordinance, we will achieve up to an additional 5.3 million in reductions. We will improve system-wide accountability. The city will, in my opinion, be better positioned strategically to address issues and pursue new business practices and tools. We will normalize and where possible, minimize service level impact resulting from the reductions, we will recognize -- recognize the realities of the city's future financial conditions, believe me, if the outlook for the future was more positive and we had money to spend, I might be sitting here today requesting additional dollars for the service areas. I don't have that choice. And besides, I will be recommending the same organizational model in that situation because I believe that it is what is right for the city and for now and in the future. I conclude by acknowledging the hard work of the many, many people who participated in this process today. I want to thank the bureau employees that participated in the asr committees. I want to thank bureau managers for their participation. This was work that was added on top of their normal duties and responsibilities. Also, I want to thank those labor leaders who participated on our committees. And the managers for taking this seriously and doing the best job that they could with the time that they had. For a lot of these people, I know this process has often been difficult and created organizational tension. Finally, I want to especially acknowledge and thank our outside advisors, some 50 people who contributed their time as volunteers and expertise as volunteers to this effort.

Katz: Why don't you come on up, yvonne and glenn, and then for the outside advisors, after they are finished, we want to hear from you and then we will hear from the other bureau managers and open it up. Before we go on, officer scruggs, I don't see richard here, but raymond and patrick and richard, who have requested communications with us, again, just let them know that we may be running very late today, and they may have to wait until -- since they are probably going to be back next week anyway. Okay.

Yvonne Deckard, Bureau of Human Resources (BHR): Okay. Good morning, mayor and council. For the record, I am va von and I am the director of human resources for the city of Portland. I really didn't anticipate being here this morning, so I will try to make this as brief as possible. And I think my approach is going to be, to this morning is to talk about where I see the system is today and where we are trying to move to. The city has approximately 30 different bureaus and offices functioning in a lot of ways as their own separate employer. Individual bureaus feel very strongly that they have a system that function and is works well for them. I have a disfrag -- this approach has resulted in the application of practices and policies, treatment of employees, increased complaints and grievance and is litigation for the city. We cannot continue to splinter the system. We need to develop a focus, strategic system-wide approach to the hr system. When I became the hr director, we engaged at that time in conducting a city-wide assessment of the hr system. That was a very extensive process. During that process, we held quite a few focus groups that included bureau managers, hr professionals across the city, city employees, and unions. What was surprising is that after the result of that assessment was published I went back and looked at the 1993 city auditor's report. Those -- there was virtually no difference in what the auditor's report was stating as far as the hr system was concerned and what the problems and the gaps identified in '93 and those identified in the year 2000. Over that 7-year period, virtually

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nothing had changed. We are not 30 different employers, we are one. With the city of Portland. And somehow, we have got to develop a system that is less fragmented and that moves us forward. The asr process was a very difficult process, but it was a very exciting process because it also represented the possibility of change and developing a system to move the city forward. The recommendation that the committee may address the accountability, issues mandated by the charter and the code, as well as continue to identify those gaps and challenges. If we had all the resources in the world to create the hr system, or model hr system, the recommendation in which the asr committee for the hr process made to tim would be the system that we would want. Allow us to build a foundation and to move forward as available resources, as more resources become available. In april of 2000, the city council asked for both efficiencies and cuts. The asr committee tried to meet that challenge. With the commitment and understanding that the hr system has to be responsive to the needs of the operating bureaus. The recommendation that we made to the cao is the first step in an evolving process. Yes, we will need additional resources to meet future needs and future investment needs. But, it is clear that we cannot stay where we are today. It is time for us to move forward in creating a system with the focused strategic approach.

Katz: Thank you. I know that I have a process sheet that included both of you but I know it has been changed, so that's why I caught you off, off forward. I apologize for that. Glenn, make it short, and then we will let the advisors --

Glenn Meyer, BIT: Okay. I guess I would like to talk briefly about, about -- my name is glenn meyer and once again, I am the vit bureau, bureau information technology director for the city. Good morning, once again. I would like to talk just all bit about some of the drivers, some of the key points of, of our administrative services review, I think what I feel is, is kind of the excitement about this challenge, I would liked to some acknowledgements, real quickly, once again, acknowledge the work of my external advisors and the committee members that worked with me, this was a very difficult process. You will probably hear very spirited testimony from others. We have it professionals here who, who are very passionate about their work. I think that's a good sign for the city. What are some of the it drivers that I see being important as far as what caused or prompted our recommendations? First off, obviously, the economy and ballot measures. This is going to be an ongoing thing and we all are aware that the financial fiscals are flattening out for the city. We want to push -- a real push to the e-government, we are tying it to that because we think this is a way to, to improve efficiencies and reduce costs and that and have the taxpayers and the citizens really help by doing some of the processes that we did traditionally in the back office. The rate of change in it, over the last ten years has been the explosion has been exponential, that is not going to decrease. Public expectations, if you look to the city net news, they have indicated that two-thirds of the homes in san francisco, oakland, and the silicon valley are moving towards the net. They indicate that seattle, san diego and Portland registered respectively 64, 62, and 60%. Market penetration on the internet, what this means is that the folks that are on the internet are going to be using services more and more on the internet, and they are going to expect that from city government. Evaporating opportunities, if we don't move to the net, the, the common maxim in the it world is that your competition is just a click away. We need to move aggressively there so that we can be competitive and not find ourselves in a place where we are really receiving the same services from external agencies. Lastly, as far as drivers, competition for talent. Public sectors really is at the bottom of the food chain. Consultants are sort of at the top, and then banking systems and so forth. So, we, we compete for top quality it professionals is very tough, very aggressive, and we are still feeling sort of the post y. 2. 2k effect, where the salaries for programmers and so forth sort of are pumped up because of the supply and demand issue there. The demand for web-based programming, staff, a varied different breed of professionals continues

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to outpace the demand. So, those are kinds of the, the things that, that, that drive our decision-making process. What are the difficulties we face internally? We have difficulty as experienced in the, the it-asr. We really had difficulty determining what we exactly spend by service area. We did our evaluation by service area, and for example, that means by application development, by, by desk top support, by location, by main frame, by mini frame, by server and so forth, and we try to do our valuation across systems. It was very difficult to determine what exactly we were spending across the systems, across the city, and so therefore, it was really difficult for us to establish any kind of a baseline. So, in our recommendations, we want to be able to establish baselines for a couple of reasons. So that we can compare how we are doing to other cities. So that we would, we would, we would, so in that we can compare whether or not we should be outsourcing or not and also, if we make changes, to be able to understand whether we actually made improvements or not. Another difficulty we had was in establishing standards quickly. We have -- we have had -- I need to acknowledge and credit the it strategic planning initiative. Over the last couple of years, we have done significant work there, but I don't believe that we are keeping pace with the, the rate of change as far as the standards that we need to establish. And we really don't have an ability to enforce the standards that we create. And there are numerous examples of that in the city. All that said, I still believe that the future of it is very bright. The technology is, is changing rapidly, and our vision is, is keeping pace with that. The recommendations that I have made are to produce crisp, timely decision making, financial certainty and stability, management of it as an enterprise asset, what I call pervasive accountability and performance measurement and benchmarking. A focus on total quality customer service and then care and ongoing development of a dynamic workforce, and we have ideas for that, as well.

Katz: Thank you. All right. Well, will our outside advisors come on up? There are three chairs. You will all have an opportunity, but I think that this is an opportunity for us to hear from folks who have been looking at this from -- matt, why don't you grab a chair. Okay. Anybody else want to grab a chair? There is another chair available. All right. Go ahead.

Lisa Yeo, Multnomah County Chief Information Officer: My name is lisa yoe, Multnomah county's chief information officer. Thank you for giving me the opportunity to speak. I don't have a written statement. I was asked to talk with you about whether the model that's been proposed for the city is a common model, whether it works, why it is that organizations have looked at that model and used it. And so I can speak briefly about those things, and I am here primarily to answer questions. While it is true that every organization is unique and one solution does not fit all, all organizations have gone through the same cycles in the last 20 years. Primarily, from centralized main frame computing in the '70s, the proliferation of pc's in the '80s, in the '90s 90s, it was determined the total cost of ownership for information technology was skyrocketing, and a number of studies have been done nationally by, by industry, industry groups, research groups, like gartner and forester and whatnot that showed the cost of distributed compute wag as much as 40% higher than having a more integrated enterprise type of model. Private industry, watching the, the bottom line a little more closely than the public sector and having to meet a bottom line, has been earlier to adopt what is now pretty much widely established as a best practice. What organizations are trying to do is to gain the benefits of distributed computing to mel those with centralized computing, and I think that it is accurately represented in the proposal that's before you, that I would call centralized management and distributed service delivery. There are lots of merits to, to distributed computing, primarily providing more immediate response and more focused response to specific business needs of business units. The question has been, for most organizations, whether they felt they could afford the cost of building distributed computing structures, support structures and maintaining those as technology use continues to increase and the need for technology support

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continues to grow. Something that has been mentioned earlier, which is another driver that has caused organizations to look for another solution is that in a distributed organization, it is very difficult to determine how much you are spending on technology and whether those technology investments, the decisions being made by independent decision makers and business units are really lining up with the organization or enterprise-wide strategies. Budget constraints, I think, have been the main reason that has forced the issue to the table, but there is certainly some quality improvements, too. I expect you will hear testimony about the merits of distributed or localized computing support. I am going to talk more about the merits of an enterprise strategy for modeling, for, for maintaining computer support. Not because I don't believe that there are merits in the distributed model, but I feel those will probably be better represented to you today. Some of the quality improvements in this enterprise strategy are the ability or the facility to integrate systems. Glenn mentioned, it is something that we all needed to, of course, is to build an e-government kind of strategy. But, in almost all the projects, the gis project you looked at earlier, it is about integrating data source and is sharing data across boundaries of business units and even organizations. Certainly, when we go to build a web presence, if we try to build it in each business unit, then you end up with eight or nine websites and is that really what, what we are trying to do for the citizen, if the point is the citizen goes to the website, doesn't have to know the organization structure to determine where the service is that, that they need. We are hoping for an integrated approach. So that's one of the things. The other thing is leveraging tax expertise. Everyone knows how hard it is to order it staff and if you can leverage the expertise that you are able to acquire across, again, business unit bound boundaries rather than having units competing with each other for the same, same availability of staff, then I think that the organization overall is better off. Last, I will mention is there was a day I will say early '90s when technology was -- it did require more specific configuration for each business unit or for each user, than it does today. The technology has matured. It is now -- it is more like a commodity or a utility function in a number of ways putting a, a computer on a desk top with e-mail and word process and go a spreadsheet and internet access, is more similar to putting a phone on a desk top, and it can be managed horizontally today, you know, across an enterprise, in a way that, that was not possible when the technology was less mature and required more local support.

Howard Fuhrman, Port of Portland: My name is howard, and I am the senior manager of information technology for the port of Portland. I appreciate the opportunity to address the city council today. It has been my honor and privilege to participate as a member of the it external advisory committee during the past few months. I compliment the city of Portland, taking the initiative to institute a program of positive change for the it function within the city. The proposed service delivery and governor's model for the it organization will position the city for the future. While it centralizes management it maintains the between corporate and bureau's specific responsibilities and advances strong support for the decentralization or localization of service delivery where applicable. That strategic alignment will result in strong support for the city of Portland's goals, mission, vision, and strategies. The extensive research by consultants and firsthand experience of organizations both public and private have identified the proposed it organization model as a recommended structure to achieve one, organization-wide technology, infrastructure standards, two, economy of scale through common system solutions, three, cost containment through participation and purchasing agreements and resource sharing. Four, organization-wide infrastructure planning and five, more efficient service delivery and communication. What does this mean for the city of Portland and the it organization? You will see achievement of a two-way strategic alignment closely aligned with the city's business strategies. It will also become a major resource in the management of a rapidly growing capital equipment

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investment, and it will identify business risks and opportunities that it systems pose. Through more effective relationships, both it and the bureaus will assume direct accountability for system projects. It will build and manage city-wide it backbone infrastructure and the it staff will be more easily reskilled and cross-trained. There will be more sharing of resources, which will be much easier to accomplish. Improved management to the vendor relationships will occur. There will be a better opportunity to meet high performance goals and cost efficiencies, and opportunities for program of continuous operational performance improvement and positive change management can be accomplished. This program has been well conceived and well researched and I recommend it be considered as a positive step forward for the city and an opportunity for the city of Portland to address future technology initiative in a new way. Thank you.

Katz: Thank you. Anybody else? Any other advisors? Come on up.

Sheryl Warren, Oregon State Information Technology Director: Good morning. I am Cheryl Warren. I am pleased to have served on the ASR for the human resources. I would like to tell you a little bit about my real life, which is as the director of human resources for the state, department of consumer and business services, which will provide a framework for my remarks. My department, which is not unlike the city in that we have a number of distinctive divisions, like your bureaus, that have distinct business purposes. Most people don't recognize consumer and business services but you do recognize things like, Oregon OSHA and the Oregon's worker's compensation division board and the banking division and those are only some of them. So, you can see that we have a broad variety of, of workers and management in our agency. However, we are united under a single mission, which is to protect Oregon's consumers and workers, again, not unlike the city, where you are united to serve the citizens of Portland. My agency was created in the late '80s by taking parts or whole entities with previously independent agencies and bringing them together. It became a requirement to find a new and common way of doing business. Out of that, one HR system was adopted and over the years, and I've been there for ten years, we have worked hard to assess our agencies, individual and collective needs, and to not only respond to those needs but to anticipate what those needs are, and try to get ahead of the curve. The majority of our employees are in Salem, we do have employees in all four corners of the state from Ontario to Pendleton to Portland and Medford. And Bend, so we have them pretty much everywhere. Our HR system is not exactly the proposal that you have before you, but it is similar. We have senior personnel managers, who are primary extensions of the, the business management teams in each of our divisions, but they work in our office, not always physically but they do report through one central manager. I would like to endorse -- I do endorse, without any reservation, the proposal that you have before you, and I think an example of how well a system like this can work is, is a story that, that, that I have, I recently polled the heads of our divisions because I was considering just working title changes for our senior personnel manager people, and this is a true story. Two responses that I got, included one said, well, the person that works for me, I think you should just call her wonder woman, and another one said, how about professional hand-holder, and that's, I think, reflective of the kind of relationship that personnel managers can have, whether they are working with one entity or, or a variety of entities because each of the personnel managers, in our office, serves, like your cluster of bureaus, is proposed, serves a group of division so it is not dissimilar. I do believe that the model before you does create a system which does not currently exist, which will provide the opportunity to maximize your resources and, as has been said before, to provide flexibility and the ability to, to move around those resources where needed, as the needs emerge. And it also creates a structure of accountability, which provides more consistency. It will provide your employees, I believe, with more of one face and a city work environment, which provides an opportunity for those employees to maximize their career development opportunities in a way that

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they are not able to now. Again, I do recommend this proposal. I know it is difficult, change always is. But, I also, as I believe tim said, I would recommend this model to you even if you were not trying to reduce expenses.

Jo Rymer Culver, Pro Tem: Hello, I am with thing services, president and ceo, thank you for letting me speak this morning, mayor and council, and also thank you for including me in the asr process and allowing me the opportunity to serve the city, which is a pleasure. The structure that is proposed, as I see it, is a good, efficient structure. Looked very closely at what is, what has gone on before. We were asked to bring our outside thoughts to the process, to, to what has gone on before and to the proposed -- any proposals. What we have today, I think, is a good efficient structure. I don't see it as particularly startling. I don't see it as, as anything but just a good, new way of delivering services in a more efficient manner. Since we were given the duty to, to, to look at costs and to reduce costs, this seemed like a very good way to, to come to that place. And it wasn't something that was done overnight. There were -- I was pleased to see that many suggestions made by myself and other outside advisors along with everybody else, at the table are integrated into this, this proposed structure. Now, really all I really need to say, and I have really -- really feel strongly about this, is that I don't know how you ask somebody to lead the past, and I think that a good leader is not going to be interested in, in leading the status quo, with good leadership, comes change. And change isn't always comfy, and I would hope the city will allow its leadership of dhr to lead with the courage and vision that I witnessed over the last several months, and I hope that the city will take up that gauntlet, thank you.

Linda Keslowski, Murphy Simmons & Stoel: My name is linda and I am a partner with murphy, simmons and stole, our firm deals a great deal with the hr area. And I concur completely with the statements made previously so I will just add a little bit to what's previously been said. My perspective comes from an historical review. I've been -- I have had the privilege of working with the city over the last ten years in a number of reviews of the hr area. And I have always come away from those reviews clearly believing that the hr function needed fundamental change and that change was important for it to be effective. In order for it to be strategic and to use its resources, its valuable resources well, there needed to be some restructuring or working at an innovative and different approach. When I came into the asr process, I was delighted to find there had been a study done previously without time to any of these changes, that had indicated many of the things that we had seen before. And I found that in the asr review, it was a very inclusive review and very open and candid conversation and helpful in terms of the knowledge that was shared. The end result is a good one. I hardly and completely endorse that, and I think that there are two issues that I would like to point to. I think one is, is that a there is leadership currently in the hr area, that is stronger than I have seen in a long time. And certainly, capable of implementing an innovative and strategic plan. And I think that it is important to understand that, I am not sure that this plan ten years ago would have worked. I do believe that it will work today. The last thing that I would like to say, and I believe this very, very strongly, and that is, doing the same thing over and over again, and expecting different results, is insanity, and this is an opportunity to do something innovative and different, and I strongly encourage you to do that. Thank you.

Matt Hennessey, Quik Trak: Madam mayor and mr. President, I am matt and I serve as the president and ceo of quick track incorporated in lake oswego, as well as the associate pastor of the st. Paul missionary baptist church here in Portland, which I am sure that's the reason that I was asked to come, anyway us because this process needs prayer. [laughter] I honestly believe, any time you deal with -- I might also add for the record, that, you know, I don't come just as a person who has spent my life in private business, for 14 years of my life, I was in public service. 12 years as a city manager or assistant city manager, and three different locations in ohio, and michigan, and

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since then, in the state of Oregon, and worked as the worker's compensation administrator for the state, as you recall, madam mayor, when you were speaker of the house. I would also say that having spent the time that I have spent on this committee and talking with the people in the organization, I might add before I make any remarks, how impressed I am on the one hand that the public process is still such that people can disagree without being disagreeable and that once again, we can be pleased to know that we have got tremendously gifted people who are, who are charged every day with the service to our community and I think that that's a wonderful thing. I might also add that I was on the governor's task force that, that formed the department of consumer and business services that Cheryl talked about, and I recall at that time concern in the state about whether or not that would work, and I think that she and others are truly the testament to the fact that many times when we don't want change and we actually get it, that if we just give it time, get absolutely -- it absolutely does work, and I think her testimony certainly speaks extremely well to that, and again, I might underscore that we heard a lot of concern about that recommendation coming out of our task force committee about ten years ago. I really can't add a lot to what's already been said because I believe very strongly in the recommendation. I believe very strongly in the work that has been done, and I give, really, a great salute to those in the hr department led by yvonne and mr. Grue, who I had an opportunity to wrestle with over this issue at one point, as well, and you give him a great deal of credit, as our chief administrative officer of the city for on the one hand, starting out in one position and ending up in another one, and I give him a great deal of credit for doing that. I think it takes a great leader to be able to actually do that and do it publicly, and I think that do it with great aplomb. I also recognize that there are other bureau managers who did not necessarily ever move in their position, and I want to say that I respect what they feel and I respect the difficult position they are put in and that they understand this enterprise much greater than any of us from the outside ever will. I really respect the work that they are doing, other bureau and is managers of the city are doing, and the labor leaders of this city, which I also know this was very difficult for, but I come down in the same place that I think that my colleagues have already very eloquently spoken, and that is that when you are dealing with a situation that says, we have to make change because we are forced to do it, we cannot continue to do things the way that they are, and we must then find a different way. We have to make sure that we understand something truly is broke, and it needs to be fixed. And the remedy that we are suggesting is not necessarily the most perfect remedy, but we do and indeed believe it is a remedy that will work. Who can really forward it? Who can really argue against a system that provides good communication from policy perspective that starts at the top in the bureau of human resources and there is a teamwork of various departments that are working together to make sure the effort of human resource delivery in the city of Portland is done and done well. Done with resources that are necessary. Done with the priorities that have been set, done with equity in mind. Done with accountability in mind. Done with customer service in mind, and done with progress on the other end, in mind. I have a hard time arguing against a system like that. And I believe that that's the system that we have suggested. Finally, I think that it will take people being willing to shirk their attitude, which is a distaste for any new ideas and finally take up the mantle to understand that for the future of our city and the future of our citizens and the generations that come, our hope is that the work that we do with people, with process, with plans, with programs and teamwork, that this plan will be implemented, madam mayor, members of the city commission, with an understanding that in everything we do, we want to make sure that the generations that come will inherit something greater than we did, thank you.

