



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **5TH DAY OF APRIL, 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 John Paolazzi, Sergeants at Arms.

Item Nos. 319, 320, 321, 324 were pulled for discussion and on a Y-5 roll call, the balance of the Consent Agenda was adopted.

Council Chambers in City Hall was updated with new audio technology March 1-April 14. City Council meetings were held in the Portland Building Auditorium on the 2nd floor while the changes were made.

COMMUNICATIONS		Disposition:
313	Request of Charles Ormsby to address Council regarding Bureau of Environmental Services Terwilliger Blvd sewer and Tryon Creek treatment plan projects (Communication)	PLACED ON FILE
314	Request of Danny Robbins to address Council regarding Portland divestment from Dakota Access Pipeline (Communication)	PLACED ON FILE
315	Request of Shedrick J. Wilkins to address Council regarding Willamette River cleanup, Columbia radon (Communication)	PLACED ON FILE
316	Request of Robert McCullough to address Council regarding City revenue enhancements (Communication)	PLACED ON FILE
317	Request of Sarah Hobbs to address Council regarding Mayor as Police Commissioner (Communication)	PLACED ON FILE
CONSENT AGENDA – NO DISCUSSION		
Mayor Ted Wheeler		

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318	Reappoint Jeff Bachrach, Michelle Rudd, Katherine Schultz, Chris Smith, and Mike Houck to the Planning and Sustainability Commission for terms to expire May 31, 2021; and extend the terms for Gary Oxman and Margaret Tallmadge to expire on May 31, 2017 (Report)	CONTINUED TO APRIL 12, 2017 AT 9:30 AM
319	Appoint Stephen Green, Jes Larson, Susan Emmons, Todd Struble, and Allen Lazo to the Portland Housing Bureau's Bond Oversight Committee for terms to expire March 1, 2022 (Previous Agenda 297) Motion to accept report: Moved by Fish and seconded by Fritz. (Y-5)	CONFIRMED
Bureau of Planning & Sustainability		
*320	Accept an Intergovernmental Agreement in the amount of \$100,000 from Metro to develop the Southwest Corridor Equitable Housing Strategy and authorize the Director of the Bureau of Planning and Sustainability to execute grant agreements with nonprofit organizations (Ordinance) (Y-5)	188301
Office of Management and Finance		
321	Extend term of franchise granted to MCI Communications Services, Inc. to build and operate telecommunications facilities within City streets (Ordinance; amend Ordinance No 170954)	PASSED TO SECOND READING APRIL 12, 2017 AT 9:30 AM
322	Grant a franchise to Level 3 Communications, LLC, for telecommunications services for a period of 10 years (Second Reading Agenda 298) (Y-5)	188298
Portland Housing Bureau		
*323	Amend contract with Income Property Management Company for operational expenses of the Joyce Hotel not to exceed \$100,000 for a total value of \$190,000 (Previous Agenda 299; amend Contract No. 30005526) (Y-5)	188299
Commissioner Dan Saltzman		
Bureau of Transportation		
*324	Amend Intergovernmental Agreement with Oregon Department of Transportation for design of the Burgard/Lombard at North Time Oil Road project (Previous Agenda 300; amend Contract No. 30003916) (Y-5)	188302
Fire & Police Disability & Retirement		
*325	Extend contract with Milliman, Inc. for four years for actuarial services and increase by \$325,000 for a not-to-exceed total of \$575,000 (Ordinance; amend Contract No. 30003232) (Y-5)	188300
REGULAR AGENDA		

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<p>Mayor Ted Wheeler Office of Management and Finance</p>		
<p>*326</p>	<p>Authorize a contract with the lowest responsible bidder for Elevator Modernization of two Smart Park Garages for an estimated \$1,676,325 (Ordinance)</p>	<p>CONTINUED TO APRIL 12, 2017 AT 9:30 AM</p>
<p>*327</p>	<p>Authorize an agreement with LMK Enterprises to provide inversion built trenchless sewer repair liner system for five-years not-to-exceed \$5,000,000 (Ordinance) (Y-5)</p>	<p>188303</p>
<p>*328</p>	<p>Extend contract with Environmental Systems Research Institute, Inc. for Graphic Information System Software for three years and increase by \$1,310,000 for a not-to-exceed total of \$2,424,000 (Ordinance; amend Contract No. 30004099) (Y-5)</p>	<p>188304</p>
<p>*329</p>	<p>Amend contract with US Bank/Elavon to provide merchant bankcard services for an additional one-year period and at an estimated amount of \$8,800,000 (Ordinance; amend Contract No. 30003476) 10 minutes requested (Y-5)</p>	<p>188305</p>
<p>*330</p>	<p>Authorize a competitive solicitation for Merchant Services for a 5-year contract period at an estimated cost of \$25,000,000 (Ordinance) 10 minutes requested (Y-5)</p>	<p>188306</p>
<p>*331</p>	<p>Authorize a competitive solicitation process to furnish fuel for City authorized vehicles and equipment for an estimated \$6,500,000 per year (Previous Agenda 304) (Y-5)</p>	<p>188307</p>
<p>*332</p>	<p>Authorize a contract with Willis of Oregon, Inc. for insurance broker/agent of record services for a total not-to-exceed amount of \$555,917 (Previous Agenda 305) (Y-5)</p>	<p>188308</p>
<p>Commissioner Nick Fish Water Bureau</p>		
<p>333</p>	<p>Authorize a contract with Cornforth Consultants Inc. in the amount of \$139,776 for the Federal Energy Regulatory Commission Part 12 Dam Safety Report for Portland Hydropower Project 1 and Project 2 (Ordinance) 10 minutes requested</p>	<p>PASSED TO SECOND READING APRIL 12, 2017 AT 9:30 AM</p>
<p>Bureau of Environmental Services</p>		
<p>334</p>	<p>Authorize a competitive solicitation and contract with the lowest responsible bidder and provide payment for construction of the Beaverton-Hillsdale Hwy – Phase 1 Drainage Retrofits for Water Quality Project No. E08675 for an estimated cost of \$787,000 (Second Reading Agenda 308) (Y-5)</p>	<p>188309</p>

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Commissioner Dan Saltzman Bureau of Transportation		
335	Approve an agreement with Christopher D. Duffin and Elizabeth C. Staver in the amount of \$75,975 to construct sidewalk improvements to the north side of SE Henderson St from 300 feet east of SE 78th Ave to 545 feet west of SE 82nd Ave (Ordinance)	PASSED TO SECOND READING APRIL 12, 2017 AT 9:30 AM
336	Authorize the Bureau of Transportation to acquire certain permanent and temporary rights necessary for construction of the NE 47th Avenue Phase I LID project, through the exercise of the City's Eminent Domain Authority (Ordinance; C-10052)	PASSED TO SECOND READING APRIL 12, 2017 AT 9:30 AM
Commissioner Amanda Fritz Portland Parks & Recreation		
*337	Authorize a competitive solicitation per City Code 5.34.880 for an Energy Savings Performance Contract for existing buildings and structures owned and managed by Portland Parks and Recreation (Ordinance) 10 minutes requested (Y-5)	188310
*338	Increase contract with The Active Network, Inc. by \$1,300,000 for a not-to-exceed total of \$3,250,000 to provide software and online services to support class registrations, programs, and facility reservation payments (Previous Agenda 306; amend Contract No. 30000729) 10 minutes requested (Y-5)	188311
*339	Amend City Code to provide for towing of abandoned or derelict vessels from parks and municipal docks, subject to appeal to the Code Hearings Officer (Previous Agenda 307; amend Code Section 19.16.060) 15 minutes requested (Y-4; Eudaly absent)	188312

At 12:27 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND,
OREGON WAS HELD THIS 5TH DAY OF APRIL, 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; Heidi
Brown, Deputy City Attorney and Elia Saolele and John Paolazzi, Sergeants at
Arms.

340 **TIME CERTAIN: 2:00 PM** – Adopt City of Portland Investment
Policy (Previous Agenda 312; Resolution introduced by Mayor
Wheeler) 2 hours requested

1. **Motion to amend Section III (F) add Nestle to the Do Not Buy list as recommended by the Socially Responsible Investment Committee in their September 20, 2016 report:** Moved by Eudaly.
2. **Motion to amend Section III (F) by adding Caterpillar to the Do Not Buy list as recommended by the Socially Responsible Investment Committee in their September 20, 2016 report:** Moved by Eudaly.
3. **Motion to amend Section III (F) by adding Bank of New York Mellon to the Do Not Buy list as recommended by the Socially Responsible Investment Committee in their September 20, 2016 report:** Moved by Eudaly.
4. **Motion to amend Section III (F) by reinstating the language “From time to time City Council may approve the addition of specific company names to its Do-Not-Buy list, at which point investment officers are not permitted to purchase securities of the companies that have been added; any existing positions of these companies need not be sold. From time to time City Council may approve the removal of specific company names from its Do-Not-Buy list, at which point investment officers are permitted to purchase securities issued by these companies”:** Moved by Eudaly.

After being seconded by Commissioner Fritz, the 4 motions made by
Commissioner Eudaly were not voted on, as they were subsumed by the
subsequent motion made by Commissioner Saltzman.

Motion to eliminate Sections III (F, G) investment in corporate securities:

Moved by Saltzman and seconded by Fritz.
(Y-3 Fish, Saltzman, Eudaly. N-2 Fritz, Wheeler.)

(Y-5)

37278
AS AMENDED

At 5:17 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.

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THURSDAY, 2:00 PM, APRIL 6, 2017

**DUE TO LACK OF AGENDA
THERE WAS NO THURSDAY AFTERNOON SESSION**

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.**

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Item 313.

Wheeler: Next item please.

Item 314.

Wheeler: Good morning and if you could just state your name for the record. When you have 30 seconds left—either mike is fine is the green light one- when you have 30 seconds left the yellow light goes on and when your times up the red light comes on. Thank you.

Danny Robbins: Mr. mayor I would like to use my time this morning to urge you to follow through on your promise to draft a plan for divestment from wells fargo following their continued support and funding for the Dakota access pipeline. Portlanders took your statement a month ago very seriously knowing your experience as treasurer it was clear that you understood the gravity and size of the task when you announced your intention to make moves towards divesting. Please don't let us down it is imperative now more than ever that we invest as a city according to the values of the people living here. I think its safe to say that the entire city is disgusted by the human rights abuses carried out in order to construct this pipeline and we want nothing to do with supporting it. Seattle carried out a successful resolution to divest their funds from wells fargo and so should we. There are other cities who have done this recently as well and Portland can help build the movement of cities budging to manage the money with consciousness. Divestment movements are hugely powerful there are more than a sum of their parts and have contributed to massive changes including dismantling of the apartheid system in south Africa. Without steps taken to recognize the harm our bad investments can create in the world we may be contributing to something that we as a city morally oppose, it is our city's values to protect natural resources. My father worked for the city for over 30 years as a natural resource manager protecting the bull run watershed. I grew up knowing that we as a city pride ourselves on the quality of our drinking water is then not hypocritical to be funding projects that endanger others, water supplies particularly those of native American communities. Later today you will hear a proposal by the city treasurer to bypass citizen input and oversight regarding our do not buy list this city's conscience cannot be outsourced to a standardized list it is obviously something that requires input from our citizens so please Mr. mayor listen to your constituents and take the promise that you made seriously. You said in your statement "I will share more information as I have it in the coming weeks" it has been five weeks and we haven't heard anything please give us a sign that this effort is moving forward mr. mayor thank you.

Wheeler: Thank you.

Robbins: Sorry. With my few extra seconds, the police crackdown in North Dakota bears resemblance of our own police force. Please address this problem seriously, mr. Mayor.

Wheeler: Thank you for your testimony. With regard to wells fargo, I want to be clear. I did not pledge to divest from wells fargo. What I pledged was we would take a look in light of what Seattle did. I want to be clear about what Seattle did and what Seattle did not do because they put out their press release. When you dig and see what they did, they would not purchase additional wells fargo bonds upon the retirement of the bonds they had. That

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is anywhere between now and 30 years depending upon what the duration of those bonds were and when they purchased them. They also said at the end of their banking contract with wells fargo, they would rfp the contract. The city of Portland has already done both of these things. The city of Portland already passed a resolution not invest in corporate bonds and that has been the policy of the treasurer for, I believe, about a year, if I remember correctly. And I've also made it clear we will also rfp the contract at the termination of the contract. Ours actually terminates this summer. We'll be doing that process a year ahead of the city of Seattle. So I appreciate what you are saying but very clear about what I did say versus what I did not say. I generally, as you know, do not support divestment as a policy tool and I'll explain that more this afternoon when we have that opportunity. Thank you. Next item, please.

Item 315.

