



CITY OF  
**PORTLAND, OREGON**

**OFFICIAL  
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **25<sup>TH</sup> DAY OF JANUARY, 2017** AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Wheeler, Presiding; Commissioners Eudaly, Fish, Fritz and Saltzman, 5.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Ben Walters, Chief Deputy City Attorney; and Elia Saolele and Mike Cohen, Sergeants at Arms.

Item No. 71 was pulled for discussion and on a Y-5 roll call, the balance of the Consent Agenda was adopted.

The meeting recessed at 9:37 am and reconvened at 10:15 am.  
The meeting recessed at 11:00 am and reconvened at 11:12 am.

<b>COMMUNICATIONS</b>		<b>Disposition:</b>
<b>64</b>	Request of Craig Rogers to address Council regarding transparent and accountable (Communication)	<b>PLACED ON FILE</b>
<b>65</b>	Request of Katherine Smith to address Council regarding police issues (Communication)	<b>PLACED ON FILE</b>
<b>66</b>	Request of Moses Wrosen to address Council regarding Biblical teachings regarding the orphan, the destitute, the downtrodden and the rich (Communication)	<b>PLACED ON FILE</b>
<b>67</b>	Request of Charles Bridgecrane Johnson to address Council regarding #BlackLivesMatter, service to the poor and ending oppression and privilege (Communication)	<b>PLACED ON FILE</b>
<b>68</b>	Request of Lightning Watchdog PDX to address Council regarding City Hall Mayor talks (Communication)	<b>PLACED ON FILE</b>
<b>TIMES CERTAIN</b>		
<b>69</b>	<b>TIME CERTAIN: 9:45 AM</b> – Accept the Quarterly Technology Oversight Committee Report from the Chief Administrative Officer (Report introduced by Mayor Wheeler) 30 minutes requested <b>Motion to accept report:</b> Moved by Saltzman and seconded by Fish. (Y-5)	<b>ACCEPTED</b>

<p>70</p>	<p><b>TIME CERTAIN: 10:15 AM</b> – Declare intent to initiate local improvement district formation proceedings to construct street improvements from NW 9<sup>th</sup> Ave to north of NW 19<sup>th</sup> Ave in the NW Front Ave-Naito Pkwy Local Improvement District (Resolution introduced by Commissioner Saltzman; C-10056) 15 minutes requested (Y-5)</p>	<p><b>37263</b></p>
<p align="center"><b>CONSENT AGENDA – NO DISCUSSION</b></p> <p align="center"><b>Mayor Ted Wheeler</b></p> <p align="center"><b>Bureau of Emergency Management</b></p>		<p><b>188212</b></p>
<p>*71</p>	<p>Accept a grant from the Oregon Military Department Office of Emergency Management for their Emergency Management Performance Grant Program in the amount of \$284,210 for administering an integrated all hazard emergency management program for the City of Portland (Ordinance)  (Y-5)</p>	<p><b>188203</b></p>
<p align="center"><b>Office of Management and Finance</b></p>		<p><b>188203</b></p>
<p>*72</p>	<p>Authorize a Special Appropriation grant agreement with Portland State University, Institute on Aging in an amount not to exceed \$98,000 for support of the Age-Friendly Portland initiative (Ordinance) (Y-5)</p>	<p><b>188203</b></p>
<p>73</p>	<p>Amend Tax on Recreational Marijuana Sales to match the State of Oregon's administrative provisions for the collection of Oregon's retail recreational marijuana tax (Ordinance; amend Code Chapter 6.07)</p>	<p align="center"><b>PASSED TO SECOND READING FEBRUARY 1, 2017 AT 9:30 AM</b></p>
<p align="center"><b>Commissioner Amanda Fritz</b></p> <p align="center"><b>Portland Parks &amp; Recreation</b></p>		<p><b>188204</b></p>
<p>74</p>	<p>Authorize a competitive solicitation and contract with the lowest responsive and responsible bidder for construction of Spring Garden Park (Second Reading Agenda 52) (Y-5)</p>	<p><b>188204</b></p>
<p align="center"><b>Commissioner Dan Saltzman</b></p> <p align="center"><b>Bureau of Transportation</b></p>		<p><b>188204</b></p>
<p>75</p>	<p>Amend Vision Zero Graphic Design &amp; Identity contract with Ryan Sullivan dba Paste in Place to increase contract amount by \$38,000 to provide additional graphic design and identity services for Safe Routes to School and Active Transportation and Safety Division (Ordinance; amend Contract No. 30004642)</p>	<p align="center"><b>PASSED TO SECOND READING FEBRUARY 1, 2017 AT 9:30 AM</b></p>

<p><b>76</b></p>	<p>Authorize contracts as required with four firms for Right-of-Way Appraisal services not to exceed \$250,000 each (Second Reading Agenda 54) (Y-5)</p>	<p><b>188205</b></p>
<p><b>REGULAR AGENDA</b></p> <p><b>Mayor Ted Wheeler</b></p> <p><b>Office of Management and Finance</b></p>		
<p><b>77</b></p>	<p>Accept bid of Brown Contracting, Inc. for the Washington Park Rose Garden Accessibility Improvements \$954,927 (Procurement Report – Bid No. 00000434) <b>Motion to accept report:</b> Moved by Fish and seconded by Fritz. (Y-5)</p>	<p><b>ACCEPTED PREPARE CONTRACT</b></p>
<p><b>*78</b></p>	<p>Authorize amendments to the Voluntary Retirement Incentive Program for 2017, Health Reimbursement Account Plan Document and Summary Plan Description administered by the Bureau of Human Resources, Health &amp; Financial Benefits Office through June 30, 2022 (Ordinance) 10 minutes requested (Y-4; Fish absent)</p>	<p><b>188206</b></p>
<p><b>79</b></p>	<p>Extend term of a franchise granted to Olympic Pipe Line Company to transport petroleum products by pipeline (Second Reading Agenda 56; amend Ordinance No. 162012) (Y-4; Fish absent)</p>	<p><b>188207</b></p>
<p><b>Commissioner Nick Fish</b></p> <p><b>Bureau of Environmental Services</b></p>		
<p><b>80</b></p>	<p>Authorize a contract with the lowest responsible bidder for construction of the Southeast Interceptor Rehabilitation Project No. E10030 for \$4,347,967 (Ordinance) 10 minutes requested</p>	<p><b>PASSED TO SECOND READING FEBRUARY 1, 2017 AT 9:30 AM</b></p>
<p><b>81</b></p>	<p>Authorize a contract with the lowest responsible bidder for construction of Mt Scott-Arleta Sewer Rehabilitation Project No. E10678 for \$1,910,000 (Second Reading Agenda 57) (Y-5)</p>	<p><b>188208</b></p>
<p><b>Water Bureau</b></p>		
<p><b>82</b></p>	<p>Authorize Price Agreements with three firms for on-call civil engineering services not to exceed \$500,000 for each Price Agreement (Second Reading Agenda 58) (Y-5)</p>	<p><b>188209</b></p>
<p><b>83</b></p>	<p>Authorize a contract with Pure Technologies U.S. Inc. not to exceed \$3,610,710 for the Bull Run Supply Conduits (Second Reading Agenda 59) (Y-5)</p>	<p><b>188210</b></p>
<p><b>Commissioner Dan Saltzman</b></p> <p><b>Bureau of Transportation</b></p>		

January 25-26, 2017

**84**

Create a local improvement district to construct street, sidewalk, and stormwater improvements north of SW Luradel St in the SW 47th Ave Phase I Local Improvement District (Second Reading Agenda 60; C-10055)  
(Y-5)

**188211**

At 12:10 p.m., Council recessed.

January 25-26, 2017

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **25TH DAY OF JANUARY, 2017** AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Wheeler, Presiding; Commissioners Eudaly, Fish, Fritz and Saltzman, 5.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Denis Vannier, Deputy City Attorney; and John Paolazzi and Elia Saolele, Sergeants at Arms.

	Disposition
<p><b>85</b>      <b>TIME CERTAIN: 2:00 PM</b> – Place a measure on the May 16, 2017 ballot to amend City Charter provisions to protect Auditor’s independence (Resolution introduced by Auditor Mary Hull Caballero) 1.5 hours requested</p> <p><b>1. Motion to require public notice and comment for rules adoption, amendment or repeal:</b> Moved by Fish and seconded by Wheeler for discussion. Vote to be taken 2/1/2017.</p> <p><b>2. Motion to remove placing the Ombudsman role in the Charter:</b> Moved by Saltzman and seconded by Wheeler for discussion. Vote to be taken 2/1/2017.</p> <p><b>3. Motion to accept Fritz amendment package for 2-502, 505, 506,:</b> Moved by Fritz and seconded by Wheeler for discussion. Vote to be taken 2/1/2017.</p> <p><b>4. Motion to accept Wheeler amendments to 2-508(f), 2-509(f) and 2-509(h):</b> Moved by Wheeler and seconded by Saltzman. Vote to be taken 2/1/2017.</p> <p><b>5. Motion by Auditor to amend 2-504 salary effective date:</b> Moved by Fish and seconded by Wheeler for discussion. Vote to be taken 2/1/2017.</p> <p><b>6. Motion to work with League of Women Voters amendments to 2-506 regarding administrative rule making:</b> Moved by Fritz and seconded by Wheeler for discussion. Vote to be taken 2/1/2017.</p>	<p style="text-align: center;"><b>CONTINUED TO FEBRUARY 1, 2017 AT 3:15 PM TIME CERTAIN</b></p>

At 4:45 p.m., Council recessed.

January 25-26, 2017

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **26<sup>TH</sup> DAY OF JANUARY, 2017** AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Wheeler, Presiding; Commissioners Eudaly, Fish and Fritz, 4.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Ben Walters, Chief Deputy City Attorney and Mike Cohen and Jason King, Sergeants at Arms.

		Disposition:
86	<b>TIME CERTAIN: 2:00 PM</b> – Adopt the N/NE Community Development Initiative Five-Year Action Plan (Resolution introduced by Mayor Wheeler) 30 minutes requested (Y-4) <b>Rescheduled from January 25, 2017 at 3:30 PM Time Certain.</b>	<b>37264</b>

At 3:21 p.m., Council adjourned.

**MARY HULL CABALLERO**  
Auditor of the City of Portland



By Karla Moore-Love  
Clerk of the Council

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

January 25-26, 2017

## Closed Caption File of Portland City Council Meeting

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

Key: \*\*\*\*\* means unidentified speaker.

**JANUARY 25, 2017 9:30AM**

**Wheeler:** Good morning, everybody. This is the regularly scheduled 9:30 am meeting of the Portland city council meeting for the 25th of January. 2017. I am calling the meeting to order and ask the clerk to call the roll.

**Fritz:** Here. **Fish:** Here. **Saltzman:** Here. **Eudaly:** Here.

**Wheeler:** Here. The next order of business is communications, before we begin I want a few words regarding council proceedings and maintaining decorum. The purpose of the Portland city council meetings is to engage with the community and hear recommendation on the public's business. In order for us to hear from everyone and give due consideration to matters before the council we must endeavor to preserve the order and decorum of the meetings. To make sure the process is clear for everyone both those here and those watching on their computers or tvs I want to quickly review some of the testimony guidelines. My hope is that these details help everybody to feel comfortable, included and heard and sure that decorum is maintained. My hope is that during the meeting, there is two opportunities for public participation. Communications, which we are at now communications items are the opportunity to speak briefly on any subject, but these items need to be scheduled in advance with the clerk's office. First readings of reports, resolutions and ordinances, public testimony on these items must address the matter being considered at the time. Please state your name, we don't need anybody's address and if you are a lobbyist please disclose that information at the start of your testimony, if you are representing an organization we would like you to disclose that as well, individuals will have three minutes to testify unless otherwise stated at the meeting. When you have 30 seconds left you will hear a beep and see a yellow light flashing on the box in front of you, if you have handouts give them to the council clerk and she will be happy to give those to you. Conduct that disrupts the meeting, for example, shouting or interrupting other people's testimony or during council deliberations won't be allowed, if that behavior is seen, this is a warning that anybody disrupting this proceeding may be escorted from the council chambers, if folks would like to show your support or displeasure for a particular item or comment please do so with the thumbs up or down so that no one is disrupted. We can see your expression. Karla call up the first citizen for communications today. If you are disrupting the meeting, you are treading on other people's ability to speak. You are out of order. Let's take a ten-minute recess.

**At 9:37 a.m. Council recessed.**

**At 10:15 a.m. Council reconvened.**

**Wheeler:** We are back in session could you call the first item.

**Item 64.**

**Wheeler:** Some people may be filtering in so we'll move him to the end of the list.

**Item 65.**

**Wheeler:** Good morning.

**Katherine Smith:** Good morning.

**Wheeler:** We'll take you next. It's ok. I am sorry.

January 25-26, 2017

**Smith:** Good morning mayor and commissioner. I did time this and it will go about 20 or 25 seconds over, is that ok?

**Wheeler:** Go for it.

**Smith:** Mayor wheeler you are the Portland police commissioner. I need to ask you to intervene and talk to the police chief mike marshman, several Portland police officers and employees are taking illegally that is stealing most of the letters, reports of evidence and even certified letters I sent to p.c. Marshman asking him to assign my case to another cop. Mail theft is a felony, it's an attempted murder case to me and my son. The officer assigned to my case more than three years ago is being blackmailed by the perpetrators some Tigard cops to not investigate nor to prosecute them. He and other cops and police employees also block most of my emails to the police chief, thereby doing obstruction of criminal investigation, suppression of evidence, facilitation of attempted murder and etc. I testified to mayor hales and the commissioners at least four times, but hales would never even talk to Portland police about this giving no legal reason because he did not have one. He did this due to some bad and negligent advice from his city attorneys and it appears people who have no experience reporting such crimes and probably little or no knowledge of the technology that they shoot us with daily. I know the police are the right people to report these assaults to. I've been reporting this for several years. They have to investigate, collect evidence, and interview the cops who stalk and shoot us etc. It is no legal protection to the mayor and the city that instead of using his own authority to make the police stop these, that he and his employees suggested to me that I call project respond, ipr, 2-1-1, Portland women's crisis line, the mayor of Tigard or police, I told him and the commissioners and the city attorneys why that won't work. I live in Portland and so does my son. It's the Portland police's jobs to stop These crimes even when it's done to people remotely as those at least eight to ten cops do. More than a year ago when I testified about this I gave the website for the mayor and the commissioners to look at to know more about what these microwave weapons, and ultrasound weapons, that's mind control weapons cops have had more than 20 years. And sleep deprivation r even if they did not bother to read those they are responsible for that information. I have lots of permanent injuries on me. They say to me every day they shoot my son with these when he's sleeping to give him cancer, and they voice to scold him all day long. The sergeant and sierra Westbrook said a year and four months ago, I must go outside to look for another cop to investigate my case. Since I stand outside central precinct with a big sign that says will you please make Tigard cops stop shooting me and my sons with microwave weapons, ultra sound weapons, voice siscal weapons, sleep deprivation weapons etcetera. Most cops walk by and ignore me as if advised to a few say hi or good morning. There are hundreds of us in Portland shot, tortured by these weapons. My ex Tigard neighbor lady participates in this, almost all the homeless and poor people are targets. They lure most of them to Portland, they say, and don't let most of them work so they are forced to live in the shelters and low income housing places that are loaded with these harassment technologies. They harass people of other Categories. Please email me to see what action you did to stop these crimes to us. No response or an ineffective response is acquiescence and facilitation.

**Wheeler:** Thank you for your testimony and Karla if you could read 64, I think mister rogers is here.

**Item 64.**

**Wheeler:** Thank you for your patience.

**Craig Rogers:** My intention of being here is lifting the bar up in regards to transparent and accountable. I have been down here once a week and sometimes every day sings may of 2014, and that's when the street fee started. So opb has been doing an article on toxic city



January 25-26, 2017

council. One thing that seemed to me to be left out of that is why. I've been down here and stated, in my opinion, that the bar's so low you need a shovel to find it, and I am watching the death of democracy at the level of the Portland city council, and I live in Portland where everything is ok, and nobody is responsible. I have an intuition about where things were going, and when this came out, you know, it just kind of -- substantiated to me the trajectory of all of the questionnaires and the 2016 community survey were going down, so my intention is to see things via transparent accountability go up. The quality. The approval ratings and so forth. So at the beginning of the street fee, it seemed like that there was no vote, no oversight, no sunset anything could go on forever. That did not seem right to me. If you are a convicted felon in prison you don't have a right to vote. Sometimes that's the way it is here in Portland. You don't have a right to vote. You are on par with a convicted felon in prison. I want more people to know about that because the right to vote is a bedrock of democracy. So I start getting into the street fee, putting the numbers together on the computer, and all of a sudden it's 60 million or wherever they are at, we're talking a billion dollars and hey, you know, I start communicating to my friends and my colleagues and we're talking, this is not 60 million or whatever, billion, and now, 1.5 billion, and I bet it's up to 2 billion now. And so let me follow my handwriting here, so joe, I turn on channel 6, and here's joe on channel 6 going after -- they want to put 35,000 for Gary corman, used to be a city employee for the survey thing, you know, and it's like I understand how the interstate bridge, 200 million just to study it but joe was getting out there saying something about it. And I am glad that he did. So I went to the Elliott center and saw a past member of the city council speaking, and he said to these government leaders, you know how you deal with the public? You give them choices. And immediately, what I thought was henry ford, get a model t in any color of your choice as long as it was black and I thought that's a two-way street because the citizens can give the politicians a choice, too. There is a door there. A door there. And there is a plan b. That's all that I have to say.

**Wheeler:** Thank you sir. Karla if you could read the next item please.

**Item 66.**

**Wheeler:** Good morning sir.

**Moses Wrosen:** Good morning mayor. Interesting morning anyway. [speaking in another language] last month I gave very harsh testimony. That's not my intention today. I also handed out some nicknames so I will follow up with our newcomers. Chloe, you the lady, Wheelin Ted, I wish you the best. You will have to cut deals better than potus trump if you are going to survive in that seat. First off terminate mike marshman immediately or you will drown in that swamp. The three-minute limit is a form of censorship. I am here to share Jewish teachings today regarding the down trodden and the rich. I have called the many sections of text and I have a handout I gave to Karla. First I will finish last month's expose' of the smirking jerk. Mr. Saltzman, in 2009, during the height of the housing crash, you reported rental property income of over 2,000 a day. In 2014, your rental property income was over 4,000 a day. That's 365 days a year. How much did you make in 2016? And I mean that on top of the 300 a day you get to play commissioner. In 2008, Marjorie Saltzman of blessed memory gave half a million dollars to planned parenthood, but that failed to inform your idea of sadaka. I say this because two years later in 2010, you lobbied for and voted to grant 600,000 of the city's money to a charity that you are then girlfriend worked for. That was the same year that you were the police commissioner, the same year frashour murdered Aaron Campbell, the same year of the road rage, sergeant Kyle, not so nice. Both officers are still on the force. In fact, in 2013, frashour was the fourth highest paid city employee in a paid vacation for murder scheme. 2013 was the same year that you became the housing commissioner. Since then we fell into a housing state of emergency, and we watched the number of homeless people skyrocket. Last October just

January 25-26, 2017

as the rain and the cold were moving in you pulled the plug on a project that wealthy Portland developers had created to shelter 1,000 people. Why? Because you have a beef with the operations director that they had hired. Then four people froze to death. And a baby. On October 12, the council passed a new police contract that gave the devilish institution more money and less accountability. Like you, I was hiding out in my synagogue on that day. Ironically at the exact same.

**Wheeler:** Your time is up.

**Wrosen:** Your riot -- I have two, please give me 25 seconds. Your riot police were rioting and trampling and pepper spraying your citizens. Nick, the smelly Fish is on the record of accusing me.

**Wheeler:** I will have to ask you to wrap up. Mr. Wrosen, I will have to ask you to end your testimony. Thank you, there is other people who signed up, too.

**Wheeler:** Karla please call the in the case item.

**Item 67.**

**Wheeler:** Good morning.

**Charles Bridge Crane Johnson:** Good morning, commissioners. There is so much on our plates as a city, so far we have not had, a chance to talk about the federal -- I was supposed to tell you my name, Charles bridge crane Johnson. Bridge crane is an important device related to the community activists, especially ms. Teresa Raiford who has undergone surgery. A bridge crane is incredibly versatile free speech tool when people feel that the system is locking them out by channels and structures and procedures and decorum's, it's sometimes necessary to deploy the people's bridge crane. We'll see if this is one of those days. It's -- I know, I hope, I pray that you've been listening to the testimony of the citizens before us, and when we had our previous interruption, there is a coffin, I think, still in this room because this city values clean restrooms over human beings. All over the city our neighborhood community centers that we do not let people into after closing hours because oh, my god, someone might leave a beer can or a needle on the floor. The bathroom, two blocks away, which is I are like militarized bathroom. We lock people out so they can do whatever bad thing is going to happen, whether it's rape or death by overdose, we can make that happen outside of the bathroom of somebody who has had to crap in the business of one of the precious business alliances, doorsteps. So we're not as good as we think. There is a lot of demonizing of the lunatic president. That's an important truth. But a more important truth for us to move forward is to look at our failures as a community, and as individuals. Find ways to empower one another and partner with one another. We have to find a way that with the city council, that has a retired psychiatric nurse we can have a city where there is no barefoot women carrying around frozen stillborn babies. So just you know, some things need to happen and some should be stopped from happening, so I am not going to say what's going to happen during the course of this meeting, but the ordinary functioning of Portland city council has not been enough to prevent these tragedies. Once again we are in this odd situation where out of all of the landlords and the real estate professionals, in Portland so far only the business working with the menashi family, has made climate controlled space with indoors hygiene facilities, only sinks and toilets not showers, available, where is the rest of the people who are living, the type of real estate, influence high income life, like Mr. Saltzman's, history. We know that there are good people in Portland, and we cannot put it in the back of the Paul Allen foundation, and thank you.

**Wheeler:** Thank you, sir.

**Item 68.**

**Wheeler:** Good morning.

January 25-26, 2017

**Lightning:** Good morning. My name is lightning, and I represent lightning super watchdog pdx. The people in the council chambers this morning have brought up some very good points that we need to have addressed. One of the issues pertaining to the homeless that I have is that we need to lower the flags to show respect to the homeless that have passed away. We need to have a moment of silence for any of the homeless that have passed away. The other mayor, mayor Charlie haes refused to do that. Mayor wheeler you have the opportunity to do that and show the community that you have respect for the homeless. When they pass away, you show respect to the community and the homeless again that have passed away. Now moving onto the next issue, on the superfund cleanup site, again I have talked to commissioner Fish. I would like to have a director brought into the bes bureau and begin planning, the dredging task and the maintenance of the river. It's long overdue, we're looking at a billion plus dollar bill that the epa has done a record of the decision on with a lot of data and we need to do a comparison to the Hudson river in New York and understand that they had a similar project going on. They can clean the river up, they were able to, and for over a billion dollars, and it will be a continuous maintenance project over time in the years. The main focus is we do not want to discharge any more contaminants into the river. We need to stop that. We need to stop the Oregon marine board from issuing any permits that allow you to take contaminated sediment from the Willamette river, transferred by dredge and dump it into the Columbia, again I will be focusing on the Oregon marine board and letting them know, that's a criminal act. They will stop immediately and understand nobody in this city has a right to discharge contaminants into this river, and they need to be prosecuted, I will be dealing with the river patrol on why they have not enforced people from dumping contaminants into the river. I want to understand why they get grants from the Oregon marine board, stating in the grant one of the conditions is keep the river clean. We have just been imposed a \$1 billion bill on the river, the river is not being kept clean by the people that are supposed to be doing the enforcement. Thank you.

**Wheeler:** Thank you, I appreciate it. Karla I would like to move to the consent agenda, and then get to the time certain items. Has anyone item been pulled?

**Moore-Love:** Yes. Joe Walsh has request item 71 be pulled.

**Wheeler:** Item 71 will move to the end of the regular agenda. Could you please call the roll on the remainder of the consent agenda?

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

**Wheeler:** Aye. Time certain items, can you read the first please.

#### **Item 69.**

**Wheeler:** Good morning. If you can do me a favor and introduce yourselves for the record. Thank you.

**Jen Clodius, Office of Management and Finance:** Good morning, I am Jen Clodius, the senior management analyst with the office of management finance and staff for the technology oversight committee. With me today are dr. Wilfred pinfeld, who is former mayor haes representative on the toc. And Jeff Baer, the director of bureau of technology services. As you know the toc is made up of five members appointed by the council members. The other toc members are ken newbauer for commissioner Fish, dyanna Garcia for commissioner Fritz, josh Mitchell for former commissioner novick and Mike lynch for commissioner Saltzman. We are here to present information from the technology oversight committee's quarterly reports for October through December of 2016. That quarter toc followed only one project, itap. Normally we would project dashboards showing you the condition of the report. However, because the itap contract ended last summer, the dashboard would be full of na's. This will change and Jeff will explain how that's going to change over the next quarter. In December toc added two projects to their portfolio. The

January 25-26, 2017

data center move project and the sap enterprise asset management. Toc is tracking but not overseeing two other projects. The invoice bill presentation payment system, and the five e telephone switch migration. Wilfred's will where the projects were, and Jeff will bring you up to date on the last month.