Hales: A question, could we get a question for the panel?

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Katz: All right. The it and human resources, because then maybe they will, they might want to leave and go back to their work. So, go ahead.

Hales: Yeah. Just, there is so much expertise here, if I could pose a couple of things I am struggling with on this issue to you, it would be helpful. Linda, you said something about, you know, the definition of insanity is to keep doing the same thing over and over and expecting a different result, that provoked a memory on my part, which is that in the '70s and '80s and into the '90s the city engaged multiple times, I was an outside advisor, as you were, in this case, in the effort to try to improve one of our business systems, our building permit process. We succeeded in doing that in the last few years, by a combination of an administrative restructuring, which improves the accountability to the ultimate customer, not the internal accountability, but the accountability to the real customer on the outside and secondly, painstakingly involved dialogue with the employees that do the actual work, in order to effect the cultural and organizational changes that were necessary to make that new system work. Because people make systems work, in my opinion, not the other way around. So, I hear a lot of -- I hear two concerns on this proposal that worry me, based on that experience, with multiple attempts that failed at reforming the building permit service and one that finally succeeded. One is that, that now, in building permits, we finally have accountability to the customer, so let's say in the future, in hr or it, we are unable to hire quickly enough to pave people's streets in the summer, who owns that problem? Haven't we diluted the accountability of the service bureau, itself, I am worried about that, and then secondly, I hear a lot of concern from employees about how they feel not sufficiently consulted, involved, or relied upon for this change. How worried should I be about the, the effectiveness of this change, once we make it? So, again, those are, you know, those are some things that I am struggling with in terms of, of that, and the second question, I know that one is kind of a huge one, this second one may be more on point in terms of your review. We have some function insist it, in particular, that are enterprise functions. Building permit applicants pay for a permit processing software, which tracks building permits. There is no general fund expended to provide that service, there is none saved by moving the bodies who perform that service around. We have an infrastructure management system in transportation that tracks the condition of the pavement. Gas tax dollars come in, and maintain both the street and the system, which, which tracks the maintenance of those streets. No general fund dollars are consumed in that, in that overhead function, therefore, none are saved by changing that overhead function. Why do it?

Keslowski: Well, I will just like to respond briefly to the area that we were involved with, and that would be the human resources area, and I think that there are two things that I think are very critical in this position. The accountability you spoke to in terms of accountability of service. I think that there are two things that address that. First of all the accountability falls squarely on the director of hr responsibility. Her ability is to utilize resources so that all of the bureaus are consistently functioning and providing the services they need. That is a much more efficient and more effective way to deal with, with the needs within the bureau, so that there is an accountability, there is a tracking system, there is a service agreement that's developed that, that speaks to that, with some real, real specific outcomes of, of, and hiring and recruiting is clearly one of those, one of those that we looked at very closely.

Hales: But what's the recourse if that doesn't work again. I am a neighborhood resident and I want my street repaved and I call genie, the head of the bureau of maintenance and say why hasn't that crew gotten out here yet? Aren't we creating the excuse for her to say -- this isn't personal, I am using names for examples, not accusations, doesn't -- don't we give genie the opportunity to say, hey, if personnel would get on with hiring me some people I would get on your street? You don't have that excuse now.

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Keslowski: I would hope they would be on the same team.

Hales: But they are different bureaus so what recourse does she have if personnel doesn't perform?

******:** Go ahead, that's fine.

Keslowski: She has an individual, that is responsible for her particular department.

Hales: Who doesn't report to her?

Keslowski: Who doesn't report to her but provides services to her. And who has the ability to access services of a, a group of people.

Hennessey: I would also say, madam mayor, mr. President, members of the commission, it seems to me that certainly one of the underpinnings to what we have proposed is that the city is not several different bureaus but it is one employer. And therefore, it is very important, and I do think commissioner Hales, your question is at the heart of what probably concerns a number of people and that is what will I get less than what I have right now, and I guess all of us would suggest to you that there is no way that we would suggest a system and a process if it does not improve the process, not go back -- not take steps backwards, so therefore, if there is a delay, in hiring of a person, I suspect, having been in government before, and in the private sector, that there are delays now, but I would also suggest that any sort of delay in the process really ought to be worked out between the head of the building codes, I think you mentioned, and the head of rh, and those agreements really ought to be from the standpoint of accountability, dealt with on a very, very regular basis, so that you don't find yourself in the position that you are talking about, but my sense is almost any system that you provide could, could result in what you suggested.

Katz: All right. I am going to hold -- any further questions to this panel on the human resources? Thank you, ladies and gentlemen. Did you want to, a response to your it questions from the it panel or do you want --

Hales: It wasn't so much an it question, per se, but this issue of accountability, and that's why I asked the question of them, just for their background --

Katz: Okay. Well, let's hold them because we are going to hear testimony that's going to generate a lot more questions and then what I think I wanted to is, is hear from the bureau managers, hear from those who want to testify, it will raise much -- many more questions, and then I want to bring back tim and glenn and yvonne and whoever else you want, tim to, respond to those because --

Francesconi: Would it be okay if I asked tim a question or two if I promise just two questions?

Katz: No, he will have his opportunity. Let's hear from everybody else. Bureau managers.

Margaret Mahoney, Director, OPDR: Good morning, mayor. I am marge from the office of planning development and review. I want to say that first off, that there is a tremendous amount of very good work that's come out of the asr. And I would hope to have been here today to tell you that I agree with everything that's in that report, but I am compelled to raise a couple of what I consider to be very serious concerns about two portions of the report. It has been said in a number of places the bureau managers don't understand the money issues involved here. I want to assure you that I and the other bureau managers who have served in the emt and participated in the asr process have no illusions about the city's budget situation. This issue is not so much about money, I think, as it is about timing, about having the tools necessary to carry out direct service responsibilities, about getting customer service from central services so we can meet our direct citizen service requirements, as having effective working relationships and good representation and participation of bureau staff in city administrative planning functions. And about the balance of control versus support for functions. The money, everybody bureau manager that has been involved in the emt and the asr process has repeatedly said that we can address the short-fall issues. We agreed upon and supported the proposals for all service areas with the exceptions of hr, it, and frankly, further narrowed that down to hr and it, we agreed to come up with other reduction

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proposals but felt very strongly that particularly in it and hr, that there were serious service questions that needed to be addressed. In my bureau, in this current texas year we reduced administrative costs by more than 10%. With the reductions assumed in the next fiscal year budget, exclusive of these questions about hr and it, our reductions are in excess of 16% so I understand the money situation. We are concerned about the necessary tools. There is very little we do today, and I think you heard that from other speakers before, that doesn't involve technology. And most of what we are still trying to do to meet our blueprint 2000 goals requires dependents on more technology tools. I am concerned and I voice this concern over the past several months, that there's been no analysis of the most appropriate arrangement of the it services given enterprise-wide as well as bureau specific needs. How can i, as a bureau manager, determine whether I will have the resources to keep our systems going, and to bring on the enhancements that both staff and customers are asking for, the answer is right now, I can't, I don't know, there isn't a plan that shows me that. I think that there is universal agreement that our hr system is both archaic and arcane, there is a strong consensus sus the system rules and procedures need to be revised and there is clearly more work that's been done in detail on the hr proposal. Much of it is predicated on the assumption the staffing in place in the new configuration would be what we need when we revise the rules and the procedures. I would suggest that we need to conclude the work on looking at our system rules and procedures before we can conclude that this is the most appropriate staff configuration. Right now, the proposal as it stands takes bureau staff for central redeployment but doesn't take all the work that those staff do in the bureaus. The net effect is our costs go up. Customer service is a high priority for every one of you and for everyone of the city employees. We struggle with it every day trying to stretch the resources across every need. That same concern about customer service frankly doesn't always apply to central services. And the internal customers. In the city central services are a monopoly, while bureaus are customers, we have little or more input on the services we need. How we get them, the timeliness of the service, or how much they cost. That's at the heart of my concerns about it and hr. The ordinance as it is drafted before you today, frankly, gives all the chips to omf upfront and suggests that bureaus would be able to negotiate service agreements. Working relationships, I was happy to serve on the emt and I am happy to continue in that capacity. I think it is a good venue. But I am concerned about the method in which this ordinance was filed. Without advising bureau managers of the contents in advance, when we thought that we were still discussing how to meet the reduction targets and how to meet work needs. Control versus service. I have 28 years of management experience, worked in both public and the private sector, I worked in both central administrative positions and line departments. I understand that central service functions are both about control and service. What I am concerned about right now, with the it and hr proposals, without the framework plans and without service agreements, is that we don't have that balance of both control and service. What I am asking you to consider this morning is to amend the ordinance, go forward with those proposals, except for hr and it. Remove those two portions, particularly the movement of staff, and allow the cao and bureau managers to resume our discussions about those functions with the understanding that one, the analysis of bureau requirements and resources across the city be completed. The reporting relationship changes proposed by omf be clearly and definitively detailed, that draft service agreements be prepared, and that bureau managers have the opportunity to analyze the degree to which those agreements will meet or not meet our service needs in the bureaus. And five, to actually delineate the service, the cost savings, the cost increases, and the cost shifts that are going to occur because of those redeployment proposals. I think that the report back to council should be a joint report from all bureau managers and the cao. The question in my mind is having listened to information so far this morning, is if, if the, the framework plans are

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going to be available in march, why don't we complete that work and then proceed with the actions on it and hr that are in the ordinance before you today.

Katz: Thank you.

Francesconi: Margaret, just a brief comment, and then just one question. The comment is, it is very presumption presumptuous of me because you are a better manager and much more experienced than me, but the comment is that on the reorganization attempt, and even the manner, the person you should be upset with is me, not tim. I want to be very clear about this because I was the one just speaking for myself, that said, we needed to look for savings and efficiencies and try to operate as one city instead of 30, not tim. And then the other thing I want to be clear about, is I signed this, myself, after having talked to my own bureau managers. I made an independent decision, so I guess I want to just say that, on the issue of working relationships, you know, my concern is that, but you have got to focus on me, okay. Now, the second point, and the question that I want to make from a philosophical standpoint, is, is it, is it -- and first of all, I want to say that I agree with you on the issue of service, and I am worried, as I sit up here, that we are making savings, which you have all done a good job at recommending, but I can't sit up here and say, what that impact is going to be on service, so I want to say that, too, I am concerned about that, very concerned about it, especially in the it area in that that I want to ask more questions about later. But on the general philosophy of, do we have, we have a fair system here? In both hr and it when small bureaus need help, in my small bureau asking for some help, is that a fair system and is it a nar system that, in some of our bureaus we don't have the information technology that we have in others, and isn't it fair that we try to design a system that has, has a uniform approach to some of these, isn't that fair that we are trying to do that.

Mahoney: I believe it is fair, but I also would suggest to you that, that in each of these areas, that there is, there is funding support and service obligations throughout bureaus so I think that they are getting service, now whether it meets their needs or not is the question for all of us.

*****: The resources are not sufficient, the management is not sufficient, the span of control is much too small in the it area, and the cost savings will not happen. Now, the service, we have to talk about.

*****: All right.

Katz: Go ahead. Well, I did want to get through the public testimony but go ahead.

Sten: We have to vote on it. Margaret, let me see if I can understand your point of view a little more. I mean, I think that there is -- obviously, there is going to be a great need to try and keep relationships in a difficult time as good as possible. On the human resource, I mean, this isn't one that, I mean, everybody, the whole time I have ever worked with the city has been dissatisfied with the situation, and the place I probably am a little factually a little different place, I think, than commissioner Hales' question is I don't think that we have a decentralized system where opd and r takes responsibility for getting the people hired fast, I think that we have a decentralized and centralized system which, to me, is the absolute worst possibility. I don't mean my offense to anybody, working with many bureaus over the years, typically one side or the other gets blamed as opposed to anybody taking responsibility for the hr so, I am asserting a premise that everybody thinks the system needs to get fixed. We have got an hr manager, who has made a recommendation, and I don't really believe at the end of the day that everybody is going to agree, and I also believe that given our charter and our negotiating with labor and all of the things, you know, that we do, as blocks as opposed to as bureaus, I don't think that you can get to a truly decentralized system. Given the nature of the city so if we are going to have a decentralized or a centralized, and I don't care, but I really hate having both, and I haven't heard anybody who has supported having both, doesn't it make more sense to send a clear direction from council we ought

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to move in that direction but carve out enough, enough, enough room to make sure that you do have not a one-sided relationship but you have the ability to negotiate as good of a comfort level as you can. That's my basic thinking on it, I don't think it is real complex. I don't think that we can get to decentralized and I think that we having to one way -- to go one way or the other.

Mahoney: I don't think that you ever get to either totally decentralized or totally centralized and I had a conversation with commissioner Hales about this. I think that the reality is, in human resources area, and in most of these central services, that, that, that the actual operation is, is somewhere in a continuum from centralized to decentralized, in a, in a more centralized system, you will never have everything done in the central service bureau. There is something that still has to be done in every bureau to get service from the central service function. My concern with -- and I think that, as I said, there is a lot of good work, I participated in the hr, asr, and there is, there is -- I haven't seen any disagreement we need to change the rules in the system. My question there is, is -- shouldn't we finish the work on the rules and the procedures before removing all the staff?

Given, in my belief and experience, you don't take all the work when you centralize that function?

Sten: Yeah, my understanding and I may have read the proposal differently than you, the staff doesn't move out of their desk or change their work assignments until the work you want done is finished.

Mahoney: The way I read the ordinance, the reporting, relationship changes, I don't have a delineation of exactly what that reporting relationship change means, that's why I asked for that.

Sten: They don't move out of the bureau and not asked to take on different assignments until the rules and requirements have been put in place. We are going to talk about that shall did.

*****: So why don't we finish the work and make the change.

Mahoney: You know, it gets to the same result, I mean, I think.

Dean Marriott, Director, Bureau of Environmental Services (BES): Good morning. I am dean marriott, environmental services director for Portland. I want to emphasize the bureau managers to support virtually all of the recommendations that are in the report, with the exception of the two hr and it that essentially as tim mentioned, account for about 400,000 of the savings so I would encourage you to take the 4.8 million worth of savings and all the things that go with that and adopt those today and accept them and get started on that. Somebody yesterday mentioned to me that, that the movie, "gladiator," was nominated for best picture and joked today's session would be much like that movie. And they wished me good luck and hoped that I would have two thumb's up. [laughter] and I responded I would need more than two thumb's up, so. [laughter] But I prefer to think of this as the old gary cooper movie where gary cooper is the quicker farmer trying to operate his farm in the middle of the civil war and the name of that movie was friendly persuasion, and I would certainly hope that that's the way we go about conducting our business today. A number of people have, have commented to me, why are the bureau managers opposed to change? Why are you dragging your feet? And why are you so resistant to all these suggestions and just give you some example, we operate a treatment plant at night without any staff present. We reduce the staff by over 30, even though we have increased the magnitude and complex -- complexity of our plans. We are much more efficient in interfacing with the maintenance bureau on how to get the work done on maintenance of our facilities. We have -- we handled pump station and monitoring systems remotely by telemetry, all of this is done because we want change and are in favor of innovation. I just came back from a benchmarking meeting in los angeles where we participate, this is the third year of our benchmarking exercise, with six other major wastewater utilities on the west coast, and I am proud to tell you that Portland really is, is among the best in class on whole west coast of the united states. It is because we are innovative and we believe in change and modernization. We also believe in, in, in, in the way that the asr was promoted to you

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last september. It was promoted and I am reading from the materials, that it would be customer focused. We are, of course, customers. It would include meaningful participation. It would strive to maintain a quality work environment. And the process was founded on the promise of consistent and accurate communication. I have heard a number of people comment to me that they have heard -- I have heard a number of people comment to me that I have heard my views on asr described to them in a very inaccurate way. People have said, how could you resist cutting administrative costs? Other people have said, I have heard that you are posing a change, you don't support the asr process. I suggested that the first human resources asr meeting that what was necessary to do before we started moving boxes around the organization charts was to decide what structural changes we needed in the rules and ordinances that govern the way we deliver the hr service. Once we agree on that, then we could determine exactly how many people we needed to deliver that service. I think that we have reversed it. Let me talk for a moment about the organizational model that's described in exhibit a of the ordinance. It gives the authority, responsibility and accountability to a central manager. All city-wide staff will report to the central manager. All city-wide staff involved in these activities. Staff resources will be deployed at the option of the support service manager. It relies totally on a, quote, negotiated service agreement. What I can't figure out is how does one negotiate with the central service provider who has complete authority to assign staff and work? Assuming one could even successfully negotiate under those circumstances, how are those agreements to be enforced? What I want to underscore is I think that the compelling need to see those service agreements and determine in advance how they would work and whether or not, in fact, they could work, before we can sit here and tell you that we have any confidence that this, this proposal will be both effective and efficient. Thanks very much.

Chief Robert Wall, Fire Bureau: I am robert wa, fire chief for the city of Portland, mayor, members of the council, a cup of things come to mind, and one is that I would reiterate what, what dean mentioned about, about I want to make sure that there is a clear message that, that the bureau managers are not resistant to change in any way, shape, or form, and in fact, I want to say that, that tim grew and the team that put together the sr process has done a lot of good work, especially pleased with the outside advisors' portion of that, as well, but what I am really clear about regarding the eight bureau managers that met to advise tim on this process, that, that we are committed to providing excellent service to the city, and continuing to be cost effective and innovative. We really are. We are not opposed to change at any level. In fact, talk about change all the time in the process. This process, as it has kind of been winding down, the asr process, brought to mind that, that someone once told me there were very few real emergencies, and for everything else, take your time and work through the issue, and I think that that's, that's applicable here today. The last line of the ordinance, in section 2 says the council declares an emergency exists, in order that there be no delay in implementing. Mr. Grew mentioned, in his remarks, that there were a lot of issues that were unresolved. There were a lot of details that hadn't been discussed. While I think that's, that's true, I don't think that there are that many details unresolved. I don't think it would take us that long to discuss them and come together. Commissioner Sten mentioned that, that probably never could agree on everything. Well, I think that we can come pretty close, and I think that we are real close. All the eight bureau managers ever wanted in the last few weeks was to conclude the work, to allow us to conclude the work. I believe what the three of us are asking for is the time necessary to do that. I think that you need to ask the question, is a real, is there a real emergency here, is this really a true emergency? I think the record is clear in the city, you have a real emergency. We respond. And I have got tons of examples about how this city and the managers and the bureaus step forward and get the job done. And you know them, as

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well. I think that the question is, is can we afford to just forge ahead on the, the, the press of time and not do the work that needs to be done? I think the answer to that is pretty obvious, you need to get the work done and you have got some, some, eight bureau managers that are really united and we want to finish their work, and we are willing to do that. I guess the other question is, is without, like margaret mentioned, dean mentioned, without some of the details answered, it is going to be hard for us to determine what are the service impacts. Tim mentioned you can't cut 11. -- 11 appoint, what was it, 11.2 million out of the organization, city-wide, and not have serious service impacts, and that is a question that we have asked over and over again. Let's focus on what's the service impact because those things we are responsible for. So, margaret said probably a little bit better than, than I was. I was simply going to say, give us a little bit more time. Let us work through this process. Nobody has ever said that we are totally opposed to these issues. Dean said that there is probably more agreement areas, where we are, we are totally in agreement, but we need some more work and timed to that. In hr, and it, and we really, really would like that.