Shedrick Wilkins: Good morning I'm Shedrick Wilkins and I have a science degree and I kind of want to look at things about the situation with radon in the Columbia river. There's a topic about Hanford nuclear reservation. Before 1943 that emitted radioactive materials in the Columbia river, was radon actually harmful to people? I went to the Kennedy thing at the historical society and went up to the fourth floor and asked them was there any myths about drinking Columbia river water and getting sick? And last month we dipped into the Columbia river exclusively. My comment is I don't like people mixing Hanford and stuff like that. You'd have to make an argument and people get sick from drinking water. Like in 1840 did the horse get sick and keel over for drinking the water? I don't like how people are using this as anarchy thing radon mixed with atomic energy type of stuff. I'd like to do some more research and if we continue to drink the water from the Columbia river, maybe that's not a bad thing.

Fish: Can I respond to that? A lot of mis-information is out there about radon. I think what you are referring to is Columbia south shore well water for a period of time we shifted to now back to bull run water. The water bureau prepared a comprehensive faq on this. The punch line is we are substantially below even the most conservative guidelines that the epa is thinking of establishing. We'll get you that information and if you have follow up questions we'll answer those as well.

Wilkins: I feel confident in what you are saying. I was sick in May 2014. I got urinary pains before the thing blew in 2014 and there was a rush to get bottled water. It affected me and now I heard we were getting close if we kept drinking the water people would again get sick from microbes in bull run.

Fish: Yeah, and I have to tell you we work closely with the health department and dr. Lewis. Our water is safe. We have the luxury of the two largest supplies of safe and clean water in the state. The bull run and the Columbia south shore well water. We test the water regularly. There is no radon problem with our well water. Anyway, I've had the scientists prepare a document. We'll get you a copy and answer any follow up questions you have.

Wilkins: The resource center, the women librarian said she knew of no instances where people felt they got sick from Columbia water before Hanford.

Wheeler: Appreciate it. Next item.

Item 316.

Wheeler: Good morning.

[inaudible].

Wheeler: I'm supposed to say no but the sentiment is well received. She really is the best council clerk in the world.

*****: I've offered to hire her several times.

Fish: Robert if you were to do that it would not help your cause when you come before council.

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Robert McCullough: Good morning. Thank you, mayor and commissioners. I'm going to take one second as chairman of southeast uplift. As you know for the last 30 years, we've worked on the southeast Portland community center. We sent you a brilliantly written letter written by Mary Ann. And asking one more time we reserve our options. For that, I'll take off my southeast Portland hat. Today I'm speaking for myself as an economist. I will be the most boring speaker you have today. City of Portland has three major revenue streams. Those revenue streams are property taxes, business taxes, and franchise fees. If you look at the chart that I provided that came from the city budget office, and I've checked it with the omf staff, we have not seen an increase in business license fees or franchise fees for the last five years. This is an example of us eating our own seed corn. I'm talking today to address budget issues having to do with tax collections. We have a number of manpower-related issues. Those, I believe, will be approved. We will not reduce the number of people collecting taxes. We also have two other issues that I'd like to spend my time on. First is the irs database. We do not know actually who owes the business tax fee. And when we go through collecting it, we have a huge number of participants here in Portland who are not paying. I periodically will review the new entries in the yellow pages and compare them against our business tax database. When I did that yesterday, two thirds of the new businesses advertising in the yellow pages were not in our business tax database. That doesn't mean they are cheating. It simply means we're not tracking down new businesses. And that's why we're not seeing our business license fees increase the way we should. The oms staff have wisely pursued the irs database. It is currently every year a general fund issue rather than a budget issue. It should be a budget issue. It's our only affective tool finding a new business. One of those moments I come to you with something that costs you no money will raise a lot of money but involves a focus on a fundamental issue. We have to collect the taxes that we have enacted. Finally, the its is only funded for two years. It's a three-year project. That makes it difficult to go ahead. Its is the database that collects all the data and enables us to collect the money owed to us. So the bottom line is we should stop eating our seed corn. We need to go ahead, collect the taxes and pay the people to do it, do it effectively. Thank you.

Wheeler: Can I ask a follow-up question? The manpower issues and I agree that will be resolved. The second issue is the irs database and making that a budget commitment. Is the its separate from that database?

McCullough: Yes.

Wheeler: Could you explain that for a moment?

McCullough: Yes. The irs database itself is a special database subject to enormous legal requirements. It is difficult to work with and it costs us money. For the last few years. We have paid for it on a year by year basis. But the key is to integrated into our tax collection system. The its is the tax collection system. Simply put, we started out being a small town named the clearing. We are now one of the major cities in the U.S. We are complicated, diversified. A lot of new businesses and a lot of new people. We need to collect the taxes they owe. Its is funded for two years at the moment. Unfortunately, it's a three-year project. As anyone who has administered a complicated project like this and I know you all have. The fact is you can't hire the right guy for two years for a three-year project. You end up with a mismatch between staff and expertise and deliveries. The end of it is you make mistakes and cost overruns, et cetera. You need to tie that whole project together and get it done.

Fish: Thank you. Can I follow up with a question?

Wheeler: You bet.

Fish: Another area where we're having challenges, as you know, is collecting existing taxes from new participants in the sharing economy. And that's in part because they are

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claiming exclusions or exemptions under federal law. And interpretations of applicable law. We don't have the time today to go into it. But it is an area where there is money to be collected. And there are people who are getting a free ride at the expense of other responsible businesses. At some point I'd welcome your thoughts on how we can be doing a better job collecting those taxes.

McCullough: Thank you for raising it and I'll put back on my south east uplift hat. South east uplift is addressed to you on these issues before. Bottom line is when we have an uber driver displaces taxi driver and doesn't pay the appropriate tax, the city loses. There's nothing complicated about that. It's within the rights of uber to compete with a taxi company but we need to collect those dollars. Southeast uplift is worried about Airbnb. They have not gotten the licenses they committed to get. Now, southeast uplift is not immediately worried about the tax implications, though, I am. We're very worried about the safety implications. That registration fee covers a fire inspection. That is critical. The most honest diligent homeowner is not a fire safety expert. That's what the fire department and bds does. So the last time I checked on our data at south est uplift, the vast majority of the Airbnb sites had not been inspected and not showing serial numbers as promised. And they are not safe until an expert goes and does that review. And those are the people that we represent. And I don't want to see anyone lose their life because they didn't understand the safety rules. So, yes, I would be happy to work with you on this. This is a very important issue. The fact of the matter is this is one of the reasons why the church you have in front of you is showing no increase. We should be collecting franchise fees. We should be collecting business license fees and we aren't. And it's not the staff's fault. Staff is underfunded and overworked. They are making progress on the database. But this is not small town stuff. We are a big city and we have to approach it in a big city way.

Fritz: Thank you. I have a follow up. I'm wondering if the issue of new business is not showing tax payments could be due to there's a threshold when you have to register for license and then the owner exemption which is over \$100,000. Could that, perhaps, explain new businesses not showing up?

McCullough: Absolutely. There are a dozen different ways you would not file in the appropriate way. And you underscore the manpower problem. So it's easy enough for me to have one of my staffers do an internet scrape to compare your database and the yellow page database that's the easy part of the job. The hard part of the job is that you take the first name that fails the test. Then go to the irs database to find out if they are making money. Maybe it's just a mistake. So that's where we're falling down we just have not had the bodies to do that. And I want to make clear that I've been on the omf advisory committee for years. It's a very useful area to learn about the city. And I want you to know this is not a problem of laziness. We've grown too fast and we have not allocated the resources to collect the taxes we've already enacted. So the end of the day here I'm not proposing costing you any more money. But I am proposing we collect more money on the taxes we've already enacted. So I may be the most boring speaker you have today, but, in fact, this is almost the easiest decision to make.

Wheeler: That's great. Thank you, sir. Appreciate your testimony. Next item, please.

Item 317.

Wheeler: That's fine. Thank you. Good morning.

Sarah Hobbs: For the record, my name is Sarah Hobbs. In the 1966 interview with mike Wallace, reverend martin luther king stated I think we have to see the riot is the language of the unheard. I paraphrase this to say I think we have to see disruption of the language of the unheard at city hall. I went through all the proper channels to meet with you and over a month later I have not been contacted by anyone in your office. It was not until I came in to chambers and started yelling that I was heard then it was not by you but by

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commissioner fish. To act like we activists of the problem -- you are the mayor of not just the largest city in Multnomah county but the entire state of Oregon you have the power to pick up the phone and ask questions of the district attorney or the medical examiner. What I do not see you having is the will to do so. You looked right at me as I told you about the need to tell people what due process is when it comes to police shootings and I had not even gotten up from the table. But once again I saw you going off on someone asking questions. I had to yell at you to tell her process before you even responded.

Commissioner Fish asked I give you the benefit of the doubt. I will do so when I see positive changes coming from you. Not before.

Wheeler: Thank you. Ms. Hobbs, I am happy to meet with you. I apologize if there's been a delay in getting back to you. I will be happy to meet with you.

Hobbs: I would rather sit here face-to-face and talk one on one than be in here yelling those no need for a long time and it was commissioner Fritz and Saltzman and he was startled to see me yelling in here. He knows the lengths I will go to always have professionalism. That should be a big selling as how extremely frustrated. So please don't discredit people like Teressa or others who are in here yelling. Make good faith attempts to reach out. I can't speak for the others here today. Only speaking for myself. Commissioner Fish, with extreme frustration I have to be feeling for the first time in three and-a-half years.

Wheeler: Understood. Thank you. I appreciate it. We will go to the consent agenda at this point.

Fish: Mayor?

Wheeler: Yes.

Fish: Would you consider pulling 319 so we can take it first on the regular.

Wheeler: I'd be happy to pull 319. I can do that. That's not a problem. Are there any other items that have been pulled?

Moore-Love: Yes. We have 318. We already had a request for 319. 320, 321 and 324. 318, 319, 320, 321 and 324.

Wheeler: Okay. Very good. Could you please call the roll on the remainder of the consent agenda?

Fish: Aye **Saltzman:** Aye **Eudaly:** Aye **Fritz:** Aye **Wheeler:** Aye

Wheeler: The consent agenda is adopted. And with that, we will move at the request of commissioner Fish to 319 first and then take up the rest of the consent agenda move today regular.

Item 319.

Wheeler: Director Creager good morning.

Kurt Creager, Director, Portland Housing Bureau: Good morning. Kurt Creager director of housing. First, I want to thank you all individually for appointing members to this very important general obligation bond oversight committee. Having been the largest voter approve capitol bond campaign, this is a momentous time. And the bureau is assembling the charter and the bylaws for the operation of this group as we speak. You had a study session yesterday about roles and responsibilities this is a clear mandate. Five-year term renewable. The charter will be based on the bond language itself. But since the bond language was word limited, it's kind of sketchy. The voters approved a statement that said there would be oversight and annual audits. So this group will have fiduciary responsibility to you mayor and city council. They will function as public officials and therefore they may not have appearance of fairness conflict of interest or appearance of impropriety. So they can't be doing business with the city of Portland housing bureau through other means or regular business. Because of that narrow role and responsibility, we have a larger group that will be reporting to me. It's on 15 to 20 people who represent various interest groups. Oregon opportunity network. The east Portland action plan. Low income housing

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developers both public and private. And they do have conflicts of interest. They do business with the city of Portland. But they will not be acting in an official capacity. They will be recommending policies and program to the bond oversight committee. The output of this committee will be a framework plan which will come back to you as city council. I feel strongly about this because the voter approved ballot measures says there will be audits well a performance audit needs a standard by which to measure. An auditor needs some plan to gauge whether or not the proposal has been successful. So the framework plan that comes back to you will be the guiding standards by which the auditor can review the performance of the group. Be happy to answer any questions that you might have.

Fish: Can I have a colloquy with the commissioner in charge?

Wheeler: You may.

Fish: I'm excited to vote to empanel this oversight committee and I'm thrilled with the nominations from each of my colleagues. In light of our work session yesterday, can I confirm with the mayor two things? One that Judy prosper or someone in her office will provide the training on roles and responsibilities and legal duties arising under the yellow book? And second that Judy prosper and the legal department will review any proposed by laws to ensure they are in conformity with the baseline standards that we discussed yesterday.

Wheeler: Yes, commissioner. We discussed this yesterday based on the work session that we had had with the counselor prosper I believe two days ago. And we agreed that would be a smart thing to do. So we're looking forward to using this as a trial run for some of that oversight.

Fish: Thank you very much.

Wheeler: Any further discussion? Any public testimony on this item?

Moore-Love: Mr. Lightning would like to speak to this.

Wheeler: Good morning.