**Wilfred Pinfold:** Hello. Good to meet two new members of the commission. I wanted to cover the three projects that, that Jen talked about, particularly, the first project which is the larger one that we have had, and we will talk a bit about the other two projects which are both new to the oversight committee. The main project that I wanted to spend a bit of time on is the information technology advancement project which as you know we have been working on for a while and I will give a description for those unfamiliar. This project develops a paperless permit in case management process, and allows the complete online access to the permits in case the review services project deliverables include a digitization of online access to the historical permits and property information implementation of an updated permit and case review information management system, online case and permit application, and review services and mobile online access and field, for field staff and implementation on automated queuing system. It's fairly a complex project. Over the last year I think that those on the commission have seen toc reviews before, and know this has been a tough year for the itap project. I think that the right things have been done, I am feeling this is probably the first time that the toc has been able to come to this meeting, optimistic about the itap program. Last year was difficult because management of the program had to look for is a good way to bring the work to a halt, so as we can have a look at where we want to go from this point forward. We're at a key point in that project. I think that the outlook is positive, we're seeing nicely structured forward looking planning coming in, and we're at a point which I think that the opportunity is there for us to take a different approach to this task, more incremental, and allows us to make some significant progress as we move forward so I think that the toc would indicate that we are positive about where we are going in the future.

**Jeff Baer, Director, Bureau of Technology Services:** Good morning members. Jeff Baer with the bureau of technology services and you may recall as we reported last quarter we did complete an external assessment and using those recommendations as we began entry into what we're calling the discovery project. Paul scarlet, and I, the bureau of director, development services, and I are co-sponsors on this project, and we actually launched the program, the new discovery program on January 2, and as our rebranding effort staff had the opportunity to submit and vote on a name for the new program, you have selected that. It's now going to be referred to as pops, Portland online permitting system, so you will no longer hear about itap for our reports going forward. That really represents how we want to deliver an online development process and tools and really has that foundational activities of the system which includes the development reviews, permits, and applications and inspections and so forth. It is an ability for us to create a more positive presence online for the permitting system. And so for the first half of 2017, over the next five months, the team really is going to be focused on this discovery project, and it will thoroughly vet the status of the work done to date. We're going to establish very strong planning and governance structure and looking at options as we're moving forward. Some of the other things that we changed, and we hired a new program manager to oversee this process, and its Lori lavee, who is coming from our staff and the bureau of technology services, and she ran our project management office, and she she's been assigned to oversee the program for this new effort that we're pursuing, and in parallel with that our efforts are pursuing an upgrade to the existing Amanda track system. One of the things that we found is that the current version of the system is an outdated, unsupported version. We are in the process of getting that to a supported version by the vendor. So those are

January 25-26, 2017

some big milestones that we're working on, and I will pause there in case there are other questions, and I want to say to commissioner Saltzman with his effort in getting us to this point, commissioner Eudaly, Bureau of development services is now reporting to commissioner Eudaly and appreciate the support that we have had so far.

**Fritz:** What does the pops stand for.

**Baer:** Portland online permitting system.

**Wheeler:** Wow. [laughter]

**Wheeler:** Any further board questions or comments at this particular juncture? If you have nothing else, we'll get to any public testimony on -- you do have more? Very good.

**Baer:** Before we move onto the next update I want to share -- this is the first time, we had our toc meeting last night on Monday --

**Wheeler:** I'm sorry toc?

**Baer:** Technology oversight committee, which each -- which Wilfred represents, for the first time in two years we have gotten green status showing on our progress. So a huge change from where we started from.

**Pinfold:** I would say we're very happy with where we have gotten to, it has been a tough year. I think that we're in a really good position but I think that there is a lot of work to do so we appreciate your attention to what we are trying to do here and your support as we go through what will be a new planning cycle on this program. Thank you. So these two projects are new to the toc so there is really not a lot of updates but it's what is sort of just outlining what they are so the project, which is the data center move project is to move the city's primary data center from the Portland building to a competitively co-location facility, and this project will also obtain the secondary out of region co-location data center for facilities that will be used for data center recovery in the future. Bgs requires facilities that offer acceptable levels of physical security, power, cooling, redundancy and monitoring and compliance. So this project is just as I say, coming to the toc. We are expecting there to be quality assurance added in the next month and they have not been a signed yet, and we'll be reporting on this as we go forward. Jeff did you want to?

**Baer:** Just a quick update so we've been diligently working through the terms and the conditions, we did select a vendor who is via west out in Washington county in Hillsboro, off highway 26, and sometime in the next few weeks we're going to be returning back to city council for approval to execute that agreement, so we're just at the final tail end of getting through the contract terms and conditions and our schedule remains on track to have the data center vacated by the end of the calendar year.

**Pinfold:** We are going to keep monitoring this because it impacts many of the things that we care about in the technology of the committee. So it's important, the final project is the enterprise asset management project, and this will implement a solution for the management of property and facilities, and by constructing a central repository for all city owned land. And we will build an assets management system, it is a scalable solution that will approve tracking cost management and planning for prevent active maintenance. Again this is a new project and we expect the quality assurance team to assign a new manager to that shortly. We will give you updates as we progress on this program.

**Baer:** In one update I have on this I placed a hold on this project, and related to the data center until we have a migration plan, so we actually know when we're going to be moving the data center out and what we don't want is new applications put onto the data center so that we then have to undo and move it and replace them back on so it's on hold right now.

**Clodius:** That concludes the report. Any comments.

**Saltzman:** I had a question on the data center move. Is the intent to move the data center back to the Portland building or to keep it in another location?

January 25-26, 2017

**Baer:** No, it's a one-way trip. Once it leaves the Portland building it will not come back in and housed out of the co-location which is via west.

**Saltzman:** That sounds good.

**Baer:** We will also have disaster recovery associated with that, and I think the plan right now, I believe is -- it's out of the region so it wouldn't be impacted by any incident that might happen.

**Saltzman:** Thank you.

**Wheeler:** Any further council questions it said juncture?

**Eudaly:** Just thank you for the report and we're going to do our best to keep it in the green. I like the green, that too.

**Wheeler:** Thank you. How many people do we have signed up for public testimony on this item?

**Moore-Love:** We have five people signed up.

**Wheeler:** Very good.

**Wheeler:** The usual reminders, state your name.

**Charles Johnson:** Absolutely. I am Charles bridge crane Johnson but I will be discussing what is germane to the topic of toc, technology oversight committee. One of their projects in this report is the removal of the racc servers. We did not actually get the verbal specifics in the presentation of what type of equipment is going to be vacated from the Portland building as that undergoes the many hundred plus million dollar renovations, and when it's gone how many homeless people can sleep in the server room. Hopefully we will have a better solution at the end of the year when those old iron pieces are server rack equipment is gone, we'll have some place better to shelter people than the plastic covered second floor meeting rooms of the Portland building. One thing that I think has never been under the purview of the toc and needs to be is police accountability, statistics and reporting, I think, especially today people would love if not just under the united states versus city of Portland for the doj settlement but the technology oversight committee we made it via the incident reports we're playing from the ipr so people could go and look and see oh, the armory of the Portland police is seven pepper balls and 13 rubber bullets less than it was two days ago.

**Wheeler:** I offered to meet with people on this subject after the city council meeting across the street. Actually public testimony has to be on the item that's being discussed. This is not a discussion about police accountability. This is about the technology project. I am very happy to meet with people on this other issue after the meeting across the street in the park but let's please keep the testimony germane to these issues because we do have people who are here to testify on these subjects is, and we're taking their time away.

**Johnson:** Thank you.

**Wheeler:** And we're stepping on their voice, and that is not fair to them.

**Johnson:** I am serious that in addition to that work from the city attorney's office and the teams you have working on the doj settlement that it's interesting that other projects have come into the purview of the toc and are in the report, but improving the government transparency on police activity has never been there so something for you to think about, thank you.

**Jessie Sponberg:** Good morning guys, I am Jessie sponberg. Forgive me, I am really scared right now. I wanted to talk about the moving of the records from the Portland building and the seismic requirements that we'll have to make sure that we look at this. I am so -- I can't even think right now. Knowing that last time I came here and tried to testify, and brought the police they almost snapped my head off my neck for no reason so please forgive me if I am shaking and my voice waivers. It is taking a tremendous amount of courage for me to sit in front of you, knowing the kind of brutality that you authorize on

January 25-26, 2017

people like me, so please, forgive me for speaking up here and forgive me for speaking on the streets, but I am honestly scared. So don't let this brave face betray how much I am sweating right now or how I can feel drops of sweat running down my arms knowing that at any time one of these women would be thrown down the stairs or I could be thrown on top of Teresa, who asked me to tell you hi. She's in the hospital and getting better. So let me get through this. So the thing is we're moving our records out of the Portland building to a safer location. Because the Portland building needs seismic upgrades. If the city of Portland was for experience an earthquake that was close enough to the Hanford nuclear reservation, or to the Columbia generating station, can you see me shaking ted? Is this how you [bleep] lead a city man? So if there is an earthquake in Portland it will hit those 11 fault lines on which the Columbia generating station sits. It's the same model as the one in Fukushima. For us to spend that money on the Portland building, for us to spend that money on the Portland building, when people are dying in the streets, even though I can't even get my thoughts together. Why are those cops here, ted? Why the [bleep] of those cops here, ted? I am sorry. It's the Columbia generating station should fall victim to a seismic event the city of Portland downwind from the place on the Columbia river which is 210 nautical miles upstream will turn into a wasteland on the level of Chernobyl, I don't think it's a responsible use of city money to dump so much in a place where people are dying in the streets, including babies and I just think it's unfortunate that you are so pressed to just handle the everyday city business when this city is still on fire, ted. But now it's worse. There's babies dying. People are being shot in the face. And you with that same stone face are just business as usual. That really hurts my feelings.

**Wheeler:** Thank you. [applause]

**Star Stauffer:** Good morning, I am star Stauffer this is the first time that you and I are face-to-face, not the first time I met these other folks. I had a lot to say about technology oversight but like Jessie I have -- I am having trouble finding my words. I am not really -- I am curious why there is so many police here for a business as usual city hall.

**Wheeler:** How many are there?

**Sponberg:** 22.

**Sponberg:** Standing right outside the doorway.

**Wheeler:** I don't see any police in the chamber.

**Wheeler:** Keep going.

**Sponberg:** Amanda, show them where they are. You really don't know there is 22 cops here?

**Wheeler:** Folks, I am getting back to -- continue your Testimony, please continue.

**Stauffer:** Thank you.

**Wheeler:** Let's try and keep the mood, this moving.

**Stauffer:** I am assuming that by -- I am assuming technology oversight includes our use of technology right now, maybe not. But right now we have technological resources throughout this city. The police, in fact, who 22 of them are upstairs right now, could concur that they have resources available to lend aid to the community rather than just terrorize the community. [applause] I am just curious why that is not being talked about more. Why is that more of a pressing issue for you.

**Wheeler:** This testimony is not relevant to the issue at hand. Can you -- is that the end of the public testimony?

**Moore-Love:** We have two more people signed up.

**Wheeler:** And unless you have testimony that's germane to the issue, I have to ask you to move on.

**Stauffer:** I have a whole minute and a half left.

**Wheeler:** Talk about the item at hand, if you are not going to talk about the item at hand --

January 25-26, 2017

**Stauffer:** Technology oversight.

**Wheeler:** Correct.

**Stauffer:** So what I am talking about is the use of the technology we have available to us here in the city of Portland in regards to how it can benefit the community and not just this council and the police force that seem to have a controlling utilization of that technology. The police themselves are a major piece of technology for this community that need to be deployed in servicing the community instead of terrorizing the community. So if we are talking about technology oversight, then I would like to talk about that. They are a piece of technology in this city. That is relevant. It main be the words that you would have chosen but it is definitely relevant, and as a woman and a community member in this city that goes out day after day after day and works with the community and builds the relationship with them you don't get to tell them my voice is not relevant. I will come back every single Wednesday if that's what it takes until you acknowledge that my voice is relevant. Right up there. He has the technology available to him right now. To utilize it for the benefit of this community, for the safety of this community, to lend aid to those who are dying of exposure, to lend aid to people who are just trying to utilize their rights to peacefully assemble. If we are talking about technology oversight, then I guess that my question is why are you using the technology available to terrorize instead of better your community?

**Wheeler:** Thank you.

**Wheeler:** Again name for the record, and please stick to the item at hand.

**Standard Schaefer:** Good morning. I am standard schaefer, representing empower Portland particularly the ad hoc committee around the communication problems between emergency services and the ppd so I am curious about how this technology is going to improve that. So far investigations seem to show that there is an extreme communication problem, that when police officers are tear gassing innocent civilians.

**Wheeler:** This is not germane.

**Schaefer:** I have talked to the fire department about this and they don't know what kind of gas you guys are using.

**Wheeler:** If you want to speak on this subjective agreed to meet across the street after this meeting, and if you want, you can sign up like everybody else for communications like the other people behind you did. You can do that, too.

**Schaefer:** We are discovering breakdowns in the protocol by the fire department and the emergency services and the ppd.

**Wheeler:** You are taking up the meeting so people who want to testify on other issues will get less time because you are out of order.

**Schaefer:** People are being injured and there is no communication between ppd and emergency services about how to properly triage the victims. Would you agree to meet with my group?

**Wheeler:** I said I will be available in the park after this meeting. How long do you want to make this meeting because we have another meeting this afternoon, so it's really up to you guys? Could I ask you for, for, to state your name for the record please? He was not speaking so I moved on.

**Schaefer:** This is outrageous.

**Robert West:** I am Robert west. I am with police 9-1-1 and there is a couple things that I want to bring up. One is Kif Davis is ban from city council, one of the commissioner people, workers filed an anti-stalking order against him. Which now prohibits Kif Davis from coming in to testify I think that is absolutely 100% wrong. Kif should be able to come to city council just like everyone else.

**Wheeler:** Sir this has nothing to do with city council. I hate to do this folk we're going to have to take another recess I'm sorry to those who showed up to testify on other items.



January 25-26, 2017

**At 11:00 a.m. Council recessed.**

**At 11:12 a.m. Council reconvened.**

**Wheeler:** Do we have more public testimony on this item or no?

**Moore-Love:** That was it for item 69.

**Saltzman:** I move to adopt the report.

**Fish:** Second

**Wheeler:** Any further discussion. Clerk, can you call the item the roll call, sorry.

**Fritz:** Here

**Moore-Love:** We're doing roll call on 69.

**Fritz:** I'm sorry. Yes. Thank you to the technology committee. Congratulations to commissioner Eudaly and mayor wheeler. The new pops project Portland online permitting system is now reset, which we went a long time to see if we could make it work because of a previous vender who just didn't perform as they had been contracted to do. Thank you director Paul scarlett for your work on that. Also Rebecca Esau who absolutely tried her hardest and worked with the attorney's to get it done the best we could so that's reset. Really appreciate the report which is what we're voting on today, which is the report. I'm happy to accept it. Aye.

**Fish:** Thank you for your excellent presentation. Aye.

**Saltzman:** I want to thank the technology oversight committee for their great work, also Paul scarlett and Jeff baer for their co-sponsorship of the new pops project. I like that name. Portland on-line permitting system, that's great. Aye.

**Eudaly:** I don't want to repeat what everyone else just said, so I'll just say what they said and I also like pop. Please stick with that. Yes.

**Wheeler:** Pops it is. I would also like to thank tom Rinehart and his team for the good work. Aye the report is accepted. Karla can you please read the next time certain item, item 70.

**Item 70.**

**Wheeler:** Commissioner Saltzman.

**Saltzman:** Thank you, mayor. This is an exciting local improvement district project that has lots of support. We're leveraging our existing pavement preservation funding so that \$1 of payment funding becomes a \$1.74. The additional 1.1 million in lid funds provide greater assurance that we can address the pavement rehabilitation needs by also adding three partial traffic signal rebuilds and ensuring that curb ramps are ada-compliant for persons with disability. I'll turn it over to Andrew aebi, our lid administrator.

**Andrew Aebi, Portland Bureau of Transportation:** Thank you. Good morning, mayor wheeler, council members. This is Julia Kuhn from kittleson and associates. Just wanted to run through our presentation here. So there is a new development under way called the field office on northwest front avenue and this is an aerial photo you can see it's a little to the north of the Fremont bridge. This is a map of the area proposed for improvement from northwest 9th avenue to north of northwest 19th avenue. What the numbers you see along the different pavement segments are what we call the pci scores, pavement condition index scores. I want to emphasize we're not using any of our fix our streets funding that came from the voters with the gas tax for this project but this project nonetheless will make a big dent in our backlog of arterial pavement and poor condition. The pavement scores there we ranked everything on a zero to 100 scale, zero being unpaved street, and a 100 being a street paved yesterday. We have pavement scores along this important arterial as low as 21 and the goal of the project is to bring those pavement scores up to 100 when the project is complete. There also is a certain amount of risk financially and when you open up the road in terms of what you find and so the contingency built in is that we have budgeted for a contingency but we are also providing the city engineer with the option of

January 25-26, 2017

dropping the very north end of the project, 760 feet out of the total length of the project, which is 3,702 feet. We fully expect to be able to build the entire length of the project but I wanted to be transparent with council that when you're working with the roads that are very old you sometimes find things that you didn't anticipate. This is an example of what we're looking at. This is a manhole that sticks up out of the pavement on front avenue, so if you run marathons when you come down here in the summer, the fall, you want to make sure not to trip on that. That manhole when this project is complete will be at flush grade with the pavement. Here's an example of bus service line number 16 operates on this street. You can see a pretty poor trench patch in that pavement and we have new pavement restoration with development so we fully expect once this road is reconstructed we won't see recurrences like that in the future. This is an example of depressions in the pavement on front avenue. You see the standing water on the street. So when we rebuild the street the street will drain properly to the curbs on either side of it. Here the bicyclists whom I took a picture of about two weeks ago, you can see a lot of cracks in pavement, potholes, et cetera, so we want this to be an attractive environment for cyclists. This is the new development planned along northwest front avenue there's another picture. You can see that new development wraps around the infamous dock side restaurant which has quite a place in Portland history. We expect there to be a very attractive street scape when it's all done. You're going to hear from the developer here in a moment. We're looking to add another bike town location here. Fundamentally the problem we have here is that we have a missing gap in bike lanes between northwest 9th avenue and this development. So the developer was willing to come to the table with \$1.1 million in lid funds which will be eligible for sdc credits to fill that gap. The development will be very bike friendly but the goal was to fill that gap in the bike lanes so people could ride all the way to the development. Here's a recap of the financials. I should also add just to wrap up that in addition to the 1.1 million for the lid field office is also providing \$700,000 in additional resources for sidewalk infill on the west side of front avenue. So that is a total contribution by the developer almost \$2 million. We're very pleased to do this partnership. In conclusion I just wanted to say that we thought it made a lot of sense to partner with the developer. It wouldn't make sense to put a striping down on the bad pavement you just saw. You don't want to be striping on top of bad pavement. Conversely we didn't want to be in a position of using our pavement preservation funds to redo the pavement but not also take care of the curb ramps and striping and other things we need to do. We thought it would make sense to leverage the funds and have it more comprehensive. Julie and I are here to answer any questions.

**Julia Kuhn:** Mayor wheeler, commissioners, thank you for your time this morning. I'm the traffic engineer for the field office. When we started talking about this project initially, recognizing the importance of people being able to get to not only the field office but residential areas safely in on their bike on foot and in transit. We noticed right away a missing link between 9th where the bike lanes end now and the property itself. So we want to thank number one the city staff, pbot staff for working with us, but we were able to take advantage of a nice public-private partnership opportunity to extend those bike lanes to the north. As Andrew highlighted the pavement condition I know mayor wheeler you're a runner. Probably have run along here. It's abysmal along here for folks trying to cycle safely. And really improve the comfort and convenience. I think this is represents a exciting opportunity for us to leverage everyone's dollars to really improve safety and help toward vision zero goals of the city. Andrew and I are happy to answer any questions but we're really looking forward to watching this project come to fruition.

**Wheeler:** Questions? Comments? We have folks signed up to testify?

**Kuhn:** He's going to come up.

January 25-26, 2017

**Aebi:** Jonathan is signed up to testify.

**Wheeler:** Want to come on up?

**Wheeler:** If you could just state your name for the record.

**Jonathan Ledesma:** Jonathan Ledesma. Good morning, commissioners.

**Wheeler:** Good morning.

**Ledesma:** I have testimony to read. I'm Jonathan Ledesma with project the real estate developer which consists of two mixed use office buildings within a campus like setting in our city's growing district. In our developments we strive to develop creative solutions in response to market demand including a temporary homeless shelter in one of our downtown buildings. A field office bringing together landscape and work space to create a different type of work space that does not hermetically seal us from the outdoors. To this end field office dissolves architectural boundaries that traditionally exist between inside and outside and celebrates the natural environment which is one of the many reasons we choose to live in Oregon. We believe that field office will become an anchor in the development so with this in mind field office will cater to the city's bike commuter. Commuter lounge featuring bike storage for over 200 bikes, a bike repair bar, locker rooms, showers and even a traffic monitor apparatus, transit tracker, thanks. Will be the first stop for cyclists arriving with a roll-in roll-out entry into the building. Along front avenue it will be used by not only the tenants but the many residents across the street in addition to other offices and restaurants and all kinds of things going on in the neighborhood. So approval of the lid which I strongly support and the subsequent construction will amplify our bike centric efforts and create a safe thoroughfare for bicyclists thereby continuing the city efforts to facilitate bike traffic -- safe bike traffic and supporting pbot's vision zero campaign.

**Fish:** I have a couple questions. The dock side is one of my favorite restaurants. Are you preserving it because you did not acquire the site or therefore they are just remaining or did you build it into your development?

**Ledesma:** Two things. When we acquired the site it was made known to us that the former owners had tried to acquire the dock side and quite honestly we didn't bother wanting to acquire it. We think that elements of the past that are institutions are important in our developments. We reached out to them and have great relationship with them. Incorporated our design around them. So it may look like they don't have much space behind them but they actually have quite a bit of buffer to accommodate access and flow.

**Fish:** On the weekend like for brunch there's a lot of motorcycles, sports cars and other vehicles there. Where will customers be parking if they drive a long distance to get there?

**Ledesma:** If they do drive there they can park on on-street parking along our frontage. We currently have been in talks, we haven't come to resolution, for employees to potentially park in our below grade parking lot.

**Fish:** Mixed use. Does that mean is will be both office and residential?

**Ledesma:** No, office and retail.

**Fish:** No residential.

**Ledesma:** No residential.

**Fish:** In the office space is any of this qualified as creative space and will any of it be affordable creative space?

**Ledesma:** Much of the spaces can be classified as creative space as far as affordable creative space that's a term that I don't use.

**Fish:** That's a market rate.

**Ledesma:** But at the same time we are making concessions or potentially make concessions to tenants or businesses that would like to locate there depending on what they do and if they are local, not local. It all depends on who they are.

January 25-26, 2017

**Wheeler:** Further questions? Karla, is there anyone signed up for public testimony?

**Moore-Love:** Yes, we have eight people signed up.

**Wheeler:** We're now way behind schedule. I have made a commitment across the way so I'm going to limit public testimony to one minute. [shouting]

**Moore-Love:** The first three come on up.

**Wheeler:** Good morning. If you could state your name.

**F.J Maloney:** F.j. Maloney.

**Wheeler:** Thank you, sir.

**J. Dubi:** That's J. Dubi as in the joint.

**Wheeler:** You can say it right before your testimony.

**Maloney:** I'm F.J Maloney. I live off skyline boulevard and I work close on southeast side on the Burnside rocket. So I commute every day along the northeast 30th and along front avenue through the industrial area on this road. I often try to do it by bicycle. If anyone has ever tried to bicycle that area, it's one of the most miserable stretches of pavement and road in the Portland area. I think this lid -- I'm familiar with the lid process and how that works and I think this would be a fantastic way of improving this area. If you have biked along there there's no room for bicyclists. There's a curb there so you're hugged up against the curb. There's abandoned railroad tracks that are at a strange angle that will catch your tire if you're not careful. There's potholes, this area would provide a great link between the recently improved area between Linton -- they have improved that stretch of highway 30 and what's been done in the downtown corridor area to continue to bring that together would just be a fantastic way. I highly support this.

**Wheeler:** Thank you. Hi.

**J. Dubi:** It's too much money. Looking at the number crunches it just doesn't make sense. Again, it just seems to be going toward the one demographic, richer people, helping spread out kind of the pearl area and I like the people that have the money that are trying to be all green and stuff, I really don't think it's -- there's so many better things we could be doing with the money, guys.

**Wheeler:** Thank you. Yes, sir.

**Jessie Sponberg:** Jessie sponberg. I think it's really telling that the protesters' voices are being silenced, but the big moneyed interests will get all the time they want to talk. It is also telling the way your four years are going to turn out with suppression from real people and the moneyed interests that will take a front seat. It's nothing new. We thought you would bring something different. But business as usual. It's really sad. How many die on division street where I live? I want to tell you about vision zero where were we are supposed have no deaths. There are people dying on division on almost a weekly basis. Right? Right. Let's dump that money to make this monstrosity happen in Portland so that this guy who lives on skyline can ride his bicycle easier. Meanwhile people will be getting swept to make room for this. People will be getting their stuff stolen and displaced to make room for this. This is no housing being built here. You're going to take that money that should be spent on the east side and continue reinforcing the status quo as usual. Thanks a lot, ted.

**Wheeler:** Thank you.

**Eudaly:** I would like to ask a question of commissioner Saltzman. It might be helpful to the people here today to understand where these funds are coming from, what kinds of projects the funds could be spent on and how we prioritize the projects we move forward with.