Francesconi: Well, chief, listen, you have a right to be here and I appreciate it, and you let me know you were coming. And I want to say that change is change is something you have always been very willing and open to do, but I also want to say, unlike, and parks, who has been very consistent all along, that the it changes would hurt parks, you have told me that the it system that we have here is not functional, and that we can do better with a different organized system. So I guess that I wanted to make that point clear for folks.

Wall: Well, and I have. I have supported change in all the areas. I think it is not a matter of, of opposing the model or opposing the change. I think it is a matter of working out the details, and I think that your bureau of managers, you know, eight of them, are saying that we want to finish the work.

Katz: All right. Thank you. Any other bureau managers that want to talk to -- with us or to us? We will get -- we will give tim the opportunity, and anybody else to respond to the time issue and all of the issues that were raised. And then we will have everybody hone in on questions to either tim and his crew or advisors. Any other bureau managers? I am assuming that the bureau managers who are here are pretty satisfied or you are just afraid of us? Oh, oh.

Mark Murray, Bureau of Financial Planning, OMF: You started something.

Katz: I shouldn't have done that, but if you are going to be sitting here we want to know how you feel about it.

Murray: I had no plans to speak today, but -- Mar murray, financial planning. Most of you know that most of my experience is in private industry, so I have only been in government about ten years, probably I have worked under centralized models, decentralized models both in hr and it. The last position I worked in private industry had 18,000 employees in one site, centralized h r. No problems, no service problems. Service issues were not existent. There was accountability. That's why we have managers on both the, within the bureaus and the central organizations. So I firmly believe that is the correct model for the city of Portland. In the it area, one of the places I worked frankly had a whole separate it budget and process. One of the things I noted when I came to, to initially the county and then to the city is we didn't know what we were spending on it. And you heard glenn reiterate that today that when they had -- they did -- began the study, they had a hard time getting the dollars out there. I believe that that would be another benefit to trying to centralize some of this. Certainly, there are service issues that can be worked out, and one other comment, if we wait to work out every detail of any proposed change, nothing ever happens. If you look at the world of emergers, conglomerations, reorganization and private business, they do not take the time to work out every detail. They have the broad strokes. They give direction from the board down to the managers to implement, and it happens. And more often than not, it saves money, in some

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places, indeed, there are examples where it hasn't worked. But, I would just encourage council in this case to, to give the okay to move forward, hold us accountable to bring off the positive changes that you have asked for.

Katz: Identify yourself. I am sorry, I probably shouldn't have asked you to come up but that's fine.

Gil Kelley, Director, Planning Bureau: Bureau of planning, I didn't intend to speak either but maybe it was the third invitation. [laughter] I guess my observation here is that it is really about the questions we are asking ourselves, collectively here, and the sequence in which we are asking them. It is understandable that we are in this particular discussion because of a budget crisis, and we have -- I think, I would echo the bureau director's sentiment that they have all worked very hard to come up with the monetary response to the question that's in front of us. I think that they worked very cooperatively in that regard, the sort of emergency response organizationally has been decentralized, and that may be a valid model. Decentralization may also be a valid model. There are a number of corporations, for example, that work on decentralized model. And there is some risk and it is highly centralized model that I think will become more bureaucratic and entrenched. I don't think that's necessarily the case. My point is that the real work is ahead of us, whichever way you go on this. Because I think that it is -- it was clear to me from, from one of the early meetings when yvonne showed a comparison chart of Portland's total spending on human resources, for example, versus other comparable cities, we are at the very low end so cutting and centralizing may not get us where we needing to completely. It may be a starting point. What's really necessary is, because I don't believe that we are cutting fat, we are doing more with less, which is a little bit different scenario, is my response is you have to work smarter in that situation. And so I think that we need to be looking hard at the systems and procedures that are in front of us. Our hiring promotion recruitment, contracting procedures, I think all have a lot of, of redundancy in them, given the budget ability that we have to respond, so whether centralized or decentralized, that's the hard work ahead of us. I don't personally think that's going to be resolve in the next two to three, four months. So, I will just urge you to, to, to think this isn't the, the end of the game here, this is the very beginning of the hard work that's really necessary to, I think, live with these resources and make the, the system responsible in either way. The sec thing is I hope that during the transition period we have the opportunity to, to work on some details that surprise some of us along the way, and hash those out. I think that small bureaus were not represented in many of the committees and some of the, the magnitude of cuts came as a surprise to a number of those bureaus and we have a chance to have some of that in a dialogue in the process, as well.

Katz: Thank you. Anybody else? This is our last bureau manager.

Mike Rosenberger, Director, Water Bureau: How do you mean that exactly? [laughter] Mayor Katz and members of the council, I hadn't planned to say anything but since you sort of made it such a challenge, I kind of felt that I should. And I don't want to reiterate anything. I just want to make a couple of points. And this isn't anything that you haven't heard, my commissioner hasn't heard and tim hasn't heard, but there are like three issues that I think that I have that, that I think that I would have preferred to have had addressed before we sort of nailed things down today. One would be the impact on service levels to me and my bureau and to other bureaus. And another one would be clear delineation of what services we are talking about being centralized and what we are talking about being decentralized and we have had some conversations even since this ordinance was filed, like between me and glenn, for example, about what computer services and different bureaus would stay in bureaus and what wouldn't, and thirdly is the issue of fiscal impact, and just the whole issue of finances. And with regard to that, one of the things that we have talked about for a long time with the, the bureau directors and tim is the whole issue of, of money, and as the

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very eloquent, gentlemen here was talking about, we are one employer, but the fact of the matter is relative to finances, all our money is not the same money. It is not all fungible, you know. Under the charter provisions there is general fund money and other money and everybody else's money and we need to the money, and I think it would have been useful if some of those three things that I am talking about could be nailed down before things are finalized. Having said that, what tim is saying, is that he wants to bring this forward. He wants direction from the council, and I think that what we would like to see, what I would like to see, I can't speak for the other seven, but I will speak if myself, what I would like to see is direction that says, tim and the other bureau directors in the central agencies need to work with other directors in the operating agencies to clearly delineate the issues that relate to money, service levels, and centralization and decentralization. We couldn't get it done by now, but we certainly need to get those things done in the service agreements over the course of the next few weeks.

*****: All right.

Katz: Let's open it up to public testimony. How many people want to testify? All right. Okay. It is now, almost 12:00, and we are not anywhere in our deliberations, we will have to go until about 1:30, is that all right for the council, and then -- we might have to carry some of the, some of the items over, but maybe not. All right.

Yvonne Martinez, District Council of Trade Unions (DCTU): I am yvonne martinez and I am the chief spokesperson for the district council of trade unions, good morning. And I am in a unique position, being here today, and agreeing with city -- with bureau managers. It is almost like a scene out of the twilight zone or -- [laughter] Or even the outer limits. So, please bear with me. We are here because we are concerned about the impact of these changes. 30 police desk clerks, there was an announcement in conjunction with the asr changes, we will lose their jobs. That's primarily why I am here. I am also concerned about how this -- these changes took place. As we are not --

Katz: That is not accurate. So, just go ahead. I will correct you on that score.

Martinez: Well, the announcements took place in the same article in the newspaper that those changes were --

Katz: Hello.

*****: Yes, that's what I am addressing, and we have addressed that this morning.

Martinez: We have some concerns about how these changes were proposed. There was no joint problem statement, and how we could arrive at these efficiencies. There is no substantive way to jointly identify problems, no incorporation of acknowledged methodologies, process and improvements to identify efficiencies. And as a result, many opportunities have been missed in terms of being able to use your most rich and fertile resource and that's the people who work for you. And work with you to serve the needs of the citizens. In conjunction with these changes, as I said earlier, there's been a proposed cut of 29 police desk clerks. We met this morning with the chief's office. And surprisingly enough, the chronology that they gave us was consistent with a letter that we have drafted to the chief, addressing our concerns, and I have copies of this for you. The proposal -- those proposed changes create a public service problem. We believe that removal of the desk clerks would place demands on the already stressed police resources that could impact public safety. So, either our work doesn't happen at the desk clerk level or doesn't happen at the police level, we have a concern that's a real impact.

Katz: Let me -- excuse me, we are talking asr versus other budget reductions. They are not similar, so please keep your testimony to asr.

Martinez: Well, I believe that it is my duty to talk about the impact of those changes to my members and to the community. And I would add that we did have -- we did have an understanding with the chief about our common concern about how these proposals were made and

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I also have a concern that, that our desk clerks only learn they would be using their jobs last friday, in a letter.

Katz: I am going to cut this off. Could you please talk to the asr, not the desk clerks because that's a budget issue, entirely different and separate from asr.

Martinez: I understand the distinctions that you are trying to make, madam mayor, but we have 30 people who don't know if they are going to have their jobs.

Katz: Fine, and you will have to wait, unfortunately, until the budget is reviewed. There is a budget hearing and an adoption by the council because I can't tell you right now what the outcome is going to be.

Martinez: I appreciate those comments and we understand from the chief's office we will be reviewing those cuts and we will be working with them on that. We face tough negotiations ahead, and I would, I would ask the city leaders not to lose sight of the real human costs of any of these changes and not to lose the opportunity to meet with us to talk with us about how we can make efficiencies work, how to make real changes that are not slash and burn changes but changes that will have an impact substantively over the long run. Those are my comments. I think that you will, if you choose to, to use a method that doesn't take sight of acknowledged methodologies, you will lose those opportunities and I think that they are opportunities that we can both share in terms of meeting the needs of the citizens who rely on for us services.

Katz: Thank you. Anybody else? That's it. All right. Tim, come on up. Did you want to come alone or --

Grewe: No.

Katz: Okay. [laughter] You heard all the issues, why are we doing it now, can we wait, I am not sure -- I am not sure that we heard -- right, from the bureau managers that they are totally opposed to this, but they are nervous because they don't see anything in place right now with regard to what are the service agreements, how many people are moving, reiterate them and then let's open it up for the council -- open it up for the public.

Grewe: I think that we need to be clear about where we are going. That's why I came to you with a, a general model so we knew where we were going and we could work on the details. My version of how to work on the details after I give council direction today, that's what I am here to give, is whether or not you agree on the outcomes. If I do, then my approach to details imbedded this proposal are to work on transition agreements, clearly lay out how we are going to get to where we are today from the outcome that we are after, and service agreements with the bureaus, that will be highly measurable, and accountable. And I would like to address one other issue, and I think it was commissioner Hales that brought up about accountability to the citizens. That's really what this is all about. We don't have those service agreements in the city right now. We don't have things that we can point to say, what was going to get done and how it was going to get done and what, in what cycle it was going to get done and was time it was going to get done. So, when things do break down, we can go back, and find out who the person is that's accountable. Under my proposal, I am the guy that's accountable, and by extension, my bureau managers are the guys that are accountable. If I don't deliver on this, and if I don't give you a system that's working, then you hold me accountable for that. And so do those bureau managers, that's what we are trying to get into this process. I do want to point out one other thing, we are 80% in agreement, we keep using that, I don't know what the actual percent is on a lot of things. Where we are not in agreement is where we have proposed structural changes. As soon as we have recommended that we change the boundaries of how we do businesses, infringe upon the bureau's boundaries, that is all of a sudden where we have disagreement. And my position was, I could have continued to meet and deliberate on those issues and you may opt to tell me to continued to that, but I have to tell you, I am not

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overly optimistic. I am going to come back with any major structural changes. As a result of that process. So, I guess what I would like to propose is acknowledge that we need the details. I believe the best means of getting out those details is for you to give me direction on the outcomes, and I will go to work at the transition plans and service agreements to iron out those details. Those are public documents that will be available for everybody's review.

Katz: Address the issue that Margaret raised with regard to immediately moving people out of the bureaus.

Grewe: Once we have the outcomes I need to get everybody on the same page. I want people working towards a common outcome. Right now we have got over 30 systems in this city. And they are all good systems. Have good, competent people working on them. We have a patchwork that we call a city system, with all of those. Once I have the outcome, and I am going to work on the service agreements and the transition agreements, I need to know that those people not only will be taking care of their duties and responsibilities in the bureaus, but also need to be working very hard on getting to that outcome. And that's why we propose changing those relationships so we get everybody on the same page and go to work on implementation.

Francesconi: Tim, a couple of questions. First, on the service agreement, which, which, because of my experience at pgs, and as the commissioner in charge, I saw that we really didn't have any effective service agreements or, or inner agency agreements and I saw that the bureaus, my bureaus and others, were captured by rates that they had no control over, yet they were responsible for the services, and they had no control over the cost. Now, ironically, since it has been shifted to you, things we are trying to do in bgs, like SUV's and vehicles, and everything else, which I wasn't able to do, you were able to do, in order to reduce costs, but having said that, what can you say about how we can have enforceable service agreements to the bureaus, that if some reason you are gone or something happens, they have some options, either, so that they are not trapped. Well -- so that they have some options.

Grewe: There is a couple of things that we are proposing. First of all the service agreements will be very detailed, they will have performance measurements, we will get as specific as we can, not just about the types of services but the level of service providers and how we are going to measure those. Something that we frankly do not have right now. We will also periodically come back to the council and conduct evaluations, I think that's healthy for any organization to do. And if we find that there is either a better way of delivering these services, such as outsourcing in the future, or we find what Tim Grewe has created here, really isn't working and really isn't providing the service that the customer wants, then you should be directing me to go after different organizational models. I plan on coming back to the council annually with my annual service agreement and you can bet that I will be presenting to you performance reports on how we are doing and delivering these services.

Francesconi: My request to you is that you do it on a quarterly basis at least for a while, and as we watch this thing, not annual, that's one question, on how for reasons I will say later on when we vote on this, we need -- we need to centralize it. Where I am more nervous is on it, and the reason I am more nervous, frankly, is because bureau managers that I really respect are even more nervous about this. We had some helpful testimony today from the state, the county, et cetera, but where I am having some trouble is I know that some of our bureaus, including some of those who testified, are better managed than some of those. And so I have opinions from people I really respect, that the IT function is central to the mission. Okay. Now, my request, I don't know if it is a question or a request, as I understand the proposal, which I signed and which I will support, on the IT side, before you switch personnel from these good managers, can you come back to the council with a report on these service agreements? I know it is now set for July, but can you come back, spend

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some time with these folks, both because of service and moral issues, and try to hammer out some of these agreements. I will feel a lot better because I am nervous about this.

Grewe: Our proposal is to come back with transition agreements and with service agreements prior to taking people out of their jobs. The reason we are changing reporting relationships is because we want people working, focused on getting those agreements done, and also laying out in detail the multiyear plan for what we are going to be doing in the it area. We don't have enough resources to do anything, we needing to very focused in terms of what we are going to do.

Francesconi: So you think --

Grewe: The answer tower question is yes.

Francesconi: But if my question, which wasn't clear, if it was on the reporting requirements, you are saying that you don't think that you can get -- people won't do it unless you have the reporting requirements?

Grewe: I think that people will do it, I am just -- if people think that, that -- if we are clear about where we are going, as an organization, we are going to continue to process alternatives, different approaches, and that sort of thing, we have spent ten months doing it. What I am interested in trying to get for council, that's why I am here, is whether or not the outcome I presented, based upon working with these outside advisors, is an outcome you want me to move towards, and if so, in order to get there, I want to make sure the resources in the systems are available.

Francesconi: But the reason I am struggling a little bit, tim, is because of one of mike's points with one of my other bureau managers talked about, centralized authority is one thing but necessarily having them all urn you as opposed to the bureaus is something else, and I can't tell yet -- you need to have centralized authority, but I am not 100% sure that they all have exactly to report to you. Maybe I am wrong about that.

Grewe: I am having trouble understanding how I have centralized authority if they aren't reporting to the people that work for me.

Francesconi: Yeah.

Grewe: At some point, you have got to take -- if you are asking me to be responsible for the systems, then as a manager, I need to take responsibility for the performance of the employees associated with that system, no matter where they are located in the city. Otherwise, how can I take that accountability? And that's why I propose what I do.

Saltzman: Some related questions, I guess. I think the, you know, I am basically supportive of the proposals in front of us but I will say that, you know, I am concerned by what I think are some of the very genuine concerns brought forward by the bureau managers and others, and the one that probably has the most resonance with me is the service agreements and I realize those are yet to be defined and hammered out. And it is not the agreements themselves, it is more the nature of, of the cost containment issue, the issue that margaret and others raised, sort of, you have all the chips, and how do they negotiate and how, you know, how do you make sure the costs don't keep going up? And up and up, and the bureaus are simply told, that's the way it is, and I have witnessed that in the few years that I have been here, with some of our central service bureaus, that's simply the way it is, you lump everything together and you reallocate it back, pro rata, across everybody and that's your fixed charge, and nothing that we can do about it, sorry. And in particularly, the smaller bureaus, that can be devastated over time. So, I guess that's the issue, and then the other issue is, is the, the, related to that is, is an appeal, and I guess I am not asking -- I think that we are, we really need to think about, we need to have some means of which a dispute can be resolved, a dispute between yourself and a bureau, over, over hr, or probably more likely over it, and how is that -- how do we get some impartial review, and we have had some external experts provide us some guidance in the past. Maybe there is a way that we can build something into that, I think that it is

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not going to really -- it can't come down to quarterly or early updates to us. We will not be able to resolve these disputes and they are going to come up and somebody needs to be able to turn to some impartial body that's not you, not the bureau, and says okay, who is right here? I mean, and so that's something that I guess that I hope that we can figure out and if you have any thoughts on that right now, I would certainly welcome those.

Grewe: Well, we have a thing called an interagency policy that has a appeal process. Unfortunately, I am the guy to come to resolve the disagreement, that's the old system when bgs was a stand-alone organization. I think that we do need to think that through, and I think that it is a very valid issue. What do we do when there is a disagreement, and I would be happy to come back to the council with some suggestions on how we might handle that. I don't have a ready answer to that right now, commissioner Saltzman.

Katz: Further questions?

Hales: We focused mostly on management issues and the discussions that I have had with staff and bureau managers, and today's discussion, I don't want to get into a long analysis of this now, but could you just give us a sketch of, and we only had one labor organization testify to, could you give us a sketch of how we are going to deal with the labor issues, I mean, it occurs to me that, that we have had a number of cases in the past where we have had moved positions around and frankly, there is only one way to go up with, with -- there is only one way to go with salary differential and is that is to raise everybody to the highest common denominator, I assume we are moving sworn positions out of police and fire and into your --

Katz: No.

Hales: No sworn positions doing it work?

Grewe: No command positions have responsibility in that area, commissioner, but under our plan right now there is no sworn positions targeted to, to come out of the organization.

Hales: There are no sworn positions doing it or h r work?

Katz: Let me just remind that under our contracts, with the federal government, we have to maintain a level of effort, and I think that we only have six reductions in sworn personnel that we can make, and those will probably be made because we, we still have a lot of vacancies. But that's budget issues, that's not this.

Grewe: Let me clarify and maybe they can correct me back here. There were probably bits and pieces of sworn officers, included in the cost accounting that we did in these service areas. But, in terms of actual positions being moved and how we are achieving the target, we don't have in our plan to be moved into sworn positions.

Hales: In either police or fire?

Grewe: No.