Lightning: Good morning. My name is lightning. I represent lightning super watch dog. One of the reasons why I pulled this off the consent agenda and put it on the regular agenda is, I feel that due to the open meetings law, you cannot pass this and approve this today. The reason being as the public, you are making a determination and I need to be able to make a reasonable determination from my position whether these people should be looking over a \$200 million plus dollar bond. Yet on the information you provided me, there's no bio. I don't know who these people are. And how you can make a reasonable decision and allow the public to be here and say yes or no without a bio on these people overlooking \$200 million plus is completely irresponsible again, to the public. You may had that information. The public does not. You have not provided enough information. I'm asking this to be pushed out another week to be put on the regular agenda. Also provide the proper information per open meeting's law and have the bios provided to the public to make a determination whether they want them to be overlooking 200 plus million dollars to be going toward housing in the city. Issue number two, you had these different committees being set up and other committees coming in being set up. They are all considered public officials. Again, if they are not passing policies, they are still public officials. So again, I want to have an understanding on that other committee that you want to set up. My understanding, you said 25 individuals. I'd like to see their names and I'd like to see all the bios on all those people to have an understanding on who you plan on having overlook one of the most important issues in this city. \$250 million plus bond toward affordable housing. Which, again, the city will own this inventory. Keep that clear. Again, no profits will be profiting per se real estate assets because of this bond. And I want to watch this very close on where you are putting this money and deciding to put this money and who is making that decision. You cannot pass this in my opinion today because you have lack of

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information on the whole process. Thank you.

Wheeler: My understanding is this is a first reading. So it will go to second reading.

Moore-Love: This is a report.

Wheeler: This is 319; correct? Okay. Sorry, it wasn't reflected. So we will be voting on it today. Good morning.

Joe Walsh: Good morning. My name is Joe Walsh. I represent individuals for justice. I would concur with just about everything Mr. Lightning said. There seems to be a problem with this council when outside organizations look at your transparency, you get an F. And one of the reasons you get an F is stuff like this. This was on consent agenda which means no discussion unless we pull it. And now we're having a discussion. It's called democracy. It's called shining the light on people that are going to serve on the committee that's going to recommend spending a lot of money for five years. And yet you wanted to put it underneath the table and that's what consent agenda is underneath the table. No discussion. Let's not talk about it. Well, the citizens of Portland have a right to know who is on these committees. They have a right to know who Joe Walsh is if I was on the committee. So I should come here and tell them who I am. If you are going to appoint the people, why don't you bring them here and say, you know, give us a little bit of a bio. We know you are good guys but how about telling the citizens? How we're putting you on these committees.

Consent agenda, we would know nothing. And you pay a price for that. You lose the trust for the people and the city. Once again, the auditor told you 80% of the people of the city do not feel like they have any influence on this council. 80% commissioners and mayor. If that was my report card, I'd be in my bedroom with a pillow over my head crying. That's what you should be doing. You should be opening this stuff up. If you can't get 15 year, get 10, get 5. Don't do it on the consent agenda because it aggravates everybody. Do you understand what I'm saying? So vote on it. But it's in the record we object to this. We will continue to object to it. We will continue to give you a hard time until you open this system up.

Wheeler: Thank you for your testimony. Good morning.

*******:** Good morning. You have to sign up.

Charles Bridge Crane Johnson: Good morning, commissioners. You are all well aware. I'm Charles Bridge Crane Johnson. It's interesting that the general sentiment of the two testifiers before is correct. When you go on the web site to find out who are the five Jane and Joe Smoes who will be supervising the \$250 million that's left after we spent the \$50 million to buy the other apartment complex, there's just, I think, if you all just search your hearts and professional standards, you'll realize maybe you could have done better. And then even when we go to the whole two pages of information that's electronically linked to the agenda, it doesn't seem the presenter was Kristin Dennis it was Kurt Creager. And if we wanted more information, we could have called extension 1126 and talked to Andrea Valderrama. I really think the city when it's putting \$200 million, finally, into finally helping the 60 units at the other apartments, we still got to help like 1200 families, 1200 units of housing that's left after we spent whatever it was on that apartment with the great grounds that's good for families. So I would encourage you to -- I don't know. We can't even sense the urgency of this because we don't really know what whoever they are -- it's not urgent for you to pass this today because really, the stakeholders -- we mentioned Oregon opportunity network and up to a stakeholder board. As I've come here over the past year, you've talked about formulating rules, guidelines for stakeholder groups. And if that's happened, I've missed it. I have no particular objection to the five nominees. I'm sure we can get an excellent result from them. In the last few months, a group of bond oversight board members complete their task. Couldn't have parks. But there's been good work in

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the past. I would encourage you to -- this is not an emergency. Can be set off. Maybe even sync it with the naming of the seat holders and for the love of everything good, lots of people who have lived experience in public housing. Not from reach but on the tenant side. Need to be part of the stakeholder groups. Thank you.

Wheeler: Thank you. Good morning.

Wayne Wignes: Good morning. I just made \$26 an hour for the first time in my life last week. Thank you Davis bacon act. It's the affordable housing going up down by first and arthur. I walk there and see a lot of people lounging around. And they walk with a different pep in their step. Kind of more commanding and stuff. They feel more important. They are on the government side. I don't know. It's all for what? The Davis bacon act which is going to pull a lot of money out of these bonds. All it did is created an rift in the construction industry where you have small time private contractors hustling like time is money and people who knew the right people and they managed to get in and they are making a ton just standing around. On the rental side of the market, for a number of reasons I've already presented to you guys, doing more of the same doesn't produce much of a change. And we're experiencing an epidemic. I work in these sites. I see what's going up. The way it contrasts what we're taking down is horrible. Any time you walk by an affordable housing unit, look at the plywood. 5 to 8% toxic glue. I was looking at an article the other night saying these are emitting aerosols at level not even the epa approves of. And we don't know how they are affecting us. As I posted on your Facebook last night, ted, Maura alsuboony the book is called the battle for home. She argued how infrastructure used to serve as a source of group for people in Syria and allowing that infrastructure to be torn apart. The people funding these things need to be thinking about things like this. There's a lot going on we're out of touch. I would like to have some say. But I show up to the jobs and see money going out the door. Thanks.

Wheeler: Thank you for your testimony. And congratulations.

Fish: I move the report.

Fritz: Second.

Wheeler: Any further discussion to the report?

Eudaly: I would like to ask the city attorney if we are in any kind of procedural violation in establishing this oversight?

Wheeler: I'd like to make the comment while the attorney thinks that through. First of all, if we have failed in any regard, we have failed to clarify what the oversight committees actually do. The committee we are nominating today -- and by the way, I've been transparent about my nominee. I mentioned him in my state of the city speech and issued a press release related to my nominee. He is well-known in that regard. But more importantly is the decision makers for the bonds are sitting right here in front of you. And those decisions will be made in an open and transparent way. This is a group that we appoint required by the terms supported by the public in this community. And we were asked through that bond measure to appoint people. And these are people who advise us. In addition, there will be a larger group that also works to advise the housing bureau on how bond funds should be spent. Those meetings will all be subject to public meeting law. I agree with the individual who said the people serving on the committees are public officials. They will be subject to open meeting laws and transparency. So there's nothing in this process that will be behind closed doors that people don't see at the end of the day and in an open city council meeting like this, we will make decisions about how to spend those dollars. So I actually feel comfortable but always happy to be backed by an attorney.

Ben Walters, deputy, City Attorney: To answer your question, commissioner Eudaly, the materials submitted meet the public meeting's requirements for providing notice to the public this is an item that would be discussed today. Additional information may have been

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provided but what has been provided meets the minimum legal standards.

Eudaly: Thank you. I'll take this opportunity to tell the audience that my appointee is Allen Lazo who is the executive director of the fair housing council and the fair housing council of Oregon is dedicated to eliminating housing discrimination. Mr. Johnson asked about, I guess, procedures around committees and boards. And you may not know commissioner Fish and I have begun this process of looking at 150 of our committees and boards. And setting up standard training procedures, making sure that any conflict of interest is divulged.

Johnson: Thank you.

Wheeler: Please call the roll.

Fish: Well, first, the reason we're acting today to establish a bond oversight committee is the voters of Portland approved a historic bond. And it happened under commissioner Dan Saltzman's watch as the housing commissioner. And thank you to Portland voters for digging deep to fund affordable housing. This is a stellar group of people we are appointing today. And just looking at the range of qualifications around business and equity, older adults, small business, east Portland, fair housing, advocacy and nuts and bolts in expertise and development. I think this is a first rate committee. And so I will simply say thank you to all of the individuals who have agreed to serve. And my nominee is Todd Struble who I think will bring a unique perspective both as a person of color, east Portland advocate, as someone helping to lead a new business district and who is passionate about addressing the affordable housing crisis. So thank you. I think this is a stellar group and proud to support them. Aye.

Saltzman: I too am proud to support this committee. My nominee is Jes Larson who is the executive director of the welcome home coalition. And Jes pretty much eats, lives and breathes this bond measure. She worked on it tirelessly to get it through our voters. And she has a very good grasp of how things work in the city. I do want to echo the lack of bios. We have a policy going back to mayor Adams tenure. Where all boards and commissions will reappoint people. Should be a bio attached. We need to get that back in place. I'm looking at these list of committee members and I look for the bio. So I think we can make that more of a routine. This is important trust to help guide this council. Aye.

Eudaly: I agree with the commissioner's sentiments. The city could and should be doing a much better job getting vital information out to the public and. Aye.

Fritz: My nominee is Susan Emmons. And a quick google search turns up first of all street routes article Susan Emmons and her beautiful career. And the first paragraph is Portland is losing one of its most treasured and unique assets. As executive director Susan Emmons retires from northwest pilot projects. Over her career of 31 years, she has provided the moral compass to keep the poor and elderly housed. Do a google search and read the entire article I'm proud to be nominating Susan. And the pick of Allen Lazo, who served as chair of the human rights commission as well as the other experience he has in his professional career. So I appreciate we're finding these wonderful people who are willing to serve for the entire five years and that will give continuity and make sure the committee sticks by in the previous versions. So thank you. Aye.

Wheeler: So I will agree with my colleagues that if it is a policy to put the bios out there, that's an easy thing to do. So let's agree we're going to do that. In the breath I will say that I didn't know all of these nominees and it took me a couple minutes to google. The names have been out there for at least three weeks. And I apologize if people felt like they could not gain access to that information. My nominee Steven Green is somebody who has been written about a lot. He is a member of the elevate capitol team it's a venture capital fund that is specifically designed by people of color for people of color to entrepreneurs gain interest in capital. Which is one of the biggest impediments to their ability to thrive

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economically as entrepreneurs in this community. He also is the founder of a number of different initiatives to help gain access to capital for minority entrepreneurs. Some of you may have read about pitch black was an effort for black entrepreneurs to get in front of successful black business leaders and business owners and operators and people with real access to capital to pitch their ideas. I picked him because he is a financial expert. And I believe it's important this council be advised by people who are financial experts. Excuse me, this is a disruption in violation of council policy. If you do it again, you will be asked to leave. Aye. So the report is accepted. We go back to 318.

Item 318.

Wheeler: I assume somebody pulled this and wants to have public testimony?

Moore-Love: Mr. Walsh pulled this one.

Walsh: Can you do a presentation on with what this is about?

Wheeler: I'm not prepared to give a presentation on this.

Walsh: Can we hold this over until next week until your prepared.

Fritz: If you want to say something, come to the microphone. Otherwise the captioner -- if you'd like to comment, please come to the microphone.

Walsh: I'm speaking to the mayor.

Fritz: The people at home that need to watch with captions cannot understand what you are saying. So if you can come to the microphone that way the captioners can show people at home who aren't able to hear.

Wheeler: Go ahead. Mr. Walsh, if you want to hear the testimony first, your pleasure.

Julie Ocken, Bureau of Planning and Sustainability: Mayor, council members, I'm Julie Ocken. The five members who we are reappointing to their second term are all members of the current commission as well as the two we are extending the terms. They have been exemplary. I have bios for them if you are interested. We are in the concluding bits of forwarding you the central city 2035 plan. So we would really like the current commission to be able to finish their work on that plan which is the extension of the two terms. These are mayor appointments and the five that we are asking for, their second four-year term to be acknowledged are the five other ones.

Wheeler: So I am thrilled with this group of people. Is there any urgency or hold this off while we put the bios online?

Ocken: I would say we do have a commission meeting next Tuesday.

Fish: Here's my understanding of the law. If they continue to serve, if they exceed their term, as long as the mayor allows them to continue to serve, they would continue to serve.

Wheeler: Why don't we hold it over for a week, put their bios on the web site. Where would they be?