**Saltzman:** Want to do that after this testimony?

**Eudaly:** Up to you.

**Wheeler:** Why don't we finish public testimony.

January 25-26, 2017

**Eudaly:** I just think there's a lot of confusion.

**Wheeler:** Thank you.

**Wheeler:** This is the time for the people at the microphone to have their minute. Go ahead. Thank you.

**Star Stauffer:** I'm concerned personally about this project. I can tell you probably 20, 30, 40, 50, 60 -- I don't know how many hundreds of people are out on the streets of Portland right now houseless. All better things to spend money on than fixing cracks in sidewalks or making more room for more bike lanes for people to ride their bikes when there's people that don't even have a blanket. It's just seems very callous. I'm ashamed right now that this is the representative of my city, that that is a more pressing issue how to spend money on those projects and have another gentrifying developer come into my community that my father and grandfather built with their hands and callously talk about bike lanes and street cracks when there's a baby dead. [applause] so shame on you.

**Wheeler:** Thank you. State your name for the record, please.

**Willy Myers:** Willy Myers, executive secretary-treasurer of the Columbia pacific building and construction trade. I would like to say the field office is actually a pension funded project by the newbf, national electrical workers benefit fund. To allow and create accessibility to projects like this will help create more projects to create family wage jobs. This project alone will support 600 to 1,000 construction, union construction jobs. I have made a 35-year career out of temporary jobs. Thank you, sir. The largest --

**Wheeler:** Let's let him have his moment at the microphone.

**Myers:** This will also help us with work force diversity. The largest percentage of apprentices trained in the state are trained through union programs and the largest number and percent of diverse apprentices by supporting accessibility to this project we're supporting a project that promotes diversity in work force and we urge you to support it.

**Wheeler:** Thank you.

**Mimi German:** I'm Mimi German. I urge you not to support this. My concern about the development and lid is that this money is used for gentrification and we get a bike friendly project but it's homeless unfriendly. It's so nice of the developer giving money for upgrades but we need to understand that this is a danger to people who are currently living on the streets. Where are they supposed to go? Until you have houses for the houseless I object to sprucing up the street for bikers and others. What exactly is the homeless shelter the developer was referring to? Can they bring their belongings? Can they do as they please? Or so we thought. Will we stand by and allow gentrification which displaces and encourages sweeps? This is the next issue I have with this project. Sorry I'm going so fast. I imagine that the police presence will be more prevalent if the people living on the streets and sidewalks remain. What's going to happen? We'll see more attacks by the police against these people. This is untenable. We object to this upgrade until these questions are answered. One way to solve this is to have the developer give --

**Wheeler:** Cut the mike. Thank you. [shouting]

**Wheeler:** Are there two more or three?

**Moore-Love:** Just two.

**Wheeler:** Thank you.

**Ryan Wood:** Good morning. Thanks for giving me time. I'm Ryan wood. I represent lease crusher Lewis the general contractor that's working with the developer in this new construction project. I'll be extremely brief. Just want to say that this job is a flagship project for us supporting upwards of 50 employees for over the course of three years. It's really important to our business. The lid is important to our business. Stuff like willy touched on, 600 to 1,000 union employees will stay employed because of this project. Union labor is vital to our not only our work force but vital to business growth and

January 25-26, 2017

construction growth within the community of Portland. This project is going to house 200 plus new parking stalls and won't be just a benefit to field office but to all new projects being developed in the area like the new water line departments across the street. It's not just a benefit to Jonathan and his group but to everybody in the area. [shouting] that's all I have.

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

**Joe Walsh:** Good morning. I'm Joe Walsh.

**Wheeler:** Good morning.

**Walsh:** I represent individuals for justice. One of the things you better consider, mayor, is the people that you're looking at and having trouble with today think that there's a little bit of light left. That's where we take our time. That's why we were interested in this stuff. There's a little bit of light in each one of you. What comes after is worse. Because those people will see nothing. You screw over 1 minute; we will close you down every week. That's what we do.

**Wheeler:** Threats are not -- [shouting] fair enough. You want to fight us -- [shouting] can you cut off the mike, please. [shouting]

**Wheeler:** At this point if there's any further conversation. [shouting]

**Wheeler:** Excuse me. Commissioner -- [shouting]

**Wheeler:** I heard you the first time. Commissioner Eudaly, you had -- I don't appreciate people interrupting the public process. [shouting] commissioner Eudaly, you had a question that was posed earlier to commissioner Saltzman.

**Saltzman:** Andrew Aebi? I'll take a stab and Andrew can correct me if I'm wrong. [shouting] it's about a 2.6-million-dollar project and about 1.1 million comes from our paving preservation fund and the other 1.5 million is coming in this case to the improvement district, the property owners along the route. Did I get that right?

**Aebi:** Yes. I think one thing that's important to note --

**Saltzman:** Paving preservation fund I assume is gas tax money?

**Aebi:** That I don't have the exact details.

**Saltzman:** It's not general fund that could otherwise be spent on other services.

**Aebi:** It's housed in the Portland bureau of transportation. It's not a discretionary funding item. If we do not spend that on Naito Parkway we would spend it on street improvement in the other area of the city. One thing I would note is last year city council approved the northeast 47th Avenue lid just really quickly. If we were to have to budget for a total reconstruct of that street like we did on northeast 47th Avenue instead of 2.6 million project, we would be looking at a 10 to 11 million. Fundamentally the reason we felt the timing of this project was critical is to make sure that we can rescue the pavement before further rehabilitates and we're talking about a 10 or \$11 million project. Just trying to save resources down the line. [shouting]

**Wheeler:** I'm going to again ask people please not to interrupt. Thank you. [shouting]

**Wheeler:** Is there any further board --

**Wheeler:** Excuse me. You're out of order, you're slowing everything down. I think you said you want me to meet with you across the street. I committed to that but if you run out the clock it ain't gonna happen, right? Let's try to get the meeting going. [shouting] let's try to get the meeting done. Commissioner Eudaly, did you have a further question?

**Eudaly:** So this may be an exercise in futility if people won't actually allow us to conduct the business of the people and have this conversation, but I share some of the concerns with how we set our priorities. I wanted to hopefully clarify for the people who are here today that we don't have the choice of taking money out of pbot and putting it into housing services or home for everyone. This is money that will remain in pbot and we need to spend it wisely. So the other concern I have is how we choose the areas that we're

January 25-26, 2017

improving and what kind of equity we're seeing across the whole city. I'm not necessarily saying I oppose this particular project. I think it's valid for community members to ask where are the other -- what was that? Your degree of -- yes. The poor condition areas. I understand choosing this area because we are able to leverage the developer money and therefore save 75 cents on the dollar. That's a smart decision. Is it the absolute priority in the city? I don't know. So if you can speak to those issues I think that would be helpful.

**Aebi:** Thank you, commissioner. I think you recapped it well in terms of this not being discretionary across all of the bureaus in the city as a whole. When this money was budgeted naito parkway was among the streets we were looking at. I can't tell you the others. There was a short list of two or three major rehabilitation streets and this was one identified as part of our budgeting process.

**Eudaly:** What were the other two?

**Aebi:** I don't know what the others were. I'm sorry. Then I should also mention we have fixed our street funding which has been heavily targeted for example in east Portland. This is complementary in the sense we'll use it for naito parkway but we're trying to free up funding for east Portland and other under-served areas.

**Saltzman:** We'll get to the names of the other two streets subject to this fund.

**Aebi:** Yes.

**Wheeler:** Further questions?

**Eudaly:** I just want to make a comment. I hope you take it in the spirit it's intended. I'm not meaning to call you out but I do think when we're in the midst of a housing emergency and we have thousands of people on the streets talking about making the street safer for people running marathons is going to incite the kind of response we saw here today. [shouting] I thank you for including accessibility improvements in that area. That is an issue near and dear to my heart. Well, don't get me started. [laughter] thank you. [shouting]

**Aebi:** Thank you very much, commissioner.

**Wheeler:** Are there any further board comments or questions? Call the roll, please.

**Fritz:** Thank you commissioner Eudaly for your clarifying questions. We will continue to work on equity across the city. This is an opportunity to leverage a large amount of money from developments happening right now and as Andrew Aebi said there's other funding being allocated preferentially on this so that the city doesn't just decide first thing in the morning commissioner Saltzman I think I'll do naito this week. There's a list of priorities and they have to be weighed, they are required to have those decisions made in an objective manner. I appreciate the partnership and I vote aye.

**Fish:** Aye.

**Saltzman:** Thank you, Andrew. Aye.

**Eudaly:** Thanks for the presentation. I feel relatively satisfied knowing this was one of the top three areas and the fact that we're leveraging almost half -- 75% of the money through private investors but I'm going to continue to raise these issues and push for equity across the city. Aye.

**Wheeler:** I think commissioner Eudaly has made a great point. These should be done through a lens where we can see clearer prioritization. What gets to the top of the list, what doesn't get to the top of the list and why? I think it would be helpful for me to have that clarity and I think helpful for the public to have some sense of what -- how our decision is made. I appreciate clarity on that as well. Aye. Please read the next item.

**Item 77.**

**Wheeler:** Good morning.

**Christine Moody, Procurement Services:** Good morning, mayor, commissioners. Christine moody, procurement services. You have before you the procurement report recommending a contract award to brown contracting. The engineer's estimate was

January 25-26, 2017

\$960,000. On December 6, 2016, three bids were received and brown contracting is the low bidder at \$954,927. The Portland parks bureau has reviewed the bid item and accepts the proposed pricing as good. The city put forward an aspirational goal for dmwesb sub utilization at 20% of hard construction costs. Brown contracting identified three divisions of work for dmwesb opportunities with participation at 14.53% or \$138,750. With work performed in masonry, survey and landscaping. I will turn this back to city council if there are any questions regarding the bidding process robin Laughlin is here to answer technical questions and Sean emerick from brown contracting is in the audience as well.

**Wheeler:** Questions?

**Fritz:** I know you often try to get the percentage of disadvantaged minorities, women and businesses up. Is this the best we can do? The best of the three received?

**Moody:** So the second low bidder didn't have -- had the same type of participation on this. The other work is being self-performed by brown, so these are the only subcontracting opportunities that they have identified. Every subcontracting is being done with dbc or mbe.

**Fritz:** Could I actually talk to the developer? Thank you. Thank you for being here. If you could just state your name for the record and what your job is.

**Sean Emerick:** I'm Sean Emerick and I'm with brown contracting.

**Fritz:** Can you tell me about the diversity within brown contracting? Do you have processes to try to encourage women and minorities to work in your company?

**Emerick:** Absolutely. It's a goal of ours. Obviously working with the city and knowing your priorities it's a goal of ours to have a diverse work force of our own.

**Fritz:** How are you doing on that goal?

**Emerick:** Couldn't give you exact percentages off the top of my head. We employ -- have a company of 60 people. We probably have four women on staff, we have eight Hispanics, two african-americans, a great old Filipino man.

**Fritz:** I know your company does do contract work on and off periodically with the city. We have been very happy with your work. Next time I would like to have an update on how you're doing with employment within your company.

**Emerick:** I'll prepare that.

**Fish:** I have a question of first the commissioner. Is the money for this project did it come from the parks bond or another source?

**Fritz:** Its coming from fix our parks bond, one of the first projects we're getting done in the first phase.

**Fish:** Congratulations. This was one of the projects and themes you placed into the bond. This is what the public wanted to make our system more accessible.

**Fritz:** Yes. A lot of transportation improvements as part of this that people are using disability devices can get from the parking lot to the lovely walk there.

**Fish:** I spend a lot of time with my daughter in that area now. It's relatively inaccessible to people that would have any kind of mobility issues. I will be pleased to support this. Thank you.

**Wheeler:** Is there any public testimony on this item?

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

**Wheeler:** Is there anyone wanting to testify on this item? Why don't you go ahead and if we need you for further questions -- thank you. We appreciate it.

**Emerick:** I have been sitting here for an hour.

**Wheeler:** Sorry for the delay. Yes, sir. One minute, please.

**Jessie Sponberg:** So \$850,000 for improvements of Washington park. Are you paying for that? Who is paying for that?

**Fish:** We all are.



January 25-26, 2017

**Fish:** It's a parks bond measure.

**Wheeler:** It was voted on by the voters.

**Fish:** Especially highlighted in the bond measure.

**Sponberg:** The reason I ask, as soon as you asked about the contractors and the number of bids everything got really muffled. That smells of water bureau stuff but I guess it just smells of all city hall business. I didn't get a satisfactory answer to why there wasn't three bids and why they are just doing business with the same old people that they do business with. It seems like just more of the same business at city hall. While the baby dies in the streets and people are shot in the face. We just continue with these pedestrian things as if these other things are not happening outside of the chambers so I would encourage you to hit harder and find out who those three bids are because I couldn't hear them and up there it said inaudible. If you could ask them to clarify why they don't have three bids. Sorry that you had to wait an hour while you're making a salary. I had to take the whole day off to be here.

**Fish:** I move the report.

**Fritz:** Second.

**Wheeler:** We have a motion and second. Is there any further discussion? Call the roll, please.

**Fritz:** I just got a full briefing yesterday from Portland parks and recreation team that's been working on the fix our parks bond measure expenditures. They are really coming along well we will have about \$20 million left after this first phase, and we're going to be announcing it shortly a public process in February, march and April coming back to council or probably in May to approve the project list for the last money in the bond measure. I hope that everyone will participate in that because we have about at least 200 million worth of repairs that need to be made and only 20 million to make them. We certainly want to get what everybody included in there. Everybody's voice to be heard. I'm really glad about this rose garden project because it's going to be completed in time for the centennial. Aye.

**Fish:** First commissioner Fritz thank you for the leadership that you brought to passing the parks bond measure. For prioritizing projects that make our system more accessible to all the people we serve. I also want to thank you for the leadership role you played with me and others in converting all the single stall restrooms in our park system to all user so they are available and accessible to everyone in our community. This is an important next step in Washington park making sure that people regardless of their abilities are able to enjoy access to nature and to our parks and I'm pleased to vote aye.

**Saltzman:** Aye. **Eudaly:** Aye.

**Wheeler:** I want to congratulate commissioner Fritz. This is outstanding work. It does perfectly fulfill one of the objectives of the bond over which the parks bureau and commissioner Fritz had a leadership role, important leadership role. I'm very pleased that mobility for all of our citizens is being taken into account. Very happy to vote aye. Could you please read the next item?

**Item 78.**

**Wheeler:** Good morning.

**Anna Kanwit, Director, Bureau of Human Resources:** Good morning, mayor, commissioners, Anna Kanwit director of the bureau of human resources. I think the title probably takes as long as part of my presentation and Cathy's will be. Cathy Bless is our benefits manager is here to also provide additional information on this ordinance. This if adopted creates again our voluntary retirement incentive program. This would be the third year that we have done this. In prior years' participation has been approximately 73 employees each time. Our bureau of directors are eager to begin this program, having the

January 25-26, 2017

tool available because it can mitigate impacts of budget reductions and loss of filled positions. Encourages people who are retirement eligible to leave the city voluntarily thereby reducing potential layoff and also bumping as employees move throughout the city under obligations on our collective bargaining agreement. So again, this program can save a filled position. One of the reasons that we like this particular program which puts \$15,000 into a health reimbursement account for employees is before someone is Medicare eligible concern about retirement can be health insurance expenses. We believe it's a fiscally responsible program. Again, saving positions. The person who retires agrees not to come back to the city with some exceptions being allowed and can reduce unemployment costs as well because a person's retiring rather than being laid off. Over all we think it's a very good program. Cathy bless will cover more of the specifics and we're here to answer questions.

**Cathy Bless, Bureau of Human Resources:** Good morning, commissioners, mayor. Just to add a little bit to Anna's comments, we have about a quarter of city employees eligible to retire. Those same individuals make their retirement decisions based upon the cost of purchasing health care prior to Medicare. This tool really does help bridge a portion of those costs between when normal retirement age of 58 for pers one employees through Medicare eligibility at 65. Then the program itself really does provide flexibility for bureaus. It allows for that knowledge transfer. Gives time for folks to think about leaving and have the opportunity to be able to hire new employees coming into the system which I also think is a benefit overall. We do require that employees are employed for at least five years invested within the pension system. There is requirements that they are retiring for the first time, so definitely these are not people that have come back and have other retirement benefits available to them. Also, it allows the bureaus that kind of flexibility once an employee does the application, that process really is completed and it's just a matter of the retirement date set and then the program fees for the 15,000 deposit directly. With that I'm happy to answer any questions that I certainly hope that you authorize the program.

**Wheeler:** Any questions? Any further testimony? Clerk, please call the roll.

**Fritz:** This is a helpful way to make sure that we can save some taxpayer money while being fair to our employees so thank you for that. Aye.

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

**Wheeler:** Aye. Please call the next item.

**Item 79.**

**Wheeler:** Any board discussion? Karla, please call the roll.

**Fritz:** Aye. **Saltzman:** Aye. **Eudaly:** Aye.

**Wheeler:** Aye. And if you could please call the next item.

**Item 80.**

**Wheeler:** Commissioner Fish. Oh, sorry. Is there anyone here -- I think we can take it from here.

**Wheeler:** If you would please.

**Scott Gibson, Bureau of Environmental Services:** Good morning. Mr. Mayor, city commissioners, I'm Scott Gibson, a principal engineer at the bureau of environmental services. My team provides project management and engineering in support of the bureau's capital improvement project. With me is David Hammond, our project manager. We're requesting approval of an ordinance authorizing award of a contract for construction of the southeast interceptor sewer rehabilitation project to the lowest responsible bidder. Estimate cost of this rehabilitation contract is \$4.35 million. The project is within bes's current improved capital improvement program budget. The total cost is 14.2 million but the team at bes is pursuing a smaller scope of work than originally anticipated. Our current estimate for the total project includes including costs outside of the contract before you

January 25-26, 2017

today is \$6.8 million. The main reason for this change is that the sewer condition is better than we had anticipated. This opened the door to less intensive rehabilitation techniques and David is here with a short presentation.

**Wheeler:** Before David presents --

**Fish:** I'm ready.

**Wheeler:** Then I'll let commissioner Fish present. I'm sorry, I didn't see you were out of the room.

**David Hammond, Bureau of Environmental Services:** Good morning. I'm David Hammond. I'll give you a brief rundown of the project. The project location as shown the southeast interceptor sewer sometimes referred to as sei for short, located in inner southeast Portland. This pipeline was built in the early 1950's. Since then has begun to deteriorate and now needs restoration and rehabilitation. Sei is a cast in place concrete horseshoe shaped sewer pipeline that varies in width from 66 to 72 inches. The height varies from 68 to 72 inches in height. The depth in the sewer line is between 24 to 54 feet as you go along alignment of the project work scope. The pipeline lies underneath existing railroads and arterial roadways and therefore with that and the depth open cut repairs will be very expensive so we will be doing repairs from inside the existing pipeline. We divided it into two sections. You can see on the map the upper portion is section 1 approximately 2300 feet long located in the Kerns neighborhood along southeast grand from Stark to Davis. Then west along Davis street to northeast 3rd. Section 2 is 3700 feet long, the dark one to the south. It's located in the Buckman Abernathy neighborhoods along southeast 16th from Pershing to Powell and along the Union Pacific railway as well as the Portland Milwaukie light-rail then along Division to 7th Avenue. In all approximately 6,000 lineal feet of the sei will be rehabilitated to eliminate significant leaks and repair existing structural defects in the pipe. Grout injection will be used to fill voids outside the pipe and prevent further deterioration of the pipe. And we will also be using grout injection along three manholes on Grand Avenue to prevent further pavement settlement in the manhole vicinity which has been an ongoing problem. Bes public outreach staff consultants have conducted extensive community outreach to local residents and business owners who may be impacted by construction activities. The outreach staff has mailed six public information flyers to the stakeholders. A flyer was also mailed out to inform them of proposed night work to help minimize impacts. A noise variance application has been submitted and a night work variance being sought will be required prior to allowing any night work to commence. Temporary traffic control will be used to maintain traffic flow, pedestrian access and ensure worker and residence safety. Traffic will be maintained; street closures will not be allowed. Construction contract is estimated to be \$4.35 million with a high level of confidence. The advertisement and bid date is scheduled for early February with construction hopefully beginning by June of this year. I guess thank you for your time. I'll entertain any questions.

**Wheeler:** Thank you for your excellent presentation.

**Fish:** I apologize for being outside on a family call when you started. This project is funded exclusively with dollars, ratepayer dollars or part of our utility system, right? There's no general fund money here.

**Gibson:** Absolutely.

**Fish:** This is also part of our long term capital improvement plan.

**Gibson:** That's right.

**Fish:** This is a pretty significant piece of our system because of its location and size.

**Gibson:** Yes, there are 11 main trunks in our system. This is one of the 11. We're working our way through those based on priority.

**Fish:** Thank you.

January 25-26, 2017

**Wheeler:** Any further board questions? Is there any testimony on this item? Seeing none, this is a nonemergency moves to second reading. Karla, call the next item, please. Thank you for your testimony.

**Item 81.**

**Wheeler:** Commissioner Fish, did you have anything else?

**Fish:** No, mayor.

**Wheeler:** Any further conversation? Please call the roll.

**Fritz:** Aye.

**Fish:** This is a proposal to rehabilitate approximately 5500 feet of sewer main line in the southeast neighborhoods of mt. Scott, Arleta and Woodstock. Aye.

**Saltzman:** Aye. **Eudaly:** Aye.

**Wheeler:** Aye. Could you call the next item, please?

**Item 82.**

**Wheeler:** Anything else on this item?

**Fish:** No.

**Wheeler:** Any testimony? Hearing none could you call the roll.

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

**Eudaly:** You'll have to call mayor wheeler hales at some point. Aye

**Moore-Love:** I almost did. That's what it said.

**Fish:** In fairness I am regularly referred to as commissioner Fritz which I take as a great honor.

**Eudaly:** We call you fitz.

**Wheeler:** Aye. It passes. Call the next item, please.

**Item 83.**

**Wheeler:** Commissioner Fish, anything else?

**Fish:** No.

**Wheeler:** Any testimony? Could you call the roll?

**Fritz:** Aye.

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

**Wheeler:** Aye. It passes. Could you call the next item?

**Item 84.**

**Wheeler:** Commissioner Saltzman, do you have anything to add?

**Saltzman:** No.

**Wheeler:** Any further discussion? Could you please call the roll?

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

**Wheeler:** Aye. It passes. That's it, right? Oh, I'm sorry. We have one item that was pulled off of the consent agenda.

**Item 71.**

**Wheeler:** Is there any testimony on this item?

**Moore-Love:** Here he is. He's here. [shouting]

**Wheeler:** We're waiting for you, sir.

**Walsh:** I'm joe Walsh. I represent individuals for justice. Did you get a staff report on this? Did you get a staff report on this?

**Wheeler:** Yes.

**Walsh:** Did you give a staff report? We are entitled to listen to staff. Why are you doing this? And the ramifications before we speak on it. Why is there not a staff report here? Do you understand how this works, mayor? That you are not a dictator? That you have to follow the rules? And the rule says you have to have a staff report. Where is the staff report?

**Wheeler:** 13 seconds, joe.

January 25-26, 2017

**Walsh:** Okay. Let me explain something. We're going to close you down every week. Every week. We can go to jail.

**Wheeler:** Could you please --

**Walsh:** Doesn't bother me at all. You are a total idiot. [audio not understandable]

**Wheeler:** Joe, you're not helping. You're not making your case very well. Clerk call the roll, please. Last item.

**Fritz:** Mr. Walsh -- Mr. Walsh [shouting]

**Wheeler:** You're out of order. Just call the roll.

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

**Wheeler:** Aye. Thank you. The meeting is adjourned.

**At 12:10 p.m. Council recessed.**

January 25-26, 2017

Closed Caption File of Portland City Council Meeting

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

**Key: \*\*\*\*\* means unidentified speaker.**

**January 25, 2017 2pm**

**Wheeler:** Good afternoon, everybody. This is the Wednesday afternoon session, 2:00 p.m., January 25, 2017. If Karla would please call the roll.

**[roll call taken]**

**Wheeler:** If you could please call the first item.

**Item 85.**

**Wheeler:** If I may, auditor, before you jump into your testimony, I think it would be helpful if we put the amendments on the table first including yours so everybody understands what they are, and that might help in your presentation to speak to some of those amendments. In terms of framing the issue here obviously the auditor plays an incredibly important function in city government. The auditor is independently elected. The auditor is responsible for ensuring that our city government operates in an accountable manner. The auditor and her team have worked hard to create a program that they would like to refer to the voters. It would be a charter amendment therefore requires approval from the voters. The city council has to have a majority vote to refer this to the voters. So that's the spirit in which we're here today. We have had a work session, the auditor and her team have met with all of our offices individually to walk through some of the specifics related to this issue. Of course some of us I think just about all of us have amendments that we would like to propose to this. We may or may not have the opportunity to vote on this just depending how much time we have. This could potentially get carried over to next week. If that's the case, we still have plenty of time -- not plenty but we have time to put it on the ballot. We'll take it from there. I would like to start by asking each commissioner if they have amendments to read those amendments and briefly describe those amendments to the degree that they feel sufficient. My intention is to second all of them for discussion purposes. We won't actually be voting on the amendments, just putting them on the table so that people have a chance to reflect and respond to them. After the auditor's presentation, there will be an opportunity for public testimony. I don't think I'm going to read the entire statement again. It's pretty common sense. If you are a lobbyist, please disclose that. If you are here representing an organization, please disclose that. Importantly, please keep your testimony to this particular issue. With that I will ask my colleagues if they have any amendments they would like to put on the table. Commissioner Fish?