Hales: Okay. Well I guess that will make resolving the labor issues easier, that leads to my question, which is how do we deal with slippage where, you know, let's just assume that, that everybody did everything in good faith in terms of reporting what people do and how many positions they are assigned. Let's say that a year or two from now, what's to prevent bureaus from replicating positions again, I am surprised that there are no police or fire sworn positions. When I managed the fire bureau it seems to me there were quite a few sworn positions involved in it work so it seems strange that we are not moving any of those positions and therefore making this job harder because of the labor agreements. Okay if there are no sworn positions doing it work now, in police or fire, what's to prevent us having sworn officers doing a lot of that work a couple of years from now as a bureau correction to the parts of this that they don't like.

Grewe: Well, if we encounter that, I will be talking to the respective chiefs about that, finding out what their problems are and the causes of why they feel compelled to do that and try and resolve

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those issues, and inevitably if I see that happening, I will be in here talking to the council with alternatives to, to building up organizations within the bureaus. I hope that we don't get to that point. I hope that we are able to utilize these service agreements every year, every two years, depending on the cycle, to hammer out the specific service agreements with the bureaus, and will deal with problems that are being accounted at that time.

Hales: This is just a while for me, a part of this I haven't analyzed so I will look for more work on that during the budget process but again, just a footnote, it seemed to me, one of the principal managerial issues I had with the fire bureau was justifying a large number of very expensive middle management positions, bat italian chiefs, who are sworn positions and represented by the firefighters association 69 the justification I heard from the bureau for maintaining a large number of \$100,000 year management positions is that those folks do hr work and it work. If they don't do hr work and it work, we need to raise the question, the budget process, of what they do, do.

Francesconi: I will look at that, and so tim won't do it by himself, chief, you don't need to respond to that right now, but on the issue of bat italian chiefs, since I have looked at it repeatedly, I have looked at it and the issue of that really is a safety issue in terms of coverage for the city. So the battalion chiefs, when I left them in the budget, will nothing to do with hr and it. It had to do with making sure that we had adequate supervision when different companies come. That I want to say for the public.

Hales: The question was always what they did in between fires. And what I heard was hr and it work so that's was we need to determine now.

Francesconi: But we are not going to eliminate them, no matter what the it, hr side shows.

Katz: Other questions?

Saltzman: This is about to make your work probably more difficult, but I know at the outset you started out by displaying why perform dc [PDC] was left out this far process and I have to confess somehow I missed that discussion early on in asr and found myself asking myself that very same question months later, you know, why was pdc left out of it, and I know that a lot of times pdc, for whatever reason is prone to be left out of a lot of discussions, it is treated as an entity onto itself so I guess I want to raise the question, and they certainly are, where a lot of resources, a lot more dollars are being spent these days, whether they are tax increment dollars or general fund dollars, federal dollars, I mean, it is where a lot of the action is going on, so certainly it is a big agency. And so, I am not going to, you know, insist now that pdc be brought into this, but I guess I want to raise that idea that this is something that we need to seriously revisit, once you have got service agreements, cost containment, accountability mechanisms built into those and we have those things working I really do think that we need to, you know, look at bringing pdc under the same process, if for no other reason, it is a fundamental fairness to the internal constituents of the city, they are city employees and they should be bound by the same rules and then, and rigor that everybody else is playing by, so I make that request, and I don't know how the mayor feels about that or the other members of the council, but I just don't feel that we really are explicitly talk much about that in the context of asr, just assumed that they weren't going to be covered and once you get these things ironed out with the other bureaus, we need to revisit that issue.

Katz: That's fine.

Saltzman: I don't know if you have thoughts on that.

Katz: We visited bits and pieces of the pdc after the cuts were made, but, but fair enough.

Grewe: I think probably what I would suggest once a new director is appointed, perhaps I sit down with the new director and we look at opportunities for, perhaps, working closer together than we are right now. And come back to council at some point with suggestions.

Katz: I have a question. I think that it was Mike Rosenberger who raised it with regard to general funds and other funds. How are you going to work through that dilemma?

Grewe: Well, we will do what we always do, come up with a cost allocation plan, and that plan will be, as we do now, reviewed by people from the bureaus, in terms of how we are allocating costs and all of that type of stuff. So we will pretty much do that as we have done in the past, with a lot a lot more visibility.

Katz: Further questions? All right. Let's take a vote on it.

Francesconi: In making this tough decision, there is four factors that I am trying to base this on. The first is savings to the taxpayers. Given property taxes which are capped and the reality that we are going to have to do this, as commissioner Sten says, repeatedly, if we are going to do -- provide any services, additional services to the clients, the second is efficiency and a way of operation. The third, though, is service to the public, and the fourth is the moral of our own employees. These are the four kind of critical factors. I want to comment on each but before I do, I want to say that this has been going on in the private sector, and in the government for a long time. We have been spared here in the city from this from, from economic growth, fueled by our businesses and our economic recovery here from having to deal with this, but this is life in the private sector and in many government sectors, so now the question is, how do we handle it as an organization that wants to improve? Now, I do think that we need to be one city, and we needed to some things to try to cut across that. This isn't just the asr process. The reason that I was a strong advocate for consolidating long range planning is we have to have more of a long range planning approach, as one entity. It is the same reason that I supported creating Tim's position, we have to cut across bureaus in all three of these areas, if we are going to keep this form of government. Or else we will not be able to keep this form of government, given the speed at which things are changing. Now, with that background, on the issue of savings, which the bureau managers and the employees and Tim are really to be commended, I mean, 2.6 million is significant savings. I actually think it is too much. And I want to, I know in the budget, I want to highlight a couple of issues on the issue of savings but also want to say as a footnote to the bureau managers, that council was sitting here during a budget process trying to figure out how to make these cuts. If we had done it would have been disastrous, so the fact that actually Tim took a more systemic approach at this is a much better result. Now, I think that the cuts are, frankly, too deep, in human resources because I think that some of our bureaus, we need more activities preventing issues with our workers. I know that's true in parks. I know that's true in licensing. And listen, I have two of the general fund bureaus, so when I say that, I know that potentially that could come out of parks and fire. But, I have some concerns about the depth of the cut in human resources, if we are going to really value our employees. The other ones, and that's one of my major ones, the other issues on the budget, I think that the information technology cut can be handled by fire, but I think that it is hard for parks, frankly, because we have been behind the times. I think that eliminating \$100,000 from the apprenticeship and training purchase in purchasing may or may not make sense but that money needs to be in our bureaus to diversify this workforce. There should be more money, not less money. We should not take that \$100,000 cut. We should use this, one of the reasons we need to centralize hr is we have got to be a unit that cuts across bureaus diversifies our workforce and to cut 100,000 out of purchasing makes no sense, so I can't support that. The city attorney cutting \$100,000, we should be adding paralegals instead of cutting in the city attorney's office. And at this point, I cannot support two positions to court nad public meetings. I think that there is an opportunity to look at that money and how it should be allocated either -- so those are just some issues in terms of the savings. In terms of efficiencies, I mean, the reason I am going -- I support this, is the reasons that there is a lot of other public purposes here that trying to accomplish. We

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are trying to make our process more efficient, we are trying to shift resources, trying to measure what we do. We are trying to look for alternative service delivery, want to make sure that there is equal access to service. All of those are legitimate issues. On the efficiency side. On the service side, I think that extreme centralizing dhr has some risks for some of our bureaus, but we needed to this. For a lot of reasons. We need a consistent personnel policy. The best way is so employees -- some employees I met with in licensing. There is no consistent approach being applied. It is not fair to our workers. It is not fair to our perspective workers. This one is not even a close call for me. I know it is going to cause problems in our bureaus, but it is not even a close call. Having said that, there are special efforts that have been made in the fire bureau and the last thing we wanted to is as we are diversifying the workforce, weaken some of those efforts so we want to replicate the good programs and not weaken the others, which is a real risk. I am having trouble with it, maybe partly because I don't understand it but it is partly the depth of passion that I am hearing and feeling from some very good folks. I would feel a lot better if the service agreements were in place before you actually pulled people out. I am going to support this. I considered an amendment. I am not going to do that. But, tim, I request that you try to come back to us in april with more work done on this issue before you pull them out of the bureaus or you consider extending the deadline to july. You don't have to do this because I am not proposing an amendment. But, I would like you to consider that. Bureau managers, I am leaning -- not leaning, I just decided on centralization so I want you to work on this but I am nervous about this because of the effect on service in the bureaus. I know what losing gary would mean to parks. And gary is a terrific employee, and part of the reason, and I don't want to lose him. But, I can't base this just on gary. How terrific he is. But on the other hand, it just worries me on this one. I am worried about it. I am very worried about it. The last thing that I want to say is kind of about morale. The council deserves a lot of responsibility for this, and I don't mean asr. We needed to more to listen to online workers when we are setting budget priorities, so you get a sense of why we are spending money, we need to involve you more in that process. The communication between us and you is not what it needs to be. We need some -- some attention, separate from the asr process, focused on this. And I guess that I want to say one thing about the fire bureau, and I know that the same thing will happen with our bureau managers. We did not agree on a contract with the firefighters. I received not one complaint during the whole time from any citizens about that. The service was still the highest in the city, in terms of ratings. I have confidence in you, that we will work through this, and the same thing will happen. There won't be one complaint from any citizen about lack of service and we are going to pull together and figure this out. Aye.

Hales: This audience has an emergency clause on it so although I have some reservations, I think that it would be inappropriate for me to vote no, so I am going to support it. But I do still have reservations and jim, I share many of yours about information technology and I would join in that request. I think that that's the area where I think that we have the greatest danger here, really, of reducing service quality while we are making changes. I guess the only council I would have, tim, from my experience, administrative reform is thankless work, so first of all, thank you. Second, in my experience with this kind of reform, this is the low point in terms of morale and disruption, and it is also the low point in terms of actual savings, with my question about sworn positions and bat italian chiefs, moving the organization chart around doesn't save money. It doesn't improve efficiency from your experience and mine with blueprint, you know, it is after this point, that you start saving the money by nipping here and snipping there and, and changing rules because where we will really save money in hr is not necessarily how many people we have doing the work but how much procedure and how efficient that procedure is, those people have to operate under when they hire someone or do -- deal with some other human resources issue, and that was the very same

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thing with the permit process. It wasn't the number of people doing the work, it is how, how, what we make them do. So, the real work of saving money is, is ahead, and that's where you need people's cooperation the most. So, it is really important that, that that instruction that jim gave be heard and I want to reiterate it, that, that we really have to work with people, once we say, we are making the change. You know, whether we have done a good job to this point or not, we are making the change. Now, sit down, work with me, work with you, in this case, to make it work, and I hope that all of our, our personnel from managers to employees that do this work will now, one, help you, and two, be welcomed by you in, in offering that help. And I am assuming that the best of good faith on, on all, all parts, but that's really important from this point on -- onward. Aye.

Saltzman: I want to reiterate my earlier point, the point that has been made by commissioner Francesconi and Hales, as well, that the service agreements, you know, we need to see those before we adopt the budget, and again, I think that I need to see, you know, both what is going to be the dispute resolution mechanism both on the cost issues, as well as the accountability. So, you know, give some thought to that, and I hope that we can see those prior to actual budget adoption. I think that, you know, it is kind of unfortunate, I guess, many of your external advisors, I would almost say to them, you know, this is just pretty straightforward, this is the way that it should be done, because this is the way that it is done everywhere else, and I think that but for the fact that we kind of have a, an odd duck form of government here where we are very much -- this form of government, you know, I think you know I think it has some serious flaws in the, that too often we don't function as a city and corporation, we function as sort of a league of donation or, you know, we are very much defined by the bureaus we are assigned and that becomes our view of the world gets very much circumscribed and too often, or not on which enough we rise above and function and look at things as the city corporation that we truly are. And so I think that, in many respects, these challenges, with deep respect to the people who are raising these concerns, inside the city, with respect for their views, somebody that has only been inside the structure for two years, it seems this stuff, you know, we shouldn't be in the situation in the first place and it is unfortunate that we have to talk about ballot measures or budget crises to get us to these discussions. These discussions, I mean, that's the way it is. It is, you know, ballot measures, budget crises or, you know, campaign, reelection campaigns that generally provoke these types of discussions and commitments to do something but it shouldn't take that. And but we don't have a profit and loss statement to worry about, so, you know, unless there is something really threatening or existence, our imperative, our survival, that's when this type of changes occur, so it is unfortunate that's the dynamic that got us here, but nevertheless, that is the dynamic that we are in. And I do think that these changes, you know, need to be done on their merits, in and of themselves, and it is going to take some struggle because we still have this form of government and it is still going to be sort of, you know, fitting a little bit of a square peg into a round hole make it work and it will require a high degree of attention from the five of us here, as well as all the bureau heads, as well as all of your managers, as well, and indeed, every employee, but I do agree, with what commissioner Hales said, I think that this will be the low point and now that the direction has been set, and the imperative said, that I think that we will all pull together and we will all work in the same direction, so good work and aye.

Sten: Well, this is a difficult one and I want to express some respect and admiration for all the viewpoints that have been out here, I know it has gotten a bit bitter at times and I think that that has to do somewhat with the passion with which people are trying to do their work and I don't find, you know, given my dual roles, I actually like this system of government. I find it very difficult when mike rosenberg and tim grew disagree adamantly, that's something that I have to think through at some lends, and basically, they are both usually darn good on trying to analyze these things so, you

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know, I have come to the conclusion that, I think that the simple thing to start with is I don't think that there are a right or wrong organizational models typically, and I think that they all have different strengths and weaknesses, and from a bureau perspective, the strength of control and direct accountability is much better. From a centralized standpoint, it is more accountable to one person, and in a time of great economic struggle, it does make it easier for the council to, to get a hold of costs and make tough decisions, and there is a lot more to each model but I think that that's the heart of what's, what's pulling at these two things, and as I look forward, we are in a strange time, we have a run-away economy that's driving the cost of it workers, it systems to go ahead way, way more than the cost of inflation. We have a tax base, if we are lucky we will keep up with it due to the tax cap on property taxes and the change in the structure of corporations so it isn't really about this year for me but about as you look into the foreseeable future and I will join anybody who wants to put a progressive ballot measure on the ballot to look at some of these issues but until we do, the revenue forecast is tight and frankly, I don't see the enterprise bureaus as all that different. The amount infrastructure work we have to do in water puts us in the same boat and it is all happening with sewer and transportation struggles versus realistic funding so I don't see that much difference in the funds, although they -- we do have to follow the money, I think, as mike pointed out. And I think that, that all of us really cannot come to the point of, of deciding we are going to cut direct services to the citizens, which isn't going to happen this year, in a big degree but will in the next five years unless the economic forecast changes until we have wrenched each other so many ways that to figure out how to go efficient and how to get the administrative service and it really isn't just efficient, it is how to tighten where you have to tighten to keep direct services online and that, for me, is what this is really all about. And it is painful because it is not a position I would like to be in, and from my bureau's perspective, the decentralized perspective makes a lot of sense and from where I see the budget going the centralized perspective, on the hr side, I worked in different capacities at the is to for ten years and everybody has always hated the 178 system. So I think that we have an opportunity to ban together and I hope that -- I am very serious about, I think it is right to take this step for some of the reasons that I am articulating but I think that people need to negotiate these things and you know, as far as I am concerned, if you feel that, that, which I don't expect at all, that, that ump is using a disparate power arrangement. I think that's where the council needs to be engaged. I know that's not tim's intention but if we get there, we should work through that, and I have a lot of, of faith in our new human resources manager that she is ready to take this on, and I think that we can do it in a way that's, that's collaborative but it does come with some costs. As I look at the it piece, I think that we have talented, brilliant employees in the bureaus I work with doing it and I see it throughout the city, time and time again, I do, I do, though, think a couple of other things. I think that given the pace at which things are changing, anybody who really thinks that they understand that the scope of it in all its facets, I think probably is unrealistic and as I look at the talented people, they are each better on little pieces of it and I really am excited about the idea of putting all the it brains onto the problem of what's the city's it strategy, and we don't have one, folks. We have lots of incompatible computer systems. We have lots of -- we have lots of duplicative efforts and it is not because you aren't working hard because we haven't done that joint strategizing that everybody is putting out the fires in their boost and I think that the sum will be greater than the parts but I am not a critic of the parts. But, I do think if we can put these in one place, I think that personally we have a better chance of maximizing the inadequate. We put inadequate amount into technology, if you look at what corporations put into technology, it is a lot more than we put in. And that's a problem, so I think our own chance is to really pick the best brains of the folks and parks and water and bes and all the other places and come up with a joint strategy. Whether that's right or not remains to be seen but we have to take some tactic on

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this. I also think that to some extent, part of what you have to do over the course of time in larger organizations is work through different organizational models because at some point, the flaws in the model you have got, and they all have flaws, existing system has flaws, the new system has flaws, starts to become facts of life rather than things are questioning and when you shake things up, it is a fine line, between shaking things up for the sake of shaking them up and move things around to create new blends of chemistry, which is what I hope can happen in terms of getting these folks into attacking these problems, so I think that this is the right approach at this time. I don't think that it is a sure thing. I guarantee you, if we don't find a way together, those of us who agree on some of these things and those who don't disagree, to keep all our talented workers who I think are the heart of this, focused, it doesn't make a difference if we keep the existing system or make a change so I did very much, despite the passion and disagreement, appreciate the, the insight and the spirit of trying to work this through, which I did hear coming through all the arguments today, and I hope that we can take that forward, and I don't think that there is anything inherent in these things that can't be worked through and I think that that has to be the next step, and that's why I thought it made sense to, to give some of this direction at this point, but to try and do everything in our power, and I think that we should have done. I am very self-critical of that, to create an atmosphere to solve these things as we go forward. But I think given the tightness of the situation and the fact that I think that we have to, to some extent, to centralize and find ways to squeeze things because that's the world that we are in, as opposed to what I think is a better model for direct service to the bureaus, which is decentralize so it is not that one is perfect and the other isn't, I think that's where we find ourselves today. Aye.

Katz: The mayor of this city, no matter who is going to be sitting in this place in the years to come, is the ceo of this organization. And the ceo of the organization is -- has been very difficult to manage an organization that shapes the way ours is shaped. I promised commissioner Hales I would never use the word "disfunctional" again, so I am going to use the odd duck description, and we have tried to work around the odd duck form of government, and I heard loud and clear over the last eight years that the council was frustrated on the fact that we had planning functions, all over the bureaus, commissioner Hales took the permitting function and brought it all under one umbrella and tried to change the systems to make it work. And he's done that he still has a bit of worked to, but that was what this conversation was all about. He took it in one small area. We did it with planning. You wanted to make sure that we had one person responsible for all the planning functions in this community, and you gave that responsibility to gale kelly, and because you saw that, when we went out to the community, that one bureau couldn't respond to the needs of transportation parks, economic development, impossible for them to do that, and you wanted to make sure as we did in hollywood and sandy and as we will continue to bring all the bureaus together to respond to the needs of the community. So, we are trying to work the program issues under this odd duck government, and it is working. It is hard. It is hard because everybody does want to protect a little bit of their own territory. But, thanks to our bureau managers and thanks to their ability to understand the kind of work that's cut out for all of us. They have been cooperating and I want to thank them. And then you saw the fact that, a, we don't have a human resources system. And let me talk a little bit about that. As the ceo, when crisis occur, whether it is a media crisis that's been developed, and we have media crisis de jure, minor and major ones, they come to the ceo of the company, and what I have learned during the years when we were discussing cell phones, when we were discussing discipline, remember the discipline issues? Yvonne was, at that time, in parks, and I can tell you the discipline policies in the city, we are all different, weather policies, I made a terrible mistake once, and as a ceo, called a weather day, oh, my goodness, did I find out that we have policies about weather that are different in every bureaus, and then policies of

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equipment, especially electronic equipment or fax, telephone, again, policies differing all over the place, and it is very hard then for a ceo to set a policy without bringing everybody together, which is what we did. It takes a lot of time and a lot of effort but it is important work. My hope is, that as we gave tim now the ability to pull all those pieces together with regard to internal systems, that it will be much easier, yvonne will have to work with the people that she is working with, but at least she will be responsible, and we will have one policy, so that bureaus aren't trying to figure out why, why is it that their employees are treated different from some other, from some other bureaus.