Ocken: I will -- they are listed on the planning commission web site. So I can forward that link and have it as part of the council agenda next week.

Wheeler: That's great.

Fritz: So what you are saying is they are already up there?

Ocken: There are brief ones up there. We can put the full bios.

Wheeler: So everybody who wants to read them, read them this week. And we'll come back next week.

Walsh: Will you allow the public to speak on what they found out during the week?

Wheeler: Yeah. I don't see why not. There will be public testimony.

Walsh: And it will be under regular business?

Wheeler: That's correct.

Walsh: Cool. Sounds like a plan.

Wheeler: Sounds like we're all happy. Thank you. Next item please.

Item 320.

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Wheeler: So I'll tell you what I know about this. This is an iga that was previously agreed to with metro. This is \$100,000 allocation from metro to this project. We're approving it.

Saltzman: I can add detail to it. This is a very important effort associated with the future light rail line that is going to go in serve southwest Portland and points south and west of that. And I think this council agreed at a very early point we want to make sure we capture affordable housing opportunities before the land gets too pricey. So this is what these efforts are about. Working with metro, the city of Portland and others to really try to land bank future affordable housing options in southwest.

Wheeler: Public testimony?

Charles Johnson: Good morning. Charles bridge crane Johnson. Often, when you follow the link on these agenda numbers, they don't answer your questions. The short language in this lead or whatever you want to call it says authorizes bps to execute grant agreements with non-profit organizations. And I appreciate the mayor and Mr. Saltzman sharing this information. Is there already existing lists or is this a general authorization so you can do future rfps, rfqs?

Saltzman: I believe it's an effort to do an rfp and find out who the non-profits are. There's really not a lot of affordable housing nonprofits that operate in southwest. That's part of the issue is trying to find them.

Johnson: I appreciate the clarity that it's going to become a buzzword as we look at light rail moving into the area. Thank you very much.

Wheeler: Thank you. Any further public testimony? Any further board discussion? Please call the roll.

Fish: Aye **Saltzman:** Aye **Eudaly:** Aye **Fritz:** Aye **Wheeler:** Aye

Wheeler: The ordinance is adopted. Thank you. Next item please.

Item 321.

Wheeler: Do we have any staff to discuss this one? Let's hold this off to the end of the regular agenda. Next item please.

Item 324.

Wheeler: Do we have any staff here for 324? Yes? Come on down. Actually, this was pulled by a citizen. Let's hear the public testimony and find out what their questions are. That will help to direct -- either way.

Charles Johnson: Good morning, commissioners. Charles bridge crane Johnson. The particular concern here is probably stuff towards the future scoping that doesn't need to be in here. If the gentleman has any responses, citizens will love those. Citizens who live on odot property. Technically, that's illegal but know it has to happen. Just yesterday, main stream media said if you put big boulders under 205, people will still need a place to live. I didn't get a chance to google map where north time oil project is. I think the city in light of the housing emergency that was reaffirmed and extended under the mayor hales.

Whenever we engage with odot we need to look at the situation for individuals camping on or near that land. And decide what we can do or what the community can do if there are people that are going to be displaced. Can somebody help them move to a less illegal site? So -- we've tried to encourage pbot using no engagement with using county inmate work crews to drive homeless people to other places. Let the staff person speak if there's anything they know of any homeless camp situations here.

Wheeler: Fair question. Thank you.

Winston Sandino, Portland Bureau of Transportation: Good morning. I am Winston Sandino I'm project manager for this project. The project is going to build a left turn lane on time oil road. We're also building a multi-use path on one side of the road. And this is mostly industrial area. It's critical we pass this agenda item. We want to go to bid this summer and we have to do paving for the project. And if it gets delayed more, we might

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not be able to build the project until next year. The reason we delayed this project was that we were ready to go to bid in June, July, but we had right of way issues and we delayed it a couple more months. And September was the fiscal year where the feds closed for a couple months so we couldn't complete the project before the fiscal year and this is why we had to delay it. We would like to get it built this year.

Wheeler: Thank you. Thank you we appreciate it. Any further discussion? Please call the roll.

Fish: Aye **Saltzman:** Aye **Eudaly:** Aye **Fritz:** Aye **Wheeler:** Aye

Wheeler: The contract is approved. Next item sounds like we're going to regular agenda. **Item 326.**

Wheeler: Very good. And we have Christine Moody or Michael Jacobs here to discuss this. Let's hold off on this and come back to it. Next item, please.

Item 327.

Wheeler: Good morning.

Christine Moody, Procurement Services: Good morning, mayor.

Wheeler: We jumped over 326. We're on 327. Can you start with that? The lmk enterprises.

Moody: Yes, mayor. I'm here to testify for 327.

Wheeler: Very good. You weren't going to testify on 326?

Moody: I was not. I can figure that out after this.

Wheeler: Don't worry about it. We'll take care of it.

Moody: Okay. Christine moody. The bureau of environmental services is responsible for providing sewage and storm water collection and treatment services. 19 years ago the city began using trenchless sewer repair. Lmk enterprises provides specially designed and patented protected technology found to be a safe and efficient type of sewer repair system. As allowed for in city code, 5.33, the city may purchase goods directly from a manufacturer if the cost from the manufacture is the same or less than the cost the manufacture charges to distributors. Lmk is the only company that meets both of the required standards for the American society for testing and materials.

Lmk is the inventor, manufacturer and only distributor of this technology. You have before you a procurement report recommending the authorization of a five-year price agreement with lmk enterprises for not to exceed amount of \$5 million. Back over to council if you have any questions.

Wheeler: Any further questions? Any public testimony?

Moore-Love: 327, yes. Mimi German, lightning super watch dog and teressa raiford.

Teressa Raiford: For the record, my name is teressa raiford. And also for the record that last week, we went to the burial for Quanice Hayes after the burial we held a rally over at the justice center and proceeded to come over here. Quanices grandmother wanted to provide public testimony. And we were met with force after a demonstration that we're well-known for. I'm still on testimony and not breaking rules.

Wheeler: Please bring it back to the ordinance.

Raiford: Right. So in regards to the ordinance and the issues with trauma and my inability to focus, I would like to go ahead and give my time that I have left to silence, if you don't mind. Donna Hayes for the record. I'm sorry about your grandson and our community. I wish we could get this together. We needed this moment of silence. Thank you.

Wheeler: Thank you. Good morning.

Mimi German: Good morning. Mimi German. My testimony today is in the form of poetry. It is nonetheless my testimony for this. Snow. I took a shovel to the ice before the thaw would bring the rains, before the rains would bring the flood. Before the flood would raise the worms, before the worms could feed the birds. Before the birds could shit upon frozen

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people lying dead on the sidewalks of this city. Before we continue to give more money to elevators and sewer lines and anything else that doesn't have to do with the death of our people in our city, I suggest that we rethink our priorities and I have more time in my testimony. This is a poem. It's very difficult for me to read this but I'm going to. It's called daffodils. He was crawling on his hands and knees when they shot him in the head with a bullet from ak-14. They didn't tell us if they were crying or begging.

Wheeler: Is this related?

German: This is absolutely related. When I finish reading, you can figure out how it's related. They didn't tell us if he was crying or begging for his life. But they did tell us they laughed at him and called him nigger. Below a muddy hillside we placed daffodils on his grave. One of the things recognizing as a city and as the city council is to get rid of the things we can get rid of immediately. That is 11 racist cops now on leave. I suggest that we do that right away. That's my testimony today.

Wheeler: Good morning. Please keep testimony germane to the contract being discussed. Thank you.

Lightning: Lightning. I represent lightning super watch dog. I agree with the last two speakers on everything they have stated today. Total agreement. And the city does need to make changes and they will. Now, the item that was pulled today on the lmk enterprises on the liner within the pipe, one of the questions I have is that being the type of process that they are using with this liner and also with resins in various ways drilling into the ground to avoid building trenches, on this product is there a warranty on this product? What is the longevity of this type of product? I understand this is an order to purchase materials. I understand they are out of Ottawa Illinois at this time. But, again, my main concern by looking at the videos on how they installed this product is that we're dealing with a liner here. We're not actually dealing with a pipe itself. And, of course, that's going to be a concern to me on how this liner holds up against roots, shifting of the soil things like that over time. It's being held into the pipe with an resin. And I'm curious on how long this actually holds it into place. The warranties on that. I understand you've bought two different machines to install this liner, if I'm correct. I understand the machines will push that up to a distance of 50 feet. Again, if you have a 300-foot pipe, how do you install this liner up 300 feet? And, again, from what I've seen on the videos here is that when I think of sewage pipes and things of that nature, normally I think of a larger diameter pipe. And I'm just curious, what is the biggest diameter of pipe they can use with this type of liner system to be effective? And what has been tested to be a proven method? So, again, I'm worried about the warranty on this project. I understand they've challenged other companies trying to use their ideas. I want to have a warranty in place to make sure this is legitimate way of doing the piping system and infrastructure. Thank you.

Wheeler: Any more public testimony?

Moore-Love: That's all who signed up.

Wheeler: Any questions?

Fish: Just a comment, mayor. Lightning raised important questions. Since we have the benefit of 19 years of experience with this technology and doesn't go into effect for 30 days, we'll provide lightning with a written response. Both in terms of warranty, longevity, the resin and the diameter of the pipe. All great questions. We'll get you a written answer after the hearing. Thank you.

Wheeler: Any further board commentary. Call the roll.

Fish: Aye **Saltzman:** Aye **Eudaly:** Aye **Fritz:** Aye **Wheeler:** Aye

Wheeler: Ordinance is adopted. We're way behind schedule. Do we have anybody here yet to testify for 326? Call the next item.

Item 328.

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Jeff Baer, Director, Bureau of Technology Services: Good morning, mayor and members of the council. I'm Jeff Baer.

*****: Can't hear you.

Baer: It's on. It's green. I'm Jeff Baer with the bureau of technology services. We're here with me to my left is Matt Freid in charge of our geographical information system's team. And we're here to ask for an extension on an existing contract we have with Environmental Systems Research Institute also known as ESRI. It is the engine behind our Portland maps if you've had a look at that, we've upgraded that. Matt is here to address technical questions you might have. This has been in place for a number of years. This is tied to our enterprise license agreement. So it's another three-year extension we're requesting.

Wheeler: Very good any comments, questions for this panel? Any public testimony for this item.

Were you going to testify to this?

[inaudible].

John Hollister: My name is John Hollister and I live in Portland. And I wasn't going to do this until I heard them bring up Portland maps. I have been a student of Portland maps of late looking at different building heights. Something I talked about last week. And what I'm finding in Portland maps is the heights are very inaccurate. And they have buildings that are 100 feet listed as 58 feet. Buildings that are two side by side buildings that are listed at 58 feet and one is 47 and the other one is 75. So with the extra money that they do, they would be able to get the heights of the buildings correct. And that is something that is very important to me to have a tool be correct. And that's all I have. Thanks.

Wheeler: Thank you. Was there any further public testimony?

Moore-Love: No.

Wheeler: Any further comments or questions from the council? Please call the roll.

Fish: Aye **Saltzman:** Aye **Eudaly:** Aye **Fritz:** Aye **Wheeler:** Aye

Wheeler: The contract is amended. Next item, please.

Item 329.

Jennifer Cooperman, City Treasurer: Good morning. Jennifer Cooperman, city treasurer. City treasury is responsible for providing credit card processing services to bureaus who want to allow their paying customers to use credit cards. So this contract is in place to provide the processing services we need to process the payments. The request today is to add additional funds to the contract and to extend the contract for an additional one-year period in the event that with the ordinance following, there is a new vendor for the services and need time to make that transition.

Wheeler: Thank you.

Fish: So Jennifer, for folks that may be new to this issue, what are the kinds of things that we routinely use these credit cards for at the city?

Cooperman: So the city offers a variety of opportunities for citizens to use credit cards to make payments whether it is for their art's tax or their business license tax to pay using a credit card to make a public records request.

We allow people to pay a water bill, to pay for their on-street parking, to pay for parking at Washington Park near the zoo. To go to parks and reserve for a yoga class. I mean, it's just a -- we offer a variety of opportunities.

Fish: And one thing that stuck out for me is the number of transactions that we annually process has gone from 8 million to 12 million which illustrates how much they are using to transact regular business. And it's not just parking. It's just about every service we offer. And I would also note that that's why it was especially important for us to upgrade our security features so people have more confidence their data is safe.

Cooperman: Absolutely.

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Fish: Thank you.

Wheeler: Any further questions? Is there public testimony on this item?

Moore-Love: Yes. We have six people signed up. Cameron stark, mimi, teresa raifford.

Wheeler: Good morning.

Moore-Love: And charles bridgecrane johnson.