**Fish:** I offer the Fish amendment which I believe my colleagues have. It reads as follows: Prior to adoption, amendment or repeal of any rule the auditor shall provide reasonable public notice and opportunity for comment. The auditor may adopt interim rules without prior notice upon finding that failure to act will result in prejudice to the public interest and shall be effective for a period of not more than 180 days. I move that amendment.

**Wheeler:** I'll second that for purposes of discussion.

**Fish:** If I could, thank you, mayor, colleagues, I believe we do our best work in the light of day. We can never take public trust for granted. During my eight years on council we have adopted many important reforms to increase transparency and accountability. We

January 25-26, 2017

established a new oversight body for our public utilities, Portland utility board. We made it easier for people to appeal administrative decisions made by the city. We created an independent budget office accountable to council as a whole. We restored the city's chief financial officer position bringing back the independent guidance we need to make good decisions about taxpayer money. Last year we became a second city in the country to require political consultants to disclose their relationships with city council members. Today's proposed charter referral is another important reform designed to protect the independence of the elected auditor, the city watchdog. I support the proposal for a number of reasons. First I agree we should update the charter to reflect the increase in responsibilities over the past 30 years. Second, I strongly believe the auditor should have the right to seek independent legal advice. Third I believe the auditor must have the freedom to issue tough audits without a fear of retaliation from council or city bureaus. I have heard two basic arguments against referring this package to the may ballot. First that these changes can be accomplished through changes to our code and not to our charter. While this has been the approach in some other cities, I believe that a charter change provides an extra measure of protection going forward. Second, some argue that this referral has been rushed and that we should hold off until next year. While we should never refer a charter change has is not well considered the auditor has worked closely with the council to answer questions, clarify details, and to make reasonable changes. Today I expect that my colleagues will have additional suggestions to strengthen the proposal. I have one of my own. That's not unusual. I see no reason for further delay. The debate today should not be about whether strengthening the auditor's independence is a good idea. Of course it is. On that question I believe there can be no debate. If this proposal is referred to voters and passes successful implementation will depend on a high level of cooperation between the auditor's office, city council, the mayor, bureau leadership and the public. That's true of any charter change. Therefore, my amendment which I have proposed provides for public comment in the rulemaking phase assuming it's approved by the voters. It was suggested by the league of women voters, thank you Debbie Aiona, and has the support of the auditor. To our auditor, thank you for the spirit of collaboration and open mind you have brought to these conversations. Today I look forward to the presentation, the testimony and our discussion.

**Wheeler:** Thank you, commissioner. Commissioner Saltzman if you want to introduce them as a package --

**Saltzman:** Just one amendment.

**Wheeler:** Thank you, sir.

**Saltzman:** My amendment basically would remove placing the ombudsman role in the charter. I offer that for a couple reasons. I do appreciate the auditor bringing forward her amendments to enshrine the auditor's office independence into the city charter. I fully support her rationale and reasoning behind her proposals. I have concerns, however, about listing independent police review and ombudsman in the charter and without a chance to take more public input about that and I think that that's really why I'm removing this just as the auditor has herself removed the independent police review function I feel to gather more public comment and thought on that we should do the same with respect to the ombudsman this. Is no means a reflection on the performance of our ombudsman past or present. There are very few positions spoken to in the city chart other. City council, auditor, treasurer are all spoken to. These are all positions enumerated in city charter. I'm reluctant without more public comment and understanding about that to place yet another position in the charter, which when you place it in the charter it's more or less there forever. Just as police review is a dynamic changing environment so is the role of investigating and holding cities accountable. The ombudsman movement got started in the

January 25-26, 2017

1800s in Sweden and has grown in popularity but who is to say two decades from now there may not be some other, better way of doing holding government accountable than the ombudsman. That's why I would argue that we need flexibility. Those are my thoughts. I would like to have the chance for the council to have broader deliberation on this. That's why I would offer my amendment to delete establishing the ombudsman in the city charter just as we have deleted establishing the independent police review in the charter.

**Wheeler:** I'll second your amendment for purposes of discussion. Commissioner Fritz?

**Fritz:** Thank you auditor for all the work you've done on this. I apologize to the public I have lots of amendments and after working on them until 1:00 today and some of the auditor agrees with and others that we need to account for discussion on. I'm concerned with commissioner Saltzman there's not been a lot of time for community members to know what's being proposed and therefore to comment on it. The first amendment that I'm calling it Fritz number one is actually -- the auditor's role in the city has changed significantly over the past 30 years. As such it no longer makes sense to require the auditor, who is really a manager of a diverse set of programs, no different from the secretary of state to be a certified anything. The audits director needs to be a certified accountant or auditor. Unlike the mayor or commissioners, we don't often get robust election for the city auditor very often. That needs to change, especially the piece of oversight and significantly more independent auditor under these proposed charter changes. If testimony, we hear and council's discussion says we still want to keep the qualification then we should ensure that outside oversight of the auditor's office occurs often and in timely manner. My second amendment is to -- second alternative on number one is to require outside oversight every four years in the year prior to the auditor's election. So that there is some independent not the council looking at the performance with this significant new office.

**Wheeler:** I'll accept them as a package. We can vote individually.

**Fritz:** Thank you. The next amendments, number 2, is to remove the new provision that the auditor may carry over any unused funds from year to year as provided by state law. None of the other elected officials have that option of not returning ending fund balance to the general fund thanks to the resolution we passed three years ago now, half of any of the ending fund balance is required to go into construction maintenance. That's something the auditor and audits have said a good thing that we need to spend more money on basic infrastructure that may not be all that interesting but certainly needs to be done. Over the past five years' auditor's office has returned over \$2.2 million of unspent resources, which is a credit to her fiscal responsibility. That money has been used to address our infrastructure maintenance need and housing crisis. Like the rest of the council, the auditor should have the ability to request carryover and request position authority within the existing budget. I don't see having a carryover of an average of \$46,500,000 is best choice for taxpayer's money. The next section is very much to speak for my brothers and sisters in the labor unions. We have a classification compensation structure for a reason. The charter changes that happened under mayor potter in 2007 completely redid the civil service section making it clear what the rights of employees in classified positions is. And so I know this is something that the auditor is intending to provide the same checks and balances and rights with her later administrative rule, so this number 3 -- sorry. There's several different amendments in this D-506, which is why I wish we had more time so I could be more organized. Another one is that the new language says the auditor may appoint employees and establish their compensation. I think we should add within existing classifications and compensation structure so that we're not giving the auditor ability that none of us have to pay either less or more than classification range for a particular type of work. Amendment four and five that the auditor has graciously accepted in the section on



January 25-26, 2017

deputies and employees the proposal said the auditor should establish and administer human resources policies. We need to change that the mandatory shall. And then further down that we want to make it very clear that the auditor gets to propose her budget without outside offices that the funding of the number of employees that the auditor states is necessary is subject to funding by the council that we a future auditor could take any of that ending fund balance and move it into new positions and that's just something that we all can do, but I think it's been very clear that the auditor respects our responsibilities under state law the budget committee that has to be the council that makes that decision. In D there's another it's about procurement we're changing another should to shall and then this is the section I was talking about earlier its 506-A and so we're proposing to strike the language that says the auditor's human resources policies and rules shall provide for full recourse disciplinary review procedures for an employee who is not an at will or subject to a collective bargaining agreement we want to be more specific to make sure that the future auditors know what meant by that. So we would change it to the auditor's human resource policies and rules shall provide functionally protections as the classified service including full course disciplinary procedures for auditor's office employees with the exception of the chief deputy auditor, ombudsman and the audits director, employees hired under that section of the charter and is designated by the council as at will and also employees subject to collective bargaining agreements are also protected under this amendment.

**Wheeler:** I will second these for the purposes of discussion.

**Fritz:** And I'll get them posted on the website as soon as I can so people can follow them. I would actually like to request that we could carry over the hearing until the next week, that would allow me and everybody else to look over what we have done and make sure its complete.

**Wheeler:** Commissioner Eudaly before I jump in did you have any amendments today?

**Eudaly:** I do not.

**Wheeler:** I only have one myself. Add to the beginning of section 2-508 f, and 2-509 f, adding thing language subject to collective bargaining agreements. Subject to collective bargaining agreements with the city's recognized bargaining units, add to section 2-509h. The powers and duties of the ombudsman shall not be exercised in contravention of any collective bargaining agreement or obligation of the city, then continue on with the rest of the existing language.

**Saltzman:** Second.

**Wheeler:** Commissioner Saltzman seconds that so we have these amendments on the table. Thank you for your --

**Mary Hull Caballero, Auditor, City of Portland:** Excuse mayor I have an amendment.

**Wheeler:** I apologize. Auditor?

**Caballero:** For the record Mary Hull Caballero, city auditor. I have one amendment in section 2-504, about the salary and it makes an effective date of January 1, 2019, so that would have that section starting at the next full term of auditor.

**Fritz:** Is it not that way now? The salary of the auditor is not -- same as commissioners.

**Caballero:** It's the same as the commissioners in practice but we're just making that reflective in the document. Just for clarity I didn't want people to think this was a raise for the auditor while I'm in this position. While that's true it just establishing the effective date with the next term.

**Fish:** I will offer the auditor's amendment. It just requires a second.

**Wheeler:** Is there a second? I'll second for purposes of discussion.

**Fritz:** In response, likewise I don't want people to think we have not been paying you properly up to now.

January 25-26, 2017

**Wheeler:** We have all the amendments on the table that people would like. Auditor, I'll turn this over to your presentation. Thanks for your patience.

**Hull Caballero:** Good afternoon, mayor, commissioners. I would just like to note that I have Margie Sollinger from my office with me as well. When Portlanders elect a city auditor they elect the person responsible for holding city government accountable. There's no asset more violates or fundamental to the ability to fulfill that responsibility than independence. Particularly in the commission form of government where council members serve dual roles as the legislatures of code and administrators of the executive branch, the independence of the auditor's office is something that cannot be left vulnerable to the politics of the day or the personalities of the moment. Independence was a priority during my campaign for this office and a topic I highlighted in this chamber when I was sworn in. I realized after assuming office just as my predecessors had warned that the independent safeguards in charter that may have been adequate 35 years ago are insufficient today. Charter reflects an outdated version of the auditor's office, one that does not accurately portray or protect the comprehensive accountability and oversight operation that it has become. It is for these reasons that I have proposed modest but critical revisions to the city charter which can only be changed by a vote of the people. The proposed revisions provide the necessary safeguards to be protect the auditor's independence and allow my office to continue its accountability work without perceived or actual interference. My office has been working on this proposal for the better part of a year. I have spoken to and collaborated with community groups, individuals, council members and city staff. Those conversations were aided by news and editorial coverage that introduced the issue to a wide audience. The documents before you are better than where we started because the people are willing to provide input in the spirit of placing the best option before voters. It's important to remember the proposal we discussed today represents the broad strokes of governance. If adopted by council and approved by voters there will be an implementation phase where many, many details will be worked through. I look forward to joining council, mayor wheeler and his executive team in a collaborative effort to assure smooth, cooperative transition to more independence for the auditor's office. My presentation today will illustrate the problem and provide an overview of my proposed solutions. I will also highlight areas of the proposal that have changed since the city council work session on January 10th including some additional improvements since we filed the resolution paperwork last week. Proposed replacement language for exhibit a of your packet should be before you. We have marked up copies available for members of the public to see the evolution of the document as well. After my presentation you'll benefit from the views of three distinguished former city auditors. Following them you'll hear from a representative of a professional auditing association as well as director of office of equity and human rights. You also received written testimony from former secretary of state Jean Atkins and various professional organizations that support the resolution including the u.s. ombudsman association. For oversight entity is it to have credibility they must be independent from those they audit and investigate. Through independence auditors and investigators must be free in fact and appearance from personal, external and organizational impairments. Important to note appearance counts as much as actual interference. Impairments exist when reasonable and informed observers suspect that our objectivity is compromised because we are beholden to or dependent on those we audit and investigate. When the public perceives that the objectivity of the auditor's office is compromised credibility is undermined and the integrity of our audits and investigations may be questioned. Organizational independence can be achieved in a number of ways. One model is to place oversight functions in separate branches of government. For example, at the federal level congress has the government accountability office to audit and investigate executive

January 25-26, 2017

branch agencies overseen by the president. Another model is when an oversight function is at a different level of government such as when a state office has investigative authority over local government. Oversight agencies can also be led by an elected official. We have that model with the Oregon secretary of state where the audits division audits and investigates state agencies. What all these models have in common is at a minimum administrative independence from the entity they audit and investigate. Portland having an elected auditor means we have the broad structure in place to have an independent home for oversight however the auditor's office is not appropriately independent from the city bureaus it audits and investigates. This is an organizational impairment possibly caused by -- partly caused by the evolution of the office over the past 30 years. Prior to 1986, the responsibilities of the auditor's office were focused on administration and financial auditing. We still have those responsibilities and five more. In 1986 then city auditor Jewell Lansing persuaded city council and voters to authorize her to conduct performance audits. That pivoted the office toward its modern function as a comprehensive oversight entity. In 1991, the council and then auditor Barbara Clark agreed to locate the code hearings office in the auditor's office to provide a nonpolitical home and administrative support. Ten years later former auditor Gary Blackmer agreed to take responsibility for the ombudsman and independent police review precursors of which had been in the mayor's office. In 2006 the lobbyist registration program was created and placed in the auditor's office. Charter and administrative practices have not kept pace with this evolution to ensure that auditor's office has adequate safeguards to protect its independence. As a result, it does not have the arm's length distance it needs from those it audits and investigates. The good news is that the current charter provides a solid foundation on which we can build. Articles 3 and 5 in chapter 2 of the charter are described our government structure like this. Voters elect six officials with separate and distinct responsibilities. Commissioners in charge administer the executive branch. The auditor is responsible for independently holding the executive branch accountable to the public. Regrettably this is not how the structure actually works. It has been eroded by administrative practices that were more appropriate 35 years ago but no longer are acceptable given the oversight entity that the auditor's office has become. This is reality. The auditor is not treated as an elected official but rather is treated like a bureau. This subordinated position puts the staff, three city offices and commissioners charge who supervise them between the elected auditor and the voters. The three offices that pose the greatest appearance of organizational impairments to the auditor's independence are the city attorney, budget and management and finance they exercise control over the auditor at the same time the auditor audits and investigates their operations. The top officials in these offices are appointed by the mayor and serve council. The auditor is not referenced in the sections of charter and code that govern them. We audit and investigate all three of these offices. The city attorney works for council and reports to the mayor yet the auditor is expected to rely on the city attorney's advice for ongoing audits and investigations of the bureau, council and administrators. The auditor is prevented by city code from seeking outside council without permission of the city attorney. The chief administrative officer directs the office of management and finance. This position reports to the mayor and works for council yet exercises control over the auditor's decisions about human resources, procurement and other internal matters. The city budget director reports to the mayor and serves council. Yet the budget office uses the mayor's annual budget criteria to make recommendations that council relies on regarding level of funding the auditor's office should receive and whether services and positions should be continued or cut. In past years, 80% of the budget offices' recommendations were accepted by council whether or not the auditor agreed with those recommendations. So at the very least we have an organizational structure that creates the appearance that the

January 25-26, 2017

auditor's office is impaired by offices the auditor must hold accountable. This fact alone undermines the credibility of the auditor's office. The structural subordination of the auditor that currently exists creates the appearance that the auditor's office is dependent or beholden to the executive branch. It is not unusual for auditor's office staff to be auditing and investigating bureaus at the very moment we're the dependent on them to grant permission for us to take some action or are simultaneously investigating a complaint against an auditor's office employee. This is untenable in terms of our independence. In the last two years we have audited or conducted investigations into complaints about the city attorney's office, the budget office, and several bureaus and the office of management and finance including human resources, procurement and technology services. This circular relationship is problematic for both the auditor's office and the bureaus because it introduces the appearance of conflicts of interest and fear of retribution when all parties may simply be doing their jobs. It unnecessarily calls into question decisions made in every transaction. This is especially true for interactions with the budget office and the office of management and finance. There is a similar but different issue with the city attorney's office. The city attorney's client is the municipal corporation. As such the city attorney advises city council and bureaus as well as the auditor's office. When it comes to the auditor's oversight functions consultation with the city attorney's office creates the appearance of an impairment to the auditor's independence and therefore our objectivity. In matters related to audits and investigations the city attorney advises both the watchdog and the watched. This is untenable for the auditor's office. For example, the appearance of an impairment is most acute when the same attorneys try to advise the auditor's independent police review and the police bureau. This contributes to the perception that the civilian oversight of police is not officially independent from the police bureau. That damages the credibility of my office. To avoid that consequence my oversight staff and I forego legal advice on certain issues. This constrains our desire to have the best possible decision making information and potentially increases the list of legal liability. It's hard to think up a worse outcome. The good news is that these organizational weaknesses can be fixed there are models within our own government and from other jurisdictions that can guide us back to the structure that the public expects and that credible oversight requires. Our proposed solutions were informed by research into these and other jurisdictions and represent what we think are the best elements that will work in our commission form of government. Professional organizations from local government auditors, ombudsmen and civilian overseers of law enforcement support the proposed charter safeguards will serve to protect the independence of these functions. These three organizations submitted letters of support for the resolution you're considering today. The charter amendments I have proposed would accomplish two objectives. They would update the charter so it reflects the modern office and matches function to form. They would end the auditor's dependence on the bureaus we audit and investigate. The amendments address four areas. One amendment would place the ombudsman in charter. You may recall from the prior work session that I originally recommended placing independent police review in the charter as well but subsequent input from some community groups indicated it would be premature given the strong desire for ongoing conversations about the structure of police oversight. Today's proposal does not include language specific to independent police review but it will benefit from the remaining safeguards nonetheless. The ombudsman has been in the auditor's office for 16 years. It's responsible for conducting impartial, in depth investigations in response to complaints from members of the public who feel wronged by the city. It is a last resort for those who have been unable to resolve their disputes directly with the bureaus or through council. The language in the charter proposal mirrors that that already exists in code. No new powers are included in the proposal for the ombudsman.

January 25-26, 2017

By design the ombudsman tries to resolve issues informally and at the lowest level possible so some in our community may not be familiar with its work. For those whose livelihood has been rescued, whose business has stayed open, or whose pocketbook has been protected from unfair charges because of the ombudsman's office, it is a memorable and vital service. It does occasionally take on higher profile issues. Here are some examples. The ombudsman was responsible for bringing in the FBI after a complaint investigation into transportation employee Elis McCoy revealed evidence of criminal. Just this past month the ombudsman's office issued a report detailing its discovery that the city had been unknowingly losing call-back information about tens of thousands of 911 calls for more than a decade. The ombudsman persuaded council to pass legislation requiring members of the public be notified of their appeal rights. The legislation also stopped the practice of charging more than \$1300 to appear before the city's hearings officer. Because of an ombudsman investigation and subsequent advocacy Portland has the power to punish businesses that defraud the city's program for social equity and contracting. While it's hard to argue the public benefits from these examples the ombudsman's office can be a target for political retribution when powerful people don't like the outcome of an investigation. When an ombudsman exists only in code its very existence is fragile. Opportunity for retaliation is reason enough to place the ombudsman in charter but threats to its funding by two prior mayors make it more than a theoretical concern. Most recently when the ombudsman concluded there were undisclosed conflicts of interest between powerful members of an advisory board a former mayor threatened to replace the office with a website. For as long as the ombudsman's office exists it should be protected from retaliation and perceived as independent from those it has tasked with investigating. If at some point Portlanders no longer need an ombudsman removal of the function should require a vote of the people. The argument for placing ombudsman in charter is the same one Jewel Lansing made in 1986 when he so the two place in charter the authority for the auditor to conduct performance audits. In pointed but clear language auditor Lansing said, right now I'm doing auditing only at the generosity of council. That means if for some political reason they didn't like an audit that came out they could just stop it tomorrow. People can't believe that there's no authority in the charter for the auditor to audit but that's true. A charter amendment protecting the auditor's ability to audit was sound choice 30 years ago and is a sound choice now to protect the ombudsman's investigations. The second solution is to end the auditor's dependency on bureaus that creates the appearance of organizational impairments. The proposed amendment would place responsibility for internal control with the auditor and require external reviews by independent entities instead of management and finance bureaus. Former secretary of state Jean Atkins captured the importance of ending dependency on those we audit and investigate in a letter supporting our proposal. She said, the power to control and manage our own internal functions is fundamental to faithfully executing our constitutional duties. The Oregon secretary of state's office is a primary model we look to for how to achieve independence with regard to human resources and procurement. The language is also similar to an example closer to home. The Portland development commission. The commission is a city agency that has independent safeguards for the purpose of insulating spending on urban renewal projects for political pressure. While today's proposal provides for administrative independence, it lands short of that enjoyed by the development commission which has a fully separate infrastructure system from those of the city. We, however, intend to continue in the overhead model for funding which will allow us to consult with subject matter experts in the bureaus and use existing technology while retaining decision making responsibilities. Let me walk you through the key points regarding employment and procurement as well as additional improvements made since

January 25-26, 2017

the work session. Bear with me through this very text-heavy slide while I cover the main points. The noteworthy replacement language is in the blue box. You can also find it on page 2 of replacement exhibit a. The proposal continues to make the auditor responsible for conduct of the office's 50 full-time equivalent employees but authorizes establishment of personnel policies in a disciplinary system for employees in positions not covered by a collective bargaining agreement. Collective bargaining procedures would still apply to the five employee positions represented by a union. In the very rare circumstances where we need to discipline or discharge employees, those who currently are covered by civil service protections will continue to have them. And will have access to a review process by an independent body. This follows the procedures used by the secretary of state's office which is not subject to the rules of the department of administrative services but must comply with state and federal law. Since filing the resolution we have made some additional revisions to this section that you'll note in the replacement document for exhibit a. We added a provision that indicates the auditor's office is committed to adopting policies that are consistent with city-wide standards for employees except where those policies conflict with the auditor's independence or ability to fulfill the auditor's duties. Also many the intent of the original language was to mirror protections employees already have it was interpreted by some by making all employees in the auditor's office at will. We added language and commissioner Fritz has mentioned an additional amendment today to clarify the original intent that employees currently covered by civil service protections will retain similar protections including dismissal for cause. While the auditor's office enters into only a handful of contracts per year and median dollar amount is low, the principle of administrative independence from those we audit and investigate applies here too. We propose a middle ground that grants contracting authority to the auditor and requires adoption of administrative rules but retains council as a local contract review board. In terms of implementation potential vendors would not detect any change in the process as the auditor's office intends to continue using the online procurement center for its handful of contracts per year. It is important that auditor's office assures the public that it is operating efficiently and effectively. To accomplish that the proposal includes requirements for internal controls and external review that go beyond what currently are in place. Among our existing controls are voters, council's budget authority, standards associated with required professional credential, peer reviews for audit quality appeared internal controls. The proposal would result in the expansion of existing controls and add two new ones to assure the public and council that the auditor's office is efficient and legally compliant through organizational assessment and compliance reviews. As with our current peer reviews for audit quality we would make results of the new assessment public and available to council. In contrast to the individual transaction controls we have now, the additional assessments have the advantage of looking across and more deeply within the office's operations, identifying risks and suggesting areas for improvement. None of this occurs today. The third solution authorizes the auditor to access independent legal advice. This is something that charter already authorizes for two city bureaus. The Portland development commission and the fire and police disability and retirement. This authority will improve decision making within the auditor's office by enabling access to independent advice. It will eliminate the problem of sharing council with those we are auditing and investigating and will enable us to receive legal advice based on our mission of ensuring open and accountable government. The fourth solution relates to the process of the auditor's budget which is less than 1% of the overall city budget. 0.53% to be exact. It's relatively stable year over year. In other jurisdictions, auditors can bypass the executive branch and directly submit their budget request to a legislative branch. That is not an option in Portland. Addressing the appearance of an organizational impairment during the

January 25-26, 2017

budget setting process is more challenging because of council's dual roles as legislators and executive administrators. A consequence of council's fiduciary role over the auditor's budget is it creates the perception that decisions could be based on a desire to limit accountability. This was especially troublesome last year when the city experienced record revenue and the auditor was the only elective office to take cuts. It's also important to acknowledge that any dollar provided to the auditor is one individual commissioners give up for their own bureaus. This is an inherent conflict caused by the commission form of government and requires steps be taken to mitigate it. The charter amendment I propose is an incomplete solution but represents a necessary first step in the right direction. The proposal is focused on the process and is intended to enable a direct dialing among the six elected officials. It respects council's fiduciary obligation to set the city budget but also acknowledges the separate and distinct responsibilities of the auditor. The proposal requires the auditor to prepare a budget request in accordance with state law and submit it for council consideration during the regular budget process. The auditor's requested budget would not be subject to the city budget office's review. In response to comments from the work session the language was updated to clarify council is not prohibited from seeking advice about the auditor's budget request. Council would decide the merits of the auditor's budget request and modify accordingly. If in evaluating the auditor's request the proposed language suggests council evaluate the auditors budget based on the auditor's priorities and duties rather than as a bureau budget that must conform to council's priorities for the executive branch. The proposal also includes the authority to carry over unused funds in compliance with state law although it varies from year to year, historical data indicates the carry over amounts would range from 100,000 to \$200,000. Throughout the year the budget office monitors how the auditor's office is using its appropriated funds and determines whether it must return money to the general fund. The ability to carry over funds is an extension of the principle that the city budget office an entity we audit and investigate, should not be involved in the auditor's budget. Under the proposal so long as council propose operated funds are spent as intended for either personnel or materials and services, the auditor would retain unused dollars for those purposes the following year or place them in contingency. If funds in contingency are needed for purposes other than those originally agreed to the auditor would be required by state law to return to council to request a change. Of course council's budget setting authority operates as a check on how the auditor exercises the ability to carry over and use funds. That the auditor's office be independent from those it audits and investigates is fundamental to the credibility of our work. Taxpayers invest about \$9 million in the transparency functions in my office. That investment should not be undermined by an inappropriate organizational structure, especially when it can so easily be fixed. This is an opportunity for the six elected officials to demonstrate to the public that the city is honest about its strength and weaknesses and working hard to continuously improve. The amendments I prepared for your consideration address the greatest risk to independence, avoid duplication where possible, retain access to in-house expertise, and increase accountability across the board. This is a governance issue and governance issues belong in charter. While the city code belongs to you, the charter is the people's document. This matter should be decided by voters in the May 2017 election. The time is ripe for asking voters to weigh in and have the ultimate say. We have generated considerable momentum and the city has a history of referring important charter amendments to the May election where voters tend to be well informed because measures are less likely to be crowded out by more high profile issues. More important the cost of delay or inaction is too steep to ignore. The credibility of the auditor's office is at stake. Portlanders deserve an auditor's office that is beholden only to the cause of good

January 25-26, 2017

governance. Mayor, I have two panels of invited guests to bring up but I will defer to council if you want to continue discussing the amendments or --

**Wheeler:** Please continue.

**Fritz:** I have a few questions if that's all right.

**Wheeler:** Please.

**Fritz:** The proposed amendment says there will be periodically external review. How often are you envisioning there would be external review of the auditor's office?