Another, another area where we have our work cut out for us, and it is something that council want to do. We want to come up with -- up with a comprehensive approach to our capital projects that match the programs that we are supporting and we are funding. So that if transportation is working on something or water or bes, we at least understand they are working together to match the programs that we want accomplished out in the community. We have got a long waying to get that done, but that's the next step. So I am very pleased to bringing this, this package with tim's help and the help of everybody here in this city before the council. Having said all of that, as somebody that worked in an atmosphere where we had centralized government, it doesn't always work perfectly, so I concur with everything that everybody else said, it is going to need a lot of attention, a lot of nurturing and a lot of support by everybody else to make it work. And I know that in some cases, it may be decentralized, may be centralized, may be a hybrid for a variety of reasons, and we will see that as the transition plans become clear and are brought forth. I also know, as somebody that worked hard to reform another system called the educational system, that change comes slowly. And the educators could have talked it to death, and we would never have seen change. It had to occur and then you had to work through it. Not that it has been easy, but at least we were sending the right message to the educators in this community and to parents and the students. I still think that we were sending the right message. Change comes slowly. It comes with risks, and it comes with great frustration and anxiety. We all understand that, and tim, you and your crew will have to be very sensitive to that, and I think that you are. But I want to remind everybody that this idea was ours. As your ceo, I also, under our charter, the charter doesn't give your mayor a lot of power but one of the issues under your charter is that I present a budget. I am going to be doing my ninth budget. I think that there may have been one year when we had money. I am tired of constantly cutting the programs of this city and not provide the citizens of this community the kinds of services that they deserve without changing what an organization looks like. Because it is, as we change the organization, and if we are smart about what we are doing, we ought to find some major dollars available to, to, to pay for the kinds of programs that this community wants. I am tired of cutting budgets. And finding that in some bureaus, you have got more it people than in others. You have got more human resources than in others. Bureaus where you have public information services and bureaus, like tim's, where you don't have anyone at all and the information on budgets and reorganization just can't get out to the public and to the citizenry to understand what we, as a council, are doing. There is an unevenness. There are rich bureaus and there are poor bureaus, and the poorer ones are the general fund bureaus, unfortunately, and one of the things that hopefully this will do is maybe even out some of this, some of this unfairness and inequities, so I am pleased to support it. I commit that I will be working with, with tim to make sure that this works out and that our workforce is treated fairly, and that bureau managers are working closely with tim to make this happen. Enough said. Aye. Okay.

Katz: We will work, folks, until about 1:30. Item 186.

Item 186.

Katz: Folks, if you want to talk, could you clear the council, please?

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Yvonne Deckard, BHR: For the record, I am yvonne deckert and I am the director of human resources. You have before you an analyst which outlines the employee service program, the components are designed to mitigate the potential effects of -- on city employees from the november ballot measures, the asr reductions and reorganization, as well as the general decline in city revenues. The goal of the program is to reduce the number of employees who will be laid off, and to provide the safety net for those who actually are laid off in the end. The ordinance declares a fiscal emergency that exists from february 14th of 19 -- 2001, through june 30th of 2002, and authorizes the human resources director to implement and administer any and all of the components of the program as needed. The department is similar to the one that country adopted in 1997, and in response to measure 4750, with some additional components. What we have added to the, the transition program is a redeployment program for employees, that would allow us to, to, to otherwise place employees who would be bumped or laid off to new positions, be of training plans. It continues the expanded transfer program, including salaries for any effective employees for up to one year. And it now -- we have now also expanded the targeted severance program where an employee could get up to 12 months of, of salary, if that program was offered to them. The severance program is a volunteer program that would allow bureaus to, to -- that would allow bureaus to, to offer their program to a particular -- to a particular employee if it results in the budget savings or, or an increase in efficiency due to reorganization. The director can also grant exceptions under the, the targeted severance program if it is shown to be in the best interest of the city. We also have a safety net component to the layoff and an outreach resource, outplacement resources. What is meant by fiscal emergency, the term is used to encompass budget reductions and city-wide reorganization that affect employees, signals a change in city financial conditions, and provides council with, with the ability to proactively manage the impact. And I am recommending you adopt the, the ordinance before you. Any questions?

Katz: Questions? Testimony? Go ahead.

Francesconi: Just a point, I don't know if it is a question, but I don't think I don't think this is covered by this but you are aware I have an employee in one of my bureaus, that's part of the reason for centralizing this, in my opinion, but I have a great employee, a good, a very good employee who, who got herself out of a job because she found a better way of doing business because it saved efficiency and some money for us, but now she doesn't have a job, it was my understanding that in a circumstance like that we are going to try and place her somewhere else. Now, this is a transition program -- it doesn't fit into this policy. But, do we have a way to help people like that? In our own bureaus?

Deckard: We are working on that right now with the employee that you are speaking of. And making an effort, city-wide, to make them aware of any and all vacancies that we have, to assess that individual's skills and see if there is a place that we can place the employee. I mean, that really would fall under, right now, our cornerstone agreement so we are working to that end. I would imagine this program could also help that employee out.

Francesconi: See, it is such an important signal of the morale of our employees, let alone their job performance that we have got to handle it.

Katz: We could keep her on and she could continue doing that work and probably it would be much more beneficial than letting her go if she worked herself out of a job. So --

Deckard: We are doing everything that we can --

Katz: These people ought to be rewarded. Further questions? All right. Anybody want to testify on this? Roll call.

Francesconi: I guess, this is good that we did this. This is good work, my other request is following up on the comments I just made but we have got -- and you are working on this and tim

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is working on it but we have got to have a better way to communicate with our employees on a regular basis, not just on transitions, so I look forward to you working on that but thank you for working on this. Aye. **Hales:** Aye. **Saltzman:** Aye.

Sten: I think it gives us options and I have been approached by quite a few employees, you know, who are interested on a voluntary basis on exploring some of these ideas, early retirement and other things and we haven't had any ability to look at it and in some cases, not all that many, but in some key cases I think that there is an ability to make changes that the employee wants, and we need some more flexible, so I think that this is good work. Aye.

Katz: Mayor votes aye thank you. 187.

Item 187.

Katz: John, did you tell them that we just aren't going to have time for them this morning? If they want to come back in the afternoon, yeah, but otherwise, next week. All right.

Merilee Laurens, Police Bureau: I am with the Portland police bureau.

Sgt. Kevin Modica, Police Bureau: Good afternoon, mayor, I am sergeant kevin with the Portland police bureau.

Laurens: And we are here for the regional training, ordinance, for \$200,000, to be given to the Portland police bureau, the training of officers, throughout the nation, for teaching the great curriculum, the education and training click rum. We have had the similar grant for the last two years, this will be the third year we will have had this, and the two years that we have had our trainings, we have trained over 250 officers from all over the country here.

Katz: So we have been selected to train around the country?

Laurens: Correct. We are one of five training sites across the country. There is one in philadelphia, orange county, phoenix, arizona, and philadelphia. And we have other officers that come from-around the country that do the training, and we are -- this sergeant is in charge of the training facility if you have any questions in regard to the training, I would direct it to him.

Modica Yes, ma'am. As one of the -- Sergeant kevin with the Portland police bureau. Youth crime prevention division, and as one of the five regional training sites in the united states, the officers that we use as trainers come in from, from the other regions, we train officers who come in from basically all over the world. We have them that come in from germany, hawaii, arizona, california, Washington, montana, idaho, and those officers come in and learn how to teach in class violence resistant skills curriculum for middle school students and also elementary school students. It has been very successful. The entitlement originally came out as the project outreach in 1997. It was then changed to the great program, atf is a coordinating federal agency, that manages this process, and the regional expansion was seen as necessary, one, as a cost savings, which is a familiar conversation for you folks, two, as a way to, to expand and give access to, to agencies that otherwise would wouldn't have access to sending officers to the training, previously, on a historical basis, the trainings were only held in two places. One being phoenix, arizona, and the other one being georgia, glencoe, county, georgia, and that was too far away from the agencies, if you are looking at the issue of combatting youth crime and violence so that's why there was regional expansion. We are very happy that we, again, were selected to continue as a regional site and we are asking for your signature on the grant.

Katz: Questions? Anybody else want to testify? Roll call. **Francesconi:** Aye. **Hales:** Aye.

Saltzman: I know as you mentioned to me in the past, it is also good for the local economy. This grant. But turns out that they come back as tourists, too.

Laurens: Yes, they do. **Saltzman:** Aye. [laughter] **Sten:** Aye. **Katz:** Mayor votes aye. Thank you. 188.

Item 188.

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Katz: I couldn't figure out why you were here. Now I know. [laughter]

Steven Endicott, Police Bureau: Thank you. I am Steven, Portland police officer, traffic division, motor carrier safety enforcement. Captain Mike Bell asked me to come down here this morning and to present to you a very brief overview of what this is, and basically what we do and answer any questions that you have.

Katz: Brief.

Endicott: Brief. Basically, what we do is we inspect motor carrier trucks within the Portland area, currently, ODOT does not do any inspections at all in the Portland metropolitan area. We are the only inspectors, us and the Multnomah county. There is tens of thousands of trucks that travel over our highways and roadways each day, and so we inspect those trucks, the drivers, and the vehicles to make sure that they are safe. To give you little numbers, last year we did 1,144 inspections, of those, we found a total driver violations of 734. 1,818 vehicle inspections and we put 255 vehicles out of service in the Portland area. Roughly that means that, that these are randomly selected trucks at 22.3 percent of any of the trucks traveling down the road, commercial vehicles are unsafe to be on the road at this time and pose a potential traffic hazard. We did have in Multnomah county 365 accidents in 1999. In, in 2000, we had 301 traffic accidents, so we had a percentage that went down 15%, due to inspections and enforcement. We did have, however, four fatalities in the calendar year 2000 involving commercial motor vehicles.

Katz: This is county-wide, right?

Endicott: This is county-wide, primarily, though, it is within the Portland area, where this has taken place. Any questions?

Katz: Yes, I do have a question. I don't know where this issue stands in, in the president's mind right now, but there was discussion about letting trucks from Mexico cross the border and travel over our, our highways, and the issue of safety and inspection was raised. Can you comment on that and what, what -- is that going to mean to you, and to your unit?

Endicott: Well, currently, we do have vehicles come up from Mexico, and we have them come from down from Canada. We do inspect those vehicles, just as if -- I am certified in all three countries to do inspections. It is -- to do inspections. It is part of the NAFTA agreement, and so we put those out of service. However, we are seeing a major increase from Mexico, and these are, are becoming more serious violations, we are seeing, in their amount of truck and we are also doing a program, while we do these, looking for possible contraband being moved along our I-5 corridor, so these are things we are seeing increase of, and what we would like to is stop them through enforcement.

Katz: Thank you. Questions? Anybody else want to testify? Did you have a question?

Saltzman: I was going to say, it is pretty alarming to all of us when we hear that over about 25% of the trucks you actually inspect you end up taking out of service. I was going to say when I was at the county I think the sheriff's office of course the statistic, the transaction -- I think it used to be 50% out of service when, I recall, when we did these inspections at the county.

Endicott: Yes.

Saltzman: Not that we should take any great comfort in that, it is lessening the statistic but it is still bad.

Endicott: It has gone down some, from where it used to be.

Katz: Anybody else want to testify on this? Roll call.

Items 189 and 190.

Katz: Let me introduce it very quickly. It is about time. [laughter] This was not an easy project, for all the reasons that I think that everybody knows. The unit had to be moved. We didn't own Centennial Mill. We had to make some agreements with the Bureau of Environmental Service. Then

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to maintain the values of this council, we moved the mounted patrol 100 feet off the river. We worked with all kinds of groups who were concerned about the health and safety of our horses. Looked at other sighting opportunities, and I am pleased to bring this to you now.

Ron Bergman, Interim Director, Bureau of General Services (BGS): I am from general services, I have asked Steve, the head of our project management section, to present these next two items to you. This will probably be Steve's last --

Katz: Do you want the next -- okay. Let's read 190, as well.

Bergman: This will probably be Steve's last meeting before you. He has taken the job as the facilities manager for Portland community college, so we will be -- so will be leaving us and it will be our loss here.

Katz: Good luck to you.

Steve Sivage, BGS: Thank you.

*****: You will be busy there.

Sivage: Again, to follow-up on what you said, I first started working with the police department to move five years ago when I first came here, and it is nice to see it moving along. So I have enjoyed my work here. Just a very, very quick report on where we are. We do now have a, a low bid on the, the construction, which was the last time that we were here talking with you, came in underbudget. We have had preliminary meetings with the contractors, and we expect to break ground up there in about two weeks to actually start the construction. And I say that just prefatory to the, the report on the, the contract with pdc, the pdc ordinance there is to implement an agreement between us, where they will finance the construction and the management of the construction, and this is the intergovernmental agreement between our bureau and the pdc to do that, it needs your approval it, already has pdc approval, from their January 10th board meeting.

Katz: Okay.

Saltzman: I have a concern that I will just flag, I was going to propose an amendment but I think that there has been a lot of skirting about this morning and I think we worked out an alternative that doesn't require an amendment because it would then have to go back to pdc approval but it is sort of, as you mentioned, Mayor, that the Bureau of Environmental Services contributed almost a million dollars to the acquisition of centennial mills, and per the ordinance, that we did that, it was to, to, for the design and construction of innovative stormwater management project and fish habitat restoration projects. And I was concerned that there is a paragraph in this agreement that talks about how the pdc will coordinate in the future development of unoccupied space with BGS and the Bureau of Police. And I just felt that it was appropriate, also, to have the Bureau of Services included in that since they are an integral partner to the planning of any future uses of unoccupied space. I believe that, in the morning, the course of the morning, both the acting director of the pdc and Ron and myself agree that we will come back with, with your agreement to, to a separate agreement that basically, addresses the point that, that, which I think is what everybody spends, that be a full and integral partner in the planning for this space. And that we go ahead with this design agreement. Go through today.

*****: Okay.

Katz: That's workable.

Bergman: We will need to negotiate out that agreement, I think that we can do it by, do it by memorandum of understanding and circulate it to the council for their look at it.

Katz: Okay. Anybody else want to testify on this item? On these two items? No? Okay. Roll call. Item 189.

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Francesconi: Thanks for all your hard work on this, but a special thanks to you, Steve. I enjoyed working with you for 3 1/2 years, and thanks for all you have given to the city and pcc is lucky to have you. **Aye.** **Hales:** Aye.

Saltzman: You will be very busy with pcc's new measure pass as the facilities manager so, it is a great place to work, I had the pleasure of serving on their board, thank you. **Aye.**

Sten: Steve, I will miss you, too, but sounds like a good opportunity, so congratulations, aye.

Katz: Good luck to you, I had the pleasure of working for pcc under -- I don't know if you -- yeah, I worked for him. I think. [laughter] All right, aye. All right, 190. **Francesconi:** Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye. **Katz:** Mayor votes aye. **191.**

Katz: Anybody want to testify on this item? If not, roll call.

Francesconi: Parks does some good fish projects, too, once in a while, this is one of them. **Aye.**

Hales: Aye. **Saltzman:** Aye. **Sten:** Aye.

Katz: Mayor votes aye. Let me ask, is anybody here for 194, 195, 196? All right. Can we -- can we go ahead, folks, with 194, 195, 196 and get those out of the way before we get to -- all right. Is that -- all right. 194?

Item 194.

Sten: I will ask for your guidance on how you wanted to this, we put this on the regular agenda because we are working pretty hard to keep the public informed. There is a written report circulating, generally we think this that things are on track although we have a long waying to, and in terms of keeping the public informed, the media has been pretty solid the last couple days on this report so, if you would rather just accept the written report, I think that that's appropriate, given the hour.

Katz: What's the council's sense on that? Are you willing to do that?

*******:** Absolutely. [laughter]

Katz: I know.

Sten: I will be meeting with the them this evening on this.

Katz: If I understand correctly, three members are retiring this evening, so I am going to try to -- I am going to try to stop by and wish them much -- thank them and wish them much luck in whatever else they are going to do for the city. You have got off easy.

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

Katz: All right. Motion to accept the report? **Hales:** So moved. **Katz:** Second? Is there a second? Roll call. **Francesconi:** Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye --

Sten: People are working very hard and making progress and if people get a chance to take a look, we would be very happy to speak about all the details, it is just late, aye.

Katz: Mayor votes aye. 195.

Item 195.

Sten: Same thing here I canceled the presentation but I would say quickly the, we are one of only I think several hundred cities in the country to have -- get funded for the program every single year, it has been a great program working with kids, and I want a personal note, I don't think it is incidental it has been a great program because my brother has been the main teacher for the last years and he has move on to work for the Portland public schools so I will just thank him in absence, and open it up for public testimony.

Katz: Anybody want to testify on this item, if not, roll call.

Francesconi: Schools are better off for your brother, than youth group is not, he's very good. **Aye.**

Hales: Aye. **Saltzman:** Aye. **Sten:** Aye.

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Katz: This is one of the better programs to get young people who are disillusioned with what's going on in their school and involved in their schooling to and participate in youth build, I wish that we had more money for this. Aye. All right. Anybody here for 196? **196?**

Katz: Moves to second. All right. We are getting there. Let's go back and pick up 192 and 193 and let me ask commissioner Francesconi, do you think that we can do this in about 20 minutes?

Francesconi: Well, I don't know --

Katz: How many people are here to testify? Okay. Well, let's try it. Let's try it so that we can get to the afternoon calendar. 192 and 193.

Item 193.

Francesconi: Well, go ahead.

Katz: Do you want to --.

Francesconi: Is anybody here from new rose city cab company? Council, I got an unusual, not -- well, I have got a request from -- just yesterday to withdraw their request for specially attended permits, applications, and it was a surprise to me because I thought it was a way to get them some resources, as well as they spent time and effort on a good proposal, so rather than just dismiss the request, what I would like you to do is I would like to hold this over for a week because I want to meet with him myself to make sure that he wants to do this, and if he wants to withdraw it, I will just withdraw it. And if not, we will have him come back, so that's my request.

Katz: I am sorry, I --

Francesconi: 193. I would like it held over for a week.

Katz: All right. Do we have a problem with that, with the council? Hearing no objection, so ordered. Let's do 192.

Item 192.

Francesconi: Okay. Jim, let me introduce 192. By saying that it is a request for sat permits, not taxi permits. I was going to have jim go through a list of all the things that we are doing in taxies but you don't have to do that unless council wants it, but in march, we are going to have the demand study done, hopefully, and then we are going to come to council with where we are at in terms of enforcement on taxies, what the demand study shows, the whole area of taxies, so rather than -- they are related, but they are different, so unless council -- so jim why don't you skip that but if council wants to ask any questions about it, they can, so after the last proceeding, there was some debate about, about what requirements we should put on sat. I want to emphasize that this went back to the taxi cab review board and everybody except michael, who will testify here, agrees with -- including the bureau, agrees with the representation -- recommendations that are in front of you, and so do i, but go ahead and lay it out, jim.

