



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 11TH DAY OF APRIL, 2001 AT 2:00 P.M.

THOSE PRESENT WERE: Commissioner Hales, Presiding; Commissioners Francesconi, Saltzman and Sten, 4.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Frank Hudson, Deputy City Attorney; and Officer Peter Hurley, Sergeant at Arms.

Agenda No. 404 and 412 were pulled from Consent. On a Y-4 roll call, the balance of the Consent Agenda was adopted as follows:

**DUE TO THE ABSENCE OF TWO COUNCIL MEMBERS
CONSENT AND REGULAR AGENDA ITEMS
WERE HEARD AT THE WEDNESDAY, 2:00 P.M. SESSION**

S-398 **TIME CERTAIN: 2:00 PM** – Direct the Portland Office of Transportation to prepare and bring to Council on April 18, 2001, an emergency ordinance for the adoption of Phase I program of the Northwest Portland On-Street Parking Plan Project (Resolution introduced by Commissioner Hales)

Motion to adopt the substitute: Moved by Commissioner Francesconi and seconded by Commissioner Sten.

Disposition: Substitute Resolution No. 35987. (Y-4)

CONSENT AGENDA - NO DISCUSSION

399 Accept bid of LZN Excavation, Inc. to furnish N. Webster St. and N. Albina Ave. combined sewer replacement and detention project for \$540,874 (Purchasing Report - Bid No. 100526)

Disposition: Accepted. Prepare Contract. (Y-4)

400 Accept bid of Moore Excavation, Inc. to furnish N. Gay Ave. and N. Wygant St. sewer

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replacement and detention project for \$958,326 (Purchasing Report - Bid No. 100558)

Disposition: Accepted. Prepare Contract. (Y-4)

Mayor Vera Katz

401 Appoint Charles Rosenthal to a one year term as a citizen member of the Board of Trustees of the Fire and Police Disability and Retirement Fund (Resolution)

Disposition: Resolution No. 35984. (Y-4)

402 Approve the appointment to the Portland Utilities Review Board of John R. Wish and Scott Fernandez, for a term to expire April 11, 2004 (Resolution)

Disposition: Resolution No. 35985. (Y-4)

***403** Authorize One Series of Limited Tax Revenue Bonds for Civic Stadium Project and Portland Center for the Performing Arts Project (Ordinance)

Disposition: Ordinance No. 175462. (Y-4)

***404** Authorize application for an Oregon Certificate of Authority to provide telecommunications services for hire through the Integrated Regional Network Enterprise project (Ordinance)

Disposition: Ordinance No. 175481. (Y-4)

***405** Accept an Intergovernmental Agreement with St. Helens Police Department for access to the Portland Police Data System (Ordinance)

Disposition: Ordinance No. 175463. (Y-4)

***406** Accept an Intergovernmental Agreement with the Portland Public School Department to attend Police Bureau Department of Public Safety Standards Training (Ordinance)

Disposition: Ordinance No. 175464. (Y-4)

Commissioner Jim Francesconi

***407** Authorize a contract with H & W Emergency Vehicles for repair of the body of a fire engine for \$80,000 without advertising for bids and providing for payment (Ordinance)

Disposition: Ordinance No. 175465. (Y-4)

Commissioner Dan Saltzman

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***408** Authorize an agreement between the City and Level 3 Communications, LLC regarding a sewer encroachment in SW Washington Street between SW 4th and SW 3rd Avenue (Ordinance)

Disposition: Ordinance No. 175466. (Y-4)

***409** Authorize a contract and provide for payment for the construction of SE Raymond Street and SE 28th Avenue Detention Pipe and Pipe Upgrade, Project No. 6880 (Ordinance)

Disposition: Ordinance No. 175467. (Y-4)

***410** Authorize a contract and provide for payment for the construction of Garthwick Combined Sewer Project, Project No. 6820 (Ordinance)

Disposition: Ordinance No. 175468. (Y-4)

***411** Authorize the Director of the Bureau of Environmental Services to execute individual agreements for stormwater management demonstration projects, not to exceed \$400,000 in aggregate through December 31, 2002 (Ordinance)

Disposition: Ordinance No. 175469. (Y-4)

Commissioner Erik Sten

412 Support the Oregon Food Bank Capital Campaign by committing up to \$500,000 of City of Portland Community Development Block Grant funds (Resolution)

Disposition: Resolution No. 35986. (Y-4)

***413** Agreement with Northwest Pilot Project, Inc. for funding of activities related to providing a rental assistance program under the Transitions to Housing Pilot Project and provide for payment (Ordinance)

Disposition: Ordinance No. 175470. (Y-4)

***414** Contract with Northeast Coalition of Neighborhoods for \$25,000 for anti-displacement outreach and services to residents of the Mississippi Historic District Target Area and Boise neighborhood and provide for payment (Ordinance)

Disposition: Ordinance No. 175471. (Y-4)

***415** Authorize an agreement for public pay telephone long distance services with American Telephone and Telegraph (Ordinance)

Disposition: Ordinance No. 175472. (Y-4)

***416** Contract with SE Works, Inc. for \$100,000 for the Transitions to Housing Pilot Project

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and provide for payment (Ordinance)

Disposition: Ordinance No. 175473. (Y-4)

- *417 Contract with City of Gresham for \$858,844 for the HOME Investment Partnership Program and provide for payment (Ordinance)

Disposition: Ordinance No. 175474. (Y-4)

- *418 Amend agreement with Transition Projects Inc. to increase funding by \$32,539 from the Housing Investment Fund, transfer \$649,237 in Community Development Block Grant Funds to an equal amount in Housing Investment Funds and provide for payment (Ordinance; amend Agreement No. 33140)

Disposition: Ordinance No. 175475. (Y-4)

- *419 Amend agreement with Multnomah County to increase funds by \$25,000 in Housing Investment Trust Funds for homeless family day shelter, increase the amount of PILOT funds by \$28,323 and increase HOME funds allocated to the development fund by \$152,761 for housing activities and provide for payment (Ordinance; amend Agreement No. 33278)

Disposition: Ordinance No. 175476. (Y-4)

- *420 Amend agreement with Portland Development Commission for the Park Terrace Apartments float loan by extending the contract term and modify the repayment timeline (Ordinance; amend Agreement No. 32192)

Disposition: Ordinance No. 175477. (Y-4)

- *421 Contract with Fair Housing Council of Oregon for \$65,356 for Omnibus Fair Housing Services and provide for payment (Ordinance)

Disposition: Ordinance No. 175478. (Y-4)

- *422 Intergovernmental Agreement between the City of Gresham and the City for the cooperation of units of local government to prepare and update the Consolidated Plan to meet affordable housing goals and to receive payment (Ordinance)

Disposition: Ordinance No. 175479. (Y-4)

City Auditor Gary Blackmer

- *423 Accept contract with Systems Advisory Services for review and recommendations for information and business systems re-engineering of the Fire and Police Disability and Retirement Fund (Ordinance)

Disposition: Ordinance No. 175480. (Y-4)

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REGULAR AGENDA

Mayor Vera Katz

- 424** Amend the Rules for Travel and Miscellaneous Expenses (Resolution; amend Resolution No. 35056)

Motion to accept the amendment to strike the frequent flyer policy: Moved by Commissioner Sten and seconded by Commissioner Saltzman.

Disposition: Resolution No. 35988 as Amended. (Y-4)

- 425** Amend City Code Sections 3.15.070 and 5.08.100 and repeal Sections 5.08.050, 5.08.090, and 5.08.095 regarding travel and miscellaneous expenses effective July 1, 2001 (Ordinance)

Disposition: Passed to Second Reading April 18, 2001 at 9:30 a.m.

Communications

- 426** Request of Richard L. Koenig to address Council regarding nine page affidavit to Chief Kroeker as referred by Captain Robert Kaufman (Communication)

Disposition: Placed on File.

At 4:22 p.m., Council recessed.

APRIL 12, 2001

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 12th DAY OF APRIL, 2001 AT 2:00 P.M.

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

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Kathryn Beaumont, Senior Deputy City Attorney; and Officer John Scruggs, Sergeant at Arms.

Linda, Meng, Chief Deputy City Attorney at 4:00 p.m.

- 427** **TIME CERTAIN: 2:00 PM** – Appeal of West Portland Park Neighborhood Association against Hearings Officer's decision to approve the application of North American Islamic Trust, property owner, for a conditional use for an elementary/middle school operated by the Islamic School of Portland at 10200 SW Capitol Highway (Hearing; 00-00285 CU AD)

Motion to reopen the public hearing: Moved by Commissioner Saltzman and seconded by Commissioner Hales.

Motion to adopt staff modifications with further modifications proposed by West Portland Park Neighborhood Association to delete condition c and substitute revised language for condition e: Moved by Commissioner Hales and seconded by Commissioner Saltzman.

Disposition: Tentatively Adopt Staff Modifications with Further Modifications Proposed by the Neighborhood Association: Prepare Findings for May 2, 2001 at 2:00 p.m.

At 2:30 p.m., Council recessed.

- *428** **TIME CERTAIN: 4:00 PM** -- Authorize amendment to City Self-Insured Benefit Program for CitySelect for FY 2001-02, closure of the Beneflex Program to new participants effective July 1, 2001, and elimination of the Beneflex Program effective July 1, 2002 (Ordinance introduced by Mayor Katz)

Disposition: Ordinance No. 175482. (Y-5)

At 5:10 p.m., Council adjourned.

GARY BLACKMER
Auditor of the City of Portland

By Karla Moore-Love
Clerk of the Council

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

APRIL 11, 2001
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.

APRIL 11, 2001 2:00 PM

Hales: Mayor Katz is away on city business and we're going to take up the consent calendar first and I understand there's a couple of items that members of the council want to remove. I've heard item 404 and 412 need to be pulled. Are there any other consent calendar items that council members want to pull for discussion? Any that people here would like to see pulled? If not then let's vote on the balance of the consent calendar, please.

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

Hales: Let's take up item 404.

Item No. 404.

Hales: Welcome.

Francesconi: I pulled this. There's been some controversy amongst a few folks about the irne project. This is a very good thing. Nancy's here to explain why we need puc approval but it's a way we can provide broadband services to government entities and we need to do this in order to put this partnership agreement that is going to make us very competitive in the future as a city. So I want toed to pull this off consent in case anybody wanted to testify and for nancy to testify briefly. Go ahead.

Nancy Jesuale, City of Portland: Thank you. I'm nancy jesuale with the city and I would also like to introduce jim deson, outside council on the irne project.

Jim Deson: Jim deson.

Jesuale: Well, the item before you today is to authorize us to submit an application to the Oregon public utilities commission for certificate of authority to sell telecommunications services from the irne network to other entities. For instance the county, Portland schools, so forth. It has been determined by commission staff that we do need the certificate in order to do that. That's always been in our business plan. So I would like to proceed and get that piece of business done.

Hales: Any questions for nancy or jim? Jim, did you have any other comments?

Deson: I would be happy to answer questions.

Hales: Any further questions? Great. Thank you. Anyone else would like to testify on this item? If not please call the roll.

Moore: Francesconi.

Hales: All right. We'll speak up. All right. Thank you.

*******:** We don't have a hearing loss but we would like to participate.

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

Hales: That's adopted. Item 412, please.

Item No. 412.

Sten: I put it on consent not to spend a lot of time on it. They're going to have a big unrolling of this next week but the city has been able to come up with \$500,000 over a stretch of time from our community development block grant funds and for those of you that don't follow the city funding that's the money we get each year from the federal government to work on poverty issues. And we have a chunk of those funds that's used for new facilities and after a lot of work with community groups have come to the conclusion that helping to build the new food bank distribution facility with some of these funds is a very appropriate thing to do, and much needed. Unfortunately, we have the distinction I think of being one of the most hungry states in the nation despite the great

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economy, and what the food bank is doing now, and there will be a lot more public rolling out of all this so people can really dig into this next week, is building a statewide distribution center, and I don't have the numbers right in front of me that's going to allow them to dramatically expand the speed with which they can get food out to the whole state. And since much food is perishable that's going to make an enormous difference. And what we're proposing to do with this ordinance is over the course of several years contributing \$500,000 of other federal funds from poverty funds to help on the effort.

Hales: Great. Thanks, erik. Anyone else that wants to testify on this item? We have had presentations on this along the way so this is an implementing step you've put before us here today. So thanks, erik. Anyone else? 'Not please call the roll.

Francesconi: It actually wasn't commissioner Sten who pulled it. I pulled it and I pulled it for a couple reasons. The first is to thank commissioner Sten because that \$500,000 he was able to get from federal resources here at the city helped leverage a whole lot of other money and it was essential to the project. The second reason is that our last presentation I asked people from the food bank why we were leading the state -- I mean the country in proportionately in hungry people and the answer were three. House prices, low wages in the service sector and others, and taxation and government regulation. Were the three answers. And so in addition to funding this capital campaign and in addition the whole council led by commissioner Sten is doing on housing and most of these people are working poor. They're working. At low wages and they supplement their income by going to the food bank because we cut them off eligibility for food stamps, our taxation system with the income, earned income credit isn't sufficient so at the federal level we're going to give trillions of dollars back across the board, and then we have, and we touted welfare to work as a success, and then we have, lead the country in hungry people here in Oregon. So in addition to this capital effort, having our own lobbyists work on this issue at the state level and at the federal level needs to happen. So a letter is being drafted for the council, kind of getting us involved in that. And so I just wanted to thank commissioner Sten and the organizers for enlightening us on a story that's not being told. Aye.

Hales: That's right. I think you're right, jim. Federal and state policy are going the wrong direction. This is really moving in the right direction. Thanks, erik, for bringing this proposal forward, finding a creative way for us to help leverage a small amount of public money into a huge nonprofit volunteer fund raising effort. Good work. Aye.

Saltzman: Good work. Aye.

Sten: Thanks, I appreciate commissioner Francesconi bringing those points forward and those are absolutely the right points and this is something the whole council has been working on for some time and I hope we will solve the problem but in the meantime this will help feed people until we do. Aye.

Hales: Now we'll move to the regular calendar. For the time certain item 398.

Item No. 398.

Hales: Good afternoon.

Ron Birchfield, City Traffic Engineer, Bureau of Transportation, System Management: Good afternoon, council, and members of the audience. We're waiting for our audio. Or video. I'm ron birchfield, city traffic engineer with the bureau of transportation system management. With this presentation i'll introduce you to our northwest Portland on street parking plan project and give you a sense of the life of the project. Primarily, I want to describe for you the elements of our phase I program proposal. First I want to thank council for their opportunity to make our presentation today. With me from our project team are dakota, will stevens and consultant doug capps. I want to thank our citizen advisory committee members for their ongoing contribution to the project and the neighborhood for its participation in our public outreach and members of the audience for your interest and participation today. Meet spot. Although he may not be the only parking spot in northwest Portland the availability of on street parking is generally poor. Poor for residents,

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employees of businesses in the neighborhood, and visitors to the area. And with the renovated civic stadium, now pge park, about to open to more and larger events, we are concerned that more event goers will seek free parking in northwest Portland, thus exacerbating an already difficult onstreet parking situation. The purpose of our phase I staff recommendation is to mitigate the impact of events on the neighborhood by providing more effective management of onstreet parking, essentially we want to discourage pge park patrons from parking in northwest Portland. To accomplish this, our recommendation today is to establish an area parking permit program in a subarea of northwest Portland. Regard letters of events at pge park, parking demand is created by a diverse mix of users. In our project study area alone stretching north from burnside to petty grove and east from 16th to 25th there are 9,000 mountains and 8900 employees. Customers of one of Portland's healthiest business districts compete with the residents of Portland's densest residential neighborhood for a limited number of free onstreet parking spaces. In 1989 a study showed stadium events have a direct impact on supply of parking in the neighborhood. This slide illustrates the demand for parking in the neighborhood during a nonevent weekend evening, and for the rocky saturday home opener game that was observed last season. The solid line identifies the area of 100% parking occupancy. The dotted line identifies the area of 85% occupancy. Even on nonevent weekdays and weekends, most of this area is 85% parked up. There just isn't much available onstreet parking in the neighborhood. As plans to renovate civic stadium, now pge park, became a reality concerns rose in the neighborhood about what the effects of more and perhaps larger events at pge park might be on the parking situation. To address these concerns, council adopted the good neighbor agreement last may and the pge park consensus parking plan. The ctmp outlines 15 mitigation measures to minimize the impact of events at pge park on the residents all with the goal of getting people, not cars, to the stadium. Our program addresses the immediate need of giving the neighborhood some protection by opening day of pge park on april 30th, 2001. Our partner plan development process began soon after the signing of the good neighbor agreement in may. We formed our project team and developed a work plan for the project. Key elements were stakeholder identification, data collection and agency analysis, alternatives development and evaluation, public outreach, and involvement and leading to this staff recommendation. The phase I staff recommendation for the northwest onstreet parking plan has nine several components which I will describe to you in detail. First, we want to establish an area of parking permit program. The permitted program is intended to preserve access to onstreet parking for residents and businesses and to discourage access for pge park events goers. Permits will be issued at no cost to all residents and employees of businesses within the program boundaries for phase i. Residents and employees with valid permits will be exempt from visitor time limits. Permits will also be issued to all residents and employees two blocks immediately north of the program boundaries. This buffer zone accommodates those residents and employees who rely on parking on the parking supply found within the phase I program area on a regular basis today. The program boundaries are proposed as west you were burnside, northwest 16th, north hoyt to 21st, northwest glisan to 24th and northwest westover. This is the area most likely to be impacted by pge park event goers. The program area is shown in this slide as white and the dotted line outlines the two-block buffer area to the north of the boundary. The boundaries were drawn in an attempt to balance residential interests and business needs. We recognize that parking intrusion may extend northward and impact residents. The northern boundary considers that much more commercial and retail activity exists north of the boundary. And there is a parking demand by some visitors for more than a three-hour time limit. The hours of the program are 6 p.m. To 11 p.m. Monday through friday and 1 p.m. To 11 p.m. Saturday and sunday. The hours are set to coincide with pge park event times which are primarily weekday events and weekends. Visitors without permits may park up to three hours. Visitors with permits may park without a time limit. The three-hour time limit is set both to discourage pge park patrons from parking in the area and not to create too much of a negative impact on businesses and their customers. Our intercept survey found that 65% of retail customers

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typically park for longer than two hours in the neighborhood. One guest permit will be issued at no cost to each residence and business in the program area. Additional single-day guest permits will be available for a small fee. Some time zone parking regulations already exist in the commercial areas within the program boundaries. These time zone hours will be extended from the current 6 p.m. to 11 p.m. Along northwest 21st and 23rd avenues and around the corner on some side streets adjacent to these avenues. Most of these existing time zones are two hours. This will create parking turnover for businesses during the evening hours and will discourage park patrons from parking in those areas. Enforcement of all parking regulations will be provided. Citations issued for violation of the new three-hour visitor time limit will result in a \$40 fine. Citations will be issued to vehicles violating the limit and not displaying the appropriate permit. Monitoring of parking intrusion both within the program boundaries and within areas of the neighborhood north of the boundary will be provided. Results of the monitoring will be summarized and reported to neighborhood stakeholders on a regular basis. Monitoring is recommended to document actual or unforeseen impacts and to provide useful feedback for the city's project team and neighborhood stakeholders. Phase I will be implemented for the opening of pge park on april 30th, 2001, and will sunset october 1st. Capital costs, program costs are estimated at \$26,000. That's for the primarily for the installation of signing. Annual operating costs are limited at \$38,000, and that's primarily to provide enforcement. From the beginning, we've been committed to do broad public outreach and involvement. At the core of that effort has been our collaboration with the 21-member citizen advisory committee. This group has devoted many hours of effort to support this process. We have been meeting regularly with the cac since november to develop parking management strategies for northwest. We have made every attempt to keep the neighborhood informed of our process and outcomes. And we have used various methods to invite and to respond to public input. Through our adventures focus groups, e-mail and phone message centers, open house and cac, have revealed significant areas of agreement, compromise and some disagreement. Our cac was not able to reach consensus on a phase I plan. However, they do agree on a general concept of pricing visitor parking in the neighborhood. And they are committed to work on this concept to develop a phase ii plan. The neighborhood in general agrees that onstreet parking in northwest is poor and is a problem, that pge park will likely exacerbate that problem, that more parking supply is needed especially for those existing users in the neighborhood, that phase I represents a compromise between residential and business interests. And that continued planning is necessary to develop a more comprehensive plan that can address a broader scope of solutions in the long term. Key issues of disagreement with the phase I plan involve visitor time limits and program boundaries. Around these key issues of disagreement, one major alternative position emerged from our public involvement process. Originally presented by the northwest district association, this alternative position advocates for two changes to the staff recommendation. First, a more restrictive two-hour time limit from burnside to ever receipt, be incorporated in the program. And second, the flexibility to extend the boundary, the northern boundary if parking intrusion is observed. It is important to note that all members of our cac support either the phase I staff recommendation or this alternative position. With all stakeholders recognizing that phase I is a compromise between residential interests and business needs. In your packet is a letter of support for phase I submitted by the knob hill business association, and a letter stating the alternative position submitted by the northwest district association. Our recommendation, therefore, is that today you accept our phase I program and adopt a resolution directing us to bring this phase I program back to you on april 18th for adoption as an emergency ordinance. We will then proceed to implement the program by installing signs and distributing permits immediately. Thank you for your attention to the presentation. And thank you for considering what we believe is a good start to the development of a more comprehensive onstreet parking management plan for northwest Portland. Thank you. I would be happy to take questions.