**Hull Caballero:** I think that would be based on need. Based on priorities given how much money I would have in any given year for those types of reviews.

**Fritz:** That's not very reassuring anyway. The second question, there's appeal in the classified service now in the charter the right of appeal to the civil service board. I understand civil service board is appointed by the mayor so that's not acceptable to you. Who are you thinking would be the outside appeal body when you set up the structure similar to the auditor's --

**Hull Caballero:** We have talked about this on a limited basis with the secretary of state's office and the model they use is to have an administrative law judge. We also could have a panel similar to the civil service board look at that. I think there are some considerations, legal considerations around that that I would like to pursue should this pass before we make a decision one way or the other. Those are the kinds of details that I was references that would have to be further researched and decided.

**Fritz:** So once this leaves our desk and goes to the voters, we don't have any place -- we're not involved in the administrative rules and the other implementation. Proposed changes specifically the auditor shall judge whether or not it's the right thing or not. For the first, administrative rules, I'm very concerned about that ability for classified -- people don't currently have protection of classified service. In the office you envision it. You're not thinking of bringing back any details to council, right?

**Hull Caballero:** No, that would not be my thought today. But we would based on the amendment that commissioner Fish brought forward we would be posting administrative rules to the public for public comment and we also have some language that we will be consistent with city rules and regulations across the board so the city as a whole is consistent. I think that that's where some of your concerns would be assuaged.

**Fritz:** Under our current system when the human resources director is redoing administrative rules, all of the council is notified, I expect you do as well and have the opportunity to comment. How would a citizen or council member know you were in the process of doing administrative rules?

**Hull Caballero:** We have some administrative rulemaking capacity now. For example, the hearings office has to provide 30 days' notice and the last time that the hearings officer changed the administrative rules for that office we used the mailing lists of the office of neighborhood involvement. In my office we have a lot of mailing lists that go out to people, to council clerks, ombudsmen and independent police review and audit services they have large mailing lists who they regularly communicate with. We would use all those methods as we do now. If you have other suggestions --

**Fritz:** Certainly discuss that like your commitment you would let council offices know --

**Hull Caballero:** Oh, certainly.

**Wheeler:** If I may, auditor, I want to state the obvious. We have another time certain event that's supposed to happen in half an hour. I understand we have 27 people signed up so far for public testimony on this item. This is also a very important item so I would like to continue this but I want to give the bad news to those of you that are here for the 3:30 time certain I'm pretty much certain it isn't going to happen at 3:30. It will probably be closer to 4:30. I apologize for that. That's where we are right now.



January 25-26, 2017

**Fish:** Thank you, mayor. I have a question. We have put on the table a number of amendments and I want to be sure as we continue the hearing that I'm clear as to which ones you support, which ones you don't support, then I would hope that at the end of the hearing after we have heard all the testimony you could be invited back for discussion with council to see whether there are any other changes that you might consider. So my amendment based on a suggestion from the league of women voters, you support that.

**Hull Caballero:** I do.

**Fish:** Thank you. The mayor has proposed two changes relating to collective bargaining agreements. Do you support those?

**Hull Caballero:** I do.

**Fish:** Commissioner Saltzman has proposed taking the ombudsman out altogether. Your position?

**Hull Caballero:** I do not support that.

**Fish:** Okay. Commissioner Fritz and you have reached agreement on a number of amendments which is laudable. She has one amendment with an alternative and two others. Do you support them or not at this point?

**Hull Caballero:** I have differing opinions on them. Would you like me to go down the list?

**Fish:** I tell you what. Because we have people backed up could we invite the auditor back at the end, mayor?

**Wheeler:** You have two invited panels?

**Hull Caballero:** Yes. They will be brief.

**Fish:** If there's an amendment that you don't support now that's based on testimony and further consideration you have an alternate suggestion I hope at the end of today you can come back and share that with us.

**Fish:** Okay.

**Fish:** If there's a path to compromise.

**Saltzman:** Before you leave I want to make sure I understand under your proposal how your budget gets set. Is it a city council the final decider?

**Hull Caballero:** Yes. That's your responsibility under state law.

**Wheeler:** If you're given a 5% cut, just to choose a number, you understand you have to come up with a budget that's 5% less than the year before.

**Hull Caballero:** Correct. And it says that you have the obligation to modify or not modify that budget. That is your decision. I would put up a request and you all would decide it.

**Saltzman:** We're free to say you can't cut this but you can cut that. Is that what I understand by saying that?

**Hull Caballero:** I think the way I would view that is that it would be my responsibility to make my best pitch for how I wanted to spend the money then your decision about whether I had made my case or not. We have some leeway already existing today about applying resources differently so long as personnel services remain personnel services and material services remain material services.

**Saltzman:** The dynamic here probably true in every government that when bureaus are asked to make cuts they often offer up the things they think are least at acceptable to the governing body to cut. What I'm trying to ensure is if you were to engage in that practice we would be able to say, no, you can't cut that popular or important program you have to cut over here as long as it falls within the guidelines of personnel, services and materials.

**Hull Caballero:** I believe that's correct. I don't think that it would be -- so for example there was a retirement services I moved that position to create a deputy ombudsman so I think I have that authority now. I don't think I have the authority to say I will get rid of all the council clerks. Is that what you're describing?

**Saltzman:** Yes.

January 25-26, 2017

**Hull Caballero:** I will not get rid of all the council clerks.

**Saltzman:** Thank you for that.

**Caballero:** I will quickly introduce the two panels. I have asked them to be very brief. The first panel are four city auditors Jewell Lansing, Gary Blackmer and laVonne griffin-valade. The second is Elliott schuberg, representing the association of local government auditors, Dante James who is the director of the office of equity and human rights.

**Fish:** For the Guinness book of world records this is the first time in council history we have had four current or former auditors at the table. Quite an honor. [applause]

**Wheeler:** While the panel is coming up, I want to get a sense of whether or not we could continue the next item, item 86, north northeast community development initiative five-year plan. Could we continue that to tomorrow afternoon? Does that work?

**Fish:** I think it's unlikely we'll be finished with this matter until 5:00. That includes a discussion by council and I just ahead to keep people waiting since they may have to pick up kids at school or other things. It would be more respectful if we just set it over rather than keep people hostage.

**Moore-Love:** What time tomorrow?

**Wheeler:** 2:00 p.m.

**Saltzman:** I can't but that's all right.

**Fish:** I can make that.

**Wheeler:** Why don't we do that so people don't have to stick around who are here for that item.

**Fish:** Does that work?

**Wheeler:** Do I need a motion or can we just do it?

**\*\*\*\*:** You can set it over without objection.

**Wheeler:** It's been set over until 2:00 p.m. Tomorrow for those of you waiting for time certain 86. I apologize for that. Go ahead.

**Gary Blackmer:** Good afternoon. Gary blackmer, resident of Portland and former Multnomah county, city and state auditor. It's truly an honor to be here with the other auditors and Jewell Lansing deserves recognition. She set a course when she arrived in 1983 to improve Portland services and ensure the best use of its public funds. We all followed in her footsteps on that same mission. They crated performance auditing in Portland and even in the northwest and knew the importance of certification requirement for the city auditor and for professional audits standards for the office. For these reasons the public has come to trust the work of the auditor. I believe you also trust the work of the auditor and this proposed charter is expressing trust in her judgment and professionalism to carry out her administrative responsibilities. But working in this environment where the auditor is dependent upon bureaus while awing them can be troubling. A story is the best way to explain the challenge. Before I was an auditor I worked for a sergeant in the planning research unit of the Multnomah county sheriff's office. He was a wise man with many years of patrol experience. He said it was common for restaurants to offer free coffee to deputies and he regularly stopped at one business in his district and accepted the free coffee. He said one day he stopped a speeder and it turned out to the restaurant owner. The owner said to him, after all that free coffee you're not going to write me a ticket, are you? The sergeant said he wrote the ticket and he also regretted all that free coffee and he never took another cup of free coffee. So what's the connection to the auditor? There are times when the auditor needs to work with the bureau on an administrative matter like purchasing or hiring. If the bureau's rules don't make sense for the auditor's needs should she accept the bad situation and struggle with the consequences? Or should she ask for an exception. If she asks the bureau director or commissioner charge for an exception, what has she lost in integrity if that exception is granted? Would she ever hear

January 25-26, 2017

after we granted you that exception you're not going to write a negative audit, are you? And could it come back at her publicly? Even asking for an exception and having it denied, could that ever come back on her publicly? For these are things that go through the mind of an auditor and bureau director as auditor hall caballero explained. This is an example of what the audit standards call an independent issue or others would call a conflict of interest. The public expects an unfettered auditor. Something in city code is not enough. This charter proposal allows Portland's auditor to have transparent, professional, working relationships in both administrative and auditor manners with other bureaus and with council. I urge you to support the auditor's office in its metropolitan sports facilities commission to prove. The protections in the proposed charger change can only enhance the contributions that an auditor can make to the city and they are long overdue. Thank you.

**Jewell Lansing:** I'm Jewell Lansing, former city auditor, you've heard by now. I just want to take you back a little further back to 19 -- look it up. 67. When Multnomah county passed a home rule county charter and in that charter there's one little sentence that says there shall be an auditor who does regular audits. The reason the charter actually passed is because the incumbent auditor, George -- no, that was over here on this side.

\*\*\*\*\*: Jake O'Donnell?

**Lansing:** Jack O'Donnell. He was said to not know the difference between a ham on rye and appeared before council mainly they went around and counted cash in various offices is what they did. But the way when I went to the county, the way I was able to keep my head above water was that I had all this support from don Clark. He said, tell them if they won't cooperate you come to me. I'll see that they do. He was determined that that would be a worthwhile position and worthwhile cause. It wasn't then until 1982, and the reason the change came in 1982 is because Mildred Schwab got elected and was on city council and she's one of the most popular local government officials you'll ever find. She took me on and as her favorite project. She was my independence as don Clark was at the county. Because Mildred was the one who would take my wishes to council, and she ran always supporting my office. Otherwise it would have been a miserable time at the city because as you know it's a really high pitched kind of environment that goes on there. The auditor can help key that down, but that issue, the one of independence, I heard you talking tonight also about the issue of salaries, believe me, I got much less than the council members did then. [laughter] things have changed. Again, don Clark of course as I say was a very important person. There was an example there at the county that worked at the city and took a long time to get to the point that these amendments that are proposed get to the guts of the whole overview of how important the auditor is or is not. The reason the city council actually in 1982 voted to approve performance auditing is there got to be letters to the editor from the public and got to be the point that it was the issue that the public would think you were trying to hide something. That you wanted her things covered up. When they approved, when council approved that money, there was a picture on the front page of the Oregonian, believe it or not, showing frank over here, won't even look at the rest. Won't look at me. Mildred and Margaret and Charles Jordan. So it was a big day. We got a banner headline in the Oregonian. Thank goodness the Oregonian has always been supportive of the it function. That's an important part too. So I'm going to let someone else talk now.

**LaVonne Griffin-Valade:** I have a proposal that we call Mary back up here after I'm done with my little speech and we'll sing a quartet. [laughter] mayor wheeler, commissioners, I'm LaVonne Griffin-Valade, former city auditor. I was recently in my home in my office minding my own business attempting to finish the draft of my first novel when I received a request to weigh in on auditor hall caballero's efforts to strengthen or should I say fix the structural

January 25-26, 2017

deficits within the city charter that effectively impair the elected city auditor's independence. I'm also a former Multnomah county auditor. The three of us know a thing or two about the importance of a government accountability transparency and public stewardship. We definitely know a thing or two about the added difficulty in achieving those goals at the city of Portland. That's one the reasons we support the auditor's vision of the office of city auditor. I have read all the documents provided by the auditor's office and viewed the recorded January 10 work session three times actually and significant concepts that I want to pinpoint from auditor hull caballero's statements that day. Independence is a cornerstone of credible oversight and credible oversight is the cornerstone of good public sector governance. Regarding independence, the work of the ombudsman and independent review divisions will have far more success in changing the systemic flaws they encounter if their authority is cemented in the charter language that guarantees independence of their investigative functions and purpose and, yes, I know, the independent review division is no longer included in this effort, and apparently the ombudsman's office is threatened. But I believe both should be part of the charter change and I'm deeply disappointed that ipr currently is no longer is. Auditor hull caballero also suggested it's time for the city to make a culture shift to historically the auditor's office has been viewed as just another subordinate bureau rather than being treated as an elected office separate and distinct responds from the mayor and council. That means structural improvements are needed to make the auditor's office administratively independent from the executive branch and the bureaucracy it oversees. For the third concept I want to pinpoint, I wholeheartedly agree the city auditor should have authority to hire outside counsel. The auditor's arm's length oversight role requires independence and objectivity and good judgment. At times the auditor might question the attorney's office assessment of what is best for Portland as an institution as opposed to what is best for the community or the overall long term interests of the city. Such circumstances would benefit from guidance by outside legal counsel. Further, I would argue that the auditor should be granted the funding necessary to hire in-house council. Such legal advice is needed on many day-to-day administrative questions particularly regarding ipr, ombudsman, audit services and hearings office where other matters that potentially conflict with the efforts of individual bureaus and/or council members. Here's the thing in my view. These are all changes the public deserves the right to consider. These are all changes the public might already want. These are also changes the public might reject. So what is the harm in simply allowing voters the right to decide whether or not these changes should be included in the city charter? Thank you.

**Wheeler:** Thank you. Good to see you again.

**Griffin-Valade:** Good to see you.

**Eudaly:** I would just like to thank the panel and say that it is a thrill to have four of you in the room at the same time and I want to also thank Ms. Lansing for the crash course in the first 150 years of Portland. [laughter] it came in handy.

**Fish:** I have one question, mayor, before we lose our panel. One of the amendments proposes to change the qualifications of the office. I don't think we have had a chance to hear from all three of you as to your view of that. As succinctly as possible could you each comment on the amendment that we have which would change the qualifications for the office?

**Valade:** So I have heard this particular office compared to the secretary of state's office. The secretary of state is a politician as a party official and has I believe Gary can help me out here an arm's length relationship with the auditor's division. I do believe that Jean Atkin is a certified auditor.

**Blackmer:** She's not.

January 25-26, 2017

**Griffin-Valade:** That's not a requirement then. I think the reason why that has become important to both the city and the county and metro and also to Washington county's auditor is that there's a certain level of commitment to the -- the traditions not only traditions but the standards that are established by the gao, and I think that was brought up at the work session which establishes how audits should be performed and what level of independence the auditor should have. That is a really important understanding and depth of knowledge for whoever is elected to the city auditor or whoever is elected as Multnomah county auditor or metro auditor. That's a regional tradition highly respected and viewed highly through the rest of the country.

**Blackmer:** Gary blackmer again. The worst case scenario is someone who really has a political ambition and may get elected to auditor. They start writing audits that attack your bureaus and then they run to be a commissioner or mayor. That is one big risk. That was one of the considerations this was in jewell's mind. She can correct me if I'm wrong, when she put that certification requirement in. But there's also the expectation that the auditor would be a professional, and that it was a means of ensuring that greater credibility which is one reason she introduced it in Multnomah county later when they asked her to come back temporarily to fill a position and it was approved overwhelmingly by the voters. There is an expectation that this is a person who is outside of the politics of the moment or their political career working hard to do what they can as a professional to make government better.

**Fritz:** If we didn't do that didn't take an amendment and we did take the amendment to have a set time frame for periodic audits of the department what would that time frame be in your recommendation?

**Valade:** When you say the department do you mean audits services or the entire department.

**Fritz:** The entire office because obviously it's a smaller audit department we haven't addressed here. If we don't have robust elections which is how each of us get determined whether to stay or not.

**Griffin-Valade:** Same with the auditor.

**Fritz:** I can't remember the last time there was a contested race except for the open position when you won it. That's really not -- doesn't give me -- put a number instead of just periodic. What would the number be?

**Griffin-Valade:** I can support that but I have not had that discussion with the auditor, hull caballero. As you can see I wasn't even prepared to answer the question Mr. Fish asked so I'm not prepared to answer that either.

**Blackmer:** There are so many diverse responsibilities with the auditor's office it could be a relatively expensive review because if you wanted a review of ipr, and the ombudsmen and audit services and the hearings office and council clerk and -- you aren't going to find experts that are going to make concrete recommendations in all those areas. It would be five or six or seven different reviews. It's a challenge.

**Griffin-Valade:** Audit services must have a review every three years, peer review, and that's part of following auditing standards to meet those standards you must have --

**Fritz:** Is that published?

**Griffin-Valade:** They are. You could go to the auditor services division website and find them.

**Fritz:** Then that happens on a routine in audits and functioning.

**Griffin-Valade:** I assume that that is sort of the model that Mary had in mind.

**Wheeler:** Thank you very much.

**Lansing:** I just wanted to respond to your question. It's been troublesome question to me whether there should be these professional requirements. You do now have to be a

January 25-26, 2017

certified individual. That's not an easy hall to jump. That's a big requirement. The reason I support it is because I see what the alternative would be. When I wasn't going to run for reelection and I heard who was going to run to fill my place, it just made my blood run cold because there are people who just wanted to get in as Gary mentioned that that's an easy way to slip into government and you can be there for life, you know.

**Fish:** I want to say, auditor Lansing, in light of what commissioner Eudaly said earlier, when I first ran I read your book and outlined it. The only difference is I sent you a copy of my outline and you sent it back with corrections. [laughter]

**Lansing:** This is true.

**Griffin-Valade:** It does take a special sort of person I think to be an auditor. The willingness to step back from yourself interests and your personal views on things and that is ingrained in us not only through our personalities but also through the enact we follow government auditing standards.

**Fritz:** Thank you.

**Wheeler:** Thank you very much. Was there another panel? There's another panel. Very good. Thank you so much for being here. [applause]

**Elliot Schuberg:** Good afternoon, mayor wheeler, members of the council. I'm Elliott Schuberg here as a representative for the association of local government auditors. That's also known as ALGA, it's a professional organization of over 350 audit organizations throughout the united states and Canada. We have followed the Portland city auditor's efforts to strengthen the independents of the office and wish to express our support. An independent auditing function plays a key role in effective governance and public accountability. Auditing helps ensure that citizens and elected officials can have confidence. Scarce resources are protected by strong management controls and practices. The proposed charter amendment aims to ensure independence in several ways. First budget. ALGA model legislation states an auditor's budget should be submitted directly to city council. This seems to reduce threat to the auditor's independence such as potential management interference through control or manipulation of the auditor's budget. In Portland the auditor submits the budget through a city bureau. That's a situation that the charter amendment rightly seeks to rectify. Independence is critical because auditors may be called upon to issue a critique of the efficiency or effectiveness of management's programs. If auditors are not independent they may encounter pressure to avoid certain topics or to omit or change information in a report that's critical of a program. Such pressures can be particularly acuter in situations where auditors must seek permission or approval for certain administrative functions for a department or bureau also being audited. The proposed amendment would ensure the auditor greater independence in other areas including human resource management, procurement and legal advice. Greater independence in these areas would assure you as well as the public that the reports are objective, fair and complete. We understand there may be interest in strengthening through code rather than charter. That option may appeal to some it does not provide the same guarantee of structural independence. We support use of the charter amendment process to protect the independence of your city auditor and encourage you to pass a resolution toward that end. Thank you for the opportunity to address the council.

**Wheeler:** Thanks for being here.

**Dante James, Director, Office of Equity and Human Rights:** Good afternoon, mayor, commissioners. My pleasure. First time this year. Happy new year. I have been invited to speak just on a narrow aspect of the issue of my office, the office of equity and human rights. I'm Dante James. Its relationship with the auditor's office and whether it bears any particular concern about a loss of relationship, loss of authority, loss of oversight or engagement that my office may have with the auditor's office. The short answer is that I

January 25-26, 2017

have had the pleasure of working both with the present auditor and previous auditor more often than not at their engagement reaching out to my office. And also with ipr, with the ombudsman have been able to work collaboratively and testify here in support of several of the issues that the auditor has brought forward, ombudsmen have brought forward in the last year. Essentially my office has no more authority over the auditor than I have over you. It's a relationship based on mutual trust and respect as well as sometimes using my bully pulpit. So I don't find any negative in terms of the relationship that my office will have should this move forward and be referred. So that's kind of the short answer. Also just as an fyi, when I was working in Denver I worked for the mayor of Denver before he was the mayor of Denver. I worked for him when he was the auditor. So there is no expectation or requirement for any certification and it's very much a political office and has been a stepping stone from the auditor's office to the mayor's office for several probably in the last 25 years. So for what that's worth.

**Saltzman:** Is that a good thing or bad thing in your opinion?

**James:** Little bit of both. I mean I have seen the office used sometimes as a political sword. But I have also seen the good work of the audits that are done but it truly creates a political theater sometimes that plays out that isn't necessarily good for the outcomes.

**Wheeler:** Thank you. Thank you both appreciate it. With the forbearance of my colleagues we can start public testimony. How many people do we currently have signed up?

**Moore-Love:** We have 27.

**Wheeler:** Why don't we go ahead and start with that.

**Wheeler:** Can I make a request just given that we are way over schedule can we limit testimony to only two minutes and I realize that put's a burden on the people that go first and I apologize about that so I won't be draconian about it.

**Fish:** Mayor can I make an observation. We have six or seven amendments on the table in addition to the referral and we're in a very compact time frame to make a decision. I would urge us to err on the side giving people time to the extent that they are talking about the amendments as well as the many motions.

**Wheeler:** That would be fine, but my concern is that I think we will lose our quorum at 4:30. I know I will have to leave and commissioner fritz has an excused absence at 4:30. We could do the three minutes with the understanding that we won't get through it today. Let's start with three minutes and then let's see where we go. Let's see where we go and if you could just state your name for the record and off to the races.

**Stephen Salomon:** Hi, my name is Steve Salomon. I'm from goose hollow. My family's here today to ask the city council to send the auditor's proposal to the voters. We believe it's crucial for the ombudsmen's office to stay with the auditor's office and have more independence then they have now, especially since mayor hales made threats to the auditor's budget when he didn't like auditors reports for the ombudsman's findings. Send this to the voters to give more transparency, more ethical treatment and fewer political power plays over an office that should be independent. The auditor and ombudsmen have been very important to west side neighborhoods where we live. The ombudsmen responded to an anonymous complaint about the huge financial conflicts of interest with the west quadrant stakeholder's advisory committee members. The west quadrant plan is evasive to the central city 2035 plan that you'll be voting on. A report found that there were enormous financial conflicts of interest by these members who promoted their own financial interests and advocated for increased heights and relaxed zoning on their own properties or properties they had financial connections too. Residents who attended west quadrant meetings repeatedly told staff their concerns that they saw financial conflicts in the west quadrant process. Plenty of bureau of staff scornfully dismissed these concerns. This is what they scornfully dismissed. A developer on the advisory committee sent emails

January 25-26, 2017

to staff saying, hey, you forgot to raise heights on these box, which turned out to be their properties. The current planning commission member, who is on that stakeholder advisory committee had many years of paid work trying to get parking structures at sw 10<sup>th</sup> and Morrison redevelop, yet still advocated for that redevelopment to be made. That west quadrant priority claimed it was not a conflict. A developer who owns many properties in this hollow advocated to remove the required residential overlay, relax zoning and raise heights in goose hollow. Unsurprisingly, all of the things will dramatically increase his property values. Staff told concerned residents that these were not conflicts.