Cameron Stark: Good morning, council. Cameron stark. I believe black lives matter and water is life. I think that you should not go forward with this contract because it's through u.s. bank. U.S. Bank has investments and the energy transfer partners which you were talking about divesting from dapl and things like that. And they are invested in those companies. So I believe that you should -- if you are talking about divesting, you should not go forward with this contract and include giving them money. From standing rock to Palestine, occupation is a crime. So do not support this. Do not continue to give them money because injustice here is injustice anywhere. There is instances of police brutality that are egregious. In the same instances, they happen here like with Quanice Hayes. And you guys continue to keep killer cops on your police force, like Andrew Hurst.

Wheeler: Can you please keep the testimony to the contract.

Stark: This has to do with u.s. Bank. You should divest from them. But you understand how it relates police brutality, water, those things.

Please divest.

Wheeler: Thank you. Good morning.

Mimi German: From now on I'll be referring to poetry to respond in my testimony because it's the only way that I can handle the efficiencies of city council and not yet. This is called wheeler days.

I etched these word onto a rock with bloodied nails and knuckles worn in frozen rains and deepest snow. With frozen limbs on earth below. Before I'm done, my last breath drawn to hurl this into your heart through panes of glass protect you not. For you, sir, are the bullet that caused a thousand tears killing more in three months than others years. That's my testimony.

Wheeler: Good morning.

Charles Johnson: Charles bridge crane Johnson. It's actually great that we have Mimi here setting a high bar. She has competition. I also wanted to get on point with black lives matter and it's a tragedy Quanice Hayes had to be murdered. The only thing I can say good is we maybe got poetry in section 1, item 1. The treasury division of the bureau of revenue and financial services in the office of management and finance, omf, is responsible. Wow. It's true, I suppose. And we will go with elavon. When you get a proposal from u.s. bank elavon, is that a real thing? Is it an actual corporation checks can be paid to or some glitzy thing u.s. bank is elavoned above wells fargo, which isn't hard to do? It's unfortunate that these come to us yes, no. I have hope for the city. There is probably a process that whittled out. Which bank is which is less evil and which bank is best at fiduciary reasoning. The volume is up 50% it's not even clear if this covers 100% of electronic transactions. Does it cover parking meters? Might be good to know. But, you know, it seems to me we've talked from 8 million to 12 million about a 50% increase. The number I see in hear we've got 19 million, 10 million, probably we're not going to do better. These are all questionable operators. But where is the talk about our equity lense in this document? Which bank -- which tower, the big pink tower or the one two blocks over is delivering minority employment? A lot of us are sjw. We don't want our minority friends to have to go to work for those banks. So everybody in Portland should know how u.s. Bank elavon verses whatever the name for wells fargo is, is doing at complying with the equity goals I don't see in this document. The black male leadership we fund at \$100,000 right now, have they gotten in? I know you are going to vote. But I hope you'll make a note to

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get the equity lens into these actual documents. Thank you.

Wheeler: Thank you.

Moore-Love: The next two are Roger Weedner and John Hollister.

Wheeler: Good morning.

Hollister: Good morning. Real quick on this. John Hollister. And the Elavon is a credit card processing company outside of US bank. And they work together. We used to have a contract with them and we switched to global payments. Its global players Elavon and First Data are the major players in this business and so I support extending the contract for a year. As you mentioned for some of the other things that this is a very competitive market. And it's a commodity. So there's a lot of things to look at. Look at potentials for saving money and that I would encourage to go for an RFP after it's been extended for a year.

Wheeler: Thank you. And just to be clear, that's exactly what we're doing. We need more runway to do the transfer. So this item and the other item subsequent are twins. Any other public testimony?

Moore-Love: Is Roger here? I guess not.

Wheeler: Very good. Any further council discussion? Please call the roll.

Fish: Aye **Saltzman:** Aye

Eudaly: I share the concerns of Mr. Stark and Mr. Johnson. None of the banking institutions that can provide the level of service we need are more -- have clean investments. I venture to say that all of them are invested in the Dakota access pipeline. Mr. Johnson suggested an interesting plan B to evaluate them on another level. And it's a reason we're looking at putting together a resolution to convene a study. But that is a very long-term process. It's not coming in the next year. So I am voting aye with regret.

Fritz: Aye **Wheeler:** Aye

Wheeler: The contract is extended or the current contract is amended as a better way of saying it. Next item, please.

Item 330.

Wheeler: Good morning.

Cooperman: Good morning. Jennifer Cooper. City treasurer. This ordinance is to authorize a solicitation for the credit card processing activities. The ordinance you just approved gives us the ability to extend the current contract should we need it in the event we need to transition to a new provider after this RFP process. It's a normal part of our RFP process to ask proposers to discuss their corporate responsibility and we do allocate at least 20 points in the scoring methodology to the corporate responsibility activities local investment activities as well as equity component. We did that in 2012 when we issued the RFP that we are working with today and we will continue to ask those questions in the RFP that is in draft form on my desk right now.

Wheeler: Thank you. Any further questions for treasurer Cooperman?

Eudaly: I have a quick question. The \$25 million, that is include fees taken off each transaction or is that something that we're paying? It's the fees?

Cooperman: It's a per transaction fee. I will point out that we can only negotiate for a very, very, very small portion of those fees. The majority of those fees are established by Visa and MasterCard and they are passed straight through to us. We pay them. We do not have control over them.

Eudaly: Thank you.

Wheeler: Any public testimony on this item?

Moore-Love: Teresa Raiford signed up. She's declining.

Wheeler: Any further questions or comments from the council? Please call the roll.

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

Wheeler: Aye. The ordinance is adopted. Next item, please.

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Item 331.

Wheeler: Good morning.

John Hunt, City Fleet: Good morning, mayor, city council. I'm John Hunt, I'm the city fleet manager. The item before you today would authorize us to go out and do a competitive solicitation to furnish fuel to operate the city's vehicles and equipment.

Fish: Mr. Hunt, I have a question, if I could. It's the same question we discussed when we talked about expanding the number of vehicles in our fleet. In light of Mr. McCullough's testimony this morning, a staunch republican suggesting that we raise business license fees, I would be remiss if I didn't raise the question about the vendors within Portland pay a business license fee. The vendors outside of Portland they don't. If we need to have fuel how are we structuring this solicitation so that the folks that have to pay a little bit whose cost structure is higher because of the tax reimpose are not put at a competitive disadvantage over people who don't pay the business licenses?

Hunt: I think that's a fair question. I think as we work through purchasing to go out and do the procurement process that we would include that in there. We're very fortunate here in Portland in that we have a tank farm they call it on this side of the river so it's pretty close to us. We're just usually the vendor that provides the fuel really just has the truck. So they go to the tank farm, fill it up, bring it to our tanks and just dump it into the ground. But I appreciate your point that it should be a local.

Fish: I would hope in all of these big contracts we take into effect, mayor, the fact if it's an apples to apples competition and there's someone outside the city boundary that doesn't pay the business license fee and is able to undercut the market because they are not paying the fee which funds roads and parks and other services that we don't structure our solicitations to reward people that adopt pay the tax.

Wheeler: I agree, commissioner Fish. Could I just ask a general question? We're obviously moving toward an electrified fleet and I understand a lot of this fuel goes to large scale commercial vehicles, which is a more difficult proposition in the near term but I assume that with our eb policy we'll see this number decrease in the years ahead.

Hunt: Yes, sir. I would also say that over the past ten years we have actually seen even though we have had an increase in the number of vehicles the number of gallons burned has gone down significantly because of not only electric sedans which are the most obtainable all electric or plug-in hybrid electric vehicles we can obtain, we also have medium duty trucks that are hybrid, like a bucket truck. They use the battery to lift the person up to do the work. The engine is not running at that time. All those things combined have lowered the amount of fuel burned per the amount of vehicles we have. You are correct.

Wheeler: I'll put my crazy idea out there again. I really want it on the record, which is not all of the vehicles that we are currently using particularly for single occupancy need to be vehicles. I still believe that we should be taking some percentage of the sedans that we are purchasing and replacing them with e.v. bikes. For local travel in the city of Portland the capital cost is less, the maintenance cost is less, and the electrical usage is dramatically less. I would still encourage us to at least on a trial basis do that. I know we have a couple of bikes at 1st and Jefferson but it would be nice to have some by the city building that people could access. I believe particularly on days like this that people would use them instead of getting into even a sedan. I know I would. I realize I'm not everybody.

Hunt: Very much appreciate your point. You're right. We have a number of them down at 1st and Jefferson and some at different areas throughout the city and there are folks that come across the river with them. But that will certainly be something we'll look at and work to expand.

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Wheeler: Could we put one or two here at the city building? I guess maybe this isn't the right time in history given what's about to happen but make next door?

Hunt: I think you're hitting it exactly right. We talked about this and I think given the changes happening to this building we need to kind of think of the overall, but your point is well taken. We'll be working on a strategy.

Wheeler: I appreciate that. Is there any public testimony on this item?

Moore-Love: No one signed up.

Wheeler: Any further questions or comments? Threes call the roll.

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

Wheeler: Aye. The contract is approved. The solicitation process is approved. Before you move to the next item we had a request from omf to pull item 326 until next week. They are not prepared to discuss that today. Now call the next item.

Item 332.

Wheeler: Good morning.

Kate Wood, Risk Management: Good morning. Thank you. Good morning, mayor, commissioners. I'm Kate wood, the risk manager for the city of Portland. We're a program in the office of management and finance bureau internal business services. We provide loss prevention services to all city bureaus. We handle all claims for workers' compensation and tort liability paid from the self-insurance fund and we also purchase commercial insurance for some of the operational risks that city chooses not to retain. The ordinance before you today would provide us a contract with a broker of record for insurance services for the marketing and administration of the commercial insurance portfolio and they also provide other services related to insurance and risk management to enhance the abilities of our staff to serve the bureaus. I'm happy to answer any questions.

Fish: I just want to clarify and add to your presentation that it's \$555,000 but it's a five-year contract. About \$99,000 a year for those services.

Wood: That's correct.

Fish: Thank you.

Wheeler: Great is there any public testimony on this item?

Moore-Love: Yes. It Mr. Bridge crane Johnson would like to speak to this.

Wheeler: Very good. You can sit down. Thank you for your testimony. Good morning.

Charles Johnson: Good morning, Charles bridge crane Johnson. Our beloved mainstream media are recently reported damage to 200 bike town orange bicycles. This overlaps into couple previous items. You don't even need an electric bike. You can just take a bike town. The city has a structure where city employees have accounts so that they can get on bike town bikes then the other thing is doesn't need to cover it here but I don't know I didn't hear any -- I didn't see the denomination of the loss covered from this stupid vandalism of bike town bikes.

Wheeler: It's a lot.

Johnson: You open the door. I would probably like to hear anyone either staff or council expound upon whether there was a provision made for possible coverage or it's self-insurance.

Wheeler: I want to agree with you. I do use the bike town and your point is well taken. I was really thinking in terms of longer haul to areas where there isn't service. It's just one alternative to using a full size sedan.

Johnson: Also on the koin book page somebody put forward. [audio not understandable] should be recruited and look at the utilization factor. A lot of days' orange bikes sit idle. There's a small plan that started under novick to get low income disadvantaged people better access to bike town but I think that should be expanded to directly to reaching out to

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service and housing providers. We would love to see utilization go up. Might be a little more revenue generated too.

Wheeler: Appreciate that. Any further public testimony?

Moore-Love: No one else signed up.

Wheeler: Please call the roll.

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

Wheeler: Aye. The contract is approved. Next.

Item 333.

Wheeler: Commissioner Fish?

Fish: We're joined by Teresa Elliott who is the chief engineer of the Portland water bureau and Glenn Pratt and they are going to give a very brief presentation but the gist of it is the federal energy regulatory commission or ferc requires us to contract with a ferc approved independent consultant every five years to I suspect and review our hydro power facilities. Teresa is here to walk us through the ordinance.

Teresa Elliot, Portland Water Bureau: I'm Teresa Elliott, chief engineer, Portland water bureau. Glenn pratt is the hydroelectric bureau program manager for the water bureau. As commissioner Fish just introduced this is the council action is to approve us to award a professional technical and expert services contract with cornforth consultants, inc. This is to fill our five-year regulatory requirement of doing an independent review and this ferc report is due December 31 of 2017. We use the city's procurement processes to do the solicitation and we had four proposals. Cornforth was the most responsive consultant that we're selecting. As part of our ongoing interagency agreement with Portland general electric, they sit on our selection panel as one of the committee members and then they also reimburse water bureau, the city, for the contract work for the part 12 report. Cornforth is going to be using two sub consultants. One is a women-owned business enterprise, the other is not. We have a 50% utilization. We're here to answer any questions you have.