Hales: Thanks. Questions for rob or dakota or will?

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Saltzman: I have a question or two.

Hales: Go ahead.

Saltzman: You mentioned the 65%, the resident that people who attend the area for commercial purposes, 65% of them stay there two hours? Or did I get that wrong? What was that statistic you mentioned?

Birchfield: We did a visitor intercept survey. Basically retail customers. And that survey found that the majority of those folks who visited the area, I believe it was 47% said they stayed from two to three hours, and an additional 18% said that they stay longer than three hours. So the total of those two was 65% stated that they stayed in the neighborhood longer than two hours to conduct their business.

Saltzman: And that included day time and evening survey?

Birchfield: Yes. It included day time, evening, weekday and weekend.

Saltzman: I guess, something I guess I've never understood is how do you monitor whether a vehicle has been parked in a spot more than three hours? How does that work?

Birchfield: The way our parking enforcement staff does that is that they circulate in the area and record license plate numbers and along with the relative location of the vehicle or position of the vehicle. And then when they come back they'll note whether that vehicle has moved within the time zone period or the visitor time limit period.

Saltzman: So one of our people would actually go down the street, write down license plate numbers for vehicles and then come back three hours later and basically verify whether they're still there or not?

Birchfield: Yes, that's basically the way enforcement is performed and that's what occurs in our area permit program areas today.

Saltzman: Okay. Thanks.

Francesconi: Maybe just one question. The area from burnside to ever receipt, everett that's in dispute, do we have any idea what percent -- I'm asking you an impossible question -- what percentage of the inventory for the businesses is that? In other words, is that an important part for the business district? Or is that a small part for the business district?

Birchfield: Well, I think that you'll have members, folks from the business district here today who could probably answer that question directly. One thing that is clear in that area as well as the area that extends further north in our boundary there isn't at the time period when pge park patrons would come, at least on weekday evenings, now, we don't have weekend data necessarily that would respond to that, but on weekday evenings around six, seven o'clock these areas are really parked up. There isn't very much parking available for any type of visitor.

Francesconi: Okay. Thank you.

Saltzman: I have a question. Do we know what most ballgames at pge park be evening games starting at 7 o'clock? 6 o'clock or do we know that?

Birchfield: My understanding was the schedule calls for typically like a 7 o'clock start. Potentially -- you know, the schedule, we'd have to put the question to pfe directly whether there's any potential for variability and we are talking about triple a which has a nine inning format. Baseball games we would expect to last typically in the range of three and a half hours for a complete game.

Hales: Any other questions at this pointed? Obviously, the staff will be around after we hear from cac and citizen testimony so if there are questions from these three they'll be here. We would like to hear first from the representatives of the citizens advisory committee. I don't know if you are organized as a group to come up but, chris -- okay. So why don't we take three members of the cac.

*******:** Shall I go first?

Hales: Go right ahead.

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Juliet Hyams, 2324 NW Marshall, Portland, 97210, President, Northwest Association

Citizens Advisory Committee (NWACAC): Good afternoon, commissioners. I am Juliet Hyams, president of the northwest district association. My neighbors and I are here today to talk to you about phase I of p-dot's parking program for northwest Portland. Plan's purpose is to prevent pge park patrons from parking to northwest and motivate them to either arrive by transit or park downtown. Let me remind you that we supported the stadium's redevelopment in exchange for assurance that traffic and parking impacts would be mitigated. Our good neighbor agreement and the ctmp document that. We don't want stadium attendees to park in northwest. We don't want them to think there's any point even looking for parking in northwest. The nwda has been working diligently and in good faith for months with p-dot and the northwest parking cac to contribute to this plan. Recently we wrote a letter which I believe you saw to p-dot suggesting two changes to the plan, both reasonable and well supported. Last week we found out that p-dot chose to incorporate neither of those changes, in fact, their own project staff give the plan only a 2 on a scale of 5 in its probable success for screening out pge park patrons. We urge you to adopt the more pressing of our recommendations, two-hour guest parking between burnside and everett streets. P-dot's plan calls for three hours. Many pge park events will run under or clothes to three hours. Area says little parking turnover and businesses don't rely on that inventory for their patrons. Many businesses in that area have their own parking lot such as fred meyer and walgreens. Small businesses in that area draw mostly residents and bus ride he is or their patrons require less than two hours to conduct their business. Once park patrons enter the neighborhood they will circulate looking for parking that probably doesn't exist, increasing congestion and dirtying the air. In fact, some will leap frog the regulated zone and park north of glisan. For years the lack of parking regulation in northwest Portland contrasted with the predominance of parking regulation elsewhere has created a parking vacuum in our neighborhood. This will only be intensified now that goose hollow has one-hour permit parking to permit stadium parking. We must protect ourselves with an effective parking plan. The politics of parking in northwest Portland are legendary. Some neighbors are becoming angry that this plan excludes them. One residents just outside the boundary has created a website pop owes --'s possessing this plan. Our local newspaper refers to it as half-hearted. All the funding and volunteer time that has gone into designing this plan should be used in a way that will truly make a difference. Please support our request for two-hour limits between burnside and everett. Thanks.

Chris Smith, 2343 NW Pettygrove, (NWACAC) Board: Good afternoon, i'm chris smith, 2343 n.w. Pettygrove. I am a member of the nwa board. I am a member of the cac for this parking plan. First thing I would like to do is thank the staff for their work that's gone into this. This has been quite a journey. And they're going to go through heroic efforts to implement this between now and the 28th, whatever the plan turns out to be and I deeply appreciate their efforts. I'd like to characterize the disagreement that we're talking about in the zone between burnside and everett. And hopefully help you appreciate that nwda is really acting its role representing the whole neighborhood. If we were narrowly representing residential interest we would be here advocating for a plan like goose hollow where we would have a one-hour time. We have accept add very narrow zone for parking controls. We have accept add portion of that zone needs to have three-hour time limits for the time being. We're really focusing in on only on the edge at burnside nearest the stadium to kind of the phase will present to patrons arriving at pge park. So we have set out this process from the beginning to respect the fact that the businesses did rife their lively hood from the neighborhood and businesses need to remain viable. The disagreement is about how you balance the steps necessary to maintain business viability with the need to exclude pge park patrons as called for in the good neighborhood agreement and the ctmp. It's how to achieve that in the context of all the goals. I would like to talk about the character of this portion of the neighborhood. We're really looking only at in many cases one block in from burnside, sometimes two or three depending on where you are. And as rob pointed out this area is already highly parked. P-dot actually studied

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this area for inclusion in the zone k permit program which exists south of this area and concluded it wasn't worth installing a typical computer parking program because the area simply had too little turnover. Cars don't leave in the morning when commuters would typically come in. For this reason we feel like the impacts of having a two-hour zone will be likely minimal, mostly psychological directed at pge park patrons and let me talk about the kind of businesses that are in this area. Julie touched on this a little bit. You basically have three classes of businesses. You have larger businesses like fred meyer, walgreens, ringside, goodwill, that have their own offstreet parking. You have another set of businesses that are on the commercial avenues, 21st and 23rd, and I have to pointed out it's a little bit ironic those businesses will have two-hour time parking because their existing two-hour parking will be extended to 11 p.m. So they have protections not extended to the rest of the neighborhood and finally you have a number of small businesses along burnside that really don't have a lot of access to offstreet parking today. I called a couple of those businesses to understand their reaction to this plan. One was the bitter end pub near the stadium. Right on burnside. I talked to the manager and he said his traffic comes from locals in the neighborhood who walk in, comes from people who as he said stumble off the bus eight feet through his door, and to some degree he thinks he gets people bar hopping in the neighborhood and they park and make their way to his establishment. He didn't feel he was dependent on offstreet parking near his establishment. He thought the three-hour the time limit was good and they could park at the stadium and stop by the bar on the way home. I talk to do gear head sports, a small bicycle shop. Their manager felt they get a lot of walk-in traffic, ride-in bicycle traffic and if there are auto traffic to their store they're clearly under two hours so I guess our first sense is that these businesses are not highly dependent on the onstreet parking and you can demonstrate that because there isn't much available. Second, that to the extent they are dependent on it they are better off with two-hour limits than three-hour because this will be the area that will be the first to saturate with pge park patrons. This is first place you will look, any supply that is visible is going to go away so with two-hour limits we have some hope of keeping some availability there. With three-hour limits two nights out of three during the season they're not going to have any parking. So we feel like the impacts to the businesses in the area of this request are minimal. Yet at the same time it has the best possibility of any reasonable step when you take at this point to increase the effectiveness of the plan. We desperately want to edge that up to two or three or four on rob's scale. We feel like this request is balanced, prudent, and our best chance at success and we urge you to adopt this single amendment to the plan.

Robert Deidrich, 117 NW Trinity Place #10, 97209: I'm robert deidrich. I manage the trinity apartments on trinity place and I am on the citizens advisory committee. I am in full support of the two-hour limit requested by the northwest district association for several reasons. To answer commissioner Francesconi's question, I don't know that the exact proportion of business to residential but in our area, from burnside to everett and from the freeway 16th to 23rd, it is predominantly probably more than 60%, well more than 60% residential. Multifamily residential. Which will be even impacted more greatly by a three-hour limit as opposed to a two-hour limit. We do, we are impacted by commuter parking which does not address this yet. We are hoping to do that in phase ii. The important thing is as chris mentioned was that if business doesn't think that -- thinks that two-hour limit would impact businesses adversely, yet on 21st and 23rd there is a two-hour limit that will be continued during the phase I portion. So I urge the council to seriously consider extending the two-hour limit from burnside to everett and 16th to 23rd. Thank you.

Hales: Okay. Any questions for these three cac members? Thank you. Thank you for your willingness to keep working on this. Life sentence, i'm afraid. Three more committee members, please. If there are three more.

Hales: Good afternoon.

*******:** Good afternoon, gentlemen. I would like to thank you for the opportunity to make our speak in support of the staff's phase I proposal. And I would like to say also that to join in with

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nwda to thank the staff for their dedication and their patience and their drive to make something work in an admittedly difficult situation.

Hales: Would you put your name into the record, please.

Tom Ranieri, 616 NW 21st Avenue, 97209, Cinema 21: I'm sorry. I'm tom and I am the operator of the cinema 21 at 616 n.w. 21st avenue. And I would like to start by saying that the big issue with respect to the impact of pge park has always been in our mind how to distinguish between the pge park parker who would come into the neighborhood and use the northwest as a parking lot, and the parker coming into the neighborhood with some legitimate business or activity within the neighborhood. And as the cac has progressed, we have, it has become clear that the tools or options that we believe will in the long term provide an answer out of that particular conundrum is not available to us in the short-term or the first part of this which is the first season and without these tools we all realize it would be a challenge to avoid throwing out the baby with the wash, that is to say that we would, you know, scare off the people that want to come there for what we consider legitimate reasons while deterring the people coming from pge park. And staff's phase I plan recognizes that difficulty and attempts to deter the parkers from pge park with a considerable enforcement presence, and at the same time preserving all some access for the many small businesses who depend on, in many cases, visitors from outside for their lively hoods. The staff has objectively understood that these visitors are the life blood of the small businesses and they have to be taken into account. Accordingly, they have preserved a reservoir of untimed parking on street to the north of the crunch zone, north of the crunch zone, and have rethought their enforcement tactics and I think this is somewhat important here that their initial estimate of the predicted effectiveness of the enforcement was based on how many deputies they would have available, any particular time, to do the timing and enforcement. They reported at a meeting that we had some time ago that they had rethought that and expect that their new tactics would yield a greater effectiveness with the three-hour zone. And I think that hasn't been reflected yet in the testimony as has been given here yet today. So we submit that the boundaries of phase I should remain as staff has recommended and we take it on faith this is sort of the boundary we can live and we could maintain our our livelihoods with. With respect to the proposal to change the burn from burnside to everett to a two-hour limit we will ask the council to consider the impact that this change would have from the perspective of how the parkers would actually behave. There has been suggestion that the psychological deterrent, the first portion of the neighborhood that you see would say two hours, and possibly that would suggest there's going to be a bite for coming into the neighborhood and trying to park there, and to some extent you can understand why that might be the case initially, but what would actually happen? I submit that people coming into the neighborhood would probably look at the signs that they say two hours and their intent is to park for free or they're not going to use downtown as pge park wishes them they will probably go to the north which means that that will exacerbate the problem to the north. They would normally park in the 500 parking spaces of that new zone they're suggesting represents which is about almost 20% of the entire zone that we're talking to lovejoy. Those people would also go forth to the north. I think what council has to, you know, bear in mind here is that, you know, instead of spreading out the parkers that are going to be there for three hours or less, the chances are that actually what will happen will be a increased intensity in the areas that are only timed for three hours which I think is the opposite of what the effect that they're looking for in this which is basically to deter the visitors. However, the deter reasons may work opposite the way they want this thing to turn out, in which case the people that are already impacted, the residents already impacted to the north of this boundary are likely to see increased press presence of this time with respect to both pge park and people coming to the neighborhood for business purposes. But you have to also bear in mind that every day that this -- this will go from may through september. And during that period of time there are 41 open dates at pge park. There are 22 that they list on their calendar that say are hold dates. The hold dates require that the beavers make the playoffs or the timbers make the playoffs or there might be a

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three-day stretch where they're holding for one concert and this is by no means clear how many of those dates will have an event. There are additional rainouts possible and on the weekends many of the, on saturday and sunday, many of the events actually begin at 4:30, 5:30, 6:30 and 7 o'clock and means the 1 o'clock start time precludes the use of the neighborhood during that period, whether or not there's an event going on. So again I would ask you to consider the number -- when you add this all up you're actually looking at upwards of 40% of the time where that parking down in that strip that they're suggesting would not be available to anybody, that again would cause people who want to stay, the two-thirds of the people that come to the neighborhood, would cause people who want to stay for longer than two hours to seek parking north of that boundary which again would intensify the challenges that are already being felt and will continue to be felt in the area above everett. And so I think that's -- that really is probably the key to understanding what the actual effect you have on one side the proposed psychological deterrent. On the other side what will actually happen to the cars coming into the neighborhood. And in that case I think it actually will make it worse for us down around hoyt and irving and in those areas. So i'm certain that if we can - - understand that point I think we will be able to understand that going to staff's recommendation here may be the most sensible way of approaching this. I would also point out that the proposal, and this is just something that I realized today i'm watching rob's presentation, the proposal to have the avenues that now have a two-hour limit to extend that beyond the 6 o'clock cutoff time which is currently what they do. They stop enforcing after 6 o'clock. Again, you have to watch what that will do to parkers. If people come on the avenues and are looking to have dinner or, you know, whatever, a movie and a drink afterwards, something like that, and are used to trying to park on the avenues or the setbacks that abut those avenues, and they only have two hours they're going to be forced to look for parking within the three-hour zone which is now, you know, deep into the residential zone. So these are the sorts of things that happen when you're dealing with a scarce resource and you have no meaningful offstreet supply to take up these challenges. And so I would say look at that as well. I mean, it's something that will backfire, I believe, if there is -- if there is the enforcement that will drive people away and into the areas that are going to be basically residential or at least competing with the residential for this space. And I would just like to say any sign that scares off a pge park parker also will scare off a potential parker with business in the neighborhood. Thanks very much for your time.

Hales: Thanks, tom.

Francesconi: I guess I do have one question. I mean the response from chris smith to my question that if it's taken out by pge park parkers, that doesn't help you. And so if you have a three-hour limit and that area is taken up by parkers at the stadium, everybody loses.

*******:** Well --

Francesconi: It's better to have two hours with the possibility? I understand your argument it's going to push it north. Isn't that a pretty good argument that was just made?

Ranieri: Well, I would just like to say that if you have essentially, any parking at all is valuable in that neighborhood. And if you have a sign that says, you know, park at your risk past two hours, that may get the pge park parker out of there but it also is going to push out the person that, you know, would normally park there. Now, the difference between two and three hours, you know, you have to go back to what how most people use the neighborhood and whether or not you believe the enforcement, you know, can be effective enough to discourage people that go to pge park. You might say perhaps they'll leave at three-hour point but if you know you're taking 15 or 20 minutes before hand to get there, walk into the park, the game starts, maybe you're into, half hour into it at this pointed you have to make a good decision at that point to set your watch for two and a half hours or two hours depending on where you parked to get back there in time. It depends on the enforcement at that point. If the enforcement in that area with -- they didn't say it this way but wolf packing tactics which would be a present says that maybe half a dozen deputies floating around an area, were presenting that that would be the part that would free up the space for people that, you

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know, hopefully will use it and, you know, be part of the neighborhood. Or using part of the neighborhood.

*****: Thank you.

Hales: Thanks.

Lisa Higgins, 701 NW 23rd Ave., 97210, Manager, Papa Haydn West: My name is lisa higgins and I manage papa hayden west and I am also a member of the citizens advisory committee. I am here to speak in support of phase I plan as presented by the city staff. The cic has worked long and hard to craft a plan that best serves the needs of all members of the northwest community. Residents, businesses, employees, guests and visitors. We've struggled in the short time available to come up with a workable plan that balances the need to prevent pga patrons from negatively impacting our parking situation with the need for residents and business patrons to park conveniently. I think the boundaries and time limits chosen will help to deter pge patrons, will serve as a disincentive for them to seek parking deeper into the neighborhood and will funnel parkers to the downtown lots. Surveys have shown more than 60% of residents, guests and business patrons spend more than two hours when they visit the northwest district. Before we radically curtail that time frame and therefore ultimately the number of visitors to the area, we had knew so what the real impact of the park will be. Shorter time limits will affect businesses and guests to the area. The effect of pge park patrons may not be enough to justify altering the nature of the neighborhood. I ask the city to continue funding to measure the impact of the park and the mitigating effects of phase I as we work toward a more permanent solution.

Hales: Thank you.