\*\*\*\*\*: We've heard --

**Wheeler:** I'm really sorry to interrupt. Could you state your name?

**Sheery Salomon:** Sheery Salomon. We've heard estimates that west quadrant developments that will receive increased heights in relaxed zoning in favor of those conflicted sac members. If you approve the central city 2035 plan, we'll gain \$50 to \$100 million in profit from those policies. There is a lot of money at stake. Several city council members have received substantial donations from the same people who were named as having financial conflicts. Planning staff, sac members and the planning commission ignored the ombudsmen requirement that sac members must disclose their financial conflicts. The planning commission voted to give increased heights and relaxed zoning to those conflicted sac members, even after hearing overwhelming testimony about resident's outrage in which the three of us also testified and my dad. Our family testified at the planning commission. We were stunned to see that the deck was already stacked. It didn't matter that a third of the testimony was against these conflicts. The commission ignored the out pouring of public testimony and voted to give conflicted sac members millions of dollars in benefits from serving on a sac and steering policy their way. We are grateful for the ombudsmen's office efforts to try to fix this. The auditor's office should have independence and the ability to require enforcement since city staff and the planning commission completely ignored the ombudsman's requirements. Within months of the ombudsmen's reports, mayor hales was threatening to reduce the auditor's budget. People named as having conflicts donated to his campaign this does not look good for democracy. We are very concerned that commissioner Saltzman is and one who concerned removing it from the vote to make the auditor independent. You may not know this if you don't read the northwest examiner, commissioner Saltzman owns many properties in the west quadrant, but did not recuse himself from voting to approve the west quadrant plan, which increased the values of his very own properties, by raising heights and relaxing zoning. This surely violates ethics law it may even be illegal. This makes us question why he is pushing to give the ombudsmen's office less independence.

**Daniel Salomon:** My name is Daniel salomon and I live in goose hollow. We also appreciate the auditor's report on the problems with the office of neighborhood involvement. We agree with the auditor that any business association or nonprofit receiving city funds to promote community engagement should have oversight and ethical obligations, we have seen a business association begin in our neighborhood which almost fully funded by our tax dollars for venture Portland and claims to represent neighborhood businesses. In reality, it appears to be a puppet organization for one of the developers, the ombudsman identified as having a conflict on the west quadrant sac. This organization functions with our tax dollars, but has no obligation to have open meetings, open records, elections or conflict of interest report numbers. They sent letters to the city, taking a stand on land issues and other policy issues, without ever having a meeting with their membership or board to vote on what stand they will take. This should not be funded by our tax dollars. If they want to go to the trouble of creating a puppet organization which speaks to the financial interest of a couple powerful people, they should do it on their own



January 25-26, 2017

dime. The auditor's own audit points out these exact issues of non-profits funded for own and business associations we hope the auditor audits venture Portland and the planning commission next. We're telling you these stories so you know how much the auditor's office, including the ombudsmen needs independence. Free from political power plays and free from the influence of powerful political donors you can see how much independence is needed by the fact that it took an anonymous complaint to get anyone in the city to care about financial conflicts of interest on the west quadrant plan. Portland residents deserve to know that the auditor's office and the ombudsman's can be independent of such political processes. Thanks very much.

**Fritz:** Just as a point of clarification, the office of neighborhood involvement doesn't do anything with business associations that goes to the Portland development commission so it was a misunderstanding in the audit so thank you for your testimony.

**Fish:** Mayor is I could also just note cause you raised the question. We agree that based on the report, that we need to change the rules applicable to boards and commissions. As you know, historically, people were not required to fill out a disclosure form. There was no training there was no uniform bi-laws no master database. We're in the process of bringing forth a package of reforms that draw from the ombudsmen's report. Which will address a number of those things. So, separate and apart from what you do from the independence of the auditor. Those issues are being taken seriously and we will have a hearing on changes to how we do boards and commissions to address the very issues you raised in your testimony.

**Salomon:** Thanks very much.

**Peter Kwong:** Mayor, commissioners, my name is Peter Kwong I'm a certified public accountant and a audit shareholder of the Portland accounting firm Perkins and company. The views I will be stating today are those of my own and not necessarily those of Perkins and company. I have audited privately held and publicly traded companies for over 20 years, a little over a year ago, I was asked to join the city auditor's advisory council and during that time I've gained knowledge about the city auditor and the auditor's office and what their roles and responsibilities are for the city of Portland. In my experience as an auditor, the city of Portland is, in some way, like a publicly-traded company. Shareholders in publicly traded companies are individuals and investors who rely on the statements made by management and their independent auditors. In all publicly-traded companies an internal audit function exists outside of the company's operational management. The largest blue chip companies that have auditing that is fully independent of the management. In large companies the board of directors or audit committee sets the budget for external and internal auditors to insure that the information reported to the public and investors is accurate that independence is critical to the auditor's work. The shareholders and the public depend on those audits. If the public views city council as a board of director, similarly to a publicly-traded company, it would need to insure that the information the auditor's office presents to the public is non-biased and materially accurate, without any undue influence from the city departments including the offices of budget and management and finance, that the city auditor and her office are responsible for auditing. The advice and work of the city attorney's office, which represents city departments being audited, should be kept separate, with the auditor being able to obtain legal advice from independent council. Whether we work in a company or in a city the auditors should be able to report critical findings and have the budget and support they need especially when audits uncover findings that are critical management. It is also important to have an elected auditor in office whose license of certified professionals uphold the following principles has integrity, confidentiality, objectivity and compancy and they can do that without influence especially from those that they audit and investigate. By updating and

January 25-26, 2017

aligning the city charter to be consistent with the rules and responsibilities of the auditor will help preserve the independence and integrity of the office and the city government it audits and investigates thank you.

**Chris Broderick:** I'm Chris Broderick, I'm a member of the auditor's citizen advisory committee. I'm an associate vice-president of Portland state university and a former journalist at the Oregonian who has a special interest in government accountability. Our committee believes that an independent auditors office is crucial to being professional and impartial to provide rather professional and impartial oversight to evaluate city operations from police to parks to public housing. An independent auditor helps you, as the mayor, and the city council, to recommend improvements that move our community forward. The functions of the auditor's office have not been updated in the city charter for more than two decades. And since then as you've heard their responsibilities have expanded greatly, such as the creation of the ombudsman. We think it is important to put the ombudsmen in the city charter, instead of a city code. Because it enshrines into the charter but it insures that any changes from then on will have to be made by the voters and not by three votes of the city council. The office should be independent from the agencies that are subject to auditor oversight you heard that clearly from the former auditor's. An independent auditor is not just the best practice, but a common practice among cities with elected auditors. Examples of budget under the current system the city budget office oversees the auditor's budget, an arrangement I think can shake the spending priority of what the auditor does or does not do. So, to me, it's difficult to have an independent auditor without an independent budget process. For oversight, the auditor still would report to city council and to the voters. An independent auditor enhances the credibility of Portland city government. There are past examples when the city lost credibility with the public such as how the police handle the mentally ill or the parking meter bribe scandal. An independent auditor's office grounded in the city charter, would boost public confidence and the ability of city government to hold itself accountable. That all said, some of you still have concerns about this proposal and ultimately, I think it makes sense to let the voters weigh the pros and cons of this to decide for themselves is this a good idea and way the burden of persuasion is on the auditor to prove that this is a good idea. Thank you.

**Michale Mehaffy:** Good afternoon. Mayor wheeler and commissioners, my name is Michale MeHaffy I'm president of the goose hollow neighborhood association. I submitted written remarks to you in a letter, but I'd like to summarize it in oral testimony as well. As I noted in the written remarks, the board of goose hollow has unanimously voted to support the auditor's proposal. We strongly concur with the need to secure independent legal advice, create an independent budget process, and affirm the independent operations of the office free from the fact or the appearance of undue political influence. We also strongly concur that these reforms should be embodied in the charter amendment, approved by the voters, free of potential for changes by the council members who also serve as the bureau executives. The issue of ethics in city government was important campaign issue in last year's election as you know and rightly so we believe. We've seen recent evidence of disturbing lapses in ethical, transparency and accountability. For example, as was alluded to earlier the west quadrant of central city neighborhoods has much to be grateful for and the work of the ombudsmen's report in 2015, finding undisclosed potential conflicts of interest in the west quadrant plan stakeholder advisory committee process. I appreciate the efforts to deal with that process more thoroughly. We believe the last city election has provided a clear mandate to restore public confidence in the integrity of that system. We want to thank the auditor for making us aware of a number of issues in the recent review of Portland's neighborhood involvement administration. We believe this and other recent events point to a very important need for really thorough

January 25-26, 2017

structural reforms, leading to greater subsidiarity, transparency and representative democracy in Portland's neighborhood involvement system and we look forward to working with the council to address this need. Finally, may I add on a personal note, not speaking here for the board, I appreciate commissioner Fritz sharing her concern with us about employment issues in this proposal and other aspects of that and I hope that these issues can be addressed and this important initiative can go forward with everyone's support. Thank you.

**Wheeler:** Thank you, sir.

**Wendy Rahm:** Good afternoon, mayor wheeler and commissioners. My name is Wendy Rahm I hope to explain why I think it's so important for you to approve the auditor's proposal, all of it, including incorporating it into charter and putting it to the May vote. After 27 years of test-driving the current system, the flaws are known. Past auditors of the state of Oregon endorsed the proposal at the earlier work session as best-practices. They all testify that the auditor's office including the ombudsman must have complete independence from political pressure, both in appearance and in fact. Any scent of political pressure can distort the results and the public's confidence in those results. And that is where we are in Portland. With the public questioning results because of shaky processes with some, at least, appearances, if not fact of having been subjected to political pressures. In fact, the auditor is obliged to seek autonomy by gao guidelines called generally accepted auditing standards. Which specifically requires an auditor to address threats to an auditor's independence. Our auditor is responding to this higher standard. An auditor should be able to hire independent legal counsel and not be obliged to use the city attorney who has been hired by the city council and the auditor should be able to have some control of that office's budget without first having to get approval from another city bureau also competing for dollar and which is hired by city council. An auditor should be able to make -- did it go off? An auditor should be able to make management decisions independent of other city bureaus, which are hired by city council. Checks on the auditor exist. The auditor is an elected official. Also, the auditor's is required to follow all hr rules outlined in federal law, and city council may play a part in contracting an independent professional audit review agency to review the auditor's office and those results would be made public. I hope my testimony helps to lead you to do the right thing, insure that effective checks and balances in our government are in our charter. Please vote to put this entire proposal to the voters thank you.

**Fritz:** Wendy just one point of clarification, it's the auditor who would be asking for the audit of the office.

**Rahm:** My understanding is that that proposal would be contracted and the funding would be approved by you as well.

**Fritz:** I don't believe so.

**Chris Neilsen:** Good afternoon, mayor, commissioners. I'm Chris Neilsen I'm here to speak to you today in support of the auditor's request to the city council to refer to the voters of the city of Portland amendments to the city charter to protect the auditor's independence. Portland is the city that works. In the 2016 community survey reported in November 2016, rankings of Portland as a livable city and city government's overall delivery of services has declined by double-digits since 2012. Performance audits conducted by the city auditor's office of city bureaus and complaints investigated by the ombudsman are two ways the performance of the city can be analyzed and improved and citizens such as myself can have confidence that our city government is doing the best possible job with the resources it has. My confidence is built on both the reality and the appearance of the auditor's independence, including the work of the ombudsmen which the auditor's budget supports. The auditor works for me, just as all of you do, and the

January 25-26, 2017

people in this room and outside this door. I would like the auditor to have actual independence and the appearance of independence. I ask you, as the city council, to give me the opportunity to vote on the charter changes that would make that so.

**Tim Helzer:** Mayor, members of the council, my name is Tim Helzer. I'm a resident of Hayden Island. I've been a resident of Portland since 1946. Our community on Hayden Island is home to approximately 3,000 full-time residents and many retail and recreational interests. We are near major rail, barge, air, deep-water marine and interstate intersections making it attractive for industrial development. The area is a marine-based ecological region with several thousand acres of urban wildlife habitat for birds, mammals, creatures, fish, specialized forest and other species assets. Portland city council is sponsored as a major partner of huge projects that would have had high economic, environmental impact on a major portion of Hayden Island. Here are three of 17 such projects that would have impacted the citizens and creatures of Hayden Island. The city council was a major supporter of several billion-dollar investment in the Columbia River crossing bridge, 22 lanes going across Hayden Island, massive environmental impact with little direct oversight by the city's auditor's office, more than \$100 million in engineering and other costs became totally unaccounted for. Whereas an independent financial fraud investigation auditor identified this massive rip-off and blew the whistle on it to the Washington State Senate. Project canceled. A marine-based industrial complex was grandly proposed by the port of Portland to Portland city council on the 825 acres of West Hayden Island, for which there was never any proven economic need. \$200 million would have gone down the drain, destroying 300 acres of natural wildlife habitat and endangering another 500 little in depth oversight by the city. Auditor's office was provided to you to avoid that kind of train wreck. Last, you are all very familiar with the Pembina propane storage and transfer operation that the city was very interested in, promoted by the port of Portland again. It would have employed three full-time people and yet it would have exposed the city to one of the biggest explosions known. You have a team member in the city auditor's office that needs to be more independent, needs to be better supported financially to serve you and serve us more effectively. Thank you.

**Wheeler:** Thank you, sir. Thank you, all.

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

**Wheeler:** Thank you for being here.

**Debbie Aiona:** Thank you. So, I'm Debbie Aiona, representing the League of Women Voters of Portland. The League supports the goal of Auditor's Hull Caballero proposal for administrative independence, but believes accountability safeguards need to be added. Because this is a charter amendment there should be a very high bar for referral. We recommend that a requirement for a clear and open process for crafting the rules needed to exercise the new administrative powers be added to the charter amendment. Furthermore, those rules should be subject to a periodic review process. In our accompanying memo we provide details and the rationale for our recommendation, to add a provision, g, to the administrative power section. Provision g would require administrative rule-making procedures for developing the rules and regulations implementing those powers. Of particular importance to the League in administrative rule making is it requires public and stakeholder participation and input. At least once during an auditor's term, an ad hoc review committee, including stakeholders, such as employees and the public, should review those administrative rules to identify possible improvements. The committee should also review the rules that govern the timeline selection and other elements of the auditor's use of outside expert reviewers. The League's provision g recommendations also address the Oregonian editorial boards concern that, quote, increased autonomy, however, should not translate into a pass from accountability, end quote. The League fully

January 25-26, 2017

supports providing independence, but accountable use of that independence is a must. The initial rule-making will require extra processes. The league recommend that the auditor include the resources needed to conduct the initial administrative rule-making. I wanted to draw your attention to this one-page thing where we're recommending on section 2506-a, that you delete policies and practices because that might be a way to get around the requirement for public participation in rule-making. And then, we've -- commissioner Fish's office sent us a copy of the proposed amendment. We think it's important to have that last sentence that we have in section g that requires every four years, having the ad hoc committee look at the rules to see if there's room for improvement and if an auditor changes every four years, for the new auditor, to have a good discussion about how the rules work.

**Fish:** I'm hearing a sense that we may lose a quorum later, which may prevent us from acting today. If that does happen, I commit to sit down with you on the language you've proposed and the amendment I crafted to see how we can harmonize them.

**Fritz:** I would second that so that their amendment is on the table as well.

**Wheeler:** Commissioner Fish will work with you and I will -- you're already seconding as an amendment what we will call the league of women voters amendment and we will add to the pile of other amendments. Thank you for your testimony.

**Carol Cushman:** I'm Carol Cushman, also representing the legal women voters of Portland. And we have three additional issues we would like to address. We wanted to give full-time to our proposed amendment. The auditor pays into the general overhead fund using an allocation process that also applies to city bureaus. Given the new administrative powers proposed in the charter amendment, several centralized services that the auditor is paying for would be used to a lesser extent. Instead, the auditor would be paying outside entities for these services. We recommend added a provision to the resolution clarifying that the charter is committed to a future evaluation and adjustment of the general overhead fund model regarding the auditor. Not that you would worry about the money now, but let's not be double-paying for it, some services. The league supports retaining the educational credentials for the auditor candidates. The educational requirement was adopted in a 1986 charter amendment referral with an 80% yes vote. Auditors received training and agreed to abide by professional guidelines for conducting their work which are valuable attributes for this position. The league is pleased the independent police review was removed from the proposal, we support including a civilian review board focused on police accountability in the charter, but recommend creating a separate process to explore how best to accomplish that goal. In our view a targeted task force made up of members selected by the mayor and auditor with an understanding of our existing system should be formed within the next two years and charged with developing a recommendation a future charter commission would not be well suited for the task as charter commission members are selected by city council without auditor involvement. Thank you.

**Wheeler:** Thank you.

**Dan Handelman:** Good afternoon, mayor wheeler and council, this is the first time I've been in front of this body. I'm Dan handleman with Portland cop watch. There's been a lot of discussion about whether people are for or against the charter amendment, being proposed. And I think that to many people fixate on for or against because there are details that are really important. We count on auditors to be very exacting about those kinds of details. I challenge anybody in this room to tell me what we're considering because there are so many amendments floating around today. This is our constitution. What's the rush here? Why do we have to have it on this may ballot? Let's get this right. We actually agree with commissioner Saltzman that the ombudsman's office shouldn't go in the charter

January 25-26, 2017

amendments being made now. We agree that it should also be in the charter that we propose this in the last two charter that came up in 2007 and 2011. The ombudsman and police review agency not necessarily called ipr and the human rights commission, should be in the charter as they are very crucial. They sometimes come at odds with the city attorney's advice and they all need the independence as being talked about today. So we want to make sure people understand we're not opposed to the city auditor having more independence or getting independent legal counsel. We think this is being rushed unnecessarily and for whatever discussion's been happening out in the community and the auditor is listening to people and we appreciate the ipr being taken out of here, it's just happening too fast. So, I also want to add that one of the problem with the ombudsmen office is I personally had a problem with an elected auditor and an ipr director, tried to file a complaints and they said, first of all they can't take a complaint against an elected official and second of all they wouldn't take a complaint against their own boos and office. So, as long as ipr and ombudsmen are in the same place, how do you file a complaint about the ipr? These are things that need to be considered before we out the ombudsman's office in to the charter and that's not even written into the ordinance that says, they're not supposed to investigate other parts of the auditor's office. It's just a practice that happens. It is, again, we appreciate having an independent council being a part of this. This has -- the hallmarks of what happened with the proposals to change ipr happened behind closed doors and too fast. We also think the outside contracts to review the auditor's office should have a set number of years, probably two or three years, and not any longer than that. And we'll try to send in some more written comments based on what has happened today.

**Wheeler:** Thank you very much. We appreciate your testimony.

**Robert Wright:** Good afternoon, mayor wheeler and commissioners. My name is Robert wright. I'm a proud Portland native. After 27-year career in the united states air force, I returned to the best place on earth. In the air force, I shouldered the responsibility of command four times. Certainly, military and civil organizations are not the same. But they hold something very much in common, the need for independent, unfettered investigation and reporting outside of the pressures of the chain of command. At the highest levels in the military organizations, there was the office of the inspector general the ig. Investigations helped insure that taxpayer money was spent legally and that corruption did not exist and people were treated fairly with equal opportunity for all service members. Commanders had these same fundamental responsibilities. For the ig, it was there just to make sure. The directly-elected city auditor is the ig for the city council and the citizens of Portland to insure unbiased planning and execution of programs in the best interest of the city. Auditor responsibilities for this elected position are in power with commissioners. They should not be buried within city bureaucracy. This has the appearance of being vulnerable to bias pressures from the very offices and bureaus subject to investigation. But this may be more than just appearance. During the last year, the ombudsman and the auditor's office reported serious conflicts of interest in violation of a long established ethics requirements of the development of the central city 2035 plan for the west quadrant. Some had served on an advisory committee simply refused to comply with full disclosure of financial interest with no city follow up this is much more than just troublesome. To insure the freedom of action and independence and operations in budgeting, the auditor must report directly to the city council. This must be put before the voters in this upcoming May ballot. Thank you.

**Tracy Prince:** I'm Tracy Prince I've termed out as president of goose hollow I'm now vice-president. We support the auditor's proposal for removing the office to the -- to be independent. We also object to removing the ombudsman from that process we want the ombudsman to be independent. We want it codified in charter so it can't be overturned by

January 25-26, 2017

city council. I was not at the work session, but I have had a chance to read commissioner Fritz concerns. I have so much respect for her and what she has done for our neighborhood and city. She catches the small details with big implications so I hope that her concerns can be addressed so this can go to the may ballot. Please wait one week to give time to process this. I think it'll be a much stronger package if it goes to the voters with commissioner Fritz endorsement since the voters know that she cares about ethical governance. Goose hollow can tell you why the auditor's and ombudsman's independence is important. We've seen questionable behavior, like pbot staff stacking the central city stakeholder advisory committee with the three companies who own the most parking spaces downtown and then voted to deregulate parking. We know that the outrageous financial conflicts that we saw on the west quadrant plan stakeholder committee would not have been brought to the light of day without the ombudsmen. This was quickly followed by threats from the mayor for the auditor. We know that at every level of Portland government, residents are not considered significant stakeholders, while developers and those who stand to gain financially are the most esteemed stakeholders this leads to giant ethical problems across all bureaus. We need robust and independent oversight. The ombudsmen's office should have the same independence the auditor seeks. The ability to hire separate legal council is an important issue for both the auditor and the ombudsman. The ombudsmen undoubtedly received legal advice from city attorneys on the west quadrant project. Yet, bureau staff, planning bureau staff, sought legal advice from the same attorneys who said disclosure wasn't necessary before going to the planning commission as they voted on central city 2035. They said no vote by the commission can be overturned by the court, so it's not necessary. Shockingly, this is true. It can't be overturned, which I hope to change. Let me quickly go through this --

**Wheeler:** Can I ask you to be really quick?

**Prince:** Yes. The ombudsmen should have the ability to seek its own legal counsel separate from the city and that is why I think they should be independent, as well. And we deserve to have that independent oversight. Thank you.

**Raihana Ansary:** Good afternoon, mayor wheeler, commissioners. I'm Raihana Ansary government relations manager for the Portland business alliance. The proposed amendments before you represent an important community conversation. We believe voters should be able to review the merits of this proposal and we therefore support referring the proposed charter changes to the voters.

**Wheeler:** Thank you. Thank you, all. Afternoon.

**Charles Johnson:** Good evening, commissioners. For the record, I'm Charles bridge crane Johnson and we haven't talked enough about the dreaded asterisk. You did have a lot of input from joe Walsh. I think it would actually be good to actually have the city attorney or yourselves inform the people of the exact date, the last date this could possibly be referred on to the may ballot so we have an idea of the time frame. Some people say we can wait until beyond may. The league of women voters has offered a lot and I'm in favor, I think, getting it on the charter as soon as possible. We need to open up space for vigorous discussion I'm sorry commissioner Fish had to step out because I think what he meant to say when he had discussion with the lwv, we want to make sure Ms. Hull caballero and her office can also be in a dynamic conversation because we're talking about the balance between the auditor's office and you all.

**Mark Velky:** Mayor, commissioners, thank you for the opportunity to let you know my opinions on this subject. I'm mark Velky, I live in the goose hollow area and I'm a board member on the goose hollow foot hills neighborhood association and we voted unanimously to support the auditor's office and city ombudsman's request today. We represent 6,500 citizens. However, these are my own opinions and they just happen to

January 25-26, 2017

match those of my neighborhood association. First, I would like to praise the auditor's office for the great work they are doing. Two recent examples of that is the report on the office of neighborhood involvement and the west quadrant stakeholder advisory group on incredible ethics violations. So to continue to do that, they need city council's support today. Let's talk about what the auditor's office and city ombudsmen are asking you to do. This is a complete no-brainer. This has to be one of the easiest votes you will ever cast. It really boils down to this, are you for more transparency and accountability or are you against it? I would hope that every one of you are for more transparency and accountability. So, do the right thing and refer to all of us here, the citizens and voters, so we can pass it by a landslide for inclusion in the city charter. Thank you.

**Eudaly:** I'd like to address Mr. Johnson's question. This needs to be decided prior to Thursday, February 2, to be referred to the may ballot.

**Johnson:** If it's an emergency.

**Fritz:** It's a resolution not an ordinance.

**Shirley Rackner:** Good afternoon, Mr. Mayor. And commissioners. I'm Shirley Rackner. I live in SW Portland. I was on my way to Washington DC to join a million other Americans to support all that we honor in our democracy. Knowing it was going to be a long trip, I had taken a local newspaper and the first article I read was about the auditor's office. The extent of my knowledge about the auditor's office is that I had voted for someone to do this important job. I must say that this afternoon, I've learned more about the office. The further I read, I realized this issue was complex. This afternoon, I realized how complex and that the commissioners might have concerns on the question of independence for the auditor's office. That was somewhat understandable. What was not understandable, as I read, was why not give the residents of Portland a voice on this? And allow them to look at the question and vote one way or another? To further understand the issue, I found that the current structure of the elected auditor's office could be second-guessed by the commissioners and other unelected city offices, which is rather confusing since the definition of an audit is, I quote, an official inspection by individuals of organizations typically by an independent body led by a CPA. That seemed very simple to me. It's also my understanding, like you, the auditor is democratically elected and should be independent. I ask the question, what makes it so difficult for this council to give the voters the opportunity to democratically decide on this question? And I must say, the irony did not escape me as I was flying to a people's march, asking for a voice in our government.

**Fritz:** Thank you for that. When it's referred to the ballot, it's either yes or no. It's not whether to send it to the ballot, it's what we're going to send to you the voters for a yes or no. It's very important that we get the details right. I think if the council had the ability to influence the auditor too much now, that certainly has not shown up in the audits that I've had and each one of my colleagues had. So, I'm astonished that people think I had anything to do with that.