Jim Wadsworth, Director, Bureau of Licenses: Okay. I am jim, the director of the bureau of licenses and chair of the taxi cab review. The taxi cab board of review is returning the, the application, of the specially assisted taxi application to council with a favorable recommendation with conditions. At our hearing with council, we, we heard concerns around a number of different issues, all of those issues were taken back to the taxi cab board of review. We had a special taxi cab board meeting, and dealt with this situation and then made adjustments to the recommendations and conditions. The council really addressed three concerns to us, and the number of vehicles, the inability of the public to distinguish between taxi cab and specially assisted transportation vehicle, and concern that sat vehicles might be used as taxi cabs. At the january 18th special meeting of the taxi cab board of review. The board asked staff to return to the february 7th meeting, with, with, with a recommendation and a statement of findings, which, which you should have, as well, that, that, that had permit language appended that contained conditions in addition to the standard permit conditions that we had always asked of sat applicants. For those, that are Portland prime

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ministered cab companies. The taxi cab board of review is confident that, that all the reasonable precautions have been taken in reviewing these applications to protect currently permitted sat providers, and taxi cab operators from unfair competition. If you remember, the persons that are relying on the service providers, and I believe that we have a couple here that are going -- that would like to testify, whose main objective is the provider, whose main objective is to assist customers with special needs, deserve significant investments to save this clientele, having met all the application requirements and agreeing to meet the permit requirements, Broadway Cab Inc is ready, willing and able to --

Katz: All right. Jim, jim. You heard from the council, some concerns, and maybe it was too late at night when I read this, but what I understood was that the board made a decision not to accept those recommendations?

Wadsworth: No, what the board did is the board did reconsider those and I am getting ready to, to tell you which ones are coming forward, as the --

Katz: Why don't you go ahead and do that.

Wadsworth: It is necessary to impose certain conditions on the by Broadway Cab and other Portland permitted taxi cab companies to distinguish their transportation vehicles from taxi cabs operated by the applicants, so as to prevent any confusion with the public and prevent the specially attended transportation vehicles from being lawfully operated as a cab. Especially attended transportation vehicles will be, be identified by the words, "reservation only," and the words "especially attended transportation on both sides of the vehicle to distinguish the vehicles from taxi cabs and avoid confusing the public." The vehicles should not display the words "taxi cab, taxi, cab" on the vehicles. Especially attended transportation vehicles operated by the applicants are to place a meter, if it is required, for other contracts in an inconspicuous place in the vehicle that's not readily visible to the, to the, the rider. And we prohibited the use of, of top lights on those sat vehicles. The vehicles operated by the applicants may have the same color of the vehicle as they operate for their taxi cabs and they express legitimate business concerns around that, as well as the marketing of their companies. And the taxi cab board felt that that was -- those were legitimate arguments. The number of requested permits, with the applicant's agreement, was reduced to 30 permits for Broadway, and that was adequate to satisfy the applicants at the present time and give those vehicles into, into, into the, the stream to be used with the, the demand for the sat rides. And the taxi cab board also made that a condition granting the application should be conditioned on the applicant's fulfillment of the conditions. That came forward.

Katz: Questions? Michael is going to testify. Questions of jim? Come on up. Are you the only one that's going to testify? We are going to make a request that if you both are going to say the -- you want to -- okay. Why don't you come on up, too, as well. And then.

Michael Tolley, driver representative, Taxicab Review Board: Good afternoon, Mayor Katz and members of the council. I thank you for the opportunity to present the minority opinion, which is technically me. I don't think that there is any great shame in being a minority of one, although I would point out that both of the two industry representatives who are nonvoting members had they had a vote, would have voted no and signed onto the opinion that I wrote that I am sure you all read. I want to thank the council very much for the attention that you paid to the concerns that were raised in December. Cab drivers are heartened to know that you pay attention to the concerns that are brought to you. The board, as well, picked up on many of the things, and they adopted many of the things. So, Commissioner Francesconi, I, too, agree with what, what the board did, however, I think that some of the language that was written into the, the, the, the ordinance is ambiguous, conflicting or contorted, and that it could. [laughter]

Katz: That's what they say about us. [laughter]

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*****: And that -- I am not going to go there. [laughter]

Tolley: I think that, that if the language is strengthened a bit, just in three little areas, that, that I could, I could, with some reservation, support, support -- well, Broadway's request for, for these permits because I do recognize that the senior and disabled community needs to be serviced, we are about to get a lot more trips, the Broadway cab has the capabilities to do things that other companies --ed to things that other companies might not be able to do, with their vehicles. And the three areas basically have to do with the way the signage language is written, as it is in their currently, requires some of it to be permanent, others to be prominent, technically, as written, only gives the supervisor discretion over part of that language, and as I proposed it in there, it would combine the sentences, make all the language permanent and prominent, and give the, the supervisor the statutory discretion over the, the signage, and council direction to guidelines be developed that clearly distinguish the sat vehicles from the taxi cabs, which is what, what I believe council kind of indicated in, in December that they would like to see, and what, as a matter of fact, the board, in three separate instances, in its, its findings, indicate that is essential to this. The other two are, are, -- the other two are kind of minor. It is the language about the meter, what they wanted to say was, if you are going to have a meter, have it out of view. The sentence that's actually in there says about six or seven things but doesn't say that. It says, um, not be required to have a meter but may exercise the option to install the meter out of view of passengers or the public in one or more vehicles if needed for sat business. So, I was kind, I kind of paraded that down to the basic. And --

Katz: Your time is up. Is that it?

Tolley: That's fine.

Lisa J. Krahe, Radio Cab, Van Services Division: 1613 NW Kearney, 97209. I am Lisa Crawl, and I am the training supervisor for radio cab van services and the chairman of the van services committee at radio cab company. And although I can identify that there may be a need for especially attended transportation, one of the issues, having appeared -- having appeared before you several years ago when we were trying to the language between luxury transportation vehicles, the allocations written into the taxi code, those of us who do especially attended transportation or agency requested transportation have found that there are many, many loopholes in the language in the taxi code, and moreover, those that provide especially attended transportation in agency requested transportation would like to see some definitions in the taxi code that, perhaps, segregates those two types of entities having a taxi cab code and a code that is separated from the taxi cab code so that council and taxi board of review does not necessarily have to deal with issues regarding sat and art transportation, for the hopes that some of these agencies would look within themselves to do some of their own monitoring and regulation of some of the sat and art's. We found many, many examples of ex-exclusions when the situation came before the council and those permits were approved, although it was written that they were not allowed to do certain things, there wasn't enough enforcement to insure those types of things weren't going to happen, and even now, there has been directives that have been sent to Mr. Wadsworth's office through in Hamilton that there has been breach of these types of, of situations where the language is written in and they are not supposed to have certain things, and so on and so forth, and I am concerned about the enforcement not because I am more concerned that they are going to act like taxi cabs but I am concerned that the enforcement, the lack of enforcement is ultimately going to cause the client, which is whom we are supposed to be serving, that it is going to cause them to have some sort of long-term effect for those people.

Katz: Jim, why don't you grab a mike and respond to both those issues.

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Wadsworth: The -- the issues that michael is talking about are issues that were also discussed at the taxi board hearing, the taxi board, as a matter of fact, as -- we brought forward a separate proposal, which included all of the things that michael is mentioning. The taxi board was set out in advance. The taxi board decided at the board hearing in february that they would not consider the second piece that we brought forward that had all of the things michael is talking about, spelling out specifically because the taxi board deemed that to be a part of the administrative authority that already risks in the taxi cab supervisors' authority and the council and city attorney agrees.

Katz: So if you wanted to, you have the ability through your administrative rules to reflect those concerns?

Wadsworth: Yes, we do, and the administrative authority already to do that and to specify the size. We met with michael, both before the board meeting and as I said, included those items, it brought those forward in the taxi board. The items that we did bring forward, john hamilton is not here, he's in training today, but his, his, his intention is to proceed with those things, just as we discussed, so that's what we intended to. -- that's what we intend to do, and those have been --

Katz: And her concerns?

Wadsworth: I have spoke to you on many occasions before about, about our enforcement effort, about the way the program has grown substantially both from an sat standpoint that we are talking about, and a taxi standpoint and our staffing has remained at one. We are in the process of working with the parking patrol, and with the port of Portland, and with tri-met security to come up with an agreement that they will help us in enforcing the, both the taxi regulations and the limited transportation regulations, which sat falls under. One of the other things that I mentioned is that, is that we have several different subcommittees of the board that we established since this summer. One of those has dealt with what we need to change in the sat permitting language. Those changes are being rolled forward into a rewrite of the code that we are anticipating, and we are going to bring forward portions of those as we get them done to you, so that we can go ahead and put those into effect. There are also some changes that have been recommended that would go into administrative rule and we can do those, as well.

*******:** That's on sat?

Wadsworth: That's on sat's and there will be a few pieces of the taxi code we are going to need to bring forward to you as we look at these different issues that we have discussed with you at prior hearings and are finding that we have code impediments that we are going to have to bring forward to you and ask for some guidance and give you some alternatives.

Katz: Okay. Questions? Does anybody else want to testify? I am sorry, somebody? Oh, come on up.

Saltzman: Let me just ask one question of jim, and that's -- you have made statements both to my staff and I think to us here publicly before that we are going to revisit the issue of either reallocating exist be cab permits to smaller companies, newer companies, or I guess corollary is granting additional permits to bring those small companies up to, to the critical thresholds that john hamilton said you need to have a certain number of permits to be economically viable. I guess when are we actually going to have a chance to debate that, consider it.

Wadsworth: We have had a number of different issues around the reallocation or the ability to go in and change how the, the taxi permits are reallocated, we have run into code problems and code issues. We have run into things beyond just pure demand issues. We have also found, as we mentioned, that one of the prior hearings, that, that we really don't have performance measurements in place. And that while we discussed those, william, we can performance pressure our smaller companies, and on profitability, if we are not careful to how we are doing that. Our companies have responded to us with what they can and can't do now and we are in the process of getting

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those performance measures set. We want them in the game with us. We want them all to agree with us and we are going to put them into effect and start measuring those. So, that is a piece that we haven't ever had in the taxi program. All we have used before is --

Saltzman: Would it lead to a basis for reallocation.

Wadsworth: Absolutely.

Saltzman: So give knee a time line.

Wadsworth: We hope that we can put -- we hope that we can put several things into effect in march, number one, is being able to come forward with a demand study that will tell us what we had at 2000 so we have a benchmark place to start from. Second is, having the performance measures readying to into place so that we can start measuring those. And have a feel for, for how the companies are doing. The third one is, that we need to implement the taxi plates, they give us a way to, to enforce whether or not we have the, the right number of vehicles permitted vehicles on the street or if we have others that aren't. We only know now of those that aren't, when we hear from other taxi companies, our other drivers or when we hear from a company owner or when we hear from one of the hotels or from the police or from the parking patrol already letting us know that we have a renegade cab operate and go we have had two such that have been rather prevalent the last couple of weeks, so those we have to get into place. And then getting the code change, and that's why I mentioned to you that we are going to need to bring you forward pieces of the code, as we can get those ready for you, and how it is going to fit together in place, and then we will have to go back and change it again. And I will give you a list of, of, of all the different things that we are working on. These fall into place. The answer back so, so that we hope to have the demand piece for last year in place in march and put those performance measurements into place and start measuring the performance of these companies, and if there is a way to come up with a plan of how we can mitigate the, the difference between the permits for the small and large companies, we hope to do that, too.

Katz: Okay. Please make room for, for our next testifiers.

Katz: For those for the afternoon session, we have not left the morning session left.

Bonnie Matsler: Mayor and members of the council, I am bonnie. My address is 9009 northeast irving, Portland, Oregon, 97220. I co-authored a letter to, to, to, to john hamilton with david engerson, who some of you may know because he's had a long-time job in the community. And I am submitting this testimony for, for three reasons. I want to plead for a greater number of fully wheelchair accessible vehicles dedicated to serving persons with, with disabilities in Portland. Second, I want to ask that the city of Portland enforce regulations, stipulating that all drivers of wheelchair accessible vehicles have sound training and sensitivity to and assistance of persons with disabilities. Third, I want to support the taxi cab board of review in its request for however many licenses now with that, with that, to Broadway cab, certainly, there are many more accessible vehicles on the road than there have been in times past. However, a great number of these vehicles are contracted out to, to, to other agencies, tri-met, lift, medical transportation, and even some, some to the Oregon health sciences university. It goes without saying but needs to be emphasized that whenever these cabs are not in general service, it greatly reduces the number of cabs available for serving ordinary, nonsponsored wheelchair users. Those of us with special needs are the last ones who should be left waiting for long periods of times. It seems that we are often the ones last served. Treatment, such as this, is more than irritating. It can be dangerous for example, when we wait for long periods of time out of doors, in the cold. Most persons in wheelchairs have poor circulation, and cold weather is more damaging to our bodies. Than for the nondisabled folk. Following are some examples of the experiences with poor services by the taxi cab. In august of '99, david and another friend, who was on a scooter, were at 82nd and powell, when the scooter ran

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out of power. And a passerby used the cell phone to help david and his friend, karl, and it ended up an hour and a half waiting in the rain between showers as we have in Portland. That developed. Finally a police officer came by, and had to call the cab company twice before a cab came to rescue david with a broken chair. Five or six weeks ago, I went downtown on business, and called a cab at 5:15 p.m. To go home -- to go home. At 8:15, on broadway -- a broadway accessible cab showed up. In mid december -- broadway accessible cab showed up. In december, when a friend of mike quinn went up to ohsu to speak at a seminar, that was preordered by ohsu and that person waited two full hours before being picked up. Just before going out to a party, I called a cab for which I had to wait an hour and 15 minutes. On the way to the party, I asked if, if, if the cab was, how long the cab was going to be on because that would tell me how long I could stay out with the party and still get a cab. I asked for the cab at 9:00 p.m. For the return trip. When the cab arrived for the return trip, the former driver's father, who apparently had just come from the middle east, was driving. He didn't know english or Portland soy ended up talking to the dispatcher and directing the driver to my house. I was late getting home. To top this off, the lift broke and I was stuck sitting in his van in my driveway a good half hour before the driver could let me down to the ground. In december I won a ticket to an event at the rose garden. I ordered an accessible van, private paid to be available to get me home. When I called the dispatcher, he explained that both of the van drivers that would have otherwise been available were not working that night, and the dispatcher offered to call a cab for me, and I told him, you and I both know we will not get help in less than two hours, and it was 11:00 at night. I told him to just cancel the trip. I then went to the tri-met max line, and called their dispatcher. He then sent my friend and I home on a private shuttle, a 40-foot bus on the way to the garage. In the early part of this year, a friend and I attended a game at the rose garden, I told the driver to come back for us, this was tri-met. At 11:00, when the game was over, my friend and I went out and found another person with a disability waiting for a preordered cab. And also ordered for the same time. At 11:00, the one cab came and took one person, and myself and my friend were left for 45 minutes in our wheelchairs at the tri-met bus stop.

Katz: Bonnie, you have given us enough horrible examples, do you want to get to your conclusion, which is underlying, and really makes the point?

Matsler: Okay. Thank you. But if the accessible vehicles are not dedicated to providing service to persons in, in wheelchairs, in the first place, no amount of vehicles could satisfy our needs. If companies insisted that their accessible vehicle drivers dedicate their service firstly to those of us in wheelchairs, the drivers would accept the responsibility and from that, we could -- we would -- would come the sensitivity that is so important to serving people with disabilities. One step that the council can take at this time is to grant the permits for the 45 especially attended transportation permits. These vehicles would take care of a lot of special needs business, leaving more cabs available for serving the general populus, including those of us relying on wheelchair accessible vehicles. Thank you for your attention of this very important manner, respectfully submitted, bonnie and david.

Katz: Thank you. Questions? All right. I think both your appoints were well made, thank you, appreciate it. All right. Yes? Very briefly. We get cranky at 1:40. Especially when we are going to vote.

Dennis ?, Radio Cab: I am dennis, general manager of radio cab company and also a former member of the board of review. I am here to concur with michael's opinion and lisa's about enforcement but bonnie brought up two salient points that I briefly wanted to state. Number one, this especially attended vehicle, especially attended transportation, we have got to know that she is right, there is no special training involved, and I think that in the rewrite of these things, they are

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basically doing cab business and they don't have any special training, but people think that they do. We at radio cab provide sensitivity training but that's on our own, it isn't mandated. The other point is that they are in especially attended vehicles. You bring on a company, you are not mandated to have any wheelchair vans at all, so we bring on 40 vehicles. We don't have to have any wheelchair vans. So, any of those companies that have come into existence don't have 20% so you can bring on 200 sat vehicles and none of them have to be wheelchair, so at that won't help bonnie. It will help the community at large that can transfer wheelchairs but these won't help her, it will help if we say, some of these vehicles have to be wheelchair like we do to cabs, but, you know, that isn't part of it, so I think that, that maybe we should rethink that, both of those things. If it is going to be especially attended, then maybe they need extra training and if they are going to be doing especially attended transportation, maybe they should have to have wheelchair equipped vehicles they put on besides them.

Francesconi: Are these broadway ones, are they wheelchair accessible?

[inaudible]

Katz: Is that anything you can do through administrative rule? Once -- why don't you get close to the mike. That's a legitimate issue --

Wadsworth: It is a legitimate issue and I would have to check with nancy to be sure but I believe that we probably could and the taxi board can do it, as well, and in requests the number of vehicles that the applicant is, is requesting.

Francesconi: Here, jim, I will ask licensing to look at both the issue of training and the issue of wheelchair accessible but I have some concerns because tri-met is, is it our job or somebody needs to do it. The question is, is it our job or somebody else's job but it needs to be done.

Katz: So you will take care of that?

Francesconi: Yes.

Katz: Any other questions? Roll call.

Francesconi: Actually, bonnie and david I really appreciated your testimony for a lot of reasons because by the way, I would like to acknowledge lucy baker, who I ran into in the hall because you all reminded us we are doing there for a reason which is to serve people, I guess julie and kristen, in my office, for ten years, actually, they are going to be laid off in the fire bureau budget cuts that we are going to approve. But, for ten years, you know, they were stuck out in the hauls and tri-met is doing much better but there is such a genuine need to take care of our most vulnerable citizens here and an economic opportunity to do it, and it frustrates me, frankly, a little bit that some of the smaller companies aren't doing was broadway is doing so I will have said conversation with one of them. Commissioner Saltzman, I know about your concern to provide economic opportunity to smaller companies, I would ask that you join me in this because I think that there is an opportunity here to expand the pie, not just to slink the pie, which is very hard to do. We also need more enforcement, I am getting frustrated on this, frankly, folks, and I know that we have some other things to do but the enforcement side has to happen next, even if it -- even if it happens all by itself. We need big companies in this game, as well, and because they provide a coverage for the whole city, and they can innovate, so I think that, that broadway, you may have taken some things wrong in the last hearing. But we need you as part of this, and I appreciate the fact that you are stepping up on this sat and doing this. This is the right thing to do, and we appreciate your good company and -- this is the right thing to do, and we appreciate your good company and we need you in it, as well, as we try to provide opportunities for others, aye.

Hales: Aye. **Saltzman:** I will be happy to join you on these efforts, aye.

Sten: I think we reached the right, yeah, good enough compromise. There is still some issues. I don't want to speak too much without being a little more informed, but i've been a supporter of the

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taxi cabs industries desire to get more regulations on the town cars, the fundamental reason I understand that we argued for these regulations is that you are required to do things that other people aren't required to do. If anything these folks are saying in their wheelchairs is remotely true you are not holding up your end of the bargain and you are going to lose me because those are the things you are supposed to be doing in order to argue we should protect you from competitors that don't have to take these things on and if those are remotely true, those are atrocious and I am slipping on the argument that I have been supportive of, aye.

Katz: Point was really well made and I want to thank the fact that you did, bonnie, come with david and report this to the council, but that's something that, that needs to be taken care of immediately. Aye. We stand adjourned and with your permission, I am going to ask the council to come back at 2:15. Okay.

At 1:50 p.m., Council recessed.

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Item 203. [voted on]

Katz: What's the council's desire? Do you want to take 202 and then move to the -- one of my favorite subjects. [laughter]

Sten: We could do 201.

******:** It depends on how long 202 is going to take, would be my answer. Didn't we have a request for take -- to take cuff these quazi-judicial cases first?