Thane Tienson, 2067 NW Irving, 97209: Good afternoon, i'm thane tienson. I'm a home owner. I'm also speaking in support of the staff recommendation. But frankly, i've given this a great deal of thought. Chris smith who I number as a friend called and left a voice mail message asking me to consider supporting their proposal. A neighbor asked me the same thing and frankly when I first heard that as I heard the suggested in the cic meetings it had some appeal to me. I thought, makes some sense. It should be considered. I called my other friend tom and I care a lot and I know a lot of other people in that neighborhood care an awful lot about tom's theater. It's just a fixture to the neighborhood. It adds so much character to the neighborhood. And it operates on a shoestring. I mean, their risk that tom must feel because of the presence of pge park and the expected number of attendees has got to be worry some to him and I frankly listen to tom and I told him you persuaded me. You persuade immediate on this thing that it's simply from his perspective and I think by extension the business community's perspective but certainly tom's too risky given what really is consensus now on a short -- on a long-term plan which is believe me an accomplishment. I understood that the baseball games would start at 6:30. That was my understanding. At least during the weekday evenings it was a 6:30 start. That tells me that tom's movies begin at 7 o'clock. These people see that two-hour zone between burnside and everett and when he started explaining to me and I was visualizing this there's no question they're going to head north. They're going to head north and that means there will be a greater occupancy of those throw three-hour space that is might go to theater attenders and a lot come from outside the neighborhood and come by car and there's also a restaurant. Some of them have their own parking and that's true but many do not, including lisa's this. Dope have that. And the question becomes enough of a risk ultimately where we should consider stay with the staff recommendation or is it really going to inconsequential and it does make some intuitive sense, let's go with the two-hour proposal? And since we are going to be monitoring this heavily, it really is an experiment where we all realize there is a learning curve, it's all an exper -- exercise in behavior, with you can't tell, I kind of characterize it as a least-risk approach, clearly the one where the greatest comfort level lies and for that reason I have agree to do support the staff recommend indication. I think it is the least risk approach. I think it's the one that makes most sense. For all concerned. And I think the experience that we gain in monitoring this

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three to six-month experience and the flexibility that we have to make changes to adopt to what we see is, in fact, what occurs, makes it the right way to go and I urge your support for it.

Hales: Thanks. Questions for these three? Thank you very much. Are there any more cac members who want to testify? If not, do we have any further presentations from either nwda or nob million? I know julie and tom is at least a member of nob hill?

*******:** Oversight committee.

Hales: That's right. So let's have some representation from there. And then we will take anyone else that wants to testify.

*******:** First of all here's a schedule with starting times for all of the events at pge park as there are no hold dates on there. And that is the latest schedule.

Sten: John brings the facts.

Hales: Thank you.

John Bradley, 2350 NW Johnson, 97210: My name is john bradley. I reside at 2350 n.w. Johnson. Here today in my capacity as chairman of the stadium oversight committee. Section 4.1.2.6 of the good neighbor agreement states that part of our charge as that employee is to and I quote "monitor the implementation of and the efficacy of the ctmp mitigation measures." It is the judgment of the stadium oversight committee that the northwest participating recommendations before you today will be ineffective in controlling event parkers from flooding the area north of burnside. Our reasoning behind this judgment has already been fully covered by others and I will not restate it. The failure to constrain event parkers will endanger the carefully constructed ctmp and weaken the effectiveness of the other 14 traffic and parking mitigation steps. This is not just a matter of local livability. It is a matter of insuring that the hundreds of thousands of dollars that pfe and the city have spent on transit passes and other mitigation steps are used to their fullest potential.

We urge the council to adopt a shorter time limit for parking and to extend the boundaries north beyond those currently contemplated. Please help pge park be the gem of the neighborhood and not the loadstone of frustrated would owe be parkers and angry residents.

Hales: Thanks, john. Questions? Thank you. If I pointed I don't know if we have a sign-up sheet. Let's take anyone on that sign-up sheet who hasn't already testified.

Moore: If you would come up three at a time I have john bradley.

Hales: He's just been.

Moore: Hilde fordyce and page stockwell.

Hales: Thank you.

Hilde Fordyce, 2013 NW Irving, 97209: Thank you. My name is hilde fordyce and I live at 2013 n.w. Irving. My history in northwest is long. I have counted and i've either worked, owned a business or lived in northwest for 44 of my years. I live at my current address for 24 years. When I owned a business on n.w. Thurman, and that's way north. Right? We bought a building with a parking lot because parking was a problem.

Francesconi: That was a smart move.

Fordyce: Oh, yeah. It felt easy. Just a matter of think, planning ahead. I think it's called. Beyond five years. When I bought the place where I live, parking was a problem. I love it because i'm a block from cinema 21. I love it because i'm those six or seven blocks from the stadium. I love it because I can walk downtown. I hate it because I can't have company anymore. Unless I go through all kinds of gyrations to -- and i'm creative and I have created friends who know how to carpool if they want to come visit me. I heard a statistic from staff that -- and I didn't capture the area. But he said in a given area there were 9,000 residents and 8900 employees. I thought that was an interesting statistic since we know that in that census tract there are 28,000 density. It's big.

I am a passionate Oregonian. I am a passion Portlander. I love my neighborhood and it's plain we're dealing with a savage problem. We want people in the neighborhood. They aren't going to come and just go to a movie. We go to the movie and then we eat. We go to the stadium and then we walk around and shop. You know, we want the people. I don't need any kind of one on one in

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economics anymore than you need a 101 in planning. But you know, i'm getting squeezed out of my residence. I don't like that. We want the people in the neighborhood. We don't want the automobiles. And I haven't heard any conversation about shuttling, you know, the trolley will come for god's sake why can't that northern boundary extend at least to the trolley. I mean that's, you know, that's a no-brainer there. When the statement was made that we will observe to see if there's an impact northward, that's ridiculous: There was an impact northward when I bought in 1977. I mean, you know, beyond irving street, well beyond. You know, these aren't things that "if high "they might happen. I'm glad we're refurbishing that stadium. I want it to be healthy. But we're not addressing the problems in ways that are creative. It's I want my parking space. I want yours. And I want theirs. Hello. I don't want to take all your time.

Hales: That signal you heard was the time small so wrap up if you have anything else.

*******:** I heard it.

Hales: Anything else?

Fordyce: Okay. I said that. I said that. I said that. Oh. And that \$38,000 budget for enforcement, makes me chuckle on my sleeve.

Hales: Probably won't be enough.

Fordyce: It won't begin to cover unless we just don't enforce. That may happen. Thank you for listening to me.

Hales: Thanks.

Page Stockwell, 2039 NW Irving, 97209: My name is page stockwell. I live at 2039 n.w. Irving. I was born and brought up in the suburbs of Portland and I have been away for about 30 years overseas and I moved back. Why did I move back to the most densely populated pars of Oregon? Because I believe that the city of Portland generally gets it right. And your reputation for that extends far beyond the borders of the united states to hong kong, singapore, japan from personal experience. And I think this plan, however, is one case where I don't think it's really been gotten right. First of all it is the most densely populated area in Oregon according to a recent newspaper report. When you have a densely populated area I think you should force the use of public transportation. The city has spent a lot of money and the county has spent a lot of money on public transportation. There are alternatives to cars in the form of buses, in the form of max and now in the form of this new streetcar that's come in to serve the area for not necessarily for the stadium but at least for the businesses. So people don't have to drive cars to the northwest area to attend movies and to go to restaurants and so on. That's I think in a densely populated area that's a luxury. Therefore, I do think that the limit should be two hours. And I also feel that the solution to the further north or forcing problems further north because of the two-hour limit the obvious solution to that is to extend the boundaries further north. Perhaps all the way to thurman street, at least to the areas served by the new street car which I think is marshall or northrup. At least it should be extended to that area because there is an alternative to get places on a street car from those areas. I believe that the boundaries on the south side for the two-hour parking are already there in the form of one and two-hour restrictions in the vista area, why can't we in the northwest, which is more densely populated, why can't we benefit from the same type of protections in terms of parking restrictions? Thirdly, I believe that you are considering possible extensions and possible change and parking limits under phase ii. I think that is not going to be practical. I think that you needs to make it very clear from the very outset that if you want to go to an event in pge park, parking is simply not available. I think you're going to have a huge reeducation problem as you move from phase I to phase ii. You're going to get more people cruising around looking for some places that were available last season but they aren't available this season, or whatever. And I think that's going to exacerbate the problem because no matter how much publicity you give to a certain plan, I don't think people read it very carefully and they're going to the hope always springs eternal in the breast of the frustrated parker. So I think that summary, I think it should be two hours universally

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and I think it should be two hours extended beyond the current everett street boundary, possibly to marshall, northrup and even further. Thank you.

Hales: Thank you.

Meg Fernekees, 2186 NW Kearney St., 97210: Good afternoon. My name is meg. I reside at 2186 n.w. Kearney street on the corner of kearney and 22nd avenue. I have some general comments about parking solutions in the alphabet district. My comments are general but they are grave. If the city is considering meter the parking for visitors north of pge park and I understand that's a possibility in phase ii, and it extends I guess to holt or everett, whatever, does the city also understand what impact that will have on the rest of the alphabet streets to the north? Right now residents face monumental problems finding onstreet parking near their homes. If I am using my car and don't get home in a window between 3:30 and 5 o'clock when good sam employees get off shift finding a spot near my house is impossible. There are six spots around my four-unit corner condo. Parking in one of them is essential for my car safety as my car has been prowled two times in three years with another unsuccessful attempts and that was when I was parking away from my condo. It is good the city will look to provide free onstreet parking on hoyt street south but that means the commercial visitors will park to the north like on kearney street so I guess i'm in the crunch zone. This is shaping up a as a liveability disaster for all of us condo owners. Moy plain point the city must provide a residential parking system now that the street car is coming on line so I would support previous speakers in their recommendation for extending the study area boundary to the north. By the way I love the street car. I think it's great. I'm looking forward to it. But you understand when that happens that nearby parking possibilities will suffer triple reduction whammy. Good sam employees, shoppers and commuters so you can see the predicament we are in. You known for many years northwest 23rd has been a destination shopping place. I rail honestly can't figure out why the city hasn't established a residential parking system to meet these local residents' parking needs until very recently. Perhaps it's because the business community has had very much a lot of influence with the city council. I don't know. If the city is to keep its progressive and livability image it must provide for residents who have chosen to live in dense, urban places in historic buildings built way before offstreet parking requirement were thought of. I would suggest the business owners of the northwest 23rd district get together to form an lid or some similar mechanism to construct a parking structure for its customers. I feel that I also haven't been involved in this public parking maybe because I live in the north area that's not part of the study area. However, it's really foolish not to think of this parking problem in a more comprehensive planning way than it is to look at those streets that are now under consideration. I have no further comments but I would be happy to answer any questions you might have.

Hales: Thank you. Questions? Thank you all.

Fernekees: Another brief observation. I heard page say that as people drive around looking for parking and i'm reminded that we already have gridlock at certain hours of the day. And then you add those people driving around looking for parking, and the fact that we're going to dig up flanders street and then we're going to dig up burnside street and then we're going to -- and then we're going nan -- gonna --

Hales: Good point. Three more, please.

Hales: Roberta, why don't you go ahead, please.

*******:** Do you have a copy of what I dropped off to you in your offices?

Hales: We might.

Sten: Yes, I have it. This one?

Hales: Let's see.

Hales: I don't think I do. Thanks.

Berta Delman, 2019 NW Irving, 97209, Chair, North District Association, Parking

Committee: I am berta. I initiated and chaired the north district association parking committee approximately seven years or so ago. Did it for about five years until I thought I would go nuts.

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The reason i'm here back today is because I was smitten by the article about being trendy and packed, that talked about us being the census tracted the highest census tract in the state of Oregon as far as density. Immaterial I am immensely proud that we are. I guess I came to kind of remind you because it reminded me that we're the highest census tract and what we really wanted to accomplish in the area. We have attracted people like the last woman that just spoke. It's hard to follow those guys. I'm glad that they were here today. Because what we have there is an integrated society that selected to be there. We really have all kinds of incomes, we have all kinds of housing. We have, we're different in color. We're, we've made tremendous progress. It should continue to be and sustain a good place to live. I was thrill to do death to move there. I was coming out of the suburbs. And i, when I start to do think of what I want to do say to you, my planning professors were all begging for that kind of thing to occur as far as I know, we are the best in the city. And we have integrated because we wanted to be there. And what I am afraid of and what I begin to see is that nobody comes anymore that has small children. It's really very difficult. There are so many cars. I believe there's one child that I know that takes a school bus within six blocks from where I am. That lives in an apartment and doesn't live in public housing. We're delighted to have those people living among us and possibly getting jobs there. And so we have to be very careful not to ruin something that is so good. I need to ask you a question because i'm confused myself. You talked about employees receiving the same benefits, opportunities to park. Are you talking about all employees or is there in another place I see where it says the owners. And maybe "a," meaning a single person. The phase I want proposal says permits will be issued at no cost to all residents and employees with businesses for phase i. Is it really mean all employees?

Hales: Good question. We'll get rob to come up and address that.

Delman: All right. I come from a small business, families that had small businesses and highly successful in the downtown areas and ultimately, even owned a properties. At least in some cases. I want to say as generous as that is when I came and worked at city hall I walked here every single day for three years, or most every single day except when it was flooding. I would say very few people get a free parking place to their job. I think that's something you should be looking at for potential monies coming in for the city. And we should think maybe that's an area that we ought to study. What i'm passing to you and I had passed earlier this morning in your offices was to say that a group of people, because of that article, I was so delighted that it brought us up to date and talked about it was titled "trendy and packed." And I wanted to say to you we're really not trendy, we who live there but we really are packed. And I think we've come because we really wanted to come. So within a couple of days I talked to my neighbors and many of the people that are speaking today are from that irving, northwest irving, that one street. And together we wrote this and we wanted you to see it and we agreed with the northwest district association position on reducing the three hours to the two hours. Actually, I drove up to vista and took a look at theirs and saw that they're as close or closer to the stadium than we are, five or six blocks away, and they have nothing over two hours. They have one and two hours. Maybe we need to look at that again, though I think that's brand-new.

Hales: Thanks.

Delman: I would hope you would read this and see there are other things we thought we ought to extend the boundaries north. We've had difficult times, we're thrilled with the theater. "delighted that it is this long lines always. We tried to get to the theater to cooperate some years ago and use good sam and consolidated freight way who had promised us and were enthusiastic and tri-met as well to do a program on the north side that there would be parking and people could then perhaps get on a shuttle on a federal program, and it bombed because the businesses, those business involved were very reluctant to do something like that.

Hales: Thanks, berth.

Delman: I would urge you to do something exciting that is comprehensive in the whole.

Hales: Thank you.

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Delman: Anyway, thank you.

Hales: Thanks a lot. Yes.

Mike Radway, 118 NW 22nd Place, 97210: Good afternoon. My name is mike radway and I live at 118 n.w. 22nd place between burnside and everett. I'm also a big baseball fan and a walk-in patron of all the businesses that have testified this afternoon and I hope they all succeed and I want to begin by thanking the city council for its courage and enlightenment in supporting the renovation of civic stadium, the pge park. I think it will be a tremendous asset for our community moving forward and also to thank the staff of the office of transportation for their thoughtful and extremely prompt responses to the e-mails I sent in on these issues. I am here, however, today to supported the reconduction of the time period at a minimum for the area between burnside and he have vet but I would actually recommend the entire area from three hours to two hours. And the possible expansion of the boundaries of the area. And there's one principle reason for that and that is that one of the statistics that was cited earlier this afternoon on which I think a lot of the decision-making here is based is I think not accurate. The average baseball game is not three and a half hours long. The avalanche major league baseball game is two hours and 45 minutes long. I don't have statistics for minor league baseball but I suspect their games are slightly shorter because they don't have the artificial tv commercial that is get inserted in the middle of the game. And I like to think our team is going to be sufficiently successful we will have more eight and a half inning games rather than nine inning games and that will keep the arrange time down. If you are talking about events that last in general under three hours, you're creating basically an administrative night player for the city's enforcement team if they have to go out when the first pitch is thrown, go through all the streets in this neighborhood, report all of the license plates numbers down, wait for a full three hours, and then race back through the full area and see who's cheating. The first place the game may be over and people will be back at their cars before the enforcement team has had a chance to double back. And it's just not likely to work and you're not going to have a very large disincentive. At a minimum you have to have a time frame that is short enough that is gives your enforcement staff the ability to cover the entire area at least once during the middle of the game because otherwise, there's no meaningful threat to people who want to park. I am sympathetic to the needs of the of some the businesses in the area and I think there are some steps we can take to mitigate the impact. One is they can collectively work with some the businesses in the area such as bank of america or whoever owns the thriftway shop where there are parking lots that are not used in the evenings, where they could again either individually or collectively set up parking there and for their customers. The oar option that you might wanted to consider if you want to mitigate is to not have the restrictions apply on days when there is no event or certainly during that time of year when there are no events at the stadium. Thank you very how much for your time.

Hales: Thank you.

Christoph Miller, 1963 W Burnside, 97209: High name is chris miller. I live at the trinity apartments. I have lived in northwest for going on 12 years. And I moved in the area it was an area that some people didn't think of as trendy. It was a very liveable area. I moved in it for the diversity. Since then I have watched the area boom with a lot of trendiness move in. The crime rates have gone up. The cost of living has gone up. If we had to deal with this. And it's part of life. But with the parking situation going in, it's at the pointed that my family and friends will not come down there quite often. I have to meet me elsewhere because they have nowhere to park. My family has been towed numerous times. For parking, for not even an hour. You know, we deal with this. We deal with the gridlock. The rush hour and people trying to find park, spots. I have yet to see the proposal of a parking structure built for the park. Instead, you know, the rose garden had a parking structure built to accommodate their parking. Why can't we have one for, you know, pge park? Instead what they're trying to do is, well, we're going to restrict all this street parking here that a lot of the neighborhood has already used over the years. But there are a lot of businesses that have oversized parking lots. Why don't they have it where certain strips, areas can be used for

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certain permit holders, that live in the area can park there? As a good neighbor. Instead we can't park there. We get towed. There is no parking to accommodate the people that live in the area. We need to create more.

Hales: Thank you. Questions for these folks? Thanks to very much. Do we have more?

Moore: We have Steve Foster, William and Sue Ridge.

Steve Foster, 600 SW 10th Ave., 97205: I'm Steve Foster, 600 S.W. 10th Avenue, Portland. I currently work with Nob Hill Business Association primarily on transit issues so I'm pleased to say this is one citizen advisory committee I am not a member of but I do have opinions on the issues and I'm reminded of a quote by Bios Car Wilde who said when people ask me about the weather I always think they mean something else. So in this context I think when people ask me about stadium parking, when people are talking about stadium parking, I always wonder if they're talking about something else. Is it really the stadium parking or is it something else? Is it really a transit project rather than a phase I project or are they talking about something else? Is it really neighborhood livability and viability for everyone in the neighborhood? Or is it something else? I think today we need to focus on what's really on the table and that is a partial short-term solution that's temporary. We all realize that a neighborhood-wide comprehensive program is the only thing that will do some good but it has to be done right and to do it right, one of the things we need is the machinery to put out on the street to do it right. And that's not available right now. As I said I work primarily in transit issues and I think the real solution for urban neighborhoods is more transit, better transit, faster transit, higher capacity transit. What three things do we need? Transit, transit, transit. The obsession with cars and parking cars and parking cars close to our houses and closer to our businesses is really misguided in this neighborhood. But transit is my interest and if even half the energy that's been put into neighborhoods and stadium parking issues was put into neighborhood and stadium transit issues, it would be a lot farther down the path. And I appreciate the transit is a huge component in the stadium plan and I appreciate it. But we need to do more. But in any case with regard to neighborhood parking, remember it's the phase II program that holds the best promise to meet the needs of the most people in the neighborhood. So rather than fighting over the details of the staff recommendation for phase I, I think everyone's efforts are better spent in making sure that phase II is fair, effective and most importantly, available for next season. The staff recommendation is limited for phase I, it's fair, and measured an appropriate response to the current situation. Thank you.