**Bora Harris:** Good afternoon, the podium has already been addressed. I'm Bora Harris. My comment is about what is fair, honest and ethical and what should be real transparency. Studying the organizational structure, I support and appreciate the need for change and see much value placing the office of ombudsman into charter. I began to reflect on the current and past state of police accountability and inconsistencies, credibility and lack of transparency, consideration of the IPR into charter should not be a question, no. The auditor's office monitors practices, programs, policies, not manage offices. The auditor's office -- the IPR should be put underneath a judge for disciplining practices and patterns. The charter is valuable because it allows we, the people, to vote if a shift needs to be made, not just a handful of city council members who are fixed with a culture of making a decision in a nano second. Charter helps restore the credibility that we, the



January 25-26, 2017

people, should have of the auditor's office. It allows the auditor's office to do their job. When groups or individuals have the power to hover over the auditor's office it suppresses the auditor's ability to fulfill its mission, it hurts their process. In prior discussion, I have expressed the need for independent audits of some of our bureaus with untrackable tracking spending's. There are little to no trails, tracking can be quite difficult. Establishing an independent budget clearly says, you can't touch it. The fear factor of the auditor's budget of being detracted is no longer there. When they can count on an expected budget, it opens more opportunities for independence. When groups or individuals have been granted so much power and never understood the administrations of the powers, we have witnessed the outcome over and over again. The poet edgar poe said be not the first by the newest trite or the last to lay the older site. Laying the antiquated is a necessity for positive change. In closing, my closing statement beginning with three carefully-chosen words, cut the cord. It is also power, connected to the auditor's office that does not allow it to function as it is designed to function or as we, the people, expect it should function with independence, transparency and justice. I see real value of the auditor getting independent legal advice. The city attorney needs to be separate from the auditor's office. Thank you very much.

**Roger Leachman:** Good afternoon. My name is roger leachman and I serve on the board of the goose hollow foot hills league. Tip o'neal said all politics is local. It has more appeal than the national, where professor ladski words written over half a century ago have a bitter irony. The electoral college is still enacted even though all the world knows it has lost any meaning. Nothing is more local than a neighborhood association. Citizens, neighbors come together, discuss robustly that issues that affect them and take action. We proudly follow bud Clark's charge to our association, that it was founded by residents and business owners to defend goose hollow from outside forces and not acting in the neighborhoods best interest and to create a vision of better livability. In that advocacy, we often can relate to commissioner Eudaly's description, at the work session, of people who felt disenchanting and unheard by their city. So, where can they turn? Where can the general citizenry find a little hope? We take heart, then. When the ombudsman calls out bps over conflicts of interest during the west quadrant process, a report for which she got a lot of grief, which you have heard. Prima fascia evidence, she's doing her job and why her office should be in charter and not just in code. We take heart from the auditor's report on oni. Without these exercises in accountability, how would reform, much-needed reform, come about? How would more respect and trust in the government of our city be fostered? Insuring transparency and accountability is the auditor's charge. Give her the means to follow that, as my friend mark said earlier, it's a no-brainer. I urge you to refer it to the voters.

**Wheeler:** Good afternoon.

**Suzanne Lennard:** Good afternoon. I'm Suzanne Lennard, I'm co-director -- co-founder of the international making cities livable council. I respectfully urge you to accept this charter amendment and place it on the May ballot. It's essential that the city auditor's office is independent, free from the fact or appearance of conflicts of interest. The public expect and deserve transparency and accountability in their city government. The charter's four amendments are most-appropriate, placing the independent police review and the office, especially the office of ombudsmen into charter. Authorizing them to obtain independent legal advice that is focused on the mission of the auditor's office, creating an independent budget process that insures the auditor's office is appropriately funded and insulated from political interference and affirming the auditor's office is autonomous from the office of management and finance and other bureaus. I hope Portland will lead the way in government accountability and transparency. Please accept the charter amendment and place it on the May ballot. Thank you.

January 25-26, 2017

**Fritz:** I need to say as soon as one of our colleagues gets back, I have to leave. I have appointments I need to get to. I will watch the remainder of the testimony and expect to participate in the discussion next week.

**Lennard:** I think we're the last speakers?

**Fritz:** Are you?

**Fritz:** Well, in that case -- [laughter]

**Wheeler:** Are these the last speakers? Madam clerk, are these the last speakers?

**Moore-Love:** Yes.

**Mark Kramer:** My name is mark Kramer, I'm a member of the national lawyers guild, the lawyers guild supports the auditor's proposal for over a decade we have been involved in police accountability in Portland I was part of mayor Katz's 2000 work group, of mayor Adams 2010 work group we were going to be a part of the work group that the former mayor was going to initiate last fall. So, through that time, we've come to know the ways in which the auditors lack of independence negatively impacts the effectiveness of these programs. The credibility of the office and ipr depends entirely on the independence of the auditor from the city. The most obviously problem is the auditor's lack of independent council. The guild along with many other organizations recommended independent council as part of the 2010 stakeholder committee. That proposal did not reach a fruition. Regardless of whether the city attorney's joint representation of the city and the auditor's office particularly ipr is an ongoing ethical interest there are times in which the auditor takes position which are materially averse to the city. For example, the guild and other groups are upset about ppb's use of rubber bullets and tear gas. There have been and will be complaints filed with ipr. The same city attorney's office is going to be advising ppb on the use of rubber bullets, tear gas and the application of force is going to be advising ipr who's going to be investigating that. That's a conflict of interest. This reduces transparency in government and creates a lack of trust. This is a lack of trust of ipr and that causes litigation. If we had a credible police accountability system, many citizens' complaints could be resolved otherwise. The guild urges the city to adopt the charter changes and to do so now. Making changes to code will not be sufficient because it can be changed. It is also in the city's best interest to propose these charter changes immediately. We appreciate your thoughtful consideration.

**Wheeler:** Thank you, sir. Last, but not least?

**Deanna Mueller-Crispin:** I'm Deanna Mueller-Crispin, I live on the west end. I do urge you to support the city auditor's proposed changes to give the auditor's office including the ombudsman real independent authority, as so many have said this afternoon. Among the ombudsman's duties are receiving and investigating complaints, which includes complaints against conflicts of interest, which applies to appointees and boards. Such as stakeholder, sac. However, I would like to point out that without the ombudsmen taking up this issue, the conflicts of interest would never have come to light. These -- it has to come to public light in order to maintain the credibility of government and the faith of government.

However, it certainly seems clear to most of us that the auditor's office and the ombudsman cannot have much power to affect real change in behavior of city officials including employees or appointees. When they are dependent on the city perhaps on the same offices in which citizen complaints are brought for their budget and legal services. For example, the ombudsman's requirement or request -- I'm not sure which -- for their ex-post factor conflicts of interest for the west end, sac members have not yet been fully implemented. The auditor's office needs to have legal counsel independent, independent budget and make their own management decisions. Please put this on the May ballot.

**Wheeler:** So, I believe we've completed the testimony. We're going to lose our quorum so with the permission and approval of the auditor, we will continue this next Wednesday, at

January 25-26, 2017

3:15 p.m. That will be a time-certain. We will make sure there is nothing else after that so we will have plenty of time to discuss it. I apologize we weren't able to get it all done today. With the number of comments and amendments, it will help us to have that discussion anyways.

**Fish:** My hope is that since you're continuing this hearing, it means that we can continue to receive comments from the public, by writing or by email? My hope is that we can take the amendments on the table and see whether they can be resolved, the auditor has to decide which of these concepts she's willing to accept into her proposal. My hope is that, at the end of this process, we'll come back next Wednesday with the revised auditor's proposal, a clear understanding if there are any remaining amendments and that we will simply, mayor, at that point, take votes on the amendments and on the package.

**Wheeler:** Very good.

**Fritz:** To clarify, we have closed the public testimony of oral but are accepting written comments through next week.

**Fish:** The hearing next week will be the purpose of reviewing any revised proposal from the auditor, considering any amendments, which are still on the table and then casting the final vote on the referral.

**Wheeler:** Last word to the auditor?

**Caballero:** Be brought next week -- okay. Thank you.

**Wheeler:** We're done with amendments and we're done --

**Fish:** The only thing, madam auditor, that could happen is if there's an amendment on the table which you don't accept in its current form but you're able to negotiate, the way you have on other issues, I would expect that would be incorporated into a substitute you would bring.

**Caballero:** Thank you for that clarification.

**Wheeler:** Final word?

**Caballero:** Thank you so much for your time. I appreciate all the people who came here today and I look forward to continuing the discussion next week.

**Wheeler:** Thank you. Appreciate it. Thank you, everybody. We are adjourned.

**At 4:45 p.m. Council recessed.**

January 25-26, 2017

Closed Caption File of Portland City Council Meeting

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

**Key: \*\*\*\*\* means unidentified speaker.**

**January 26, 2017**

**2:00 PM**

**Wheeler:** Let me begin, I know commissioner Saltzman had an excused absence today. This is the Thursday January 26<sup>th</sup>, 2017 meeting. This is a holdover item from yesterday that we didn't have time to get to. If I could please ask Karla to call the first and only item today after roll call, after roll call.

**[roll called]**

**Wheeler:** Now the first item and only item.

**Item 86**

**Wheeler:** So this is coming from the pdc and we have Kimberly Branam here and others to testify but I have been provided a couple of overview points I would like to share. Over the past 15 years since the interstate urban renewal policy was developed, the investments have not brought the hoped-for benefit to existing residents and businesses in the area. In fact, many investments had market signals hastening displacement instead of protecting the residents against the impacts of gentrification. The goal of the plan is to bring opportunities for economic prosperity to those who have been marginalized by past urban renewal. It focuses 32 million in remaining tax increment funds to foster multigenerational wealth and community assets. I would like to thank all the community partners and the Portland development commission staff that have worked tirelessly over the past year to come up with this plan. We have a lot of hard work ahead but it is important and necessary and high time we make these kinds of investments. So without further adieu, I believe Kimberly Branam and Tory Campbell are presenting today, good, and I understand you have invited testimony and if that is the case, I would just encourage you to invite up whoever you have invited and they can introduce themselves or you can at your convenience.

**Kimberly Branam:** Okay, great. Good afternoon, mayor wheeler, commissioners, a pleasure to be here today to talk to you about the north-northeast community development initiative plan. I am joined by Tory Campbell who is our interim economic development director and I am going to provide some context about how we got here and the process, the key considerations that we discussed in the plan development and then Tory will discuss the goals of the plan and what we hope to achieve and next steps. Next slide. Our planning for the north-northeast community development initiative began soon after the tif lift which increased the affordable housing set aside from 30 to 45 percent city-wide. The impact is the interstate urban renewal area is more significant in that 70 percent goes to affordable housing and 30 percent is available for other business and community development objectives. So approximately a year ago, we convened a number of the members of the neighborhood economic development leadership group with an interest in north-northeast Portland and pose the question, how should we spend the remaining \$32 million of finance dollars in the interstate urban renewal after the next five or so years. So the project advisory committee formed in January and met approximately once a month for a year. In the spring, the staff analyzed the plan to assess what had and had not been done and interviewed 35 stakeholders in one-on-one interviews and group settings. This

January 25-26, 2017

analysis led to a discussion draft which we shared with the north-northeast neighborhood housing oversight committee and over 200 community members who participated in community forums held on October 6 and October 20th, 2016. We updated the draft plans, incorporated input from community members and shared the draft with our board so this today marks the culmination of a year-long process and beginning of the implementation. I would like to take a moment just to thank all of those people who dedicated time as advisory committee members. You can see the names here, representing a diversity of backgrounds and expertise development, business development, long-time community interests, as well as bishop Steven holt who was a member of the north-northeast housing oversight committee and provided alignment between what the investment the housing bureau had and those made by pdc. So as a reminder, when we talk about the interstate urban renewal area, we are talking about a significant portion of the commercial areas and some areas in north-northeast Portland shown on the map here. The tif resources must be used to make permanent physical improvements within these boundaries. The type of investments that can be made are tenant improvements, new commercial or residence construction and parks and transportation infrastructure. So we can't use this for working capital or workforce develop programs even though they are key tenants of widely shared prosperity and economic growth. So just by way of context to ground the closeout plan for the district, we took a look at what investments had been made to date and what you will see is that about 150 million has dollars has been invested over the last 10 years with the largest investment in infrastructure so with the yellow line, street scape along Denver and Killingsworth. Improvements were made to parks \$6 million and the most noticeable, the Dawson park renovation. We also identified four major projects on the chart, each receiving sizeable investments. We also invested about \$10 million in property development grants to over 400 clients, storefront grants, development opportunity services and then put in \$80 million through 136 loans in business development. By comparison during that same time period, there were about a billion dollars invested through the private market so we took a look at the bureau of investment services and the records they keep and the \$67 million of investment that pdc participated in was dwarfed by what the private investment was over the same time period.

**Wheeler:** Kimberly can I ask you a question.

**Branam:** Yes.

**Wheeler:** Is it your contention that private sector development resulted from the pdc investment? Is that directly leveraged alongside or is that just a general statement over what happened in the corridor?

**Branam:** I think it is just a general statement. We put in \$95 million in the urban renewal area and you see significantly different outcomes. I think it sends a signal to the market but cannot alone drive the market so I think it was an investment we didn't anticipate happening as quickly as it did and not wholly -- the pdc investment isn't wholly or even largely responsible for it.

**Wheeler:** That is helpful. Appreciate that.

**Branam:** So you see here the reflection of the investments over the next five years where \$108 million will go into set aside policy affordable housing and 78 percent would go to business development and infrastructure. This is in recognition of the fact that you have serious affordability challenges in this district and so this is the area where we're seeing the most significant increase within the urban renewal area. So by the time the ura spending is completed, 50 percent of expenditures will have invested in affordable housing and 50 percent to other development priorities. And just also to note that the resources that we have in the second half of the district in the next five years is roughly equal to what we invested in the first 15 years so \$115 million of resources yet to be expended over the

January 25-26, 2017

next five-year period. Our assessment, also evaluated demographic shifts that occurred since the establishment of the urban renewal area and you see here between 2000-2013, the african-american population in the interstate corridor decreased by 33 percent while the white population increased sizably. There was also a decrease Hawaiian pacific islanders, native Americans and no increase in the Latino population. Also during the same time period, the median income for african-americans fell sharply 31 percent bringing the median household income for african-americans to \$24,000, the Latino median income remained stable but still 27 percent below of the white households within the area. So what that means is that now one in three african-americans in the urban renewal area have incomes below the poverty level. And nationally, this is not a local statistic but we know that the local statistics mirror this one which is that the staggering wealth disparity in -- between white households, african-americans and Latino households is even greater disparity than the income inequality. So you have median white family that has \$140,000 in assets, median african-american family has \$11,000 in assets and the median Latino family has just \$4000 assets and these are assets including homes, savings and minus your debt so what you can fall back on or pass on to the next generation. This disparity is driven by inequity from homeownership, income from employment as well as educational attainment in that order.

**Wheeler:** So may I ask you a question? You may not know the answer but I read recently that was a study that seemed to suggest that not only is the disparity in homeownership the leading reason, it is by far the leading reason. Is that commensurate with your understanding?

**Branam:** Yes, I have seen it rank in that order where it is homeownership, then unequal pay for equal work and then educational but I haven't seen the information on what the percentages are, just that it came in that order.

**Wheeler:** It showed the top driver for intergenerational level was home equity so I don't know what my point is other than to say I am glad this plan seems to address that.

**Branam:** And I do want to mention this disparity is the result of institutional policies from redlining to practices, banking practices and other things so there are reasons and, you know, as a institution who has linked some of our investments to financial private markets, we have underscored at times or exacerbated some of those dynamics. So we have learned a lot in our assessment of what has worked and not worked and for whom over the last 15 years and the plan going forward that Tory will speak to really seeks to address what we have learned as an agency and our partners in reflecting the last 15 years and here is what our major takeaways are. The first is we overpromised and under delivered. So things that the urban plan called for like investment in the light rail and parks improvements and those types of things and we delivered on those and we even delivered on some of the projects like vanport that people called for but we fell short on other goals specifically around business growth and creating opportunities for long-term residents. We underestimated the market forces. We were not quick enough in making the kinds of investments and -- that would have potentially reduced the negative impact to long-time residents and business owners and so as a result, you will see our plan is clear about the magnitude we think we can make. We do not think with \$32 million we can have quite the measurable impact but can make an impact on the streets. The closeout strategy for this district is really laser-focused on supporting people and communities who have not benefitted from economic expansion in the area. So that is the context. Tory, you want to talk about --

**Tory Campbell:** Mayor, commissioners, I want to walk you through what some of the feedback was regarding community engagement. We had an advisory committee that helped shape the plan working with us over the last year, had stakeholders and about 200

January 25-26, 2017

community individuals come out and actively engage in the process along the way and as you can imagine with any kind of collective process that involves many voices, that you should have kind of a diverse sense of where people are standing on issues, that it shouldn't be a monolithic champion of one way of looking at it. So I think for us there was both rigorous debate and input with community forums and had an advisory group that got us to this group and to be in a place to talk about what are the best options moving forward, involved a level of compromise and in some instances, people felt I don't agree but will move forward nevertheless and I just wanted to share that there were strong feelings across the board as we had hoped. So with that, I will walk through some of the community feedback we heard and how it helped to shape and inform the advisory committee and staff to develop a final plan. Some of the things we heard -- and all of these various conversations were one was the need to increase the investment in home repair and home ownership and investment in accessory dwelling units for middle income housing. And how does that look like? Allotted to do with property assets and not necessarily what one gets in the immediate generation but what they can pass on to the successive generation that speaks to the wealth we're seeing in the country and the disparities. So owning a home has been the primary driver for wealth to take place and that was one of the things raised over and over again, how can we use this \$32 million to help 'with homeownership repair and add to the values of those homes. Community feedback also saw an increase in investment in individual property ownership, redevelopment, business ownership and growth again calling out the importance that often times help with wealth creation in one's life is not just the job they do necessarily nine to five but the starting of a small business or growing a business even after the retirement of their initial job they might have done for 20, 30 years so again, looking at a suite, if you will, of tools to help individuals develop their wealth creation. So there was a real callout for that. We did have an elimination in proposed investments in traded sector businesses that create living wage jobs. There was a portion of these dollars that would suggest go to that as well as creating incentives for companies to land in the renewal area with the understanding they would hire and diversify the workforce accordingly. Although it was incredibly important, there was not enough structure to insure that is what we would see as an outcome so the idea to was eliminate it and that was done and then the revising of investments in a place-based cultural business hub to insure that promising provide opportunities for small and local and minority-owned businesses. So at this time I will walk you through what the plan calls out in terms of the dollars and how those are to be allocated. As it comes to property ownership and redevelopment, we have called out \$10.7 million towards those efforts, we're roughly believing 44 property owners could benefit from that and that would be done in the form of loans, purchasing property or redeveloping property they already owned. The next one was 9,250,000 to support business ownership and growth and we believe 55 business owners can benefit from that, that also includes a mixture of grants and loans both in terms of the purchase of properties and the improvement of storefronts to help them grow in the urban corridor. The next area was to continue to invest in new and existing homeownership and some of the unique elements around this are these dollars will be given to the Portland housing bureau and under their guidance they will then instruct how the program guidelines and following the fair housing and state and federal requirements to dispense these dollars and they already have a program you are familiar with. These dollars we felt would be important not to simply go to the current program which helps us support individuals at 80-100 percent of low to median income levels but looking at northeast, they have great jobs but just the housing values is so much that even with making 100 percent of the median income level, they cannot afford

January 25-26, 2017

to live there so these dollars would be towards a program that would help with individuals who want to purchase a home who made 80 to 120 percent of their median income.

**Wheeler:** Mr. Campbell, may I ask a question? Sorry to interrupt.

**Campbell:** No, thanks fine.

**Wheeler:** I want to be clear, the criteria already established, they would be using the preference policy, the housing bureau to establish the criteria and using housing as a channel of distribution?

**Fish:** Let me complicate that. The answer is yes and no because this is not 30 percent set-aside money. It is a yes or no. We have one set of rules governing tax increment finance dollars that are part of the 30 percent set aside or in this case, we did a tiff lift so it will bump up 45 percent. That is prescribed by one set of rules but these dollars are not part of the set aside money so the housing bureau is not circumscribed to those rules and have more flexibility. We don't typically look at 80-100 percent with 30 percent money so I think the short answer, mayor, is it comes to your bureau to be allocated according to the guidelines that apply to this bundle of dollars but still has fit within a set of city-wide priorities.

**Wheeler:** And that is the understanding --

**Branam:** Yes, we really appreciate the housing bureau's partnership on this one. We felt it was be duplicative to find the same partners to administer resources that this 80-120 percent median income level. The housing bureau said we already have the infrastructure, we are willing to flex on this and that the partners would be available --

**Wheeler:** That is helpful. Truthfully, I was being selfish. I wanted to verify my role in this process and between your comments and the commissioner's comments it, verifies it. Thank you.

**Campbell:** So that would be the expansion of down payment assistance, single family home repair and also the Portland bureau for 17-18 to support the development of accessory dwelling units and homes as a way to bring more affordable housing units to the market in the urban renewal area and also as a way to support multigenerational families. So those dollars turn out to be \$1.6 million towards down payment assistance, 1.6 to the single family home repair program and 1.8 to go towards the proposed program to help with accessory buildings.

**Fritz:** Is there any other structural or side board on accessory dwelling units for obviously if they're rented out for Air bnb that's more income for the homeowner but not really increasing our supply for affordable housing. Did you have those discussions?

**Campbell:** I don't recall a lot of discussions that got to the point of the impact on that. That is something we need to consider but there was no strong sense of how that would play out.

**Eudaly:** What I hope would be a quick question?

**Campbell:** Yes, ma'am.

**Eudaly:** With help to existing homeowners, I am assuming this funding to make essential repairs, maybe, so they can refinance the home. So what I have seen in the two northeast Portland neighborhoods that I lived in is when a parent or grandparent dies and the house is transferred to perhaps multiple children or grandchildren, no one person can afford to buy that home and the home is lost and the asset is divided among that many people or perhaps it does -- it is inherited by a single owner but they can't afford the mortgage or the second mortgage. So I am just curious if you have considered ways that we could support that succession of ownership so that the family can retain the asset? It is not necessarily about repairing the house although it could be and I am sorry if that is a little too far afield for this conversation but since we're here... [laughter]



January 25-26, 2017

**Branam:** And commissioner, that really was the genesis of a lot of conversations we heard and this was a direct -- the focus on housing and homeownership really came from those stakeholder interviews and that story of what you described is a lot of what was talked about. So the first portion of supporting homeownership is really trying to put a tool for the daughter or granddaughter to purchase the home, even if she makes more than 60 percent median family income. I can't say that it -- we don't know yet how well it will be used, whether 80-100 percent is the perfect level so I think we're going to continue to be engaged with the housing bureau and the partners who administer these resources to try to get it right to solve for that.

**Campbell:** So the remaining areas of investment to also be advanced, the community livability project which is \$2.5 million to go towards building prosperity by supporting growth and development of sustainable community-based organizations that drive economic development outcomes as well as serving communities who have experienced displacement or who have not benefitted to the opportunities we have spoken to. And then the last one is the investment in cultural business hubs which was one of the ones, again, I said there was the most wrestling around, exactly how did this play out and what would be the appropriate amount and how to be sure the outcome really does benefit the community and so the compromise of sorts was that we would put less money into it and the conditions on it so the \$4.5 million would benefit one or two projects. The condition would be that we give space over the next three years to allow a project to come to life and if the committee feels good about it, the dollars will be allocated towards that. If there was not a project that met those goals, the money would be reallocated into other buckets such as ownership and growth or real property ownership. And lastly with all of this, I think it is important to note the success of this requires that we not only engage the community in a very robust way in terms of how we roll this out but also the intermingle with everything, there is ongoing education and support for them to figure out what is the best move for them and working in concert with the partners we currently know and seeking out new ones to insure these dollars in this very small window get applied to the audience we intend it to. So the next steps would be finalizing and coming back to the community members from last year who help to inform the process on February 23rd. Then we begin the work of establishing an oversight committee in February. That should be set up by march to hold pdc accountable as well as to evaluate the investments and then release funding availability by the spring of 2017.

**Wheeler:** Great, thank you. [overlapping speakers]

**Fish:** I have a question or two, mayor?

**Wheeler:** Yes, sir.

**Fish:** Thank you for your presentation and sorry if we held you up yesterday and if there were people in the audience on that item, apologize also. A lot of people showed up to testify. I have two questions. The first is I am delighted that we're looking at how to maximize the impact of \$32 million and one of the things that caused me heartburn about the north-northeast housing strategy is to fund it we took the money out of economic development and moved it into housing that caused me a lot of heartburn because the community said over a long period of time that economic development was a key priority and it wasn't just storefront improvement and things like that. The thing we consistently hear is access to capital. So we funded a more robust housing strategy by taking money away from another community priority and it was done in the light of day but that tradeoff to me pit two things against each other that we value equally and in fact we could argue, depending on your view of the world that a very effective housing strategy is to build prosperity so that people have the resources to be able to buy a home and rent a home. So we had a collision of values. Now, we have decided to lift the amount of money that

January 25-26, 2017

allocated to housing, we called it tiff-lift and that is reflected in the additional \$32 million that will come back to the council to debate how we spend that money but you are asking to just focus today on the economic development piece. So a couple of things. The first is when you -- your report identifies a number of disparities we have to get our hands around Africa-American is the largest and then you identified disparities within the native American community, Latino community, Asian community. Can we assume as you set up the oversight community, there will be broad representation of communities of colors that have disparities in this area?

**Branam:** Yes.

**Fish:** Thank you, number two, I want to ask you a philosophical question, Kimberly, because we have all been on a lot of committees and committees are great but one of the challenges is that sometimes it is harder to maintain the focus. So in a committee structure, you may have someone say I have an idea and then the dynamic is to reconcile the ideas. \$32 million is not a lot of money so the question I want to ask you, as we evaluate these recommendations, was there an alternative approach presented by the committee or members of the committee to really move the needle in one area by betting the house on, say, business capital or whatever it is, you are dividing \$32 million among five programs and it is different than betting the house on one of those programs and saying we want to see a systems change. So was that part of the process of evaluating a big investment in one priority versus five smaller investments in other priorities?