Wheeler: Any questions? Thank you for your diligence on this. Any public testimony?

Moore-Love: No one signed up.

Wheeler: This then moves to second reading. It's a nonemergency item. Next item, please.

Item 334.

Wheeler: Any further council discussion? Please call the roll.

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

Wheeler: Aye. The solicitation is approved. Next item, please.

Item 335.

Wheeler: Commissioner Saltzman?

Saltzman: Thank you mayor, this is a local improvement district formation for purposes of constructing about 1,000 feet of sidewalk. It's in a neighborhood that currently has only about 27% sidewalk coverage compared to the city-wide average of about 62%, so it's a good thing to do and a good neighborhood. I'll turn it over to our lid administrator.

Andrew Aebi, Portland Bureau of Transportation: Thank you, commissioner Saltzman, Andrew Aebi, local improvement district administrator. One small point of clarification, this is not an lid. This is something new which is a concept we have discussed for several years, that we internally call the self-posting program. So when we looked at forming local improvement districts we need a certain economy of scale to go about forming a local improvement district. We don't do them for really small dollar improvements. I have been working with the auditor's office for a couple of years and they have an existing program which when people have sidewalks that need repair around the city and property owners don't repair their sidewalks we have an existing procedure in place where kind of on a standing order basis we have a pool of contractors and maintenance people that repair the sidewalks and we just do that as part of a large program without having a stand-alone

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capital project for each of the projects. The concept here is essentially the same thing. Instead of this being a stand-alone capital improvement project funded by local improvement district we will just treat this property like a five-block repair lane. We'll send it to maintenance operations and they will schedule the crews to build the sidewalk and we don't have the overhead of a fairly large capital project. So just a way to try to minimize the soft costs on the project. I would just note that all of these east-west streets on the map intersect southeast 82nd avenue which has the second highest transit ridership in trimet system, so we have a lot of people that really need to access transit and we don't have good sidewalk coverage in this neighborhood as commissioner Saltzman pointed out. So this is a small project but we're hoping it's embryonic and an incremental improvement in building sidewalks in this area consistent with the bureau's vision zero initiative. I'm happy to answer any questions you might have.

Fish: Andrew, can I put you on the spot and ask you a curveball question?

Aebi: Sure.

Fish: The other day someone asked me a question and I just had no idea how to even approach it so I want to see if you know. When a homeowner pays to replace or repair a sidewalk, does that end up being a deductible expense on their taxes or just gets added to the basis of the value of their home and property?

Aebi: I think I actually have an answer on that for you. One of the things I did when I started here I worked with the auditor's office that we had people financing local improvement districts and so what we have started doing is sending out interest statements and when people take out 20-year financing and this project will be eligible for that, the amount of interest paid is substantiated each year through a statement sent to the property owners by the auditor's office. We don't provide tax advice. We don't advise the property owner it's deductible but we send a 1099 each year so in consultation with their tax advisor they want to deduct that expense they can do that.

Fritz: How was this particular stretch of sidewalk and this property owner selected for this pilot?

Aebi: Thank you for asking that question. I have been wanting to do this for a while. The reason this is the first to move forward there's a subdivision going in there, that one lot will turn into two or three. We had a developer coming to the table and he was anxious to get his building permits and this way once council approved the ordinance next week he's under section 17.24.025 of city code he can get his building permits and doesn't have to wait for the sidewalk to be built to get his permit.

Fritz: And its my understanding from reading this information this is entirely funded by the property owner, not by transportation.

Aebi: Yes. One other thing I would add moving forward if this proves to be successful then we would probably just put it on the consent agenda. The reason I put this on the regular agenda today is it was a new way of funding sidewalks and I wanted to make council aware of it.

Fritz: I appreciate that. Is there any kind of capacity problem if hundreds of people want to try this after it's successful will that be a problem for anyone?

Aebi: I would love to have that problem, commissioner. Keeping in mind that we have quite a few sidewalk repairs around the city I think it's something that we can absorb. So but we'll just have to see how it all works out. I don't think it will be a capacity issue.

Eudaly: You called this a self-posting program.

Aebi: Yes.

Eudaly: That is what we're calling -- are you going to make up a cool name?

Aebi: I don't know that marketing is my forte. If someone wants to come up with something more catchy than self-posting -- the concept is unlike normal sidewalk repair lanes where

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you have a cracked sidewalk and it needs to be fixed whether you want to or not we're not forcing this on people. People coming to us saying I have a business need to build a sidewalk if I can get a building permit or whatever. But we're just doing this strictly voluntary request of the property owner.

Wheeler: Any further questions? Thank you. Is there any public testimony on this item?

Moore-Love: Two people signed up. Teressa raiford and Charles bridge crane Johnson.

Wheeler: Charles is on the way up. Good morning.

Charles Johnson: Good morning, commissioners. Charles bridge crane Johnson. I was interested to hear mr. Aebi please remember whenever he comes up you have to hear micro socialism. It was clarified this is not actually lid but this is what more of Portland city government needs. Sometimes we have to spend \$5 million on fancy sewer liners, but ideally more people employed like mr. Abbey connecting neighborhoods to localized solutions. I would encourage the mayor one day whether it's in conjunction with town hall or any of you, take a walk from the 86th street max station go south and east and try to assess the level of streets or sidewalks at even 1%. This side of 82nd and right up on 84 and not civilized. Not to be proud of. I don't know how Mr. -- the program works, whether it needs to be community initiated, but really city government hopefully has some data that is giving us the idea where are these neighborhoods -- really distressing the level of craters that are in the streets of these people west of 82nd so in the 79, 80, 81 south of the max station, to see that they pay -- I'm not a tax researcher. I can't say how badly they are getting worked over by the city of Portland, but it's something that I would encourage them to talk to you all about.

Wheeler: Thank you. Appreciate your testimony.

Moore-Love: That's all who signed up.

Wheeler: Further comments from council? This item moves to second reading. Next item, please.

Item 336.

Wheeler: Good morning.

Marty Maloney, Portland Bureau of Transportation: Good morning, mayor, commissioners. I'm Marty Maloney with pbOT right of way. This is to authorize eminent domain authority as well as offer just compensation for needed permanent and temporary property rights associated with the northeast 47th avenue phase 1 lid project. The property rights in question are needed to facilitate construction of storm water facilities and bike pedestrian improvements along northeast 47th between Columbia and northeast corn foot road. Would also like to add all affected property owners have been informed about the city's need for certain property rights and were all invited to attend the readings of this agenda item. I would be happy to answer any questions council might have.

Wheeler: Any further council questions on this item?

Aebi: I'm Andrew Aebi, project manager. There's a scrivener error we are noting that are permanent easements being acquired in addition to temporary easements. Those are reflected in the body of the ordinance. Those property owners have been notified.

Wheeler: Thank you. I'm getting a head nod from legal counsel that's just a scrivener's error. Is there any public testimony on this item in.

Moore-Love: No one signed up.

Wheeler: Is there any further council discussion on this item? Then we'll move it on to second reading.

Aebi: Thank you.

Wheeler: Next item, please.

Item 337.

Wheeler: Commissioner Fritz?

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Fritz: Thank you, mayor. I'm very pleased to be bringing this ordinance to council. It begins the process of using energy savings performance and contracting as one way to address the parks bureau's unfunded major maintenance needs. Over the next ten years' parks expects that over 250 million will be needed to address major maintenance needs and this energy savings performance contract is a way to replace aging infrastructure with energy efficient systems that create long term savings on energy use. I would like to introduce parks asset management program manager Chris silke and Jodi Gellahon, management Is to share more about this program.

Christopher Silke, Portland Parks and Recreation: Thank you. Good morning, I'm Christopher silke, asset program manager for parks and recreation and I'm be joined by Jodi Gellahon from our design and construction group. This ordinance is to authorize a method of procurement that's already enshrined in city code called an energy savings performance contract. Though the title says energy it does include water and wastewater utilities as well. This contract mechanism is unique in that the winning service provider provides an energy savings guarantee for the work that they do. In order to provide that guarantee they perform an audit to discover what are the technical and financially feasible energy conservation measures. They develop a proposal to implement the retrofits to accomplish the energy savings goals, they implement the retrofits then verify the savings going forward. So essentially we're repurposing inefficient use of utilities and energy to accomplish major maintenance sooner than we would be able to otherwise.

Wheeler: Is that by bonding against the savings? Is that how you're doing it?

Silke: Not necessarily. So what's before you today is just to authorize the procurement method for source selection. We're not financing an actual project yet that would come much later. That could be done by funds or debt financing. There's a number of ways to pay for the energy retrofit.

Wheeler: Could we bond against the savings?

Silke: That could be done, yes. I have spoken with omf that's one of the possibilities. My understand is pbot has done something similar for the led retrofits for the lighting tax-exempt lease is another option although my understanding is that's not preferred here at the city. So there's commercial loans. There's a number of ways to do it but we're not there yet. I would also point out that there is a budget package pk10 that was for appropriating funds to accomplish these energy savings. That would be one potential method. So should pk10 be authorized that would help pay for the retrofits. Should it not we would look at debt financing alternatives.

Wheeler: Thank you.

Silke: We have been preparing for this project for many, many months. I'm pretty excited about it. It supports climate action plan goals, helps accomplish deferred maintenance earlier than we would be able to otherwise and focusing on efficiency supports 100% renewable energy goals by making the load that it has to carry much smaller. With that I'll take any questions.

Wheeler: Thank you. Any questions? Doesn't appear we have any.

Fritz: I would note the money for this contract is in an energy savings fund which previous savings, so there's no cost to the general fund for this particular item.

Silke: Right. The audit phase our intention is to pay for it with an energy trust was created by one time funding that council appropriated for energy efficient measures in the past. That created energy trust rebates and we're using those funding's to pay for the audit portion of this procurement.

Wheeler: Are you effectively pre-funding energy savings? Is that you're doing here?

Silke: So no.

Wheeler: Explain it to me one more time.

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Silke: There's probably going to be three council actions pertaining to this project, first this one, to authorize the procurement method. Second approving the contract with the winning provider, and third when it comes time for the big project which is to actually accomplish the work.

Wheeler: You'll come back to council after this initial procurement action.

Silke: Correct.

Wheeler: Good. I'm really interested in this strategy. I think it's a good one. If it really holds up and I guess we'll see after this procurement opportunity and see what we get back in exchange for that. There's a strong incentive for bureaus to actually engage in this kind of energy savings if we also promise them back the bonding capacity created by the savings. If we can find a way to connect those two things I think it would create a really strong incentive for the bureaus to save energy and get at some of the backlog on the infrastructure side. If we can do it.

Silke: Definitely. I'll put an investment grade audit, so it's something that could be brought to somebody to finance.

Fritz: I'm glad you're asking questions because I asked very similar questions and it took several times being explained before I understood what we're doing here. I agree it's very innovative. The other very helpful thing about this method the company who wins the contract guarantees we'll have the savings if we follow the instructions and if they don't they compensate us. It's really a good way the city can be sure of saving money.

Fish: Can I ask a related question then? Homeowner can get an energy audit and someone can come in and what you may learn from the audit is you have to replace all your windows and go to triple pane. You have to use insulation. You have to upgrade your furnace. There's a whole host of things that a homeowner can do to get energy efficiency but they require substantial capital investment at the front end. So just anticipating what the mayor was asking, what if it turns out that in order to get energy savings there has to be a substantial capital investment to upgrade systems and to replace windows and other kinds of things, how would that be financed?

Silke: Through debt financing would be one option or through appropriation should there be one-time money available. The difference is this project essentially creates its own cash flow to finance those savings by reducing our future energy expenditure we borrow forward based on that and use that for the upfront investment.

Moore-Love: No one signed up.

Fish: Aye.

Saltzman: Sounds very innovative. Look forward to tracking its progress. Aye.

Eudaly: Aye.

Fritz: This is another way that parks is looking to spend taxpayer money wisely to make sure we're investing in energy efficient structures. So thank you very much, Chris Silke, Jodi Gellahon and Pooja Bhatt on my staff for your work on this. More to come. Aye.

Wheeler: I should have asked I'll take the liberty, what is the time frame to come back to the council?

Jodi Gellahon, Portland Parks and Recreation: So this will be the first rfp that the city I'm aware of has done of this nature so it's probably going to be somewhere around six months.

Wheeler: Fair enough. I like the approach. I hope it turns out. I like it, I hope it turns out to be successful. I appreciate it. Aye. The ordinance adopted. Next item, please.

Item 338.

Wheeler: Commissioner Fritz?

Fritz: Thank you mayor I'd like to turn it over to Jeff Shaffer our financial manager.