William Ifrah, 2138 NW Irving St. #2C, 97210: Thanks. Good afternoon, commissioners. My name is William. I live at 2138 N.W. Irving. I manage two buildings on Northwest Irving Street and I've spoken with all my tenants as well as other folks in the neighborhood whom I know. Personally, I've been in the Northwest ever since I came to Portland about six years ago. I'm an urban dweller. I love the neighborhood. I love the fact it's a popular neighborhood and I strongly support the businesses that are in the neighborhood. And frankly, if we did anything to discourage people from coming to those businesses, that would discourage me from living there. But as a resident, I'm also concerned like everyone else, about the parking situation. I think that I was amazed when I saw the plan. And as the proposal was presented here, you saw the graph of the entire impact area prior to this new PGE park. Prior to the vast increases in the number of impacts coming to the park. And they showed you the area with the impact and that included the whole area and slightly outside of that was a dotted area of 85% impact and those were impacted prior to PGE park coming into play when it used to be Civic Stadium. And yet they chose to select a fraction of the neighborhood to deal with the problem. So basically, what that means is this small area may or may not have some improvement but the rest of us are going to suffer even worse because basically it's going to send all the parkers out there not only it will send all of the parkers outside of the boundary area to the rest of us. Not only that even when PGE park isn't in session or there's nothing going on there, but those hours of enforcement are, those of us who live in the neighborhood and use used to have access to those blocks within the boundary for our own parking purposes we can't.

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We are just as restricted as anyone else coming into the neighborhood would be. I don't support the plan unless it were expanded. And I also don't support limiting to two hours rather than three. Frankly, because I think it will hurt cinema 21 and it will hurt many of the other businesses. People do come and part of their enjoyment of the neighborhood is to be able to have somewhat of a leisurely visit. And so limiting it to two hours and especially having one section two hours and one three hours, it's going to be confusing for everybody and it doesn't make sense to complicate it more than it is. I have lived in similar areas in Boston and New York and it amazes me that a city as enlightened as Portland is, and Portland is my home. I have no intention of going elsewhere. So it amazes me that a city that's this enlightened can't come up with some kind of reasonable plan. In neighborhoods I have lived in elsewhere they have a basically identified areas of the neighborhood for permitted parking 24 hours a day, 365 days a year. If you work for a business, you, the businesses get a certain limited number of permits. Residents get a certain, one permit per house or however they work it out. And basically, these areas either the south side of the street or the north side or, you know, some degree designated areas are 100% for the residents. So you know that if one resident pulls out of that spot, that's not going to be immediately taken by someone visiting the neighborhood. That spot is still available for a resident. There's no solution that's going to solve all the problems. They're basically it doesn't exist. There are too many people and too many cars but this particular one with its limited boundaries is definitely not the solution. Thank you.

Hales: Thank you.

Sue Ridge, 708 NW 19th #102, 97209: Good afternoon. My name is Sue Ridge. I am an apartment manager. I agree with the two-hour limit. Only because I believe that most sporting events do last about three hours. So I don't think or I don't see how a three-hour limit will deter the stadium parkers and if that is the purpose of the plan, then, I think that we should have a two-hour limit. I also agree that permit, the permit district should be extended to the north. I don't think it is a far walk from Irving to the stadium, which I do a lot and I have walked to the max many times from Irving. And I just wanted to add I was confused about the comment regarding the three-hour limit to benefit 65% of the retailers. Since the plan calls for hours of 6 to 11 p.m., and most of the retail stores are closed or are closing shortly after this time, we should probably think about the night life crowd in that regard. Maybe going to dinner, drinks, or bar hopping or Cinema 21, like he mentioned.

Hales: Thanks. Good point. Thank you. Questions? Thank you very much.

Moore: William Joyce and Richard Kaplan.

Hales: These are the last two we have signed up? Is there anyone else who didn't sign up that would like to testify? We have another seat up here. Hi.

William Michael Joyce, 133 NW 18th Ave., 97209: Gentlemen, my name is William Michael Joyce. I live at 133 N.W. 18th Avenue and in that capacity I'm testifying today as a resident. But I also have degrees in urban economics and jurisprudence and extensive experience in public policy so I would also ask you to accept some of my testimony as being somewhat expert. I am testifying in strong dissent to the proposal. I do not mean to undermine any of the efforts of the cac. In fact, I've often on occasion tried to get myself involved with the cac with respect to this issue. But I have been constrained by my own business limitations. I just note that the cac is an advisory body. It is not an elected body. And to the extent that they have testified before this committee, they are really testifying as to their opinions on the matter. You are the elected body. You need to know what the residents of this neighborhood think of this plan especially within the immediate purview of my neighborhood. My neighborhood's parking problem, my neighborhood is actually two blocks away from PGE Park. On the intersection of Davis and 18th. My neighborhood is plagued presently by a massive commuter parking overrun. People come in early in the morning, take up all the parking spaces in the neighborhood, they leave in business hours, leaving the parking spaces that would be otherwise available to the residents in the neighborhood. Your job is to obviously look at this proposal and try and determine whether or not there's a very tight nexus between the objectives that

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are still left to be met and the proposal itself. If you look at the proposal from that perspective, I think that you would agree with me that it does need to be either fine-tuned in its second phase or rejected outright. Specifically, anyone who has ever lived near a ballpark in any other major city, and anyone who has any basic understanding of urban economics will tell you that the problem with parking in that type of a neighborhood isn't that people will tend to park close to the ballpark. They will instead try to park away from the ballpark in an effort to give them self quick and easy access to the highways and the other exiting avenues. So in this case, this plan is completely defective because it doesn't stretch the neighborhood north as close to 405 as it possibly can. That's where people are going to be trying to park. They're not going to be parking up on 23rd street and 24th street, two or three blocks off of burnside. And it amazes me that the city's department of transportation has come out and done a study of the neighborhood and can't even draw that simple conclusion from what will happen. There is also -- it also amazes me that this proposal takes such a big approach to the problem. Now, I understand that you're also operating under some time constraints and that you need to address this situation on an exigency general see basis. However, what you have in northwest Portland is many, many different neighborhoods and you already have parking plans in effect that take account of that very fact. You have residential neighborhoods. You have business districts and you have neighborhoods which are close to business districts. You really need a plan which addresses those three different needs. I am not saying that this plan should be thrown out in its entirety. What I am saying is that if you're going to take the approach that we're going to pass this, it's a piecemeal piece of legislation, and that we're going to revisit the issue next october or whenever, that you understand that's what northwest needs. Every other person who has testified today, although they may be testifying from a very specific point of view, has not testified as to a point of view which cannot be met. There's nothing that has been said today that would weigh in against dividing this same parking area or a bigger parking area into a multitude of parking areas each of which has different designations, different time zones. Different needs being addressed.

Hales: Thank you. Wrap up, please. Your time it up.

Joyce: I would just say in wrapping this up, there is a very, very strong residential point of view that I don't feel was delivered to either commissioners today. I hope that I have espoused it. I would ask the commissioners and this council to reject the proposal or if you're going to act seed to the proposal that you do so with an eye toward very finally tuning it at the next look. Thank you very much.

Hales: Thank you.

Richard Caplan, 636 NW 21st, 97209: Good afternoon. I'm richard caplan and my address is 636 n.w. 21st avenue. And I am speaking in support of the staff recommendation for phase i. And I think that listening to steve's comments I have to agree with him in a lot of ways. We've had quite a few people come in and talk and speak today about they live just outside the bound dairy, they live inside the boundaries. 6 this proposed phase I and there are times when there is no parking and pge park is not operating. There is a saturation in the neighborhoods. And one of the concerns is that if by expanding the boundary are you really keeping out pge parkers? Or is there another motive for restricting the parking? I think that it has been brought up quite a bit today, and I think it's something that needs to be looked at as part of phase ii is offstreet options. Several people have mentioned particular lots, particular areas. But i'm sure that you know that there are zoning restrictions for using those lots for purposes other than what they're intended as a parking lot for a medical office or another business. And being able to use it for other commercial parking purposes. And I think that diversity of representatives on the cac and the amount of information that the staff has been able to gather, I think it's a great opportunity in phase ii to start looking at the option for the residents. And for employees. And for the customers of those businesses and the guests of those residents, of offstreet options. That currently the zoning code doesn't allow full utilization of those offstreet spaces. I've been in the neighborhood since 1983. And i've worked with nob hill

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and the transportation planning for five or six years. And transportation we've taken transit, employees hired in the neighborhood, work with validation on the offstreet lots that are available. But more needs to be done along the lines of what was able to be accomplished with good samaritan. And good neighbor parking regret that makes it available during certain hours to all elements of the neighborhood. Customers, employers, and residents.

Hales: Thank you. Thanks.

Dan Anderson, 2144 NW Flanders, 97210: Yes. Thank you. High name is dan anderson for the last 20 years, I have resided at 2144 n.w. Flanders which is within the proposed mercury mitt zone. I am a member of the northwest district association board. I am an alternate on the cac. And when the area parking committee is designated assuming it is designated I understand that I will be a member of it. I want to speak against the staff recommendation and in favor of the nwa alternative and offer you a frankly a framework that I can's been underemphasized in remarks here and I think it comes back to you something you, commissioner Hales, repeatedly make thoughtful public points about and that is that when public agencies invest in infrastructure and programs, they damn well want to see it used and see the return on that investment maximized. There's a large investment around bringing people, not cars, to civic stadium. Part of it comes from pfe. Parted of it comes from the city of Portland and it's mulch larger than the parking specific numbers that were advanced by staff in their presentation. It's several hundred thousand dollars in the aggregate. The staff presentation put up 14, 15 different components of a program. A balanced program involves carrots and sticks. If you have something that's all carrots and no sticks or has only sorted of wet noodle type sticks which is roughly how I would calibrate the staff proposal I think you will find your investment in transit is squandered. And this isn't a city that ought to support encounenant squander and accordingly I would encourage you to to proceed in a manner that adopts the nwa position. Thank.

Hales: Thank you very much. Anyone else who would like to testify? If not, then, I think we have a couple of questions for staff to. Dakota, rob, will. There's a question about employee parking. How does that work?

*******:** From our parking control section to join us. He may also answer some of your questions.

Hales: How does the employee parking proportion of this work?

Ramon Corona, Bureau of Transportation System Management, Parking Control: Well, the way it's been set is that it would be a 100% employees. So one permit per employee.

Hales: So the businesses would report their number of employees and get that many parking permits?

Corona: Supply us with a roster, yes.

Hales: And so therefore between residents and employees, we're not making the assumption that there's a parking resource sufficient or insufficient to meet the needs. We're simply providing the entitlement and letting the parking marketplace, if you will, sort that out?

Bergfield: Right. Really the only person we're trying to change their behavior is the pge park patron parker. And this program, unlike some of our other programs, doesn't really attempt to have a sort of tdm component to is, a transportation command management. A phase ii element of this program very well might. In which case if we talked about a permit program that had broader boundaries and had commuter hours we would very likely recommend that there be considerably less than 100% of employees would get permits.

Hales: Can you talk more about what phase ii will entail, a timetable for that?

Bergfield: There is no plan, obviously. What we're doing at this point with the cac we're working with concepts so I don't want to present it in the form here that people would say, oh, the city's going to do this, the city's going to do that. Well, we haven't decide what we're going to do but we have a direction and that is moving us towards the idea of pricing visitor parking, generally, in the neighborhood. The reason we've, the cac has moved to that in my opinion is that pricing is a tool that has a lot of flexibility and can be fine-tuned to do a lot of different things. Depending on what

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your objectives are. So meeting multiple objectives, which is really what we need to be able to do here, pricing gives you maybe the best ability to do that. The time frame we would hope for and again I think we have to be very aggressive to move forward with this and meet it would be have-to-have a broader more comprehensive plan in place before the next pge park season comes around in 2002.

Hales: One more question I have and then other council members might have some as well. And that is as you described it here we're not really making a behavior judgment about either the employees or the residents in the neighborhood. We're simply trying to give them an entitlement and let hopefully them find spaces, but we're certainly trying to discourage the behavior of driving to the game and hunting for a space in these neighborhoods. We didn't talk much about it earlier or you didn't talk much about it earlier there was testimony on the subject that is the other behavior that implicitly we're trying to is discourage is people commuting by parking in these neighborhoods.

You have a -- do you have a sense how big a problem that is today? In other words, if we're going to be discouraging some stadium parkers from wandering around the neighborhood by imposing time limits, how many commuters are we going to be kicking out of the neighborhood by this?

Bergfield: Well, in phase i, obviously, because of the hours being evening hours and weekend hours, we'll probably not, you know, we're really not addressing the commuter parkers.

Hales: When it starts.

Bergfield: Phase ii, as, you know, we've promised to deal with the commuter parker problem and potentially, you know, the concerns that people have expressed that they feel that the street car may attract more commuters. So the phase ii process has to address those issues and by implication has to have broader boundaries.

Hales: The starting hour on this is not 4 o'clock? It's later?

Bergfield: 6 p.m.

Hales: Okay. Thank you. Other questions?

Saltzman: Yes.

Hales: Dan, go ahead.

Saltzman: Well, just on the scope of the phase ii need a little more from you about what's, what are the potential issues that can be looked at in phase ii? You just said boundaries. Clearly boundaries is an issue for phase ii. We can talk about going up to thurman if we want to. I guess maybe, I realize this is a sensitive issue. What would be off the table for phase ii? What a residential parking permit program be eligible for phase ii 1234.

Bergfield: The concept of pricing at least as I envision it and i'm not sure that my vision is necessarily shared by everyone, is that the idea if pricing visitor parking underlying that would be an exemption for residents and again at least some employees. And that exemption most likely takes the shape of a par mitt program.

Saltzman: So a permit program throughout the alphabet district? That is fair game for face ii type of a study?

Bergfield: It's fair game. In fact, we have said the scope of the study area boundaries go all the way to vaughn. So we haven't excluded. We're trying to be as inclusive as possible in terms of letting issues come to the table and considering those issues in our problem solving and seeing if we can come up with plans that, you know, can address a broad scope of issues.

Saltzman: Okay. Thanks. Jim?

Francesconi: I have one question as to how maybe you covered it. How are you going to evaluate this in phase i? Whether the two-hour, three-hour tickets see what the effects is on business or the effect is on residents so you can make the adjustments in phase ii? Do you have a process? How are you going to do that?

Bergfield: We are going -- the monitoring is going to basically monitor parking occupancy. So we can -- we can go out there and measure what are the changes between when there isn't an event occurring and when there is an event occurring and say did occupancy go from 93% to 100%? That

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said, if you look at the base condition here, some of these areas, you know, you think, well, that boundary just jumped with the, when the event occurred. But the fact is there really weren't a lot of spaces there that had to be parked up before that boundary took a big jump. So there aren't a lot of spaces available there that and so the impacts are, you know, can spell pretty quickly if you only have to park up a hundred spaces or so and then the whole neighborhood is at maximum. In terms of talking about how we would measure the impact on businesses, we've had some discussion with that at the cac. Basically what we talked about is that we need to invite comment from the business community and it will probably have to be primarily anecdotal. I don't really think there's a good objective way that we could measure those impacts other than potentially doing a lot more survey work, which is relatively expensive and not planned at this point in time.

Francesconi: Okay.

Saltzman: I have a couple of questions. Good samaritan right now they make their parking garage available after hours and on weekends? For public parking? Is that --

Bergfield: Yes.

Saltzman: And is that something that i'm looking at 85% contour for the rockies home game map you showed us earlier which does actually go up to lovejoy. Looks like. I guess is this something that pfe is going to be publicizing that this garage is available? And under our new policy if you have a rocky -- a beavers ticket you can hop on whatever bus number that is on 23rd and get there? Is that a good idea to publicize that or a bad idea?

Bergfield: Well, I think it's a bad idea.

Saltzman: Why?

Bergfield: They don't publicize it that way. Their promotional materials are encouraging folks to park at parking areas that are basically in the western fringe of the downtown core. And an area basically between i-405 and the stadium.

Hales: Or use the park and rides on the tri-met system even farther out.

Saltzman: I understand that's kind of the first priority where we want people who are going to drive to park but i'm just saying if I guess maybe this is a phase ii issue. If we find out people are searching those streets in northwest no matter what we do, I mean, do we kind of want to make sure we can steer them to that?

Bergfield: I think what we've heard from the neighborhood is that they don't want people to drive into the neighborhood. They don't want the traffic either so they don't want people to drive into the neighborhood to find parking. And if we -- if we were emboldened and we went ahead to talk about providing more offstreet supply in the way of a garage or other facility, in northwest, we would really want to target that for people who already have legitimate parking needs in northwest. We don't want to attract anyone from out of the neighborhood to come in and park. We do not want to warehouse any cars in northwest Portland. We don't have enough.

Saltzman: As one final question. I think it was hildye that the \$38,000 enforcements budget was going to be woefully inadequate. I'm kind of curious do we have an estimate what percent of that budget we would recover through the \$40 tickets for people that park too long?

Bergfield: With this new area and a new type of enforcement it's difficult to estimate. That type of enforcement, what we call a scooter beat, which works in the permit program areas is our least productive in terms of citation revenue. And I believe that from what i've seen, the cost of the enforcement, when you include the personnel costs and equipment, doesn't break even with the citation revenue return. But it does generate some revenue.

Saltzman: But really just basically breaks even?

*****: It's a little --

Saltzman: The \$38,000 can basically be covered from revenues from tickets?

Bergfield: Well, of the \$38,000, \$30,000 of that was estimated to be based on, to be dedicated towards or needed for enforcement. And as I said, i'm not -- I don't have responsibility for parking enforcement myself but the numbers that I have seen that relate to that type of enforcement, my

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understanding is that it's a little -- it doesn't break even, that it's a bit of a losing proposition to enforce those areas. The citation revenues do not cover that. And remember that we only get half the citation revenue back to the city. The other half goes to the courts.

Saltzman: Okay. Just one question left. When you say least productive, does that mean in terms of number of citations we typically issue in those areas or judges dismiss these --

Bergfield: In terms of revenue producing. The walking meter beats downtown are the most productive.

Saltzman: Thanks.

Hales: Any other questions for staff? Great. Thank you. We have the resolution in front of us. I also have a substitute because I want us to consider the suggestion for a two-hour change for the area between burnside and everett. So we've prepared a substitute. Jim, pass this down. That is essentially the same as the original resolution but makes the change from three hours to two hours in the area between burnside and everett. I'm personally persuaded that we should do that but I wanted to give the rest of the council a chance to deliberate on that question and discuss it. You know, i've certainly learn add lot from this hearing as we have in all this work that about what we have still to do in phase ii. But in terms of how I would like to calibrate 24 for phase I i think we should go ahead and make this change personally. But i'm open to suggestions from the council and if someone wants to move that substitute, then, we can take that up formally but if you want to discuss that first we can. So questions, discussion?

Saltzman: I guess i'll start things rolling here. I think there are good arguments made for changing the time line in that particular corridor but I also believe that you know, this is somewhat of an experiment here. And that we probably have will have a better and I am persuaded by the arguments that were made by search 21 and other people that traffic will simply migrate further north although I think there's good arguments on either side of I come down on the side of the we have a phase I package that i'm willing to let it have its five months and have some real data, ream world data under which to then evaluate this plan and fine-tune it under a phase ii. So I think i'm saying aim pretty comfortable with the proposal in front of us.

Hales: Any other comments? Jim? Erik?

Francesconi: Well, it's a close call because I actually think there's not much available either way the way the staff just said. But I actually lean towards supporting your position, commissioner Hales. It's a close call, however. But I guess the reason I lean that way is because of the investment at civic stadium. And that's number one. And we don't, and we do need to take advantage of that investment by not having cars drive there. Number two is I think the benefit, businesses would benefit from two hours because they don't wanted people going to ballgames, parking there either, I don't think because games do take less than three hours in my experience, especially seven-inning games because -- are these nine innings? These are nine but I still think most are under three hours. And then I think the argument about there was a third reason. But anyway.