**Branam:** That is a great question, commissioner. There was a lot -- there were a lot of conversations and so this does represent, I think, a paired down -- we originally started with three objectives. There was an objective around access to employment, culturally relevant spaces and then wealth creation and really through the conversations with the committee and what we heard back from the community in the open houses was the exclusive focus needs to be multigenerational wealth creation so everything we are doing, all the tools we should employ should be focused on multigenerational wealth creation so we have a number of different tools we're setting up but it is all around creating wealth and you don't see a focus on employment or access to employment and the investments in the cultural hub have gone down about 50 percent from what was originally proposed. So the other thing that I want to just acknowledge is if we do really deliver on this plan, it will be at a magnitude that is almost equal to the level of investment that we made over the last 15 years so it will represent a pretty sizeable level of investment in businesses and long-time property owners and so I think we feel like this is achievable. Trying to find double the number of businesses or long-time property owners, you know, I am not exactly sure whether we would be able to do that so this is what feels potentially prudent.

**Fish:** Well, when I was first elected and Tom Potter asked me to lead the housing bureau, I was asked to measure success in small things and there were so many that meant so much to so many people, it was hard to show success. I love the idea of supporting homeownership. Under this plan, though, it will impact 20 households and that is 20 households that will not have been impacted before but let's be clear, that barely -- that is a very, very small impact and yet if we are successful in stimulating a minority-owned business that is successful and starts hiring a lot of people, those people on the way are going to be homeowners someday if it is a successful business and what is the best investment? I don't know that I know the answer but I worry when we try to accommodate a laudable number of goals with a small pot of money, we end up undercutting or limiting our ability to really make significant progress in one defined area and that is the tradeoff, obviously, so thank you.

January 25-26, 2017

**Branam:** So we do have two people, if you would like them to come up, Carrie Stoudamire-phillips and James Paulson.

\*\*\*\*\*: Great, thank you.

**Wheeler:** Just state your name for the record. That would be helpful. Thank you.

**Carrie Staudamire-Phillips:** Good afternoon commissioners and mayor, my name is Carrie staudamire-phillips and --

**James Paulson:** I'm James Paulson.

**Staudamire-Phillips:** So I will start. I served on the committee and I didn't realize it had been a full year but quite a long time and as a person born and raised in Portland, grew up in the Boise neighborhood and the Boise neighborhood association where I served now as a treasurer for over ten years, and commissioner fritz has been to our meetings many times and I thank you. I immediately felt the weight and importance and complexity of serving on this committee from the very beginning. It was made up -- I felt it was composed of a great mix of people from the community, older, younger, different walks of life, different communities around the city and then also our extended group when we met, they were open to the public ask we always had a really good group of, I would call them, elders from the community that came to our meetings and they sat in the outside of the circle and listened very respectfully but then when it was time for them to have their input, they definitely did and it was good for all of us to hear that input. I am not as young as I used to be but there were things that they shared that were very impactful to me. There were things that I had heard had happened, some things I knew for sure but having had the opportunity to hear those things firsthand from those people there in those meetings and serving on the community and here at city council were very instrumental to me so I want to show that the weight and impact was important on me to be a part of this committee and make sure that the plan that went forward was really representative of the community. The community forums that both tory and Kimberly spoke about, those, too, were very eye-opening and as commissioner Fish said, I appreciate about whether it is more important to bet it all on one thing and we talked about that in our meetings but I think those community forums really did serve to let us know if we did bet it all on one thing, there was going to be a lot of discourse and unhappiness. There is no silver bullet. Everyone knows what happened in our community. There is no silver bullet to completely right those wrongs but I think this plan is an effort to at least help target those folks. We started with three objectives and moved over to five objectives and felt there was much more work to be done so even though it looks like there will be 55 people who are getting help or 40 here, the next work of the oversight committee is going to be very important in who is composed of that committee and the structure and the makeup of that committee and the rules that are put in place because we will be able to target -- I feel like we definitely will be successful and even though we have five objectives, we can be very successful in targeting and be successful. I want to talk a little bit about the plan and the things I really liked in the plan. What I really liked about the process and working with pdc on this is the fact that we did bring in community forums. As I once said, I am 40 and I have served on a lot of pdc committees over the years and I will say this has probably been the most impactful one for me where I think we will affect the most change. I have served on many grant committees for years and, you know, you do a little here, 33,000, less than 32 million and you can only do what you can do. Served on the Williams avenue committee, Boise neighborhood but this one, I feel, is going to have the biggest opportunity to be impactful to the most people that can start to heal some of those wounds.

**Fritz:** Really nice to see you again and as commissioner Fish said, we do apologize for having to change the date and I'm glad you're able to be here and for your service on the committee, thank you.

January 25-26, 2017

**Fish:** Nice to see you as well and the family tradition, mother and daughter and all.

**James Paulson:** My name is James Paulson and I also have the pleasure of serving on that committee and feeling the passion of the people on that committee. One of the things I want to dive into is something that commissioner Fish kind of touched on a little bit and that is the betting it all on one thing or spreading it. Because one of the things that we'd what we heard was the committee was like oh, put the money more into people's homes and that sort of thing and we don't need what at the time we were calling an anchor project which now we're calling a cultural hub. And one of the things that is very difficult to educate community members on is how funding works and the interworking's on it and one of those things is the difference between grants and loans. And the fact that grants are important to get out so that people can improve their properties and do different things with them but one of the things that works very well with the loans is that loans get repaid and then they can be reloaned out. So one of the things with the cultural hub is what we're looking for is really being able to pull together a dynamic space where african-american and people of color can build this space where people can come in and build their business, expand their business and do these different things in a way in which they are going to build more long-term wealth. And as well, that is going to be based more on loans than grants. Now, there is a mix but when you are building a space like this, that will allow for loan money to come back in to be reloaned out again in the future. So then you have perpetuating wealth throughout time, through different programs so that is one of the things -- one of the reasons why we wanted to come back and take a closer look at how we were going to define this anchor or cultural hub, as we call it now and as we said, we said if we don't have something in the pipeline in three years because we have a five-year window, we're going to take a look at those funds and redistribute those funds where we think we will have a greater impact if we're not able to pull that together. So I wanted to bring some clarity to that, like it is not as though hey we set this and the community went in a different direction. It is more of trying to look what the community said and how can we also apply the tools that we have available to us to meet the community needs.

**Fish:** Can I ask you about the cultural hub? This is something that has been talked about for some time and branded different as different people have different vision and I think it is critically important and as the report notes, it builds off the successful hubs in other parts of the city that have a theme. And I am going to get in trouble for saying this but as long as I have lived in Portland, there is a piece of dirt that has laid fallow and it happens to be just to the north of what is, today, called the urbanly. And it was once the center of a thriving community and one of the reasons I know that is the gazebo in Dawson park has a roof and that roof was in fact the front section of a drugstore which was at the corner of a thriving community. And if we are really going to talk about a hub and in effect healing a wound that has existed for a long time, mayor, I hope you will seriously consider engaging our friends at legacy Emmanuel over a project which could not only meet the goals of a cultural hub as well as perhaps senior housing and a new home for the urban league but would write a different outcome, different chapter of the history that is there. It has been talked about a long time. There are lots of reasons why we have been told it will never happen. I think the mayor of the city of Portland has unique powers to bring to bear and persuasion in any conversation, but I think it is the missing piece if we're going to do this right and I hope as a community we can rally around that vision.

**Paulson:** You are absolutely right, commissioner because what I hear you saying is it will be incumbent on partners coming together to pull the space together. It is not the dollars set aside that are really the driving force here, the driving force is really the people who to want build a communal space that is welcoming to everyone and creates opportunity in an area for African-Americans and people of color who have been affected, to really build

January 25-26, 2017

business back into an area and kind of, that space you are talking about, I grew up a block and a half away from that and lived my entire life with that as being just a flat spot. So I would love for anything the city can do, partnering to work with legacy on trying to develop that space, just as an example.

**Wheeler:** Commissioner, I take up your challenge gracefully and I appreciate the testimony from both of you. I don't know if anyone else has questions for the panel.

**Eudaly:** I was just going to say if that was a resolution, I'd second it. I appreciate what commissioner Fish said it's a small pot of money to be spreading around with this but as we try to right some of the historic wrongs and create opportunities for an african-american community to come back to north-northeast Portland, I have to wonder what are they coming back to if there are no cultural hubs, if so many of the businesses are gone, the community centers are gone, the churches are folded so I think it's just an important start. Thank you.

**Wheeler:** Thank you for your testimony. Karla, is there any public testimony today?

**Moore-Love:** Yes, I have four people signed up.

**Wheeler:** Thank you state your name for the record please and the clock is a three-minute clock and about 30 seconds from the end, it makes a beeping noise and when it gets to the end, it just beeps.

\*\*\*\*\*: I will only take a minute.

**Wheeler:** State your name for the record, thank you. Welcome.

**Felecia Wells-Thomas:** My name is Felecia Wells-Thomas. Good afternoon, city council and mayor Ted wheeler.

**Wheeler:** Afternoon.

**Wells-Thomas:** I have already told you my name. I am a long-time community member here in north and northeast Portland. I am here to urge the council to take some time to get a better understanding of what the community would like to see. In my humble opinion, I do not agree and I am very offended that a statement was made that the community wanted to take the monies and put it in their pockets. That is just one of the statements that were made to represent the community, the african-american community. Should this initiative move forward, I personally do not want to be associated by actions that do not benefit the community, nor is it representative of the community.

**Wheeler:** Thank you, yes, sir?

**Bruce Chess:** Yes, sir, my name is Bruce chess and I represent fellow ground ministries. When commissioner Fish mentioned the fellow ground over in vanport area, I named my nonprofit organization fellow ground because there were so many homeless people that are good people but they have had a divorce, they have lost a job, they have gotten on drugs and so now to bring those people back, to me, is development. We talk about real estate and things but in reality, we can invest in people and I am here because for the last two years, I have been going around to missions, working and volunteering in missions, I have done all I can with what I have to work with. I do Portland rescue mission, the harbor on 102nd, northwest bible training center and through a local church, Emmanuel, I go out and I actually hand out the food and feed and that is really what I want to do, I want to help. The main thing is to keep the main thing, the main thing. So this is why helping is important. I came here today in hopes that there would be ability for me to develop a partnership where I can continue to work. I have short-term goals as well as long-term. I have been working over at Lewis and Clark with the football team so when I get ready to go clean up Mississippi street and paint all the tags and graffiti, I have some young, strong men that can do the work, can push a brush, shovel, do the things that need to be done to make a green investment in the community. So I am down to the end now. I am looking for funding; I will be quite honest. I saw \$2.5 million up there for nonprofits. I would like to be

January 25-26, 2017

able to be in the running to get something. I would like to also request, if there is anywhere I can speak to you mayor, one-on-one, can I get on your calendar, on your schedule? I would like to do so.

**Wheeler:** Very well, yes.

**Chess:** Thank you so much because I want to help.

**Wheeler:** Kristin Dennis, raise your hand right there? She will take your information and get it done.

**Chess:** Than you sir -- thank you sir and be sure that in many cases, people are helping behind the scenes. I may be handing out lunches but there is a partner in the background helping me to be able to stand out there and do that. My thing now is I am retired, an i.t. Manager from an electronics company, now I want to give back and the quickest thing to do is to feed someone to make them healthy so thank you for your time.

**Wheeler:** I look forward to talking with you and appreciate the work you are doing. Yes, sir.

**James Faison:** Good afternoon, my name is James Faison and I have a construction company in town that does commercial concrete and small general contractor. I want to piggyback on trying to find ways on the best way for the money to be issued and I think the best way for that money to be used is to create an incubator to house some contractors, small contractors and to have not just office space but storage space so the monies being paid in, as incubator as they pay their own fees, that that can be developed into something more for the community. I stand on the street corner every Sunday from two to four passing out flyers to kids and telling them about the opportunity to have an apprenticeship, that they don't have to fight and be around kids doing the wrong things, that they have alternatives. Most of the kids have no idea that there is opportunity out there so how do we get this information out to kids? I think if we had something like an incubator that people will buy into and have ownership into it, buy the space and pay money back to the city and the money comes in and goes back out in other ways, it is not just money that you are giving go away, it is putting something back into the community. But you might as well face it, \$30 million is not a lot of money and it is not going to -- you know once it is gone, it is gone. This is a way that money can keep on working for the community and north-northeast Portland, the truth of the matter is that property is too high. That is why everybody is moving to Gresham. So how do you correct that, fix something on the short-term to help correct that? That is giving people jobs and giving them work and as -- small minority contracts, we can do that.

**Wheeler:** Thank you sir.

**Moore-Love:** Last two signed up are James Posey and Sheila Holden.

**Wheeler:** Good afternoon.

**Sheila Holden:** Good afternoon. My name is Sheila Holden, manager for pacific power and a resident of north-northeast Portland and the co-chair for urban renewal advisory committee and wanted to come -- and also sat on the initiative committee as well, northeast initiative. I want to say something that I think is important that has already been mentioned. \$32 million is not a lot of money especially for the need in the community and although we had the whole tiff funding stream at our disposal, we also had some high priority projects for the public good that kept getting borrowed out of the tiff so we could do the bike rail, do the hope six project, so those things took funding out of the stream so we wouldn't do some of the economic development pieces. And the piece, mayor, that was missing sometimes, quite often, was the enlightened public partnership where we were able to say, let's use some cbg money where we can't use tiff money to provide the kind of assistance that property owners -- because there was a time in the early 2000's that we had still a large number of black homeowners. They were elderly homeowners. We had a large number of blacks who owned property in the area, in the commercial area, even

January 25-26, 2017

along the Vancouver/Williams corridor. But we weren't able to put in place the kind of support that they needed and other dollars from other sources that could help them to develop those properties, being commercial, stay in the running long enough to find a partner to help them develop it or like with property where you were talking, commissioner, they didn't understand the value of what they had and didn't realize that with some paint, a new roof, a house that they may be selling to someone for maybe 150k is really worth 400 or 500k and that is the wealth that we talk about in those families. And the last piece was we didn't tie in the job component strong enough because even if you have the property, if you don't have a job, it will be hard to keep the property. So those were things that I am hoping that somehow through the process we cannot only take and see what is put together in this plan but how we can bring together other pieces that the city has for funding to turn this into a project that has a chance of success all the way around.

**Wheeler:** Excellent comments, thank you and if you have specific ideas, I want to hear those, too, offline but I think that is a good call to action for the pdc director and others here. Yes, sir, looks like you get the last word.

**Fish:** Thank you james, we have run out of time -- [laughter]

**James Posey:** Yeah, right: [laughter]

**Fish:** No we appreciate you being here. Submit your comments in writing and we will get back to you -- [laughter]

**James Posey:** Well, thank you very much, commissioner, fish, I appreciate your acknowledgement and there is a real challenge in discussing this issue with me because really it is close to my heart and, you know, all the comments therapy made about the small amount of money and so on and et cetera, it is really frustrating to me because you know it is nice for pdc to acknowledge they have done some things wrong, invested wrong, spent money the wrong way, it is nice to have all of those confessions and acknowledgements but at the end of the day, we're still in bad shape and this plan does very little to correct that. You commented about the small amount of money and the jostling between this money and that money. We are not going to get there with this money and you all know it and the community is really insulted by the context of putting out this small amount of money and talking about all these goals and so forth. It is really an insult for people to talk about not understanding the difference between a grant and a loan, we're insulted by that. We know the difference between a grant and a loan and need a hell of a lot of them both in big ways. In fact, I want to suggest to you, we really need a marshal plan for northeast Portland. I will say that again, a marshal plan for northeast Portland. The people who have been run out of that community are really -- I just don't know how to tell you how insulting it is to go back years and years where you talk about putting a little money over here for housing and talking about jobs versus housing, we need them both, we need them all at once and we need them now so to put people on these committees, many of the people you have on these committees are part of the problem. They have been making these suggestions for years but can't move them across the line so we need to do some things different. Here is the thing I want you all to think about. I want you to -- to think about. Has anyone showed you a plan that compares to this plan that relates to other work across the country? Is there any analysis of what this will do ten years out and what the metrics are in terms of recreating wealth in this community based upon what people proposed? You know, you got a planning commission. None of you would put your future in a plan like this that doesn't recreate wealth in a significant way and I suggest to you all this -- take a little time, take a step back and really ask yourself were you applying your best energy, your best intellect in how we make this community whole? And I think you will tell yourself we can do better, much better.

January 25-26, 2017

**Fish:** May I ask you one question? We always appreciate when you come. You talk separate to us about what you think and I always appreciate that. I am looking at the report and who are the committee members and who was the staff. Did you have a chance as this plan was being developed by the community to present your views to the committee?

**Posey:** Actually, you know, I wrote a letter as the vice-president of the naacp --

**Fish:** A little closer if you can --

**Posey:** A I wrote a letter as the vice-president of naacp to Kimberly and the staff and I had a personal meeting with these folks. They talked nice to me, they -- you know, I explained what was going on, Joanne was in the meeting, if you want to confirm that, we gave them our ideas in writing and you know, that is an issue. I know Kimberly is new, trying to do the best she can and she has a new director but the truth of the matter is the community is not getting the sort of updates that I think we ought to have about the progression of this plan and how it is going to be implemented and the fact that I am just going to be honest with you, I didn't know anything about this meeting today. I should have been notified that we were going to have a meeting today and I would have come in support. I would have liked to have dialogue with Kimberly and her staff. No, didn't happen. Many people who are part of the communication process didn't even know about this meeting.

**Fish:** Thank you, sir.

**Posey:** Okay, one final thing? You have to get these people not to act like Donald trump when they say stuff. What I mean by that, early on, in this plan, we talked specifically about this project being directed to African Americans. Almost exclusively about African-Americans but somehow it has morphed into minorities. They need to tell the truth. If the plan was designed for African-Americans, they need to take the political hit for that and do what is commensurate with local needs, the money and the resources and stop playing politics.

**Wheeler:** Thank you, sir, thank you. Anybody else who wanted to testify? Any further board discussion -- I'm sorry, there I go again, commissioners. Any further council discussion?

**Fritz:** I would like to ask our presenters from the Portland development commission to comment on the testimony we have heard.

**Branam:** Thank you for the opportunity. So you know there is a -- I guess I would like to start by saying that the \$32 million is insufficient and it is a number that we, you know, know will have the impact we have identified but it will not undo the damage that has been done to the community and so that criticism is well-founded.

**Fish:** Can I make just one comment? I feel like I started this ball rolling and the intent of my question earlier was to say whatever the amount of money, was there consideration about investing it all in one priority to maximize the impact versus another and \$32 million in the relative scale of things is a modest amount of money to drive economic development in a huge quadrant of our city. I did not mean to disparage the amount. My own question was, because I have been through this committee process lots of times, was just to understand the dynamic at the table, to better understand the different competing proposals that were on the table and typically in these kinds of processes, there is one group that says let's put it all in one place where we can have the bigger impact versus the smaller and I sincerely did not mean to disparage the \$32 million.

**Wheeler:** Well, Mr. Posey's comment, he came to you are a pdc board as well and I made the comment that we have hundreds of millions of dollars over the next five years, \$400 million or so-and-so I think even within that context, perhaps it doesn't feel like it is a significant investment. So I think what I would say is that this is a desire to make investments that will matter within the interstate urban renewal area. We anticipate that the community will hold us accountable and that we will be asked to come back and report on



January 25-26, 2017

what happened and didn't happen but we also will be using a lens of supporting widely-shared process to support the african-american community and communities of color throughout all of our investments so we hope to have a robust conversation about what we're doing at the post office site and the odot block and that will be how you drive shared prosperity. This is not the only investment. We felt it was really clear to share that the benefit needed to support the african-american community and other folks who had been displaced or negatively impacted by the urban renewal area but it is within a broader context and so we recognize that.

**Wheeler:** Any further questions? Council comments? Please call the roll.

**Fritz:** Well it was disappointing to me that none of the people who were yelling at us yesterday for doing nothing about housing and homelessness are not here particularly to here that 32 million is not a lot of money, it's a the \$146.7 million over the next four years under mayor hales, I think we invested \$575 million into housing issues and yes there is way more need than there is funding for it. One of my favorite parables is a child walking along the beach and this star fish stranded by the tide and a person comes along and says why are you doing that, taking the starfish and tossing them back in the ocean. The grown-up says why are you doing that, it doesn't make any difference and the child says well, it makes a difference to this one, tosses it in, and keeps doing that. Yes this isn't going to fix it for everybody, but for those people that get this, it does make a difference and I appreciate the work of the committee and like we've heard with the neighborhood associations and the community and I am glad that they agree with each other and that is a good thing and we do want to have some back and forth and continue to press each other, encourage each other to do more things so I appreciate the testimony today, the work of the committee and the work of the Portland development commission which, I think ten years ago, the Portland development commission was not thinking along the lines that you have been in terms of how we're going to make this just and equitable and do the best we can and the preference policy we worked on which is legal and we invite people to participate. It is better than what was done before and only time will tell if it is enough to do that major shift so that there are healthy jobs and businesses for the African American community and especially north-northeast Portland so thank you for your work. Aye.

**Fish:** So I want to thank you for bringing this forward. I think I have a healthy understanding of some of the problems that brought us to this day. Someone said something about overpromising and under delivering. That is a euphemism and the truth is that this was once the largest urban renewal district and promises were made in documents that were adopted by this body and I think we're often very quick to shift the blame to pdc and she was nodding but it was this body that adopted the plans that had very ambitious goals and what changed was the decision to invest in light rail and the decision to invest in hope six and other things which drained the funding and diverted it to other things and then recently because of a housing emergency, we took more money out of economic development which is why when these big complex plans come to council now, I look at them with a skeptical eye because I think the biggest mistake we can make is to continue the practice of under promising and over delivering and I think everybody in the city bears some responsibility for this but I think sometimes the council is quick to shift the blame to pdc but I am reminded that this council adopts plans and then directs people to do things. The thing that I hear the most from people, particular particularly struggling entrepreneurs is access to capital and not being shut out of low cost capital to build their business and I think as you have refocused the priorities of pdc on wealth creation, on jobs and on equity and frankly somewhat away from place making, I would like to see us get as creative as possible about loan products shut out the door from traditional lending. Because beyond their ability to finance a dream, that is where we can come in, to provide

January 25-26, 2017

low-cost loans and take some chances on people that want to bring some prosperity to our community. You had a committee and it is made up of about 10 or 12 people and I am guessing you had about 15 points of view in that committee so how do you reconcile it? And you have done, I think, a good job. Frankly, if I was on this committee I would have a different view than some of the people on this committee but that is not what the question is today. We are here to affirm that this is what we would like to invest this money in. I take very seriously from this testimony that this is a floor and not a ceiling and to the extent that the mayor can knit together partnership from other funding sources and maximize the partnerships, we ought to do that and I want to say from a standpoint of capital, the hub process is captivating and it can enhance job as well as a sense of place and help resolve long-standing issues of history, not resolve but begin to heal and I hope that is part of the conversation. I want to thank everybody listed on the report who spent all their time helping to shape this, staff and bureau partner and I am pleased to vote aye.

**Eudaly:** I have lived in Portland central city for 30 years and have been politically active all of that time and I have never heard the wrong said here by the african-american community so while I agree that this won't undo those wrongs, it is money we have left and hope it will go in the direction to continue aye.

**Wheeler:** I see this as a great community effort and I want to thank the folks at pdc, you in particular, members of the committee, some of whom are here and yes, I want to thank people who testified today who complete disagree yet gave us other good ideas. I don't see this is a -- we're discussing the last \$32 million as though this is some sort of a completion or final act. I actually think this is really the first enlightened dollars going into this district in a significant way and frankly, Kimberly, I want to acknowledge what you said and how you said it. This is probably the first time we have had a Portland development commission director sit in the chamber and, you know, acknowledge proactively that we have a racist past that the largest contributor to wealth generation in this country is housing and in this community, we actually prevented african-american families from gaining access to that housing and therefore, the wealth that it would have generated generation after generation. So I have got to say, I see this as a very hopeful beginning. Mr. Posey used the term marshal plan for northeast Portland and I think that is a great way to look at it because it really -- you know, I am sitting here, writing notes, getting my juices going, somebody mentioned access to capital and commissioner Fish mentioned a couple of things. There are things we can start pulling together. I am thinking about the role I just left as state treasurer and frankly haven't had the chance to think about it in six weeks but a lot of the work that we did with our colleagues and the state legislature was access to capital and how to get it to the Oregon growth board and get it into funds like the inclusive startup fund. And I am thinking of how that can align with the prosperity initiative and some of the work you're doing at the development commission, looking elsewhere at housing and transportation, infrastructure funding, there is a lot of things we can bring together so I see this as a hopeful beginning and appreciative of all the work that went into this. You know, I didn't have to do anything except show up today and talk about it and vote for it but I want to reflect the work that you did and so by voting aye today, I am paying it forward and saying I will commit to making sure that this snowballs and that we build this into something bigger and better and serve as an example. And I know you have talked about it in this way, madam director, as an example to the rest of the country, that the ills that were associated with racism and the gentrification of the african-american community, there is a way we can come back from that as a community and we will be the first to show it can be done right so I am very delighted to vote aye and with that, the resolution is adopted. Thank you. And we're adjourned.

January 25-26, 2017

**At 3:21 p.m. Council adjourned.**