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Jeff Shaffer, Portland Parks and Recreation: Good morning, mayor, commissioners. I'm Jeff Shaffer the financial manager for Portland parks. I'm here to get an extension for our active net hosted software solution for parks reservations system. Some background from us, we have about \$20 million in revenues that we collect from as fees from our customers that pay for our wide variety of parks services. About 2013 we explored a more efficient way to get our customers to be able to sign up through an online hosted software product and we went out and did that search we found active net was the premier solution for providing online hosted product for doing online registrations for our paying customers. This is extending a contract that we created back in 2013 for online registrations. If you want to know history about active net there's a premier online registration system they are in all 50 states providing online registrations for things like campgrounds, marathons, all types of reservations for facility rentals and events and fitness they are basically who we have gone with since we originally since 2009 they provided our original software to us. They have been the predominant leader in this industry. We originally anticipated about \$13 million of flow that would go through this online hosted software of our revenues. When we actually started going live with it we found out there was a big growth in our revenues that was happening at that time. We also had a much larger than anticipated acceptance by the public in using an online software versus we thought it might take a little bit longer to transform into the online industry and pay the convenience fee that comes with active net. We also had -- we have grown quite a bit over the recession. We increased our revenues up to about \$16 million instead of 13 million and cash flows that have gone through the system. So just with all those things combined it's added to that small percent of convenience fee that passes through active net. That has increased this contract amount. Now we're at that midway point in the contract trueing up what we need to make us through the five-year cycle. Should be noticed that I just want to note these costs are incorporated into the user fee. So these are not general fund payments that have to increase out of our general fund. These are the customer convenience fees that pay for these and we're cycling those back through because the way the system works. We take in 100% of the fees that the customer pays then give active net back their proportional share. This is just trueing up the numbers. I think that's a general overview. If you have any questions --

Wheeler: Any questions? Is there any public testimony?

Moore-Love: Yes. We have two people. John Hollister and Charles bridge crane Johnson.

Wheeler: Very good. Good morning.

John Hollister: Good morning. For are the record I'm John Hollister. This is the only one I really came to testify on. Just quick message to my boss, I really am working as well today so I'm taking calls I'm doing all that stuff, staying in touch with emails. I just want to make that clear. With regards to this one, and the testimony even confused me more is the wording said increased contract then increasing contract versus extending contract and I didn't know which one it was. So when I heard him say this is a five-year and we're in the middle of it so that made me think it's an increase rather than an extension because it's two and a half years into a five year but that's only my interpretation. I'm not clear on that. The one of the things I was looking for back to the I would have loved to have been able or if I could be educated on where to find information about this contract I tried to look through some of the public records and wasn't able to find it. My experience on both sides of software development is there's typically a functional spec that is done and the fees are based on a functional spec. When I hear the capacity it was not really expected to grow this much, it brings me to the same thing about the Obamacare we weren't really expecting this high volume and we had to pay for increasing the ridiculous amounts of money. I would like to better understand the functional spec. Is the increase because there's

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additional feature where we're asking for more things or do they just want more money because they misunderstood how much they were supposed to get and they just want more money and it's pushed off don't worry, it doesn't cost the city any more, just costs the users of the park. I don't think that sounds right.

Fish: Mayor, if I may, those are good questions but this is increasing a contract price. Since you mentioned your employer I guess we're compelled to ask a couple of questions. Does your employer compete in this marketplace for these services?

Hollister: No, I currently work for a company that just provides software to nonprofits for their fund-raising and this is back to my previous lives where I worked for digital equipment corporation and yahoo just my previous experience in these areas.

Fish: This contract stuff we do in this council is very formal.

Hollister: Absolutely. That's perfect.

Fish: You're not seeking your company does not seek this work. Is that correct?

Hollister: Unless they are doing a charity auction.

Fish: Yes, or no. You're not --

Hollister: No, I'm not.

Fish: You're not filing a protest around this contract. Is that correct?

Hollister: That is correct.

Fish: You're raising questions about what the scope of the contract and some of the details.

Hollister: Yes, and just it would be I would love to -- I like research. I would love to have public access, not that it's not public access just I would like to learn how to be able to get access to that information so I could learn more.

Fish: That's helpful. Thank you.

Fritz: If I might answer your questions first you could talk to the council clerk to find out how to search through historical documents. It's on the auditor's website. This is just trueing up how much fees we have taken in therefore how much is going to the company. The reason for the increase in contract funding is population growth in the city service area of new active net users which exceeded the projected estimates, faster customer adoption of online use in person or phone transactions, reservations volume and the addition of the team services, which is a program run over the summer then increase in interagency point of sale transactions.

Wheeler: I like the question. I'm not a software expert. I want to be very clear on that. But I like your question around the functional spec. The question is if -- let me see if I can paraphrase it. You're asking the question who bears the liability in the event the demand is greater or cost is greater? Is that another way of interpreting your question?

Hollister: Yes.

Wheeler: I think that's a fair question. I think maybe we can ask a follow-up on that. Why don't we finish public testimony and if we have other questions--?

Charles Johnson: The more Mr. Hollister the less bridge crane you'll have to have. If we're talking about better software systems ideally if you value transparency and your citizens' times when we look at the four pages of this that are linked to the agenda we wouldn't have to figure out where else do I go type in contract uh number 3000 or maybe another zero 729 I'm not a fan of Granicus, which is what the county uses but for the number of times people have testified before you and the fact it creates these two or three minute comment sessions you should seriously look at improving the transparency or work flow for this documenting type system so that probably would have to listen to me for two minutes anyway but I could say something more constructive if I could just tap what do you know, contract 3,000 something 29 would come up and might have answers about our questions about is there anything that talks about customer loading beyond the

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expectation that was in the original rfp or rfq. He says neither him nor his employer, I don't think there needs to be protest but it highlights areas to improve city governance and transparency and thank you.

Hollister: Commissioner Fish, I want to make an apology for my humor, or attempted humor when you asked the question on the yes or no. I didn't mean to be disrespectful.

Fish: You add a lot coming to these hearings and bringing your professional expertise. It's a contracting issue. I need to make sure this wasn't a disguised appeal or challenge. You're a citizen with expertise helping us get it right.

Hollister: My wife tells me I often misplace my humor.

Fritz: In addition to looking at the files on the auditors site on every council agenda item there's a telephone number for a person to call if you have questions. Sometimes that's the quickest way to find out the question, just pick up the phone and call.

Wheeler: I'm also happy linking contracts to agenda item. If we have somebody like Mr. Hollister who has the time and expertise to give us advice I'm always interested in free advice in particular. I appreciate your being here very much. Both of you.

Johnson: As Mrs. Fritz just mentioned we could have called 503-444-0238 and say that you were looking into the stuff where the contact name is Glenn Raschke and presenter name is Jeff Shaffer how much better for all of us if we just clicked on 300 blah blah blah 729 and didn't have to make a phone call.

Wheeler: It's a reasonable suggestion. Thank you.

Hollister: Back to commissioner Fritz, I could pick up a phone.

Fritz: Really the staff are very willing to explain things. When I was in your position as a community organizer actually it was before council clerk was putting everything online, shows how long I have been doing this. I have always found that staff are delighted when anybody shows any interest in the things they have worked so hard on so you're welcome to try that route.

Hollister: Just trying to learn. So thanks.

Wheeler: Thank you. We appreciate it. Was there any other public testimony?

Moore-Love: No one else signed up.

Wheeler: Did we want to bring staff up to ask more technical questions? I was interested in that question about the functional spec and the liability and how typically do we handle those issues in contracts?

Shaffer: Usually the technical specs are done by our i.t. Manager Glenn raschke. He works with procurement who has a specialist. They work closely through the rfp and the whole contract process. I would have to get back to you if you have a specific question.

Wheeler: I was wondering if there is a blanket policy with regard to contracting efforts in terms, in this case sounds like things were really successful and there was more demand than anticipated. Is that on us as the purchaser of the product or is it typically absorbed by the vendor?

Shaffer: This is really unique. A lot of the way active net was originally designed was a customer would pay \$100 for something they take their \$3 convenience fee and give the government entity the 97 of the actual piece that they would have had as their revenue. With the way the ors works with having to deposit all public funds into our public banks we take all those monies into our own bank account then have to turn around and give that money back to active net. It's really a pass-through. There's one-off type of contract for this situation where you normally would have it one way or the other but not necessarily this pass-through arrangement. We had to work through a lot, probably a good year we worked through with treasury and active net on how we could flow the funds then what would that look like. At the end of the day we came up with a contract that said projecting that customers would do this based on other cities, based on how much revenues that churn

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through our system what do we think it would be over the course of five years. Now we're seeing, we have more yoga classes than back then, we're using pbot revenues in our customer service center. Customers are paying that fee so it's a pass-through to us and we're just creating that extra money and capacity in the contract to make it through the full five years.

Wheeler: By way of council policy we're required to reflect that increase through -- that's what we're doing.

Shaffer: The authority to cut the check.

Wheeler: Got it.

Shaffer: I'm sorry I said extension. It's just an increase in the amount over five years. We're trueing up the dollar figure of that projection that we made by three years ago.

Fish: Can I ask one last question, mayor? Maybe commissioner Saltzman knows the answer. This is about a one-third increase in the cost of a fairly substantial software project. None of us up here are software experts so we rely on testimony and presenters. What would be the trigger for this to go through technology oversight?

Shaffer: We went to technology oversight when we first did the contract and asked if they wanted to be involved with the original amendment. I think that was because it was changing technology from a software or your computer to the hosted online software. We went through the technology oversight process in 2013 but because this is more of a technical true up of the evaluation than a pass-through not necessarily information, not changing the bts structure, just trueing up the dollar figures that we're passing through that's why it wouldn't require the oversight piece of it. It will come back up. The contract will run up here in two years so we will go through the full rfp process as a competitive process and that will go through the technology oversight procedure.

Fish: One thing I would say, I'm the last person to bring in any expertise here. My daughter told me in getting an apple computer that's the equivalent of buying a car to get a radio given how little I know how to use technology. I would hope that with technology oversight on projects like this there's a referral at the front end, potentially referral if there's a substantial upgrade, and that there's some form of mechanism where they determine either, a, there's no issue that they have a concern about; b, it falls within the wheel house but no reason to do any further review or see they want to have a full presentation. I want to make sure that they have actually opined that either warrants review or not. That there's some way reflected in the record not that we talked to them and they said there's no need to go further. There's going to be not here but other examples where that falls into a gray.

Shaffer: I agree. I don't have all the details on this amendment what was going on behind the scenes with our i.t. Management. I know procurement was involved, bts was involved. I know all the players were aware of this amendment for this ordinance today. Hopefully all those pieces were connected, but I agree.

Wheeler: Any further public testimony on this item in.

Moore-Love: Mr. Hollister.

Wheeler: Please come to the microphone. Name for the record. Thanks.

Hollister: John Hollister. One of the things in contracts the specialist's software contracts they are so complicated and when you get into the details of them we need to raise this for this and raise this for this, most of the people are evaluating saying I guess that's what we have to do. The biggest -- I'm not even -- this may be the exact right thing to be doing all the way through, but I do know that the biggest expensive contracts in software is the same when building a house, if someone builds a house and gives you a \$20,000 quote and you make seven change orders it's now 30,000. The same with the change order, the software companies love change orders. They love it because those get billed out at twice what the original one was because extra scope and time and overtime and all those things.

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It's just something to explore. Once again, I'll make the phone call, to understand more about this because everything I could be saying could be, okay, I see it and everything is fine. Just my thoughts and just being really becoming a concerned citizen. Thanks.

Wheeler: Does discussion. I appreciate it. Please call the roll.

Fish: Thank you for the discussion and presentation. Aye.

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

Fritz: Really appreciate the work of Jeff Shaffer and Harry Auerbach and the team. Aye.

Wheeler: Aye. The ordinance is adopted. Next item, please.

Item 339.

Wheeler: Commissioner Fritz.

Fritz: Thank you. The city operates several municipal boat landings intended for short term use according to existing code. There are persistent problems created by people who either disregard the rules particularly around the time limitations or leave abandoned or derelict vessels attached to the landing. Deputy city attorney Harry Auerbach is here to address how the proposed amendments allow the city to address the impact of abandoned or derelict vessels at docks and Galina Burley our project manager is here to answer questions.