Hales: The other thing that occurred to me from hearing this testimony I agree with that. The parker who does the least good for the neighborhood that don't live there and they're not going to the business is the person who's going to the game. So it's in everybody's interest for that person to be discouraged. I think the mixed signal we send that the having one-hour parking on one side of burnside and three-hour parking on the other, i'm concerned about the problem that tom described and I think it's probably going to happen to an extent people will keep wandering like diogenes farther and farther north looking for a parking space and that probably is going to happen regardless of what the timing is in the first few blocks. But that the mixed signal we send by something three-hour parking just on one side of the street and one hour on the other appears to me to give a false signal that it's okay to park over here for the game. And that risk I think is significant that we would in effect be appearing to create an okay to park here zone when what we're drying to discourage is driving to the game in the first place. I don't know if that's what your third issue was but that one-hour, three-hour.

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Sten: Just to everett is two hours.

Hales: Right. But this says in the last item there is be modified to include a two-hour visitor the time lime during permit hours in the area bounded by northwest 16th, and northwest he have receipted. So if we adopt this substitute then that's the change we'll make. Otherwise we can vote on the original resolution.

Sten: I don't know. I mean it's really one block and it's a long block but a lot of that area. I mean, that's fine with me.

Hales: Okay. Do we have a motion then? Someone want to make a motion on the substitute?

Francesconi: So moved.

Hales: There is a second?

Sten: Second.

Hales: Let's have a roll call on the substituted.

Francesconi: As I said, i'll just say it all at once and the second time I won't spoke again. I think for the reasons I said i'm going to support commissioner Hales' mowing. Having said that is the real issue is phase ii. There is no answer. So I mean we try to find the common ground and then we see what happens. We measure it and then we make adjustments and that's what we're going to do in phase I as we proceed to phase ii. I guess for the business folks here in the audience, I do want you to know that I think your business districts is actually a little more fragile than some people think. I know northwest 23rd and 21 stubs are competing now with other business districts that have more parking and some not too far away. So I do believe parking is important to that business district and we have to address how we're going to do that, I think, in the future. With shared parking, with maybe some parking structures, too. So I think we got to get on to that as we deal with this. But hopefully i'm wrong about that. Maybe the street car investment will prove me wrong. But I still think americans like their -- and Portlanders are still using their cars and it is in the interests of the business district to make sure it's healthy. I mean the residents to make sure it's healthy. Where the balance is, I don't know. And we need you folks to work this through as we proceed. But on this issue in front of us, I think going to two hours makes more sense for the reason I previously listed. Aye.

Moore: Hales.

Hales: I was teasing some cac members earlier about this issue being a life sentence for them. Actually, i've come to believe that it's a life sentence for us as well, or at least a term of office sentence. Because I think while we're on this council, we're never going to have a luxury of not dealing with the problem of parking in northwest Portland. And I also have come to believe that the good old days of, you know, of letting this problem, the good old days of just getting by are gone. That we have to aggressively manage the change from a neighborhood where the parking marketplace could kind of work itself out, to one where we have to be very managed in the provision and control of parking. And I use those two words deliberately because i've come to believe that we have to increase the capacity in terms of garage parking for the businesses in the district. It has to be focused on meeting those businesses' needs rather than providing parking for people going to baseball games. But i've come to believe that. I've come to believe that we don't have a big enough area yet covered by the permit system. And that the street cars's arrive is going to necessitate more aggressive efforts by the city there. So to me, particularly what we heard from steve rings true that the phase ii effort matters a lot. It's something i'm personally commit to do making work. But that I agree, jim, these businesses are fragile. We have to make sure that their customers who do come by car have a reasonable chance of finding parking, the experiment that doug supervised for us with good sam of shared parking, needs to be expanded. We need to make that legal, easier and more common place in the district in order to meet some of this demand. So just all hands-on deck as far as solving this problem. We do have to control I think by pricing parking throughout the district. We have to expand the permit program and we have to in a very targeted and careful way expand the supply of parking for this districts -- for those businesses so

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that's what we need to do in the next phase. For now, i'm willing to give this a try as an interim measure with the understanding on my part the growing understanding on my part that that's all it is is an interim measure. I just wanted to thank you all of you who are sharing a life sentence for your willingness to continue to work on this problem and thank our staff for good and dill gents wark so for and some quick work in the next few weeks. Aye.

Moore: Saltzman?

Saltzman: Well, i'm going to stick with the staff recommendation and I do believe so much of what we're doing with civic stadium or I should say pge park, but really sort of the nobler experiment which all four of us also had the privilege of witnessing a preview today. That was a ride to the airport on light rail. So much of what we're trying to do here in Portland in terms of building large facilities that typically attracted a lot of traffic but not building the necessary parking infrastructure to go with it. I mean to really do things differently. So much of that is a grand experiment and we're trying to do a lot of great things here. The policy we passed last week where tri-met tickets now or pge park tickets now count as a free pass, free ride or tri-met get to and from pge park. Trying to encourage people horror going to drive to pge park to use our smart park garages on the western fringes of downtown. There's so much behavior things we need to influence here to really make this work. To make it work in the Portland way that I guess maybe the to the extent there's a scientist in me that says keep the experiment simple so that if five months from now when we're trying to figure out the results, we have sort of the cleanest way to measure it and that's did the three-hour thing make a difference as opposed to what with this two-hour zone embedded in the three-hour? And all the sort of noise that goes around those types of issues. So I think I want to try to keep it simple and that's why I think the three hour is cleaner and I do think we want to keep obviously the whole goal is to keep the pge park attendees out of these neighborhoods and I got to believe if we're going to have the enforcement to the level that we have promised the neighbors, and pge park or pfe has promised the neighbors, it's not going to take more than one or two \$40 tickets per game to influence people's behavior in a mighty way. I know that certainly would get my attention. So I think my sense is to err on the side of keeping it simpler and then as we've all said the action really is in the phase ii plan we need good data based on this phase I so i'll stick with the staff report and vote against the substitute. No.

Moore: Sten?

Sten: Well, I suppose i'm more politician than scientist. And my instinct although it's not center strong is this little bit of compromise is a good idea and kind of like to see how the two and three-hour worked against each other. Not sure I think it's going to be very important we watch this closely. I want to just express admiration for both the staff and the neighborhood representatives. This is not just because it's 9 most har harmonious parking discussion i've seen but this is a whale of an issue and I think we have a good starting pointed. I'm quite sure whichever one we pick won't work quite like -- [laughter] and I expect to be back --

Saltzman: That's the life sentence part.

Sten: Hopefully fixed it. I didn't mean that as a joke but it's going to be tough. This one will be with us for a while but this has a good shot. A good start on this thing and then we'll go from there. So again thank you very much for getting us this far. Aye.

Hales: That means we have adopted the substituted and we will write back an ordinance next week that adopts this formally. So there won't be any further modification. We will simply be bringing back ordinance to enact this so thank you all very much. And we will see how it works. We have a couple more items on our agenda here. I think we have three more. Let's give people a moment to filter out here and then we will take up these three regular agenda items.

Item No. 424.

Hales: This is a resolution. Do we have anybody here to make a presentation on this? Yes. Come on up. Again while they are decoupling there.

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Eric Hofeld: My name is Eric Hofeld and I'm with the city auditor's office and I was a committee member on the committee that drafted this document that you have before you to the resolution and related travel and policy. So I'm here primarily just to tell you a little bit about the process we went through to develop it and then answer any questions you may have. This was a collaborative effort by several bureaus that grew out of a charge from the accounting advisory committee to look at frequent flyer miles for the city and how we would deal with that. As a result of looking at that issue plus many others we decided that what was really needed for the city and for its employees was a comprehensive guide that would clarify a lot of issues for people and be easy to use and result in a more uniform application of the city's travel policies. Out of that came this document, and we're proud to present it to you now for adoption.

Hales: Significant changes here, Eric?

Hofeld: The most significant change I think is the fact that, well, we have several and I'm not sure whether you want me to go through each of them but the most significant one, of course, is the frequent flyer miles and that it was the city's contention that city attorneys' contention also that it would be better to not have frequent flyer miles accrue to any city employee while traveling on city business. Except in the case where they would establish their own separate frequent flyer account in the name of the city or for the city and use it specifically to reduce costs to the city. Otherwise they felt that that would set up a separate class of employees whereby those that could traffic could accrue an additional benefit that those that did not would not have which was frequent flyer miles.

Hales: I think I understand that.

Saltzman: If you travel on city business now and you belong to a frequent flyer club or whatever do those miles accrue to anybody?

Hofeld: No.

Saltzman: The traveler should deny having those miles accrue to their personal account.

Hales: Why did we do that?

Hofeld: Just refuse them.

Saltzman: It's done automatically. You get a statement every month.

Hofeld: You can request they not be --

Sten: I mean if somebody is in a frequent flyer piece and, you know, a lot of the airlines accrue them to you because they keep track of you. Are they going to discipline if they don't tell the airline -- it kind of seems like we are punishing people for something that doesn't cost anyone anything.

Hales: Right.

Saltzman: Although it could give somebody an incentive as opposed to take a train or drive.

Hofeld: I think it's not so much an incentive to take an alternative means of transportation it is so much as a reward, an additional outside reward, if you will, outside the actual travel itself. In other words, you could basically take your family to high -- high would and you wanted to and that would not accrue to anyone else other than those that were traveling, frequently on city business.

Hales: I didn't know that was in here. I will urge us to reconsider that. I have a brother who is a federal employee and the stories I've heard from him and ordinary federal employees about similar policy there is that frankly, that policy is probably made dishonest people out of more federal employees than any other single policy and I think this just puts us in the position of policing, you know, existing practices between our employees and the airlines that again it's not costing the city any money when one of our employees accrues frequent flyer miles.

Hofeld: Okay.

Hales: The fact that that benefit is not accruing to any other employees is due to the simple fact the other employees didn't fly and I guess I've flown enough to lose the notion that flying is glamorous.

Saltzman: Frivolous.

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Sten: And you can't -- let me make sure i'm ready about this. I don't think employees have much ability to, I think we have a standardized travel agent system which actually I think occasionally, you know, may cost us not always getting the exact cheapest rate because you can't shop around yourself on the internet, find a really cheap fare and book it. You got to get through the travel agent so I think the travel agent and i'm sure -- have confidence the travel agent finds the cheapest fare, you know, 19 out of 20 times but I have found myself booking travel for personal business there are ways to look for flights that maybe a frazzle agent doesn't always do if price is always the object but what i'm getting at is the travel agent basically picks the flight that fits your work schedule and costs the least so I don't see a lot of ability for an employee to manipulate which airline they fly.

Hales: That's important, I think. That's important.

Sten: To get their miles or whatever it might be.

Hofeld: And might I add also we had a quite a discussion with the city attorney on this and this position that we have taken in the travel policy is, in fact, supported by the city attorney. It was, in fact, encouraged by the city attorney as probably the only equitable solution to the frequent flyer situation.

Francesconi: I have a more basic question. How many employees fly enough to get frequent flyer miles? I mean, is this a big -- do we have a lot of employees that fly?

Hofeld: We don't have a lot, I don't believe. I don't have the exact numbers but I do know there are a few that have frequent trips back to Washington, d.c. And other areas. And they go to conventions and things. But I couldn't tell you.

Saltzman: The toy sister-in-law's recommendation based on a notion of fairness or a legal basis or tax basis?

Hofeld: I believe what the city attorney did was basically interpret some rulings of the state things commission and came to that conclusion.

Francesconi: I have a reaction not shared make by the council but accumulating frequent flyer miles that then can benefit family members on city business is not the kind of thing we want to encourage. In my view.

Hales: What if it benefits the employee themselves?

Francesconi: Well, that's -- I guess I would add it.

Saltzman: More policing to go to that next level. How do you insure the employee using them to benefit themselves? I think i'm inclined to go where jim is.

Francesconi: I guess I would answer commissioner Hales' question which was a good question, that would include the employees themselves. I mean, if i'm going on city business, do I the question an added bonus that lets me fly somewhere else? I think our policy should be no. Now, do we have the police out there? And there's some things we're going to have to leave to the ethics of our employees. And this is one of them.

Hofeld: That is correct.

Francesconi: I don't think we create a big enforcement mechanism because it wouldn't justify the public expense. But I still think the better policy is the one proposed.

Hales: Well, I guess i'm concerned enough that again we have a lot of employees who are doing this now, I suppose some sort of general directive is going to have to be put out to have people tell their airlines to stop giving them frequent flyer miles. I guess it seems to me that we're setting up people who are currently behaving what they believe to be properly to be violators of a rule.

Francesconi: Excuse me. I'm sorry.

Hales: I'm --

Sten: Like I say i'm not trying to get any freebie for anyone but for the most part, my experience has been that water bureau has lot of people who go to d.c. A lot on regulatory. And my feeling is that most of them don't view crossover, cross country flights as a particular perk. Generally you have to miss a weekend to get the cheapest fare. And i'm not saying, some people like travel. Travel is a good thing. It's pretty random who has to travel and who doesn't. I people miss nights

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evenings with their family. We don't give comp time for that time. It doesn't cost the city money if they accrue some miles. You have to accrue a ton of miles. You only get a free trip for taking a flight on business. So you know, putting people in the position where we either have to say that's a policy but it's flat out we don't enforce it. It's a private record between you and the airline or getting in the position we will try to figure out how to enforce it just all seems -- too much to me. I don't see really the harm that we're trying to solve. We're trying to, you know, protect another employee who hasn't been harmed. The employee who didn't --

Hales: Didn't even know they were harmed. Anything to this discussion?

Hofeld: Yes. Commissioner Sten was correct in that travel via airlines has to be done through the city's travel agent. And so that particular issue of policing shouldn't be that great.

Sten: I don't know if anybody's ever cashed in a frequent flyer award. It is absolutely worthless for business travel. There's no way on earth it's going to accrue at all ever to the city's favor. You're lucky, I have a credit card which is how I've got gotten a couple free trips if you put buy things on the credit card you get miles. It's not from traveling on city. And what I found uniformly if you want to go some place that you might want to go, on a date that you might want to be there at a time that affords you some luck in working a five-day work 40 hours you're chance of booking that for free is none. And so the idea that the city is somehow going to accrue those miles and use them to send people to free places when they have to be enter at a certain time and it's going to be more convenient than the government rate is nonsense. There's no benefit to the city whatsoever that's going to come from. I mean most of these are a gimmick. You know, you do get a free flight every once in a while but not --

Hofeld: I will add the alternative to that is allow the employees to accrues city miles been then you have to tree it at compensation and you get in the old issue how much do you value that?

Sten: Like it's not a big matter principle for knee.

Hales: Between them and the irs.

Sten: There's another slight issue that I think its -- this is a funny story but actually came up this week when we were coming back from austin is that the airlines do make decisions if somebody goes stand by or a flight gets booked. Based on how often people fly and so you basically also saying employees we have to fly a lot if you ever get in that situation that happens on what about 30% of the flights where they're overbooked you're at the bottom of the list. Against other business travelers who do the other same things. I think we're trying to solve a problem that --

Hales: You want to add something?

Todd Kelley, Bureau of Purchases: Yes, please. I'm todd kelley with the bureau of purchases. Sort of the self promoting city travel coordinator where quite a few of the city, of the travel processes. When we contracted with azumano travel for our contract we included the ability of our employees to file profiles with the travel agent. The profiles include the employer, the employee's various frequent flyer mileage cards. So they can, in fact, accrue frequent flyer mileage to their cards, apply to it the traveler profile and azumano can indeed apply that to future flights for the employee. It's the one mechanism we have to use those frequent flyer miles in the future rather than for the employee for personal use.

Saltzman: In other words the miles then accrue to the city under this profile?

Kelley: Right. Right.

Hales: The city can collect all those ala the federal government and then expend them on future travel for other city employees?

Kelley: We can't use them for other employees. They accrue to that particular employee for future frazzle.

Hales: Then instead of taking ten years to finally get a free ticket I it will take 20.

Kelley: Precisely.

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Sten: They only put or three of these seats on any given plane. The odds that's going to ever happen that you will gets enough on one employee's and then it's going to magically work out the couple of seats they give up, you know, it ain't to go gary grant to happen.

Hales: I have a strong recommendation. I can't make a motion but I think we should send this back to the mayor's office.

Francesconi: I like that.

Sten: I will pass the resolution with, I mean I would make an amended that to pass the resolution and strike the frequent flyer language and send it back for further study.

Hales: I like that better.

Sten: Then we can get these guys their policy.

Hales: Is that the form of a motion?

*******:** Hopefully -- question maybe?

Hales: Sure.

*******:** Can those frequent flyer miles be used for first class upgrades? That is allowed under city policy?

*******:** it is not.

Saltzman: Okay. There goes that. Of course, the thing we're trying avoid was the public perception that public employees were gaining favor for doing in the course of their daily business.

*******:** What?

Kelley: The entire purpose of that particular piece of the new rules was to prevent that perception from happening.

Sten: I've never had a complaint. I mean --

Hales: Concern. All right. Erik, did you wanted to make a motion?

Sten: I would move that we, I would like to get their policy through because I think it's a good policy. This is just one piece that needs -- I would move that we strike the language on frequent flyer out of the resolution, pass it, without that language, and refer the frequent flyer policy back to the purchasing office, I guess, for further discussion with whoever is interested.

Hales: Okay. Is there a second to motion?

Saltzman: Second.

Hales: Any further discussion on the motion? This is a motion to amend. We have a roll call on that, please.

Moore: Francesconi.

Francesconi: I'm going to vote in favor of this but I do think another practical reason I think there may be two votes on each side of this so we need the mayor here but I really wanted this looked at and brought back. So we're not saying either side, if for the sake of this discussion, wins or loses we want this analyzed and brought back. I just think that we've, there is an issue of the appearance of I am impropriety and that is, we have to take this pretty seriously. So I stand by my position but let's see when it comes back. We can vote on it then. Aye.

Moore: Hales.

Hales: I'm obviously going to vote in favor of the motion. But I don't think this needs to come back. I think this is a problem we didn't need to solve. Aye.

Moore: Saltzman?

Saltzman: I think this is something that I think if there's I go some better rationale from an ethical point of view I guess we need to hear that. I can be spur persuaded based on that. And I can also be more persuaded I hated to fly for all reasons everybody else hates to fly so I am not as familiar with the system but if there were a way they could accrue it and use those for first class upgrades I think that's a perfectly appropriate something we should support because the poor employees that do have to travel a lot we should try to make it, what's unendurable experience these days more pleasant but we need to hear the better rationale for this change on the frequent flyer in the first

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place and if there is the possibility of upgrading to first class for employees I would support that, too. So aye.

Moore: Sten?

Sten: You know, two quick points. First is that when you solve problems that haven't become problems, you know, it just it's one more thing you guys have to do. I think it's -- I would say it's beyond common place. It's absolutely across the board, you know, business practice, that people who fly a lot, you know, accrue some miles and I just don't think, it clearly doesn't cost the taxpayers anything. You know, it's like when you make on your break make a personal phone call on a phone line that's already paid for. Should you pay part of the cost of the phone? Generally business doesn't think 245. You know, and if it was an uncommon business practice and if you could police it for free, and if there was a public perception problem I think you would have it right but I think it's the standard business practice, you can't police it, and i've never heard, you know, an argument that people are ripping the taxpayer off so I would strongly urge you to, you know, sleeping dog isn't lying anymore but let it go back to sleep. Aye.

Hales: Yeah. And frankly, the city that is letting people take home cars for \$60 a month we have other significant equity and ethical problems to deal with before we ever get to this. Now, what about the code that's in fronts of us? Does this code need to be amended based on what we've just done to the resolution?