Katz: 201 because we have the findings.

******:** I think 201 is --

Katz: All right, is the gentleman here for 202? All right. Let's take 201 then.

Item 201.

Kathryn Beaumont, Senior Deputy City Attorney: The findings are talking about are the reports that the hearings officer has talked about -- [The findings adopted are the Hearings Officer's report, as modified by the additional findings Ed Sullivan submitted to Council.]

Hales: [Moved the findings. No second, gavelled by Mayor.]

Katz: Roll call. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye.

Katz: I won't be voting on this one, the aye's have it. 202, is he here?

Regarding 202 – taken after Item 200.

Katz: You will just have to sit and wait. Let me just say to the council, that I had called catherine and asked her whether I should be here on this item or not. She -- because I could be here and vote no, but I am -- I have bias, I apologize I abandoned the council on this, but catherine recommended I not be here. I do need to tell you that I raised the issue of stricter regulations in residential areas to see what we can do and work with opd&r and gave the bureau of planning the assignment to get it done. It is not part of their work plan, but I think because of the fact we are getting so many of these issues before the council, I think that we need to move quickly on it and see what we can do within the, within the, the, the fcc regulations. We also found another jurisdiction that has a criteria that birds can't be damaged with these poles, so I don't know if they have a strong animal rights organization in that community. But there may be other elements that we might want to add onto the restrictions. You are the expert -- you are the, the expert on this issue, and I listened to you, all of you last time. I watched this on the television, and made that commitment to start working on that. Okay. Let's take 200. Qwest.

Francesconi: Let me apologize to the council, I was mediating a dispute regarding some lents citizens so I was not playing here, I am sorry.

Saltzman: I wonder what that was about.

Francesconi: I have to come back here.

Hales: Okay. Kathryn, do you have some instructions for us?

Item 200.

Kathryn Beaumont, Senior Deputy City Attorney: I need to make a few opening announce elements before we begin the formal hearing. This is an on the record hearing. This means that participants in this hearing have to limit their testimony to material and issues in the record. You can't bring up anything new. This hearing is designed only to decide if the hearings officer made the correct decision, based on the evidence that was presented to the hearings officer. If you start to talk about new issues are try to present new evidence today you may be interrupted and reminded you must limit your testimony to the record. In terms of order of testimony, we will begin with the staff report by the opdr staff for approximately ten minutes. Following the staff

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report, the city council will hear from persons in the following order -- the appellant, the mill park neighborhood association will go first and will have ten minutes to present their case. Following the association, persons who support the appeal will go next. Each person will have three minutes to speak to council. The applicant will then have 15 minutes to address the council and rebut the association's presentation. After the applicant, the council will hear from persons who, who oppose the appeal. Again, each person will have three minutes. Finally, the association will have five minutes to rebut the presentation of the applicant. The council may then close the hearing and deliberate. After the council has concluded its deliberations, the council will take a vote on the appeal. If the vote is a tentative vote, the council will set a future date for the adoption of findings and a final vote on the appeal. If the council takes a final vote today that will conclude the matter before the council. A few reminders about the, the testimony, the type of testimony that be presented, it is an on the record hearing, it is not an evidentiary or de novo hearing in presenting your argument, it is permissible to refer to evidence that was previously submitted to the hearings officer. It is not permissible to submit new evidence today that was not submitted to the hearings officer. If your argument includes new evidence or issues the council will not consider it and it will be rejected in the city counselor's final decision. If you believe a person who addressed the city council today improperly presented new evidence or presented a legal argument that relies on evidence that is not in the record you may object to that argument. The council will provide a time at the end of the hearing for anyone who wishes to do that. Finally, under state law only issues that were raised before the hearings officer may be raised in this appeal to council. If you believe another person has raised issues today that were not raised to the hearings officer, you may object to council's consideration of that issue. That concludes my announcements.

Hales: Thank you, kathryn. Mayor Katz has recused herself from this hearing. Do any other members of the council have either conflicts of interest or ex parte contacts to report on this case? Seeing none, does anyone in the audience wish to challenge the council's report by omission that we have no conflicts of interest or ex parte contacts on this case? All right. Then so be it. Staff report, please.

Sylvia Cate, Office of Planning and Development Review (OPDR): Good afternoon, commissioners. I am with opdr. Qwest wireless is requesting a conditional use approval for a wireless telecommunications facility that consists of a 75foot tall monopole and an associated electronic equipment cabinets. The review is required because the proposed facility includes a monopole that is taller than the 45-foot height limit required by the general commercial zone. The site is zoned general commercial and is approximately 28,000 square feet in size. It is located on the northwest corner of southwest 122nd avenue and morrison street. Approximately one block south of southeast stark street. The site is located in a commercial zone and go development area that is centered around the intersection of 122nd avenue and stark street. There is residential zoning approximately one block west of the site and across morrison street to the south. There is also open space zoning to the southwest across morrison street, approximately 200 feet away. The site is developed with a retail store that fronts on southeast 122nd avenue. The parking area is developed on the north and west side of the existing building. The proposed wireless telecommunications facility would be located in the northwest corner of the parking lot. The northwest corner abuts other commercial properties. The proposed facility includes a 75-foot tall monopole and associated ground level equipment. The applicant proposes to provide landscaping at ground level that will meet the required landscaping standard, which includes a 6-foot high side obscuring hedge, and ground cover to a 10-foot buffering the facility. Staff recommended approval with conditions as detailed on page 13 of the staff report, the hearings officer approved the decision with those conditions. This is a proposed location of the facility. It is in the back, northwest corner

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of the parking lot, approximately 180 feet from southeast 122nd avenue and roughly 125 feet from southeast morrison street. This is the same view, a little further back from the area. The trees that we see here just left of center are along the west property line of the site and are roughly 30 feet in height. To the northwest of the site is an auto dealership with the large parking area for vehicles near the subject site. The credit union parking lot is directly west of the site with the credit union building, we see here, just beyond that. This is looking west on morrison street with the credit union site, would be to the right of this slide. The residential development you see here in the background is developed on commercially zoned lots. Across morrison street and approximately 200 feet to the southwest is midland park, which is zoned as open space. Directly across from the site to the south is the midland park library, it also fronts on southeast 122nd avenue. The proposed wireless facility will be over 125 feet to the north of the library building. This is looking from the location of the proposed facility to the east towards the southeast 122nd avenue frontage and we can see the existing commercial development that would be to either side of the facility site. This is the development to the southeast of the site, across 122nd avenue. This is looking to the northeast from the site, again, across 122nd avenue. This is looking to the north of the site along southeast 122nd and we are looking on this slide toward the street. This is looking to the northwest of the site from 122nd avenue. And this is looking back into the site, pardon me, there we go. This is looking back into the site from the east side of 122nd avenue. The arrow is pointing to the approximate location of the proposed facility. This is looking southwest towards the site from the intersection of 122nd avenue and stark street. And this is a view, again, looking so you said towards the site from southeast stark street. As mentioned previously, this facility would be located on properties zoned general commercial, and in a commercial district that's clustered around the intersection, of southeast stark and 122nd avenue. In conclusion, staff recommended and the hearings officer approved a conditional use for a wireless telecommunications facility subject to two conditions. First the fencing around the facility would have a plastic coating material on the site-obscuring points, both would be of neutral color and planting evergreen trees as part of the landscaping plan to insure year around buffering and screening. With these conditions, the conditional use request was found to meet all of the applicable approval criteria of, of section 33815225-c, 1 through 6 and meets all the applicable development standards of chapter 33-274. That concludes my presentation.

Hales: Thank you. Questions? Staff? All right. Thank you very much. Now, we will hear the appeal, please. Appellant, you will have, let me see if I remember my timetable correctly, ten minutes with five minutes for rebuttal at the end so you have a ten-minute opening statement, rosemary.

Rose Marie Opp, Chair, Mill Park NA: My name is rosemary, 11135 SE Yamhill. I am here today as a chair of mill park neighborhood association. And we have appealed this project. I understand why the mayor has left, that she is concerned about the health matters regarding these cell towers, and I also understand that what I need to talk about today apparently we can't really be discussing this because it is not to do with the land use regulations, so I will go right into the, the approval criteria. First of all, I would also like to say that, that when i, I contacted the city planner, and wrote a letter, which the hearing officer saw, one of the things that we needed to have discussed was cumulative effect on our area that needs to be taken into account. And here we had, in the mill park area, two proposals that came -- of this subject matter that came before us, like in a parallel road within a month. And since there is more than one request, the cumulative affect needs to be taken into account, and I do not believe the hearings officer did this. The other proposal number was the lur 00-00609, with the conditional use ad. And we did not like having that proposal in our neighborhood, either. But even though we were very concerned about the health

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placements, that is going to be going apparently on a water tower. We were not able to bring that up, but in this case, as a neighborhood, we felt that we did have approval criteria that we could address, and we just think that it is too much for one neighborhood to be, you know, having more than one proposal here within a month. And as I have written to the city planner and hearing officer, it would be preferable to place these away from residential areas. The proposal does not meet the approval criteria of 33.815.225-c-1, and that is the major one that we are bringing before you today. I do not see how the hearing officer can say that it doesn't -- um comply. Because the code restriction is 45 feet. And this conditional use would allow 30 feet more. 75 feet. That's 30 feet more, and that is a lot. And the neighborhood, has time after time, been upset because of this council's refusal to really adhere to the codes. And that was one of the reasons that we decided to bring this in today. Because it is not just this case, but others, and here is definitely a place where you can say no to the applicant, the code says 45 feet. And the cell tower would be allowed to be 30 feet more, 75 feet. Our area in the outer southeast area has been redesigned so I believe that all the rezoning and height restrictions should be in place here. And that you should not allow this conditional use. According to 33.815.225-c-4, the visual impact cannot be mitigated. This is a very large tower, and it is too grand in scale for a residential area, and the residential area is right there, and so is the open space. The 33.815.225-c-5 public benefit does not outweigh the impact on this neighborhood. And the other number that I want to bring up is, which I did, was 33.815.225-c-1, and that is the burden of proof is upon the applicant to show why the tower must be at this location and height. And I do not believe at no time that the applicant has done this. The burden of proof is on the applicant, and at one point, they brought a map to our neighborhood association, and showed us a way wherein they could be putting a tower in one of the areas that they showed us within the circle would have been up at the tri-met park and ride station, which our neighborhood association at the meeting had requested the applicant to look into this, as a possible site. And I do not believe that they have. I asked them when they came to the next meeting and there was no comment. So, we do believe that the burden of proof here is on the applicant. I do not think that they have checked out all the sites. I know that they have checked out some others, but not all. And I do believe that closer to the commercial intersection and quite frankly, even further away on freeways and things like that, I don't think that, that any residential area that anybody should be sleeping close-by one of these towers. So, those, and then the cumulative effect and then not only that, but once, if you do give them, if you grant them this, this deviance from the code, that then that tower will be there and then there will be more that will locate, more and more antennas, and so I think that pretty much lists the criteria. I am also testifying today on my own behalf as an individual citizen. I think that our neighborhood should not be devalued with the existence of these towers. I consider them an environmental hazard. Even the mayor is concerned about the health matters. I do not believe that in depth studies have been done at the federal or the local level, and until we see more data, over a period of many years to determine safety to the public, there is no doubt in mind the towers should be kept completely out of neighborhood areas. I believe that we need attention to this matter in our city before more poles are placed so, I would like to have you put a moratorium on the towers at this point until you can check into all of these health issues. We need to have proper range, low -- long-range data on the effect these have on the population's health, and until then, I believe that we should be conservative and not allow conditional uses, and as I mentioned before, this proposal does not meet the approval criteria that I had mentioned. So I am asking you to please say no to this proposal. The neighborhood doesn't want these towers. And I would also like to say that the city council wants a green image for the city of Portland. It seems every commissioner likes to talk about Portland being very green image here for a city. And then when it comes down to a vote, you have an opportunity today to vote green, and say no to this proposal and

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ask the applicant to find another site. I hope that, that you will not vote for this potentially environmental hazard in our neighborhood. I would like to say no city commissioner lives in outer southeast Portland, so I guess it is not hurting their neighborhoods. And to have several of them now, one in the bonneville neighborhood and one in mill park, and this is the second one, I think that we have accepted one now, and how many more of these poles would be placed throughout our city? So I am asking you not to make an exception. You can say, just say no. You have the code, and we can ask you not to violate that code. It is 30 feet off on that one. And to say no, you have a way to say no to this. And I also have some letters that I am going to submit from the neighborhood, for the record. And some of the neighbors have written, for example, that they are very concerned that this height limit by 30 feet, would set a precedent to allow other exceptions in the neighborhood, and in the mill park neighborhood. Another neighbor wrote this letter about livability. We have a nice residential area in mill park and we want to keep it that way. And of course, everyone is concerned about the health matters. So, how much more time do I have?

Olson: One minute, 40 seconds.

Opp: I have misplaced my paper but I think I pretty much have brought up all the points, and particularly the one which is the burden of proof on the applicant.

Hales: Okay. If you have other points that you want to bring up later, do get a rebuttal period at the end. Do you have copies of the letters that you want to submit? Just give them to Britta. Any questions? Okay. Again, we will give you an opportunity to come up at the end for rebuttal. Any supporters of the appeal who want to testify individually? Come on up, please.

Hales: Just give us your name and you will have three minutes to testify.

Debby Friend: My name is debbie friend and I live at 2272 southeast 112th and I am a resident of the mill park neighborhood. And I am opposed to making this exception. I aesthetically don't find it very appealing. It worries me that the health risks aren't completely explored, conclusions haven't been made in that area yet, and having it be so close to the sanctuary bothers me and the neighborhoods and I don't want like a precedent set where they work their way into the neighborhoods or next to it, bothers me, so pretty much just totally opposed. I would rather have it like, in some of the slides we saw, some of the areas that are already, already ugly, just put them there. That's how I feel.

Hales: Thank you. Any questions from the council? All right. Thank you. Anybody else who wants to testify individually? If not, then let's move to the applicant. You have 15 minutes to make your presentation.

Steve Hultberg, QWest Wireless: Good afternoon, president Hales, commissioners, I am steve, hultberg, I am my address is 1211 southwest 5th, suite 1500, I am an attorney representing the applicant, qwest wireless and with me is paul, and mike. They are the qwest representatives who have put this application through the city. And we will be discussing the particulars of the application with you. What I would liked to is introduce the project briefly describe what I think are the relative issues on appeal, and respond to some of the issues raised by the, the appellants and turn it over to paul for, for discussion of his project. Some initial comments on the appellant's testimony, there is, first of all, there is nothing in the code or the applicable criteria that require cumulative effects analysis of this site and any other sites in the area. I think more importantly, the, the height restriction of 45-feet referenced by the appellant does not apply to wireless facilities. Exceeding that limit, what that kicks you into is the conditional use permit and that's why we are here before you today. The last issue is, whether or not qwest is a department-wide facility and that facility was reviewed, I think more importantly it is in a commercial zone and we would still need a site in that area even if it did work, which it did not. I think that this is a rather straightforward application, and I think that the appeal does not have a whole lot of substance to it. The question

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before you is whether the hearings officer correctly determined that qwest carried its burden of proof with respect to the satisfaction of the approval criteria. I think that the record and the decision pretty clearly demonstrate that qwest did carry its burden of proof on each and every one of the approval criteria. I think that's also supported by the fact that the appellants did not submit any evidence to the contrary to the hearings officer, and in fact, did not participate at the hearing before the hearings officer. I think what all this shows is that qwest did carry its burden of proof with respect to the criteria. This site is necessary to increase qwest's capacity in their network. Although there is currently some service in the area, the network in that region is at its capacity. What that means is that calls are dropped, you cannot initiate calls, and physically calls just cannot get into the area. Qwest needs to create additional capacity, and that's going to require the construction of some sort of radio frequency facility. Whenever qwest determines it needs a new site, it always first looks at location opportunities. Are there any existing poles in the area that will work? Are there any buildings of sufficient height that will work? Are there any structures that will accommodate the service. If those facilities are available, qwest always goes for those facilities, and as a last resort, a last resort, a tower such as this. The reasons are many, but, but I think two are important ones, one it is certainly less expensive to construct or just attach antennas to an existing pole or building or an existing structure. No company looking out for its bottom line will spend the necessary money to construct a site they don't need to build. The second is more practical in terms of timing. A type 3 conditional use permit with an appeal to the city council takes a long time. The co-location opportunities are available, an applicant will do that, will follow that process. I think the strategy is supported by the fact that out of all of the sites in Portland that qwest has, this is the first time that they have had to go for a type 3 conditional use permit. I think that really shows the commitment to looking for appropriately zoned sites, and where possible, to co-locate. Unfortunately, that's just not an opportunity in this case. There are no buildings of sufficient height, no existing poles or other structures to locate on, so they have to build something, or it has to be of a certain size. I think if you look at the city codes process and you look at qwest, how qwest looks for a new site, I think they mirror each other pretty well, that the code clearly encourages co-location and building mounted facilities. The code goes on to say if you can't utilize one of those, at least look for a commercial or an industrial zone to place your facility. The code then goes on to say well, if you are in one of those zones, try to place it at a minimum of 50 feet away from a residential zone. Qwest has followed all those guidelines, it has elected to locate in a commercial zone, and it is approximately 300 feet from the closest residential use so it has followed every instruction that the code provides. It also selected an area that is, that is not only zoned commercial, but is commercially developed. You saw the slides, there is a lot of commercial development there. There is a lot of stuff in the area in terms of, of high tension wires, utility poles, traffic signals, many, many things in there so this facility is not going to stick out like it might do in a pastoral setting, it is just not that type of setting. There are really three appeal issues that the appellant raised. Qwest must show it is feasible to site it at this location to provide this service. I think again, the record clearly shows the only evidence shows that it is only possible to provide this service by locating at this facility. Or at this location. And paul will discuss that in a little more detail. The next question is, has the, have the impacts been adequately minimized. And the code explains how you minimize the impacts of telecommunications facility. It suggests screening, fencing, painting, an appropriate color, constructing to the minimum height necessary, and the use of appropriate landscaping. This proposal incorporates every single one of those guidelines. It will be screened. It will be fenced. Painted appropriately. Qwest has plans in constructing this to the absolute minimum height necessary to provide the service. And is going to be a landscaping buffer provided there, so again, they have followed every instruction that the code

has provided. The next question is, do the benefits outweigh the impacts of this proposal? And I think that we have to look at first, the level of impact, I think that the level is very minimal impact given the location and the existing development in the area. But more importantly, I think that the benefits are great to, to this site and this service. Wireless communication is an essential part of our daily life today. Some people don't like that, but we can't turn back the clock. It is a reality. Individuals, businesses and governments rely on wireless communication. Public safety agencies, such as police and fire rely on wireless communication. These are amazing benefits for this site. And I think that when you look at the scales, the benefit side yearly outweigh the impacts of this site. I would like to turn it over to Paul to discuss a little more of the detail of this site. Paul?