*******:** No, sir.

Hales: I'm sorry. We have to vote to pass the resolution because that was a motion to amend. So roll call on the resolution as amended.

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

Item No. 425.

Hales: Now what about the code?

*******:** The code, all we're doing with the code is just addressing the fact that those provisions in those sections of code that are being deleted are already incorporated almost word for word verbatim with the policy as and there's no need to change the code.

Hales: What we just did to change the resolution doesn't change any of the code axes -- sections?

*******:** No.

Hales: So we can adopt that without having any discussion here? Any further discussion on the ordinance language?

Hales: Comes back for a second reading. That will come back next week for second reading. Thanks.

Item No. 426.

Hales: Okay. Item 426. Is he still here?

Moore: He left.

Hales: There being no further business before the council we are adjourned. Thank you.

At 4:25 p.m., Council recessed.

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Katz: Council will come to order. [roll call] let's read item 427.

Item No. 427.

Katz: Kathryn?

Kathryn Beaumont, Office of the City Attorney: Good afternoon. This is an appeal by the west Portland park neighborhood association of a conditional use approval by the hearings officer. Since the time the association filed the repeal, I understand they have had discussions and entered into an agreement with the conditional use applicant, the islamic school, and have agreed -- there have been a revised set of conditions much approval that have been agreed upon, or mostly agreed upon at this point. This is supposed to be an appeal hearing on the record, so in order for the council to discuss the agreement and the revised conditions of approval, we need a motion to open the record for the purpose of hearing discussion on those items.

Katz: After that we'll go into the regular procedure?

Beaumont: We'll go into the regular procedure.

Saltzman: Move to reopen the public hearing.

Hales: Second.

Katz: For the purpose of discussion on conditions.

Beaumont: And the agreement between the school --

Katz: All right. Any objections? Hearing none, so ordered. [gavel pounded]

Beaumont: This is a limited evidentiary hearing -- first, before we begin, I have several announcements concerning the type of hearing, the order of presentation, guidelines for testimony. This is a limited evidentiary hearing. This means that you may submit new evidence to the council in support of your arguments on the agreement and the conditions of approval. This evidence may be in any form, such as testimony, letters, petitions, photographs, maps, drawings, or the like. Any photographs, drawings, maps or other items you show to the council during your testimony should be given to the clerk at the end of your testimony to make sure they become part of the record. In terms of order of testimony, we will begin with a staff report by susan mckinney of the opdr staff for approximately ten minutes, following the staff report the city council will hear from interested persons in the following order. The appellant, west Portland park neighborhood association will go first and have ten minutes to present the association's case. Following the association, any persons present who support the appeal will go next. Each person will have three minutes to speak to the council. The applicant will then have 15 minutes to address the council and rebut the association's presentation. After the applicant -- the islamic school, the council will hear from any other persons who oppose the appeal. Finally, the association will have five minutes to rebut the presentation of the opponents. 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. I would like to announce several guidelines for those presenting testimony and participating in the hearing. These guidelines are established by the zoning code and state law and are as follows. Any testimony and evidence you present must be directed toward the approval criteria for this land use review which you believe apply to the decision. The opdr staff will identify the approval criteria as part of their staff report to the council. If you fail to raise an issue supported by statements or evidence sufficient to give the council and the parties an opportunity to respond to that issue, you'll

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be precluded from appealing to the land use board of appeals based on that issue. That concludes my opening statements.

Katz: Thank you. Declaration of conflicts of interest by the city council, members of the city council. Declaration of ex parte contacts by council members. Anybody want to challenge our silence on those two issues? If not, then we'll proceed with staff report.

Susan McKinney, Office of Planning and Development Review (OPDR): Good afternoon, i'm susan mckinney with the office of planning and development review. To my left is ellen wax, of the bureau of planning. She was the original case planner on this application and i've asked her to come with me so if there's any questions i'm unable to answer, she can help me out.

Katz: Okay.

McKinney: As the city attorney indicated, the land use application before you is for the islamic school of Portland. Sorry. Okay. I'm sorry. Okay. The land use application before you today is for the islamic school of Portland. The hearings officer's decision of approval of the conditional use was appealed by the west Portland park neighborhood association. The approval criteria related to institutional uses in residential zones applies to this review. They are found in 38.815.105, and the proposal must be consistent with the transportation element of the comprehensive plan. In addition, the application includes an adjustment request to waive the on-site bus loading requirement for a new school use. Relevant approval criteria are found in 33.805.040, a-5. The 14,000 square foot site is located in southwest Portland on southwest capitol highway. It is south of the i-5 freeway corridor and south of barbur boulevard. The site is zoned residential 2000. However it is surround order three sides by commercial zoning and development.

To the east of the site the area is zoned for single dwelling residential r-7, and there's multidwelling zoning approximately 200 feet to the south and southwest across capitol highway. The application proposes the conversion of an existing 2700-square-foot residential structure to a school with five classrooms and an office. Initially the school proposed to date students from k-4 with a total enrollment of 45 students. There will be six staff, including five teachers and one administrative staff. The applicant projects that 90% of the students will continue their education at the school up through eighth grade. The school plans to advance the children as they grow older, and this approach will continue for each school year up through the eighth grade. At that time the maximum enrollment would be 60 students, with a number of staff remaining constant at six. A mosque operated at the site under conditional use approval from 1981 until approximately fall 1998. And at that time moved one block southeast of the site to 43rd and alfred street. There will be eight on-site parking spaces that would be between the building and capitol highway. The zoning code requires one parking space for each classroom, so they are meeting the code requirement. The proposal also includes ten long-term bicycle parking spaces and the site includes mature trees and shrubs. The proposed addition of 350 square feet is at the rear of the structure, shaded in gray on the site plan. Access ramps for disabled persons will be added to the front of the structure. This is the rear of the existing structure looking to the south where the addition would be constructed. Note the level of existing landscaping along the south property line. This is the office building that's located directly south of the site. Again, note the level of landscaping between the school site which is to the left of all the trees, and the adjacent commercial property. This is a view of capitol highway facing south in front of the site. Across the highway from the site, and this is a view of capitol highway facing to the north in front of the school site. As shown in this -- in this slide, the site of the area is very commercial in character. Finally, this is the gas station that is directly north of the site. As mentioned previously, property to the east of the site is zoned single dwelling residential. This slide shows the north side of the structure and the slope of the site with heavy vegetation at the rear, adjacent to the residential zoning. The hearings officer determined

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that the approval criteria for conditional use and adjustment were met when -- and approved these requests. With conditions related to maximum enrollment; reservation of on-site parking spaces for drop and pick-up of students, a -- assignment of greeters, staggering of school start and finish times, implementation of a plan that included drop-off and pickup of students at the nearby mosque, and a trash and litter program and a requirement that the school comply with the city's noise regulations. There -- the west Portland park neighborhood association appealed the decision and while not opposing granting the conditional use for the school at the site, the neighborhood association did appeal the decision because of the conditions of approval that were placed on it and they wanted to -- an opportunity to modify those conditions or add additional conditions to address pedestrian safety and traffic. In their appeal statement, neighborhood representatives stated their intent to work with the applicant in the city -- and the city to negotiate and approval conditions of approval. An agreement through formal mediation provided by the officer neighborhood involvement between the school and the neighborhood association has been reached. I would like to take a moment to acknowledge the work that the group achieved, and to let you know rebecca sweetland of oni is supposed to be here to be available if you have any questions about the process of mediation that occurred. However, city staff is unable to recommend that the agreement in total be adopted as a condition of approval for the school site. That's because there are elements of the agreement that address activities that will occur in the public right of way, such as drop-off and pick-up of students, crossing and signage that need to be outside of the land use process because they are elements of Portland transportation, and would have approval of through title 17. Also there are elements of the agreement that place the requirement or responsibility on another conditional use site in -- and as you know, we cannot legally do this. What staff is recommending is that a condition be placed on the school that will require the school to implement the agreement and also recommending revised conditions of approval that will incorporate those elements of the agreement that can be legally included as conditions of approval on the school -- you should have in front of you a document titled, staff suggested revisions to the hearings officer's decision and conditions of approval. I didn't put them on a slide because they're pretty long. So these revisions have been revised -- reviewed --

Katz: Hold on. I've got this and then I have this one. I have two of them. Is this the one without the -- is this the right language? All right.

McKinney: It was just put on your desk.

Katz: All right.

McKinney: These revisions have been reviewed by the applicant and the neighborhood association and meet with their approval with one exception. I will address that in a moment. They concur the revisions acknowledge the agreement and put in place those that are in response to the approval criteria for the school application. The issue outstanding is condition c, as modified. This condition requires on-site drop-off and pick-up of children. Portland transportation will require that at least two spaces at the school site be reserved for -- and signed for this purpose. The hearings officer in his decision required as a condition that four spaces be reserved. The neighborhood will recommend an amendment to this condition and will address why in their testimony. Glen pierce from Portland transportation is available to answer any questions about this specific amendment. One other outstanding issue is that you may hear testimony concerning a nearby mosque. I need to make clear the mosque is a separate conditional use and although the facilities in -- the families and educators that attend the school probably also attend the mosque, these are separate entities, separate sites, separate conditional uses, and we need to keep them distinct. I would be happy to address any of the revised conditions of approval that you would like

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me to at this time, otherwise I will end my presentation and neighborhood association will probably want to talk some about the revised conditions.

Katz: Okay. Let's put up the lights. Questions by the city council?

Saltzman: The ten-minute parking spaces, are those all hours of the day or just during the beginning and end of school, the reservation for ten minutes?

McKinney: They would be during specific times in the morning and afternoon hours for dropping off --

Saltzman: The rest of the time they can be used as a normal parking space?

Katz: Questions? Okay. Thank you. Let's hear from the appellant. We have ten minutes.

David Gens, President, West Portland Park Neighborhood Association: David Gens, president of the neighborhood association, the city zone 19. Good afternoon, mayor and commissioners. The land use chair of the association will be presenting the bulk of our remarks. I'd like to preface it, though, and I shall be brief, the neighborhood association is not here to deny this school siting. The neighborhood association, the appellant have arrived at a mutual understanding. They request the city to permit. The neighborhood association's concern was primarily focused on safety of the students and drivers in the neighborhood. The solution was moving peak hour vehicular school traffic to the proposed parking lot to the east, avoiding traffic impairment on capitol highway during peak times. Now ms. Fritz will present our position.

Amanda Fritz: Amanda Fritz. I want to stress it was always our intent to encourage you to allow this school use. We merely appealed the conditions of approval. We do value and celebrate diversity in the west Portland park neighborhood. 20% of the children at Marquam elementary speak English as a second language. The agreement we've reached isn't perfect for neighbors or the school, but it is a compromise that is good. I'm very proud of the way we reached the agreement and worked with our neighbors and always remembered that we are neighbors. The outstanding issue is with transportation. Which unfortunately we didn't know about until yesterday, late. So we don't have a lot of folks here to testify about the issue of ingress and egress onto the site of -- off capitol highway during rush hour, particularly in the morning is the concern. But we have reached the agreement with the school that the drop-off would occur off site on 43rd and Alfred, and we think that is a much better solution than signing what we don't intend to happen at the school site. It is a key element of the neighborhood association appeal. We feel it is not safe, it's not desired by the neighborhood association or the school, and the agreement is a better approach. I would mention that this is actually -- this problem arising late in the day has actually shown the strength of the agreement in that the neighborhood association and the school are still in agreement, that our suggestion is the way to go and that it was -- has been good to find out over the last 24 hours that can -- we can indeed trust each other and move forward with the --

Katz: Why don't you read the language somewhere in your testimony.

Fritz: Well, we don't want any specified condition of approval stating that there needs to be signed pick-up and drop-off sites. There are already parking spaces available, so it's not a case of not wanting those parking spaces improved. Since the agreement says that the drop-off is not going to take place at the school, it's going to be confusing to people if there are signed spaces saying drop-off here, when in fact that's not what we want. So we really just suggest deleting the language about on-site drop-off from the two conditions that are there. I do want to take a couple of minutes to thank Ellen Waxen and Susan McKinney, who both worked very hard over the last six months. Also Rebecca Sweetland. Judith Salter and Kelly Bowl of the police bureau were our volunteer mediators. These are folks who work for the government, but who gave up their time to voluntarily help us mediate an agreement, and I think that's terrific. We also want to thank Frank Angelo, the consultant for the Islamic school who was also very instrumental. And finally, we want to thank

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the press, particularly linda cargill, who has called me three or four times every month to check on the progress of the agreement since last october -- last august, but was very respectful of the fact we were still in negotiation and this issue has not been played out in the press. I think that was another key element in us being able to reach an agreement, because obviously since did it take six months, there were some ups and downs and a lot of downs.

Katz: For that you deserve a medal.

Fritz: We think that's terrific. And we just ask you to honor the agreement. And finally, I want to raise a policy question, and that is about the value of on the record appeals and the difficulty of on the record appeals. While it is certainly been an encouragement to reach an agreement, it's quite difficult to have to put an agreement extra into the record, and I think the original intent of the on the record appeal was to make sure we could meet the 120 days, but I would suggest that's something you might want to consider looking at again to see whether there might be another way to make sure we can meet the 120-day deadline without putting neighborhoods and applicants in the position of not being able to get to a sensible solution and not being able to put fact into the record. So I just wanted to mention that.

Katz: Thank you, amanda. Questions? All right. Thank you. Anybody else want to testify? On behalf of the appellants? All right. Then principle opponents of the appeal or actually friends of the appeal, applicants.

Fank Angelo: I'm frank angelo. I would like to begin as a -- by thanking the city's office of neighborhood involvement and otb -- opdr for their efforts on the mediation and facilitation that occurred at the two meetings that we conducted in january and march. We had spirited discussions at both meetings, and we -- in the true spirit of negotiation we reached an agreement that we believe meets the needs of both the islamic school as well as the west Portland neighborhood association. As well, i'd like to express appreciation to david and amanda for their participation, because they gave up a number of hours to -- volunteering to work with us to craft this agreement. We believe it's a good agreement. It's -- it reflects the desire that was stated at our first meeting to identify ways to make sure child safety can be maintained and preserved when the school is in operation, to address traffic issues as the school is in operation, and to minimize potential neighborhood impacts. As a -- as amanda noted, she has suggested and the neighborhood association has suggested two changes to the draft conditions of approval that you have before you. One to delete condition "c" in its entirety, and second to amendment condition "e" to remove the phrase "in addition to on-site drop-off and pick-up of students." We're in agreement with that recommendation. We re -- believe it honors the agreement that we forged with the west Portland neighborhood association. With that, we recommend -- request that you consider this favorably. Thank you very much.

Katz: Thank you. Questions? Anybody else want to testify? All right.

Hales: The -- I would move the staff suggested decisions to the decision, and further amendments of those staff revisions submitted today from west Portland park neighborhood associations which delete condition c and substitute revised language for condition e.

Saltzman: Second.

Katz: Discussion? Roll call.

Hales: Did we get that right?

Katz: Is that right, katherine?

Beaumont: That's correct. This would be a tentative decision.

Katz: Tentative decision, we'll come back with a date.

Francesconi: This is terrific. I'm voting aye. I want to follow up on something amanda said, though, even though it's not directly relevant. We are becoming more diverse and we need to

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become even more diverse in all of our neighborhoods. And education is the most important issue, and we need more kinds of schools and more diversity of schools with a focus. And so that combination here with the willing neighborhood association, an eager neighborhood association to embrace you is just really terrific. It's great to see you, it's great to see the school. It will be good for us to visit this school once it's up and running. And this is a great thing for our city. And how it was done is a great thing for our city. Aye.

Hales: Thank you all for getting to yes. Aye.

Saltzman: I want to first of all welcome the islamic school. I've watched over the years as your presence in the community, particularly in that portion of capitol highway and the west Portland park neighborhood association area has grown, and this is nice to see one more permanent and approved fixture of your presence there. So this is great to see and i'm -- I really want to thank the neighborhood for being so welcoming and also I really want to acknowledge the work of rebecca sweetland and the office of neighborhood involvement in helping everybody get to yes in such a smooth manner. This is a great agreement. Aye.

Sten: I agree. Thanks. This is my favorite kind of land use case. Thanks to all of you, and I wish the school the best of luck. Aye.

Katz: I think we've done it in record time. We've -- within a half an hour. Thank you to the neighborhood association and oni, rebecca and welcome again to your school and invite us on opening day. Aye. All right. A date?

McKinney: I think we're looking for a date three weeks from today.

Katz: Okay. We'll come back with the findings then. Do we have any clue as to how many people are going to be here at 4 o'clock? Is there no way we can push this -- we don't have a clue. Okay. Then we'll adjourn until 4:00. [recess]

Katz: We have one item before us, item 428.

Item No. 428.

Yvonne Deckard, Director, Bureau of Human Resources: Good afternoon, mayor and council. For the record, my name is yvonne deckard. The ordinance before you transmit the recommendations of the labor management benefits committee for the city's self insured benefit plan and the beneflex program for fiscal year 2001-2002. From this point forward i'll refer to the labor management benefits committee as the lmbc. In 1999, the lmbc began working on plan design changes in order to contain rising health care costs. Since that time we've hosted focus groups to receive direct input from employees, and given this input to the lmbc and it's been incorporated into the plan design changes before you. On march 30th, 2001, the lmbc voted 2-1 to forward the recommended plan changes to the council for approval. I'm sorry, 12-2. To move -- for the recommendations of the plan changes to council for approval.

Katz: Is it as high as it can go?

Moore: It is.

Deckard: How much did you miss?

Katz: Don't start over. If you need a hearing piece, i'll be more than happy to get you one, leo.

Deckard: I want to point out that the two votes against the plan -- the design change recommendations to come to council was with the dtu and the recreation. The -- and I also want to remind council the lmbc process is a part of each labor agreement, and that the process was negotiated, and it is part of the labor agreement, so the work the lmbc is doing is in accordance to those labor agreements. We're currently in bargaining with the dtc -- dtu, and ealso are currently in bargaining with copea. Each of those groups have the option and i'm sure will present to us proposals on benefits during that bargaining process. So nothing that the lmbc has done sir couple cents the union's ability to put forth a proposal during the bargaining process. The lmbc is also

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recommending that the beneflex program is closed to new employees effective the end of this fiscal year and the elimination of the program July 1, 2002. The Imbc proposed a one-year transition for the beneflex program to occur during fiscal year 2001-2002. The elimination of the beneflex program will provide uniform benefits to all city employees. The city, like most employers, both public and private, nationwide is facing double digit increases in health care costs. Combined medical and prescription drug inflation is projected at \$17 --17.3% for the city for fiscal year 2001-2002. The city select plan design change is projected to save 8.13% over four years, or approximately \$14 million. Rising costs of both medical care and prescription drugs is expected to continue to increase over the next few years. The recommended changes are an important first step toward containment toward health care cost containment. While continuing to provide a comprehensive and competitive health care benefits to city employees. I really do want to stress that the ordinance before you is really a first step. I am recommending that the mayor and council support this ordinance.

Katz: Thank you. Council members, do you have questions?

Hales: Not at this point.

Katz: Okay. What's the matter? All right. Oh, she's getting the sign-up sheet. We're now ready for public testimony.

Moore: Come up three at a time when I call your name.

Katz: Who wants to go first?

Dale Sherbourne, 2134 SW Palatine: I'd like to go first. My name is Dale Sherbourne. Today I had several people come up to me because they knew I was coming and they'd like to see that in the future that the union and the city could work together to organize regionally other public entities and their insurance programs to have some leverage with the insurance companies rather than us being in an adversarial position with the city council that's losing benefits we could look some way to use this leverage for prescription plans and things like that. If we're all split off, we got the county, and metro, and several other public agencies, if we could work together with our health care system that we could possibly -- they wanted to make sure that got heard, that there be some leverage there. And I think possibly in the future that we could work with the state to put these funds into a pool that could eliminate the need for the private health care system and go to a one pay provider that -- one -- one provider. And that this in the long run would be advantageous because we could bring in the Oregon health plan into this, because we're already each public agency is paying out a certain amount of health care for their employees, and if they paid right that pool and utilized that, that would be a much larger pool from us -- for us to draw from and have some flexibility in utilizing all of our monies. Some of us may, after some of these negotiations be on the Oregon health plan, so I would like to see that boosted by utilizing public monies in that manner.

Katz: Thank you. If I recall correctly, you or somebody else made this recommendation a while ago to increase the pool and get a better price. And I don't know if we followed up on that. But that is a suggestion that I think we need to do. We need to follow-up on that and answer the question and in terms of, is it doable, and does the price change and how much.

Sherbourne: If we get strong together, then we provide a united front. But if we're adversarially working against each other here, we want to keep our benefits. When you need to cut them back those things -- we're not going to have a handshake on this at all. We're going to be eating -- beating our hands against the wall together.

Francesconi: Now that we found the solution, we -- can we end the hearing and end on this win-win note?

Katz: Go ahead.

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Jim McEchron, Business Manager Local 483: Jim mcechron i'm the business manager of local 483. Member of the labor management benefits committee for the last three years. Last week, when this proposal came up before the committee, grant, the representative who sits on the committee for the dctu, myself, I it is on the committee for the contract representing the people in recreation and the parks bureau. We voted against this proposal. The proposal in and of itself is not a problem. That's been explained to our members. That's not what brought all these people down here today. The issue is simply that plan redesign, plan redesign as a method of dealing with these double digit increases that yvonne mentioned is not going to involve this problem. Dale mentioned some thinking out of the box solutions. I think there's a lot of thought like that going around at other public agencies as well. So there may be a number of different ways to go. Whatever is the case, if we continue to just redesign our plan without addressing what we see as a central problem, and we are obviously in bargaining and we're going to bring it up at the bargaining table, that the contract caps in our agreements do not provide enough money to deal with this issue, then plan redesign, what that means is we're just going to go down to a lower and lower level of health care provided to the employees at the city. Represented and nonrepresented. So we felt that offering a plan redesign at this point was probably going to send the wrong message. A plan redesign without the bigger issue of having adequate funds coming in to cover these costs is not going to be a fix. So that's where we parted company with everybody else, and I know you've all been on the losing end of a vote, so it does -- it isn't always a pleasant feeling. 12-2, you get slammed pretty hard. I'll point out that our two votes on there representing almost 2,000 people out of the 5,000 people in the pool. The lmbc is not set up to represent people kind of one man, one vote sort after basis, it's based on contracts at the city. So our two no votes are the no votes from organizations representing almost 2,000 people out of the 5,000 in the plan. Part of where we're going next on this issue has been a summit meeting, what's been described as a summit meeting. All the represented folks getting together, sitting down, the dt -- the dctu, ppcoa and the firefighters and talking about this entire issues. And I can't speak for any of the rest of them, but we're hopeful, we're hopeful that that process will be a means of addressing what is a very delicate issue for our membership. You got to remember that even with this plan redesign, I saw betty here earlier, I got the numbers right from here, three years from now, without any more changes on this plan, we're looking at being somewhere above 250 to \$300, if i've got the numbers right, above the contract caps. I've got members to make \$10.53 an hour. There's no way in god's green earth they can afford a \$250 a month copay for insurance. I know what's going to happen. What's going to happen is we're going to end up with a health plan that nobody is going to be very proud of. I don't know what effect that has on your recruitment and retention issues. I would think it would have some.

Katz: Excuse me. Let me ask the council if it's all right to extend another two minutes.

Hales: Yes.

McEchron: I can wrap it up. The meetings are coming up. Obviously we're in bargaining. As any of you, if you were sitting in my place will do, this is going to be an issue that -- this is a central issue to us in barring income, and it's going to be on our bargaining table. The summit meeting is a way to address this problem as well, and we're hopeful that there will be some real commitments in that process. I'm not asking anybody to jump up and say, we're going to give you a bunch of money, but that's not what i'm saying. But that is a process that has worked in the past, and this lmbc has worked very well over the last 14 years, we've dealt with a lot of issues in that time, we've made -- the lmbc structure can make minor adjustments and deal with these cost issues, I think, is my opinion. But whenever we start looking at 15 or 20% a year increases, then the structure begins to get pretty -- I don't know if it works real well in those circumstances.

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Obviously people's positions get a lot harder whenever we're looking at major losses of health care or major increases on out of pocket expenses. So thank you very much for your time. I appreciate your giving us an opportunity to speak.

Katz: Thank you.

Saltzman: Jim, did I understand you to say your vote -- your descending vote was not against the issue of actually before us today ending the beneflex man, it was more of a vote against the contract cap itself on health insurance, and redesign issues itself.

McEchron: Against the concept, dan, that plan redesign is going to fix this problem.

Saltzman: But it wasn't necessarily against the notion of terminating the beneflex plan.

McEchron: No. Most of my membership can live with these changes. There's going to be some pain there, but you haven't seen -- you haven't seen a plan that will fit underneath these caps. I'd like to see what it -- what it looks like. And that could look pretty ugly.

Saltzman: I just want --

McEchron: I don't think our caps buys much of a health care plan.

Saltzman: I just wanted to go back to what dale said. I couldn't agree more that we need to look across governments and how do we combine our purchasing power as public employees. This is something I was suggesting as a county commissioner when we were talking about city/county consolidation. We should be looking at consolidating health benefits. I know there's a lot of problems because each bargaining unit has become accustomed to its own bargained health plan. Hopefully today by eliminating one plan we may simplify the menu that's out there and get to that goal. Because I very much believe that's how we're going to get to keeping costs down, is increasing the purchasing power of all of us combined. I think -- I hope this is a step in the right direction. I couldn't agree with you more, that's the way we've got to go. The way costs are going up, we have to combine our purchasing power and really get those costs down and get the best plans for all public employees, and we have a lot in common. This is an idea I hope whose times has finally arrived.

McEchron: That's been one of the few methods that's actually worked to control costs. We've tried a lot of different things. The gate keeper physician, boy, that idea didn't work out. You see providence -- they've abandoned that whole idea. And it never saved anybody any money anywhere. Maybe in the first year, but after that it was worse and worse. But the only thing that has consistently worked is putting together larger and larger buying groups. You talk about the city, the Multnomah county, you talk about metro and the port, whatever -- and the school district, perhaps. If you throw in all those public employees, I don't know what we're looking at in terms of numbers, but it's probably close to 15,000, 20,000 people. I think you'd find cooperation from our side, and I sit on a committee at metro, I sit on -- we deal with the port all the time. So we've got members working all the -- in all those jurisdictions. Others in the dctu and afsme have people in all these jurisdictions as well. I think in the long run, that that's one of the few things out there it looks like we might be able to find some way to save some money.

Katz: We'll ask betty -- did you look at that? My understanding is the plans do differ substantially among these governmental units, or am I in error?

McEchron: I can tell you that the -- what they call the admin plan and -- at the port of Portland and the two plans that I have members under, which are different than other plans at the port, the city select plan and the ods plan at metro all look pretty similar to me. I'll also tell you that every single person who's involved with that issue in the organizational structure in each of those organizations will tell you something different. They'll tell you their plan is much better. I don't see it. There's a little difference here, a little difference there, but they're all pretty similar.

Katz: Okay.

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McEchron: They're good plans.

Katz: Go ahead. Thank you.

Julia Gisler, Planning Bureau: Julia gisler, Portland. I'm an employee of the planning bureau, a participant in the beneflex program and i'm also a part-time worker. I believe i'm the first of several part-time workers to talk to you today. What I wanted to talk about is how these changes could potentially affect my house hold. I'm a city planner with the Portland planning bureau and I have been since 1989, and i've been working part-time since I started my family in 1995. My husband has health insurance that covers our family, and so as a participant in the beneflex system, i've been able to waive my benefits and put them into the dependent care fund. And that subsidizes our day care bills. I wanted to throw a few numbers out. With two preschoolers, even with my part-time schedule, we're generally looking at -- we have been looking at about \$800 worth of day care costs. And the beneflex has subsidized that about -- between 300 and \$400 every month. The way I understand these proposals working is that if beneflex goes away, my allowance for day care goes away. And it becomes not -- because i'm working part-time, it's not financially feasible for me to buy up, and so i'm in the position where I just waive all of my benefits. And as I just said, it's between 300 and \$400 a month, and it's concerning to me, and I don't -- I can't imagine that there's not -- that there's very many people in this room that could see a loss of \$400 to their monthly benefits and not be concerned. But because i'm a planner, I want to talk about process first, and i've been involved in a lot of contentious community planning processes. And to me, one of the things that makes a process successful is if someone at the end says, you know, julia, I still don't want that high density housing or that light rail, or whatever, near my house. But the process has been fair, and you've listened to my concerns, and on balance, I understand why you're making these decisions. And that's what I want out of this process. Particularly with part-time people. I want to feel like the process has been fair, you've listened to the concerns that we have. I'd also be interested to look at the demographics of where that money is going when you waive the insurance with beneflex, where that money is going. Because I think a lot of it is going to dependent care funds, and the other funds, and I know that this has been talked about particularly with the lmbc, that this is very expensive. And one of the things that I wanted to make clear is that I think that there's a way to continue to have an allowance for people who can waive their benefits. Put it into something that really helps the households, like the dependent care fund. But the -- but one of the things that's happened with the beneflex is that people tend to think of benefit dollars now as apples, like if I waive my ability to have beneflex -- to have my benefit dollars that I should get exactly the same amount of dollars to use someplace else. So it's like an apples for apples thing. In reality, the benefit dollars are not apples to apples, they're like apples if you're single, an orange if you're married with a partner, and then the money goes up so much more if you're with a family. And so one of the things that's happened to me is looking at my day care costs have gone up about 5%, where the allowance i've had has gone up about 17%. And that -- and now it's fast approaching the time where my benefits are paying for all of my day care. Which I think is out of kilter. It's kind of like the stock market. It's too good to be true to keep going on, and something has to be adjusted. So I would hope that during this time of this transition this year that we could look at some ways that for part-time workers, for people who are waiving, that we could just look at the issues and come up with some creative solution that's we can still continue to help families with those really large day care bills.

Katz: Thank you.

Deena Platman, 7465 SW Canyon Dr., Office of Transportation: Dina, 7465 southwest canyon drive, Portland, Oregon. I'm also here as a copea member. I'm a planner in Portland transportation, and i'm also beneflex beneficiary, and somebody who waives their medical in order to fund

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dependent child care accounts. And i'm just here to -- hear to express my concern for losing that incredibly valuable benefit to my family. It's been all the difference for me to be able to continue my employment here. When you begin looking at the cost of child care, which has just gone up, and then -- I lost my train of thought. You look at the cost of child care that's gone up dramatically, then you begin to try and balance that with work, it becomes very, very difficult to make a choice on being able to stay when we look at losing this as a benefit. So what I really would like to back up julia's request that we take a look at whether beneflex -- what the impacts are. I've got some information here that says that two different studies, see gal and aon consultants, I found that by giving waiving this benefit or taking -- removing this benefit, in fact it was going to cost the city more to add us back on the medical plan. So we were not seeing a savings. So i'm concerned about that. So really what i'd like to see happen is maybe to take a longer look at this, take the next year. We still retain beneflex through next fiscal year, to make sure this is really a wise decision. I any we're looking at retention issues. I've talked to many people in my department who also are users of this both in terms of decap, but also in terms of the medical expense, where they make take a lesser program in order to fund medical for doctors that may not be on the program. And they're very, very concerned about losing this benefit. So I would just ask you that you please take a longer look before you give up this, and maybe see if there's an opportunity to even it out and to address some of the equity issues which I know there are equity issues with this. And see if we can come up with some way to be able to make this -- continue this family friendly policy.

Katz: Thank you.

Jill Grenda, Office of Planning and Development Review: I'm jill grenda. I'm a planner for the office of planning and development review. I can't be nearly as eloquent as dina and julia just were, because being a mom and a planner at the same time, a new mom, doesn't leave much time for well rehearsed presentations, so I might be reading my presentation, but bear with me. It has a slightly different spin than the brother previous ones. My comments pertain as to how your decision will affect part-time workers. And we are a minority, that's widely recognized, but I want to emphasize that we add value to the city's work force. A year ago I returned from maternity leave to part-time planner position, and in the past year i've experienced firsthand what it means to try and maintain some career continuity while also participating more fully in the development of one of Portland's future citizens, my baby daughter. I work 21 hours a week, but I keep an eye on the case loads of my fell low teammates, and I have approximately two-thirds of the number of cases they have. So it hasn't been a problem for me, as long as I work efficiently. This testimony isn't like to toot my own horn, but basically to hypothesize that part-time workers contribute -- essentially the city gets its moneys worth and maybe more from part-time workers. Yet because we do work reduced hours, our benefit allotment doesn't cover the cost of buying the city's health care plan. So the term uniform benefits for all, which was used in the first testimony, has no effective meaning for most of the part-time workers. Like the two previous testifiers, I use my benefit toward day care reimbursement, and it wouldn't be cost effective for me to buy up to the city's health care plan. If the city goes to a benefit option of sort of health care or nothing, my effective benefits would be nothing. I have to admit, I don't know what benefits are currently available to part-time workers outside of copea. I do know the beneflex system has been a great way to equal eyes the compensation for workers whose allotments are not enough to buy health care. I'm not asking you to obtain beneflex if there will be a cost savings. I'm asking you to consider a way for all employees to receive benefits equal to the amount of hours they work. In a - - if a person does not elect to buy health coverage, or they don't elect to use any benefit for any reason, they should somehow be compensated for this loss. I don't think it's fair or equitable to sort

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of target one particular group of employees to shoulder a greater portion of the total cost savings that the city is trying to achieve when all city employees contribute to the work of the city equally. Thanks for your consideration.

Kathy O'Brien, Benefits Administrator, Multnomah County: Good afternoon. My name is kathy o'brien, the benefits administrator for Multnomah county. We have just gone through a redesign this year also. We offer the employee as self-insured plan and an ml hmo plan. We have developed three new plans through an employee benefits board association. Part of the reason for the plan design was to adjust and address some of our costs. This year we are facing a 23% cost increase on our self-insured plan, and a 15% cost increase on our hmo. If you consider our plan contribution as a \$30 million plan per year, and at 23% increases for the next five years, you can do the math and show what that would do to the county's budget. So we had to do plan designs and we established a labor relations forum with the unions and in cooperation with the unions to address health benefits for the employees. We met over 18 times last year to build a plan that the employees also support. One of those designs of that plan includes premium sharing, which will begin next july 1st, 2002. One of the guarantees of the employees is that they will never pay more than 10% in the next three years of premiums. We have a very good plan, and the first year of the plan for family coverage in our ppo plus plan costs the county \$826. 10% of that \$826, which would happen next year, would be \$82 per month for families. That is a lot for families to pay, and the county realizes it, so we have addressed that through an employee contribution cap. We also participate like the city does on the Oregon health coalition, which is group purchasing. We have contracted last year with one of the largest national prescription drug companies. We also saw an 18% increase in prescription drugs through utilization and more expense. I do not know of a better deal that we can get through an rfp process than with a national company. Advanced pcs covers all pharmacies in the nation, and is part of the rite-aid chain, as well as wal-mart. So we have done two things, developed plan design, and have addressed premium sharing over the next three years to be able to provide a health care plan for our employees that is affordable and gives them enough benefits to rely upon.

Katz: Thank you. Questions?

Francesconi: That's the first good news i've heard on this subject. My only question, maybe -- how are you working with the city? What's your role in helping us?

O'Brien: My role in helping you is --

Francesconi: The city get to the same place, or a similar place, or someplace.

O'Brien: I communicate with betty and we also participate together on the Oregon health coalition purchasing group. She asked me to come testify about our costs.

Katz: So you will be working to see if this is anything that we can take a really hard look at and see if this is something that will be discussed either at the summit or the bargaining table, or at the labor management committee.

O'Brien: I'm not that closely affiliated with your organization. I am a peer of betty's.

Katz: Okay. Thank you. We'll find out.

Saltzman: What -- what is your opinion personal of this notion we talked about, or earlier of truly trying to combine onto one common menu of plans amongst all public employees, but -- we'll start with just the county and the city first. That's 10,000 employees easily right there. Do you think that would be something we could achieve in our lifetimes?

O'Brien: Plan design is essential, and history in each plan is an issue for the employees, because that's their filter they bring forward. Also premium sharing which we have now is an important cost saver, and an important mechanism for our employees. Just because you're bigger doesn't mean that your plan design addresses the cost savings. You can be together and get a cheaper

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product, but that isn't the sole driver of health cost benefits. The medical community and the providers drive a lot of the cost, and negotiating the deals with the providers also provides you other avenues. So just because you're bigger doesn't mean that it's going to be better or you're not going to have a 20% increase. So we are always interested in collaborating with the city, but I do not know if in this -- in these two arenas, it's going to make a difference. It depends on utilization of your employees, plan designs and basically what the medical community can provide.

Katz: Thank you.

Katz: Can I get a show of hands of how many people want to testify? All right. Dave, why don't you go ahead.

Dave Benson, Representative, Portland Police Officers Association: Okay. Good afternoon, my name is Dave Benson and I service as a representative for the Portland police officers commanding officer association for over four years, I think approaching five. For the last two years we have been discussing plan modifications to the city's health plans for employees. These changes we're discussing are today are represents the last two years work. These recommendations are made against the backdrop of double digit medical inflation and dwindling resources to pay increasing costs. Second, there has been a long-standing feeling that beneflex put some employee groups into different tiers generating some animosity and bad feelings. The changes before you today in part represent or address both these concerns. They attempt to responsibly reduce or responsibly modify the city select benefit plan and level the playing field. That is, all employees will have the opportunity to select the same plan design as any other employee in the city. That was a big concern, that equity concern. Arguably, termination of the beneflex option is the single biggest change in this benefits design. The employees I represent currently have that option. However, we recognize that this and the other proposed changes are a necessary first step in putting the city of Portland's health plans on better financial footing. But I would quickly add that this is not a fix and it is not an answer. It's only the first step in hopefully a spring board for additional discussions. In listening to everything I've heard, I think I agree with probably about 95% of it. I share all the concerns, and we need to work harder and look for other ways. But I think the bottom line is that the contributions of cola don't come close to the double digit medical inflation that we're experiencing. So we have to do something different. However, all that said, I would encourage you to adopt this resolution.

Katz: Thank you.

Paul Gornick, Representative LMBC for COPEA, Office of Transportation: I'm Paul Gornick, I work in the office of transportation, and I'm a representative to the LMBC for COPEA, city of Portland professional association, primarily representing planners, engineers and technicians. The members of my bargaining unit, and I have real reservations about whether a cost savings are actually going to result from the elimination of beneflex 0 -- in its current form. Nonetheless, I cast my vote in support of this elimination because of the equity issue of not having all city employees under the same program. Specific benefit changes proposed by the LMBC for our self-funded plan are just a small baby step in helping control our costs. However, like it's been said several times before, the current rate of medical inflation is much higher than the general inflation rate, and over the next year we need to have those discussions as to the funding we need to support benefits at a level that will both attract and retain the competent staff that city needs.

Katz: Thank you. Thank you both.

Katz: Who wants to go first? Go ahead. You've got the mike.

Norberto Adre, COPEA Representative: I'm Norberto, a COPEA representative. My concern is the all the members that -- the members that have family, press a concern about losing beneflex. And I was looking at it, we haven't got any proof of financial savings if we lose beneflex. Why

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can't we give beneflex to all the employees, even keeping to it the cap, not subsidizing the beneflex? Just limit it to the cap. Even that will save us some money. Keep the family program for the city. That's all I want to say.