Paul Slotemaker, W&H Pacific: Good afternoon, commissioners, I am Paul. I do the zoning and permitting on behalf of Qwest Wireless. I was involved in the application for this proposed monopole, and I would like to cover a few points. One is why the facility is needed in this area, and I will go over the technical needs for the new site. How Qwest determines the site location. How Qwest determines what type of facility, and the design of this particular facility. As well as some of the benefits and mitigation measures proposed for this facility. So, as Steve had mentioned earlier, the proposed site is needed to upgrade Qwest's existing wireless network in the area. Currently there is insufficient capacity, and I would like you to look at the map. This is provided in the application that was submitted. The triangles represent existing sites, and they form somewhat of a ring around the star in the center, which is the proposed site. The existing sites, the triangles are at their limit as far as handling the number of customers in the area, therefore, the center area here is, is resulted in decreased capacity, calls are being blocked. You can't initiate or receive calls. Therefore, because we need a new facility in there to address the capacity issues, a geographic area needs to be identified, which identifies where this new site needs to be located to achieve the objectives. And this area is called a search ring, and that's the inside circle there, the smallest circle, and that search ring is prepared by RF, radio frequency engineers. And it identifies where the site must be located to achieve the objectives and it is -- the search ring is determined based on coverage objectives of the site, usage patterns in the area, location of the adjacent sites, topography and other technical factors. Also, the search ring is designed to maintain, after separation the separation from these sites to reduce interference with these sites. This search ring is relatively small because the Portland -- the wireless network in Portland, Qwest Wireless in Portland is a dense network because it is a dense urban metropolitan area. Therefore, the search ring is small to keep it away from the existing sites, and consequently, there are a limited number of areas that we can locate within that. Steve went over Qwest's process in determining what sort of site it would choose within this ring. First identify the co-location possibilities, within this particular search ring, there are no existing monopoles, or buildings or other structures of sufficient height to feasibly locate the antennas on. Therefore, we are left with, where is a suitable site to put a monopole -- a monopole so, we looked toward industrial and commercially zoned properties. Within this ring there are no industrially zoned properties and therefore we looked towards commercial. And we have identified a commercial piece of property here, CG zoned, and it is approximately 270 feet from the nearest residential structure, which is well, much greater than the 50 feet encouraged by the code to stay away from residential. Also I would like to state that the nearest residential structures are oriented such that the front and rear do not face towards this structure. There are few side windows. The nearest structure of the side windows are fog windows, I suspect, for bathrooms and such, they don't really have a view -- don't really have a view toward the structure. Either. Backing up a little bit I would like to say as far as co-locating on other structures, there is nothing within the search ring but there is a water tower, as Rosemary mentioned, that Sprint has gotten approval to locate on top. That's located outside the search ring, and we actually studied it,

looked at it. The water tower is in tall trees, approximately 100 feet tall. Our 75 foot monopole is located at 75 feet and 45 feet. Would not be able to -- would not be able to see through these trees. The trees would block the signal, and the 75 feet is all that we are proposing to do, so above that, it wouldn't work. So therefore, we couldn't locate on the, the water tank that was located on the side of the search -- outside the search ring. Okay. That gets me to the design of the subject monopole. The monopole is designed to cover three primary areas with three sets of antennas located at two different heights. Two sets of antennas will be located at 75 feet, and they will be looking to the southeast and southwest. As you can see there, and then one set will be located at 45 feet high and looking towards the north. And this is the minimum height necessary to provide the capacity, to provide service for the capacity in this area, and without this 75-foot monopole, again, the capacity issues would not be addressed, calls would be dropped. Unable to, you know, use your phone, and this area of the city would fall behind the rest of the city as far as wireless city is concerned. Some of the benefits of this proposed facility is, it will be integrated into the existing wireless network, it will provide reliable wireless services throughout the city. It will enable decreased response time for emergencies and fire and police rescue. Wireless facilities and cell phones can reduce vehicle trips, so it will make your workday or life more efficient in reducing traffic and pollution and wireless facilities and cell phones are just an important part of every day life used in commercial and public needs and private needs. The hearings officer in his decision goes into more details as far as the benefits. So, in the mitigation measures proposed, the proposed 75-foot monopole is proposed at the minimum height necessary. We are asking for more height than we need. I think that the antenna located at 45 feet facing north demonstrate that we aren't -- we don't need an incredible amount of height. We are going with the minimum and we are asking for month. The monopole is a sleek design, and it will taper from 32 inches at the base and 22 inches at the top, similar to the dimensions of the utility pole, many of which are in this area I described. The antennas will be mounted to 20-inch davidons eliminating the top hat which I think the code doesn't allow anyway. Also, the monopole will be compatible with the existing tall utility poles I mentioned earlier. And the views of the pole will be reduced with, with a 6-foot fence, landscaping, which will, which will be entirely around a 6 foot high hedge, 5 feet deep completely around to meet the code and there are existing poplar trees to the west where most of the residential is to the west, and it will screen. Also the proposed place behind the existing building, the auto parts store, and it is in the back corner, furthest away from the street, the nearest street is morrison to the south, 125 feet approximately, 122nd avenue, about 180 feet away so it will reduce the views from there. These measures I have stated are, are identified in the code as appropriate measures to reduce the impacts of the facility.

Hales: Thank you. Anything further?

Hultberg: I think we are just happy to entertain any questions.

Hales: Any questions from the members of the council? I guess I want to follow up a little bit. You said the water tower is in the 2000 foot radius in the code or therefore, and/or within your search ring?

Slotemaker: The water tower is outside of the search ring to the southwest. It is within 2000 feet of our site but that 2000 foot refers to the existing wireless facilities. You must do a co-location and analysis.

Hales: Okay. And did you say another cell phone carrier was putting antennas on that?

Slotemaker: I believe sprint has gotten approval to locate on top of that.

Hales: But then you said that the tree his would -- the trees would prevent signal penetration so --

Slotemaker: The water tower is 105 feet approximately, and the trees would grow almost to that height. Sprint is, has approval to locate on top of that. They are at the point in their network that

they are able to locate at 110 feet I think, up there, without interfering with their giant sites. Our site has to be a 75 feet.

Hales: So if you located at a higher elevation you would interfere with the existing --

Slotemaker: With these sites. We could essentially see too far and interfere with these sites.

Hales: Okay. Thank you. That clears that up for me. Any other questions?

Saltzman: In the search for existing structures within the, you call it the --

Slotemaker: Search ring?

Saltzman: Yeah, search ring, they would have to be 75 feet tall, is that why you said that there is no existing facilities that would serve your purpose?

Slotemaker: Yeah, there is nothing, 75 feet tall within the search ring.

Francesconi: Is the neighbor going to get another one of these? Can we stop at 2?

Slotemaker: There is only one proposed monopole, sprint is a co-location so there will be only one. Now, when, with the approval of this, if another carrier wanted to come in and place a monopole they could not locate within 2000 feet of this monopole without going through an intense review of planning, they would have to justify why they could not locate within 2000 feet of the pole if we were to place one there. Otherwise they would have to co-locate onto our pole, eliminating another pole within 2000 feet.

*****: So this pole is designed to accommodate other carriers.

Francesconi: I understand.

Hales: That's the common practice now because I assume that that's -- partly legal and partly economic because it is less expensive for carriers. You will have to locate on other people's poles if they exist?

Slotemaker: Correct.

Hales: And the people aren't freezing each other out from using each other's poles, although they obviously negotiate compensation?

*****: It is somewhat surprising how well they agree.

Hales: Okay.

Hultberg: One thing the mayor mentioned, and I know that she may be watching, is that she wanted planning to work on the code and qwest certainly is happy to participate in that process, and did participate in the earlier adoption of chapter 274, so if the invitation is there, we are happy to help.

Hales: Okay. Other questions? Okay. Thank you very much. Is there anyone else who wants to testify individually on behalf of the applicant? If not, then rosemary, you have five minutes for rebuttal and follow-up.

Opp: I took some notes, and I would like to say, I don't quite understand, I guess there is a difference of opinion here, but I am going by numbers in the code. Why qwest thinks that they are entitled to, um, this conditional use for 30 feet difference. It seems like they just feel like hey, you know, this is a conditional use and we get it. And I am here because I am saying no. The code is 45 feet. This is not 5 feet, this is 30 feet difference from the code. And it is very clear to me, I could be spending a lot more time talking about the changes in the characteristic of the neighborhood, and the, across the street from the bird sanctuary and too close to where people are sleeping under these towers. But we can't argue about the numbers. And so that number is very clear and I want you to --

Sten: Can I ask you a question on my time? I think what the code says is that if you wanting to more than 45 feet, you need a conditional use, and so with the understanding it met the requirements of the conditional use, do you have specification on where you think they haven't met

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the requirements because it is true you can't go over 45 without a conditional use but you can if you

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Opp: That's right, with that, but I am asking you to, to comply with the code and not allow the conditional use. I do not think, actually, that they have complied with the burden of proof on other locations. For example, within that search ring, it went up through to that tri-met park and ride station, which would take it quite a ways out of this area. And we asked them at the neighborhood, and they didn't do it. I think that there is tall buildings there where they could put something on there are up on a hillside on 122nd between stark and burnside. And the burden of proof is on them to, to find the location. Actually, I haven't had time to run around and check with every business, whether they were asked, but I do not believe that they explored that possibility of the park and ride station. And I guess I would like to have proof about that, or they have. But, but, and when they speak about benefits, when qwest speaks about benefits, they are just talking about additional capacity and yeah, it is going to benefit qwest, for their business. But I am here on behalf of the neighborhood, about 2500 households in our neighborhood, and probably in terms of all the neighborhoods in the city, what are we going to do because these wireless facilities, facility groups are continually, there is seven of them, and they are going to be coming before you again and again, and how many more neighborhoods are going to be impacted and going to be bringing these in? They shouldn't be in our neighborhoods. And I don't know -- you should have received an e-mail from laurence about some technical engineering facts here regarding watts, I believe, and it seems to me that qwest is not running on the same, on that e-mail as I recall on the same watts as sprint, and if they were, they could locate maybe by a freeway and they would have greater coverage, but because they are using a less number, you will have to look at the e-mail because larry has got it down there in that e-mail. That says that they want to come in closer to the neighborhood, so there are ways of dealing with this. And I am just asking you not to allow the conditional use. Of the 30 feet. In the staff note on this, they are saying that, that, about talking about the federal telecommunications act, and they are saying because this land use review was submitted after standards took effect, this conditional use where you cannot be denied solely on the issue of harmful radio frequency emission levels. And so I am giving you something other than the health hazards that people are concerned about. And that's the number. And that's our code and the neighborhood doesn't want you to make that exception. I think that it is more important, this should not be about qwest benefits. I am asking the commissioners to protect the public in our -- and our neighborhoods and really stick to our codes and not allow the conditional use. I do believe the property values for the people that live nearby will go down and be devalued. And I think that anybody that thinks otherwise, you would have to, have to go up to them if there is one for sale and see if there is a cell tower within a block away or two and if you want to buy it and live under it constantly. So, so I think that that's pretty much what it would be. And I will be turning these letters in.

Hales: Okay. Anything else, rosemary?

Opp: No, I think I made my point, rather than reiterate it again.

Hales: Thank you. Any questions? From council? Dan?

Saltzman: I was curious to see if the applicant did look at this tri-met park and ride site.

Hales: Let's call them back up then. Thank you, rosemary, call them back up and get an answer to that question. You mean under the criterion that says no other feasible site? So how -- why wasn't that one feasible? So steven, could you and whoever you need as resources come up and deal with that question, that is, did you consider the tri-met site and why was it rejected?

Hultberg: Certainly. Again, steve, I will turn it over to paul in a second. What I understand is that site was tested to be very -- to the very north edge of the search ring and I think the important

part here is, it is commercially zoned as well. It is not getting from one zone to another, or a better site to another. It is still commercially zoned property. But again, and I will check with Paul with this, but it did not work.

Saltzman: Did not work?

Slotemaker: Yeah. We tested, or studied a variety of areas within, mainly near the intersection of 122nd and Stark, we wanted to stay near there because there is a high traffic, lot of commercial activity in there and a lot of customers. Locating to the north, when we studied areas to the north of that, because of ground clutter, tall trees, there were a lot of tall trees in the north, northwest corner of that intersection, and it was preventing the signal from doing what it was designed, you know, provided in the coverage, especially to the south, to the southwest, that would be, if we locate too far to the north, so sites further north were determined to be less feasible and we wanted to stay away from there, and that was on the north side of the search ring, and it is commercially zoned, the houses around there, is a parking lot.

Hales: And any estimation of what height that tower would have had to be?

*****: I am not --

Michael Birndorf: 5950 NE 122nd. Mike. My understanding is it will have to be a taller tower if located further north in order to accommodate for the fact that it is further north to provide greater coverage to the south. In fact, effectively, you are pushing the site further north so in order to make up for that, you would have to go up a height.

Hales: Okay. Thank you. Any other questions? Thank you, gentlemen.

Francesconi: Just one question for staff.

Hales: Could you come back up, please?

Francesconi: Really, it doesn't apply to this because you can't do it retroactively, but is there any way that we could limit these per neighbor where, you know, you put some limit in neighborhoods, would that be legal or would it be practical?

Cate: I don't believe that it would comply with the constraints of the 6 telecommunications act. Also more pragmatically, I don't think that it necessarily is very practical. The FCC provided licenses for six service providers. Each of those providers is deploying, on an individual network across the metropolitan area. Their license for that -- they are designing their individual networks to work in concert with the base stations, and I think it is an important point to understand. I understand that she is concerned about another facility in the neighborhood that's in different -- with a different service provider. I didn't think to look in the city's base but I suspect that there are a number of other facilities sprinkled in that neighborhood nearby that are located in various places, providing service for each of the individual license holders, or I think it is from a pragmatic point of view, it would be pretty difficult to say, within this year, you can only have two. One point that might be very important to consider is that, as each of the networks mature and each of the service providers come in with these capacity sites, that they are getting shorter and shorter because they do work on the line of sight and they don't need to see quite as far to the next site. And so in the initial buildout we were seeing proposals for monopoles around 100 to 120 feet, now we are seeing them more in the 80 to 65-foot range and will continue to see that, continue to see that shrink down. So, and with that -- to shrink down, and with that, I think that one could argue that the associated visual impacts are also shrinking because of facilities, themselves, are shrinking.

Hales: Further questions? If not, do we have a motion, please?

Sten: I move to deny the appeal and uphold the hearing officer.

Hales: Is there a second. **Francesconi:** I will second.

Hales: Any further council discussion? Would you call the roll, please?

Francesconi: Rosemary, I think you made a very good effort to state to the conditions as opposed to some other hearings that we have had here where people don't do that, so I appreciate that a lot but my reading of the conditional use is such that they have actually met those elements so I appreciated your attempt here, but I think that they have just met the elements of the code, and I do not like these cases. Aye.

Hales: I think as Silvia explained at the end under the federal requirement that we allow these facilities in the first place, what local governments get to do is, is -- get to do is neighborhood impact damage control and the question is, whether our code was applied correctly in this case and I believe it was, there is a separate question, whether our code, itself, can be tougher, and do an even better job of trying to mitigate the impacts of this whole system of cell towers on neighborhoods, and that's a legitimate question for using to back to that code periodically and check and see, is this as tough as we can reasonably be. But under the requirements that we now have, for what somebody has to meet to get a conditional use approval for a tower taller than the base zone I believe the applicant has met them and that we have no testimony in the record that overcomes their proposals, merits. Aye.

Saltzman: Aye.

Sten: Yeah, we have a federal mandate and we also have, you know, the population that uses a lot of cell phones, so there is lots of people in this neighborhood using the product, and there is neighbors who don't like the product, so it is a dispute that arises. I do think that there is some work that the mayor says that she is going to do and I am very interested in tightening up the code. Until that happens, they certainly have met the conditional use requirements and frankly, I think when that happens, it is highly unlikely that we will in, trying to figure out how to put them, because you have to put them somewhere, I think it is unlikely we will come to the conclusion that busy commercial zones 300 feet from residential are off limits. If you take the point of view there is no place that anybody really wants a tall tower, this is the kind of place that they are going to end up going, so aye.

Hales: Okay. That concludes the hearing. We have one more item on the council calendar. Which is item 202. Okay, Tom, are you ready?

Item 202.

Tom Carter, Planning Bureau: I am Tom Carter with the bureau of planning. I brought the record for this project into the room. And I am returning two weeks ago I had a presentation I brought forward seven issues, proposals for, and council accepted most of those, but sent me back to work on two of them. One was council asked for a list of trees to be developed that the city forester could agree upon and support. And also asked that we come up with an implementation scheme, so I am returning with, with a single amendment that answers both of those two issues, and there is -- I hope you have a copy of items. There is a tree list at the back of the document that you received. And the recommended code language just before that, and the essence of the proposal is to establish a tree list, and a parking lot tree list, and for trees selected from that list, planted in parking lots, you can plant a tree as small as two inches in caliber, size, or 5 feet tall, if you select a tree off the list, then you planted according to the standards in chapter 33.248, city-wide, standards for planting trees. I believe that we have the support of all the bureaus on this. I think that it is a good solution and does meet our goals of encouraging the use of appropriate trees and discouraging inappropriate trees, getting better stormy water management, so I think that it is a workable and good solution. So, I recommend this amendment to you, and I do believe the gentleman you wished to testify is here. Do you have questions for me at this juncture? I do remember one thing that I would like to mention, it has come up that this list should be dynamic, should be reviewed regularly. I would recommend to you that the list be updated on, at least a two-year cycle and it

might be a good idea to link it to updates, biennial updates in the stormwater manual absorbing if you have any questions.

Saltzman: I think that would be a good pros to make sure it is dynamic and done in concert with the storm manual updates.

Hales: Thank you, tom. There is other testimony? On the amendments?

Mark Hadley, American Society of Landscape Architects: I am mark hadley. Live at 6327 southeast taggart, I am here representing the american society of landscape architects and I have been before you before on this measure. We strongly support the drop in size to 2 inch, attaching it to the list. It appears to be a very good compromise, and a very good trade-off given the increase in costs associated with the increase in density of trees. I did some, some cost comparisons, and for your information, I think that the council does need to be aware of what some of the costs implied by this code are going to do. First, the reduction in size from 3-inch down to 2-inch, takes landscaping as a portion of site development costs, from 1% of site development down to 10% of site development. So the reduction down to 2-inch is, I applaud that and it is a, a, will reduce some of the hardship on the development community. On the other side of the coin, I do want to point out in a big picture what this new code overall will do to costs. The existing code, the way it stands now, with 3-inch caliper trees, equates to about 6 1/2% of site development costs. The new code with 2-inch trees is going to be about 10% of site development costs. So, it will -- we have all known that it is an increase in square footage, an increase in planting density, but there are definitely some increased costs. Now, as bes has brought up some good points, and tom and I spoke prior to this meeting about some of the reductions in stormwater facility costs, reductions in pavement costs and reduction in infrastructure costs, so there will be some trade-off it, won't completely balance out the increasing cost but there will be some trade-off. So I encourage you to pass the amendment.

Hales: Thank you. Anyone else that would like to testify on this issue? If not, then bar and -- barring council's objection I will accept that as a friendly technical amendment, and call for a second reading and final vote on this matter. Britta, please call the roll?

Francesconi: I guess I just want to thank the council because I was the one that kind of weighed in here late and I want to thank the planning bureau for tolerating me here but the urban forestry folks had strong feelings. I think this compromise is good for two reasons. One, I was, actually was concerned about the cost issue, but the other reason is I think the reason that they went to 2 inches also was if they kept it at 3 inches, there is still debate about what kind of trees are right trees, everybody would automatically have gone to the 2 inches, and there was concern that that was going to be the wrong trees. And so that's the other reason that they agreed on this compromise. But having said it, this last process over the last week when I was not interfering and we weren't trying to micromanage this here, and it was done by the bureaus, which should have happened ahead of time, was the right process. And I am not going to second-guess it at this point. So, thank for you all your work on this. Aye.

Hales: Thanks for good staff work and aye.

Saltzman: I also want to thank tom carter and tom lipton and the urban forestry folks, and our landscape architects for helping us get the yes on this, this is important for stormwater management, which is something that we are spending hundreds of millions of dollars to keep stormwater out of our rivers and streams and this is one very effective environmentally friendly and green way to do that, and so we are glad that we could finally get on with the business of making this part of our code for the parking lot and commercial redevelopment. Aye.

Sten: I am glad to support it, thanks to the staff and the citizens. I knew you guys could figure out the right balance on this and you have, and I am just glad to vote aye.

FEBRUARY 14, 2001

Hales: And we are adjourned.
At 3:30 p.m., Council adjourned.