Katz: Thank you.

Gabe Onyeador: My name is gabe onyeador with the office of transportation. I'm here to speak on the recommendation from the lmbc. First of all, i'd like to say that I agree with some of the conclusions met with the recommendations before you today. However, one part I do not agree and am recommending that council do not approve is the beneflex issue. I've talked to a lot of employees that participate in this beneflex. I think it's a good program for the city of Portland, it's a family friendly program, and when people participate in beneflex, my -- like myself, I come from a family of five. Right now i've not been using the city's health program. If beneflex -- I would choose to bring back all my family back to the -- because every member of my family uses this benefit from the city of Portland, cost goes up. I looked at the report from the consult apartments that came from lmbc. There is a cost increase of 170,000, you know, with the beneflex taken out. With the beneflex remain in place, it saves the city about 320,000, according to that report. And that makes sense because people who are not currently using the city's program like myself will have the tendency to come back, you know, to start using that program. When the benefit comes, people like us who have the program, who have the series program, and then put that money into the check, and medical plan. I have already set a limit in how much money it can put into this program. For decap you can only put \$5,000. For medical, you can only put 2,000. So we are -- i'm -- people -- beneflex can be changed in such a way that there can be no catch out option. People should also be allowed to put the money in decap and then medical. This cost savings in my opinion is going to go in the long run, because both myself and my family are getting -- we'll be getting older, you know, so the older we get, the more our medical needs. So the cost savings to the city will even be greater as the work force ages. So I would like to recommend that the city council, while many -- while it saves the city money, the beneflex aspect does not save money. It increases the cost to the city.

Katz: Thank you.

Eric Engstrom, Planner, Bureau of Planning: I'm a city planner with the bureau of planning, and I serve on the copea executive board representing about 35 planners in the planning bureau. I'm here as an individual, by the way, not talking to you from copea's point of view, necessarily. I've again with the city about six years, and i'd like to start off by saying benefits package the city's offered my experience has generally been very positive. I think we have a good package. I'm certainly willing to support any changes that will maintain that package into the future. I'm not here to argue against the recommended -- the recommendation of the lmbc, but would I like to echo the concerns you heard from a number of other planners regarding the specific -- the specific hits some of the planners will be taking and just offer up another example. I'm not cashing out currently beyond a small amount. I -- what I do is choose to take a relatively lower cost plan and end up with a couple hundred dollars in beneflex back to me. I use that towards my bus pass, basically. So it's not a big financial hit for me like it is for some people. There's a varying degrees of impact on this. What i'd like to point out is that it is an impact. For some of us it's a nuisance that we'll have to pay extra for the bus pass or some other thing we got accustomed to. Others it's more substantial. But it is an impact and something that can affect moral in the bureau, and it's -- we're -- as your human services director pointed out, we're getting into bargaining right now with copea, and as we're negotiating that, it's something we're going to have in our mind that we've lost this benefit and we're hoping the city is going to be working with us to come up with some solutions to some of the concerns you've heard. Thank you.

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Katz: Thank you.

Moore: That's all.

Katz: Anybody else who hasn't signed up that would like to testify? Come on up now. Come on. Last chance. You don't need to sign up. Come on, take a chair. Go ahead.

Darlene Landers, 9911 SE 92nd Avenue: My name is darlene, I live at 9911 southeast 92nd avenue. My issue is a little bit similar to what the part-time workers were talking about. Both my husband and I are part of the dctu. He has kaiser insurance, I have city select insurance. So the city is paying absolutely double for our family. If I give up my insurance so the city doesn't have to pay out that four or \$5,000, whatever it is for my city select, and we all go to kaiser, which would be fine, I totally give up that benefit. I have -- i've lost that completely from my salary and benefit package. Which doesn't seem fair to me. Or if something were to happen to him, how would I get back on and have insurance again? I don't know exactly what the answer to that is, but it seems crazy to me that we are double insuring, and I know several other couples in this same situation, paying double insurance and i'm not really getting any extra benefit, the city isn't getting any extra benefit, we're just paying out insurance premiums. It's -- it may be a small piece, but I think it needs to be looked at.

Katz: Thank you. That's part of the demographics. I don't know how many situations we have like that. Okay. Sir?

Bashiru Amidu, Engineer, Office of Transportation: My name is bashiru Amidu. I'm an engineer that works in the office of transportation, the city of Portland. I'm also a copea representative and part of the bargaining unit for the upcoming labor contract. I come in front of you today to make you look into the future of the beneflex. My understanding is that because of the rep education, it plays a major role in the decision that was forwarded to the council. Which was that the -- there would be some tremendous amount of money saved by closing the beneflex. And police correct me if i'm wrong, from allocation. I understand that the basis of which the decision comes upon was based on the fact that some people were not on beneflex. Because they're not on beneflex, they are not claiming any insurance costs, and the insurance company took that as a -- that the major people on the beneflex are healthy, according to them, but if beneflex was waived, and not using the medical option before, we're to come back, as some people have said earlier, then the claim will continue to be more. And as you already know, when the insurance company has -- when the -- they are more claims from insurance company, what they normally do is raise the premium. There goes -- there goes the money they are saving. Now we have to pay more again. And that in fact negates the effects of any saving that has been proposed before. So my suggestion, or my plead to you is, before we miss something in the name of cost saving, or interest saving, maybe we need to look at the balance on both sides. Are we really saving money? If we're not really saving money, maybe we need to review beneflex very carefully. There is some aspect of been effects that I think will be revealed, such as when there's left of our money, city employees have the option of dividing what is left into half and take the other half as part of the paycheck, maybe the option should be eliminated for every one of us who gets -- it's very, very small intangible amount, about 20 or \$15 a month. To individual. But to the city as a whole, when you mutt ply by the number of employees, that would translate in my opinion to a huge amount of money. So minor fine-tuning like that could be done to make beneflex work. And one more thing I want to say before I leave is that part of the attraction to being a city worker is the benefits that the city provides. I don't think many of the employers in the state can match the benefits the city of Portland provides. So taking this away is like taking a -- is so my opinion is for you to look carefully before making these big decisions. Thank you very much.

Katz: Thank you.

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Graham Clark, Bureau of Planning: Good afternoon, I'm Graham Clark, with the Bureau of Planning. I'm here to sketch a personal story. My wife and I are full-time employees, my wife's employer, who is not the city, pays for our family's health coverage. What that means is that my health coverage costs the city absolutely nothing. I think -- what I do instead with my beneflex is send it entirely into a dependent care assistance program. Where I'm able to basically use \$5,000 worth of my beneflex and apply it directly to child care. It allows me to afford excellence in child care that I wouldn't otherwise be able to afford, and I'd just like to encourage you as council letters to consider that the children of city employees are important, and that they deserve some really quality child care. The council made some terrific decisions in the last couple of years with the city kids program. My children aren't in that one, but they're in a sister program to that one down at the federal building. I know the council sent out a survey 12 or 18 months ago sort of asking employees how family friendly the city was as an employer. And many of my very positive responses had a lot to do with just exactly that program. I think it's -- it has been a wonderful thing for families and their children. I think it would be a very sad thing to see it go, and I'd just like to urge you to reconsider the loss of the dependent care assistance program.

Katz: Thank you. Anybody else? Betty and Yvonne, come back up again. Talk to us a little bit about the beneflex and the -- as you see the savings and -- it appears that it is a health care and a day care, child care --

*******:** Maybe --

Saltzman: I was --

Hales: I wasn't clear -- this issue about the dependent care program, I was not focus order prior to this hearing. So that's helped clarify for that -- for me. But actually now having heard the testimony from Graham, I'm unclear as to whether the situation described by Jill and Dina and Julia, ie, part-time employees, is also the situation for a full-time employee who has been using the dependent care option because their spouse provides -- their spouse's employer provides health coverage. In other words, does it -- does the situation change if you're part-time or full-time? I'm not clear on that.

Katz: Let me add another question on that. Does everybody have to take health care?

*******:** No.

Katz: Okay.

Betty Soljaga, Benefits Manager, Human Resources: Betty Salaga, for the record. In the beneflex program you do not have to take the health plan if you have other coverage.

Katz: If you have other coverage. But you have to have other coverage.

Soljaga: Right.

Katz: Now --

Soljaga: In the fixed program, you do not have the option to opt out. So for nonrepresented employees, COPEA and PPCOA who participate in beneflex, they have the option to opt out. When you have the option to opt out, you are given credits at the highest plan level to choose how to spend. That's typically call tier -- cafeteria plan design. You can put some of the money in the MERP account, the dependent care account, and anything left over you can take 50 percent of that in cash. Now --

Saltzman: That's true for part-time and full-time employees?

Soljaga: Yes. Now --

Hales: The difference between part-time and full-time is they don't -- part-time employees don't get a big enough allow anxious --

Katz: Could we close the cell phones here?

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Hales: So they have to buy up as they described it, to the full amount of the coverage. If they were to choose to select one of the plans. But since they don't have to, they're using the decap option.

Soljaga: Right.

Hales: So that's the difference between part-time and full-time. It not eligibility, but amount.

Soljaga: Right. And typical cafeteria plan design that you would find pretty much anywhere in the country would not have the dollars associated the city's plan does. Typical opt-out, cash-out amount is \$500 for the year. I've seen 700, i've seen as much as a thousand, but i've never seen a plan designed like the city's plan design. And I think that's one of the reasons that the equity issue came to the floor, the lmbc members indicated that was a real dissatisfactory for people in the fixed program and don't have that option.

Katz: And when -- the savings that people question with regard to the beneflex, what is -- what are you -- do you project the savings to be?

*****: We're not projecting there will necessarily be any savings. It depends on the utilization of the people who are currently opting out when they come into the plan, because if beneflex is terminated, they will all have to select a plan. We don't know what their utilization will be. For purposes of our analysis, we project that they will be like any other average employee, and their utilization would be about average. So we're not projecting that there will be a net savings. There might be if their utilization is very low. Or at least a wash.

Saltzman: I want to make sure I understood correctly. You said in other like plans to our beneflex, under the cash-out provision, the typical cash amount is 500 to a thousand as opposed to our plan, which is -- goes up to \$5,000?

*****: Our plan exceeds 5,000 for some people.

*****: Typical plans like ours, the cash-out maximum is 500 to a thousand?

*****: Right. The typical cafeteria plan.

Francesconi: So the reason is not savings, it's equity that we're doing this?

*****: Equity. Originally there was something -- some thinking on the lmbc that there would be savings, because the see gal report indicated that the plan cost was 2.5 million. They didn't answer the other piece of the question, which was, what happens when those people are required to select a plan and participate in the plan? When you answer that question, you have to say f. They have any utilization at all, it starts to eat away at that 2.5 million.

Francesconi: I know that you know you don't know exactly what's going to happen, so what do you project, a wash or it's going to cost money?

*****: We project it's probably going to cost, because the average employee does cost the plan something.

Francesconi: How much more is this going to cost?

Soljaga: Over the period of the four years, we don't know what exactly those people are going to cost. We know they are going to act like any other employee, and so they're rolled into the whole projection that the plan will exceed the cap by about \$19 million in the year 2003-04.

Francesconi: Thanks.

Katz: Did you want to add anything? Any further questions?

Saltzman: Did we examine at all in sort of our analyses here -- I appreciate what the part-timers and current beneflex participants are saying, there is sort of an antifamily friendly bent to eliminating this program in as much as people who have chosen to use this money to cover day care. Which is a good thing. Did we look at an option where we would have maybe brought the cash-out amount more in line, 500 to a thousand dollars? Did we do any analysis of --

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Soljaga: The Imbc did do some analysis of that prior to my coming to the city. But that was rejected, and they decided that it -- all of the money that the health plan provides should be used for health care, not for additional compensation.

Saltzman: To that was looked at, but that was a while ago? And rejected by Imbc?

Soljaga: Right.

Saltzman: Okay. But copea -- some of the bargaining units that are the primary participants of beneflex, have they ever been presented with those options as --

Soljaga: Yes. They were also involved in the discussions with -- and they voted to forward these plan design changes to council.

Saltzman: Okay.

Katz: Next steps.

Soljaga: Next steps, if this is approved, we start a communication program to educate employees about what the changes specifically are, in addition to the materials we've already sent them. We will send materials to the home and have employee meetings as well, so employees understand what the changes are, how they might impact them, and how they might use their merp account to offset any other out of pocket -- pocket costs, how they can use the pharmacy program and use the mail order program to save money. So there are a variety of piece that's we plan to do for education. Then the Imbc along with the benefit office, needs to sit down and say, where are we going to go next with plan design?

Katz: Okay. All right. Further discussion by the council? If not, we'll take roll call on this.

Francesconi: I knew this was a first step, and I knew it was a small step. But I didn't know it was that small a step, frankly. I'm going to support this, personally i'd like to not support it because I use the beneflex plan and I like it. And I make a lot more than most of the people here in the audience. And it's a real benefit. But I am concerned about what the effect would be on our own employees in terms of their own paychecks if we don't get a little closer on this. And I am concerned on the effect on our city services if we don't. This does point out, and this is a much longer agenda beyond us, we try to set a standard at the city which is higher, unfortunately now than the private sector. That's the way it should be. We want better benefits. We want better wages. That's why the council supported the fair wage ordinance. We want to set a standard and unions and the act -- and the active participation of unions help do that. And in a since the union movement has been weakened, we've seen the effects in the private sector. We need some help from the federal government on issues of health care and child care. And we try to set it instead of the direction we're going, especially at a time when we actually have money to do it, at the federal level. So we want to try to set a higher standard for our workers, not only because of work force retention, morale reasons, but also because it's the right thing to do. But what happens is, if we try to continue to do more than the rest, then we can't meet our mission that you also want us to meet. And so we have to try to work together on this. It's going to be difficult. The tone set today, the action of the labor committee in voting for this 12-2, and I thank the unions, but the testimony today from jim was very, very good. On the reasons for it. So we were beginning in the right spirit, it is going to eventually come down to money, and issues we're not going to talk about in this setting, and it's going to be difficult to keep that spirit. But at least we're starting, you know, taking the first step together, because we have a lot in common. Now, I am encouraged by Multnomah county. There must be another side of the story, because it sounds too easy. But at least there's a possibility that we can get closer if not exactly there. So this is the beginning of a process. We need to kind of hang in there together, because we have more together than we do apart. It's easy for know say because I make more, but it's something we need to try to get to. Aye.

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Hales: Well, in the spirit of moving forward, i'm going to support this too. But I learn add few things in this hearing. I appreciate some of our employees coming today and talking with us about this. In addition to the formal process of the committee. I'm troubled by this child care issue. I guess a personal bias in this issue, although we have to worry about cost control and we have to worry about equity, personally i'm interested as an employee of the city who is not getting a child care benefit in having a system that doesn't provide perfect equity but has some extra help for young parents. Because I think if we -- any of this rhetoric from the five of us about a family friendly city means anything, it means we all -- i'm willing to pitch in as an employee of the city to have a system that somehow gives -- provides some version of that kind of benefit. But that's just one example I think of how we have to try to look for as soft a landing as we can in making these changes. To do it as collaboratively as we can with the organizations that represent our employees and try to deal with as many situations as decently as we can. So I guess we have to do with this our heads and our hearts as we try to make these changes and control these costs. I think one place that my head tends hearing this discussion too is I think we may be -- maybe haven't been as aggressive enough corporately as deal makers with our insurers, you know this, issue of working with the county of trying to strike a better bargain through our purchasing power, that certainly appeals to me. So to the extent we can do that, i'd sure like to try. Because we ought to be able to translate our financial muscle into some better purchasing power there, at least it's worth a go. So let's keep doing this, but do it as carefully as we can. Try to again maintain fiscal stability, maintain a reasonable level of equity, but advance some of our social goals as a city, like being a better employer than the private sector, and being friendly towards families, and try to make all that work. That's going to be difficult work for all of us. Aye.

Saltzman: Well, the main goal of this whole exercise is to keep our eyes on the prize and that prize is the best health care package for our city employees for all of our city employees at the most affordable cost. Unfortunately eliminating the beneflex program for those current participants, particularly those with young children, this is a step backwards. This is not a family friendly effort. And as one who has used the decap program myself, I realize that. But I also know it would not be very family friendly under the continuing escalating health care costs, prescription costs we're facing for all of our employees to be looking at paying out of pocket expenses to cover their health care premiums, because as much as we may want to argue about how high the contract cap or how low the contract cap is, I don't think the idea of a contract cap is ever going to go away. There's only so much money we the city can put into our share of health care expenses, and as expenses go up, at some point those extra -- that out of pocket expenses are going to become greater. That also is not very family friendly to a wider universe of our city employees. So as much as I regret having to lose, I think an innovative creative program like beneflex I think this is for the greater good of ultimately keeping out of pocket costs for health care, and I guess this -- advertisement we basically have to emphasize health care over child care, unfortunately. But for keeping health care expenses out of pocket expenses at the lowest, this is the way we have to go. So I appreciate the work. It's a tough decision, but I support it. Aye.

Sten: We've got a heck of a problem on our hands. It's not of our own making, so I think if we're going to solve this or at least minimize the pain, it's incredibly important as best we can the different labor and management and all the different groups work together. So I want to compliment the -- if we turn on each other on this one, it is escalating the health care industry in the lack of I think reasonable federal work on this issue that's left us all in a bind with double digit increases that are far beyond by any stretch what comes 82 our coffers. So we've got to figure this thing out, and I want to compliment the approach. I think jim -- I understand your methods. My message also is that I think we are going to have to find more money over time and we're -- but we

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also have to make some of these small plan redesign changes because I think that also is a signal that has to be sent, that as people are looking at this, the public sector has a proud tradition that's critical to the quality of life across this country in terms of leading on benefits. And we need to make sure that we continue to figure out how to do that. So i'm going to support this. I want to make one request, i'm not 100% sure I understand where the whole council is, not that people weren't clear, but I am not -- was not in full understanding of the issue on child care. That's my fault for not completely understanding it. To the extent that it doesn't save money to make this change, I would like to ask for some of the articulate representatives who are using this to meet with you and like to see some short memo at least back to me on sort of what the pros and cons of that are before I take a final decision. I guess I can live with closing it to new people, but to -- to cost the city more money in the name of equity and take away support for child care doesn't quite sound like generic equity to me. So I want to look at that more closely and understand it. And I understand where it's coming from. But taking away a benefit that people use and not saving any money, making the small changes to save money, I don't believe changing -- making these changes will get us out of the woods but I think lit start us down the path of rethinking this and I think it's a big piece. So i'm going to support this today, there's a one-year period before you lose the beneflex, as I understand it. If you're an existing employee. And i'd like to on the front end of that first year take another look at the child care issue. Because i'm not sure i'm in support of that, now that I understand some of those consequences. Aye.

Katz: I'm going to vote aye. I think this is even a bigger issue than the equity issue on beneflex. So I want on congratulate the labor management committee that has managed the reserves very healthy reserves so that we didn't have to face this issue, and we had some of the best plans in the city and certainly in the state. The cost of health care has escalated beyond even our wildest dreams, and the sad reality is that by 2003 and 04 we could deplete in the reserve and you know in the contracts my understanding is that when that reserve is depleted, the difference between the city's contribution and the cost is paid by all of us, the city employees. And so I think it's critical that we begin the work today, begin to look at the plan that we have and on our part, begin to see what kind of -- how we manage the city's contributions over the long haul. We're in this together. This is not just trim the plan and walk away. But it is part of the plan of making a plan work so that we can manage it without incredible expenses on our part, because the revenues just aren't here. They're not -- we don't have them. So let's try to manage early on so that we can keep the reserves at a level so that we don't have to ask you and all of us to dig in our pockets for an additional monthly deduction. Aye. Thank you, everybody. We stand adjourned.

At 5:10 p.m., Council adjourned.