Harry Auerbach, Chief Deputy City Attorney: Mayor Wheeler, members of the council I'm Harry Auerbach from the city attorney's office. I'm going to explain what we did to the code. Galina Burley, the parks manager, can explain why it matters. We have this problem; we experienced the problem with boats being tied to municipal docks. Being left there either people staying there for extended periods of time or simply abandoning the vessels. Over the years I have been asked to help parks deal with how to abate this nuisance and the sticking points were having a mechanism to tow and store the boats and having a procedure whereby people can challenge the validity of our actions in towing their boats. Galina did a lot of work to help close those loops and we now have a system in place that allows us to tow and store derelict or abandoned vessels and this ordinance is designed to provide the code provisions that authorize our actions and provide remedies for people who believe we have wrongfully towed their boats. It's fairly simple and straightforward. We're largely regulated by state law so we have taken those concepts and translated them into authority and procedures for the city to follow to help make those boat docks available for their intended purposes which transient use by recreational boaters. They are not intended for people's residences. We are trying to preserve them for that purpose.

Wheeler: Commissioner Fish?

Fish: Harry, have some vague recollection of this issue going back to when I was parks commissioner. I keep thinking the state marine board had something to say because we received some state money at some of those docks. So how does this action harmonize with state law?

Auerbach: Thank you, commissioner. That's a good point, one that I intended to make. Thank you for reminding me. Some of our boat landings I particularly in the south waterfront, we built in part in whole or in part with grant money from the state marine board. The state marine board requires those to be used for transient recreational use and we have had issues in the past. It wasn't actually we got in trouble with the marine board because we allowed the dragon boats to be there year round so we had to make other arrangements for that but we could face similar enforcement attempts by the marine board if we were unsuccessful at freeing up these docks for transient recreational use.

Eudaly: I have a couple of questions. There's clear signage on all of these docks as to the restrictions of use?

Auerbach: Yes. All of the docks are posted. Those that require fees have methods for -- pay stations that we have the rangers who attempt to contact people if they see something

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that they believe violates the code and contact people and try to get them to conform their behavior. This posting and towing is a strategy of last resort, not the first thing we're going to do to try to move these boats.

Eudaly: So is the issue people abandoning vessels or living in vessels?

Auerbach: Yes. We have a variety of issues. So some of these vessels the registrations are not on them or the registration are not on them or the registration has lapsed. A lot of them some members of the public have dismissed testimony with photographs. A lot of them -- derelict and abandoned are sort of quaint terms used by the statute but some of these are just floating pieces of garbage. So some are just people who have perfectly serviceable boats and want to use the docks to camp out for a couple weeks at a time in the summertime. We have a variety of spectrum of problem behavior we deal with as best we can. This is our tool of last resort.

Eudaly: Could you walk me through the process that happens before a vessel would be towed?

Auerbach: Yes. Unless it's an immediate hazard to public safety or navigation, state law requires that we post the vessel before we tow it. So in a situation in which we come across your ordinary it's just there too long situation, we will post the boat, give the person a week or ten days to remove it. If it's still, there we'll tow it. Give them another posting that tells them where it is, what they got to do to get it and how they can appeal the decision. Assuming we can identify them. If we can't we will post a notice, post that notice at the dock itself so somebody coming to find their boat who can't find it will know where to go to finds out what happened to it. The only way we have of identifying these folks is by checking the registration against dmv, who tracks boat registrations. If it's expired or nonexistent we just have to post the dock and wait for them to come to us.

Galina Burley, Portland Parks and Recreation: Before any of that even happens we attempt to make contact through a ranger program with folks on the boat to ask them to comply with the rules. In a lot of cases people follow up and they will move to another location. We try to educate them about rules maybe they don't know how to read the sign or didn't see the sign. That's where we start. I also want to add we're required to send a pre-seizure letter to the registered owner so that happens before the towing notices go out.

Fish: So generally I'll finish the walk-through for you. It tracks what you do to tow vehicles. If we have notified the boat owner or can't find the owner, posted the dock or it's an emergency situation and we have to just go ahead and do it and go through the process afterwards, we then have a contract with a private contractor who will tow the boat and we have a storage contract for the boat to be stored and kept in the same condition that we found it in until a person either bails it out or it's considered abandoned and is disposed of accordingly. The notice tells people they can appeal the towing to the code hearings officers just like a towed vehicle. If the hearings officer determines it's valid the owner is on the hook for the charges. If the hearings officer determines that the tow is invalid parks is on the hook for the towing charges towing and storage charges, then it proceeds from there.

Eudaly: Is there a flat fee for the tow or does it increase daily?

Burley: Depends on the size of the boat and complexity of the issue. The warrants we have seen that need to be removed immediately are the ones that are sinking and have bio hazard and things of that nature in them. We have seen it range from a couple hundred dollars to in excess of \$2,000 but these boats are generally smaller.

Eudaly: As we know we have hundreds of people living in cars and r.v.s, we also have an undetermined number of otherwise homeless people living on our river and vessels. The mayor suggested last night that we may look at creating a space for these r.v.s and I'm going to suggest that we may need to consider creating a space for these vessels. I

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imagine that's even more complex and problematic than the r.v. park given that it is on water but I'm concerned about these residents and somewhat familiar with the kind of constant hoops they have to jump through to keep their homes on the water.

Burley: Some are living on boats that have no motors. They have to bring -- home made fuel oil and it's really dangerous. I think the state did reach out to the city a couple of years ago.

Wheeler: Yes, we did. Commissioner Eudaly, this is much more complex than the r.v. Situation. There are multiple overlapping jurisdictions and Portland is one player in a very, very complex web of federal and state and local regulation. But I will say this, that the concerns that came to the department of state lands when I wore that hat back then were often around serious environmental hazards, serious bio hazards. Serious life safety issues. Even under those circumstances our ability as a jurisdiction to act alone are very limited.

Auerbach: Because we don't have any jurisdiction over the river itself and the department of state lands controls the submerged and submersible lands. All we have control over is our own dock.

Fish: There's two other issues that should concern us greatly. One is many of these vessels are very unsafe for the people living in them. Number 2, since the river is about the most heavily regulated entity in our community it's anomalous as we're trying to go through a superfund cleanup and trying to maintain our permits that we do have vessels that are putting bio hazards into the stream. My sense is the answer is not to do a work-around around existing law to enable this. My suggestion is we find a way to get people out of unsafe situations into safer situations. That would be the more humane approach.

Burley: I have to say we have huge and successful partnership, a man who lives on the water, a veteran, both legs were amputated. His boat didn't have a motor. I went down to the site myself. There was lots of debris and things like that on his boat. It took a few months to find him housing but they did. It was a huge success story. That happens from time to time when we have to take action that's necessary and that will include towing. Especially with some of the things we see sinking out there.

Fish: One last question. Last year, the year before under the auditor's leadership we essentially waived all fees for whole classes of code appeals to reduce the barrier. What is if someone since this is subject to appeal to the code hearing officer what would be the cost to an applicant? Is this covered by the law that we passed essentially waiving fees for classes of code hearing appeals?

Auerbach: That's a good question. I did not double check that. We didn't used to charge anyone for park exclusion appeals. I think that would be the same thing here. I think one of the -- I'm having only vague recollection. We need to check with code hearings about this but one of the unintended consequences of doing what you did was actually there was a fee that was -- then became payable. \$10. Instead of nothing they were charging \$10 for park exclusion appeals although I think the hearings officer has the ability to waive it.

Burley: If you submit a written request, I have not seen the people pay the \$10.

Fish: This is an emergency item. Can we follow up in writing with that? Cause I think that reform of eliminating fees for appeals was very important. I think particularly because of the class of people this may impact this should be a for barrier system as possible for people to exercise do process.

Auerbach: I think we have agreed with you about that. If it were up to us they wouldn't pay anything. It's a question of what the hearings officer is charging and I believe it's \$10 but you can get it waived if you fill out the form.

Wheeler: Further questions? Is there any public testimony?

Moore-Love: We have six people signed up. The first three please come on up.

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Wheeler: Is there anyone to present on item 321? If not -- was that a yes? Okay, stand by. Thank you. Good morning.

Lightning: Good morning. I'm lightning. I represent lightning super watchdog. Again, on the tying up the boat, we're dealing with the city, the city property, out on the water we're dealing with the state, submersible land lease. We have to understand that what we don't see in this ordinance today is that if that quote term homeless person on the boat is actually determined to be homeless, then I'm asking for an exemption on them from being

--

Wheeler: I'm sorry to interrupt. Could I ask people speaking to please keep it down or take it outside so that we can hear?

Lightning: You do not see that here. When you remove a tent or something on a sidewalk, although how bad it is they still have a right technically to go down and try to reclaim that property. What you're doing is you're placing a two to three to \$5,000 towing fee by your paperwork which you know there's no homeless boater that can afford that amount of money so they have just lost their boat and I assume they have lost all their possessions because you don't allow them to tie off on these landings which are public properties for over two hours. Again, Multnomah county river patrol handles this for you and their position is get them off the river. Tow their boat. Destroy their boat. Take their possessions and that is their position. They don't like boaters, people tying their boats out on the water and they will remove them in an aggressive manner and they will use every position which I call the nuisance liens position, biohazards that have not been tested, different things in the water that haven't been tested. No data to substantiate what you're trying to do. This is just a way to remove them off the water and get them off the water without again I have gone at it with Multnomah county river patrol and trust me, I have said you need to have a solution first in place for these people before you take their boats and take their possessions and throw them out on the street. That is the responsibility of a municipality to protect the safety and the interests of the people in this city first before you think that you don't want on these boat landings to have these boats tied up because it's inconvenient for you and you don't like the looks of it. Who cares what you like? You need to start providing these people with housing and quit taking their possessions using these type of nuisance liens in this ordinance to where you can give the authority to Multnomah county river patrol, which is a bunch of --

Wheeler: Please wrap it up. You're 45 seconds over.

Lightning: Okay. I think I made my point, mayor. The reality is be cautious and work with these people that have been determined that they are what river patrol calls homeless boaters and try to work with them in a reasonable manner and don't take their properties from them. Don't put them out of their boats. Don't think join which knows nothing about the marinas are out on the watered.

Wheeler: Thank you for your testimony.

Lightning: Absolutely ridiculous.

Wheeler: Point made. Good afternoon.

Susan West: I'm Susan west from river place. I have been at river place for 25 years. We're asking you to amend the city code to reflect the state law and give parks the authority to tow boats that are in violation of the law. The mighty Willamette is the artery to our city and we tell a very sad story to the world as we allow a few difficult and from our experience dangerous people to take our docks hostage. They dump raw sewage into our docks and into our fine river. Our park docks are public spaces and they are vitally important to our city. We're squandering our best asset and scaring people away. Photos that I included here in the little packet are just one of the many hundreds of photos where they are down on the docks for years. So you should be happy to note that I did not

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include photos of the human and dog excrement which are commonly seen by hundreds of people that pass every day and that we often pick up and clean. So we would like regulations, city workers and public officials respected and we want our beautiful city docks back. We would like Christmas ships to dock without being burgled which happened recently. We want our blind paddlers, high schoolers and elderly to walk to their dragon boats safely. You may not have heard our pleas and reports, certain Galina has and probably Amanda has also or you may not see friends of river place cleaning or working daily or worked with us in one of our cleanups, 12 of them this year, but we are there saving the city hundreds of thousands of dollars picking up pickup loads of trash, not all are docked but quite a bit, so that our city is beautiful and safe for all. We feel that park rangers and park maintenance and security, the river place marina and us are placed unfairly burdened and in a dangerous situation and we would like your backing.

Fritz: Thank you for your partnership and the volunteer work you have been doing for many years.

Wheeler: Thank you. Good afternoon.

Marlon Bump: City with a big heart. We appreciate that. I'm marlon bump, harbor master at river place marina. We have come a long ways with your help through the years in managing the docks. I manage the private entity that's surrounded by the public dock. We have seen highs and lows. This proposal to allow towing would be one more management tool to work with folks in the worst case scenario. I think it's going to take time to get a boat towed. I don't see it being towed out in two, three days, even a week. I would expect the overall process would probably take up to three weeks a month or longer. So if there is a problem with housing, that should allow folks some time to make some adjustments to help these folks. I think it's important on all aspects to take care of the folks that are living on the river like this. Then also the docks. The docks are clean and safe and tourist friendly. It's a representation of our city. It needs to look good for families. It needs to be equitable for all boaters, not just a group that's taken it over. Thank you so much.

Wheeler: Thank you for your testimony. Is there any further public testimony?

Wheeler: Good afternoon. If you could state your name for the record, please.

Laura Scott: I'm Laura Scott. I'm with the friends of river place. Thank you very much for hearing us today. All I want to do is confirm that you got the email from me yesterday with the photographs showing how unsafe and how unclean the public dock was before we had the cooperation of the park rangers and the Multnomah county river patrol. Thank you.

Wheeler: Yes. Thank you.

Scott: We don't want that to happen again so we do need the funding, the support to keep it clean and safe for everyone. Thank you.

Wheeler: Thank you for your testimony. Good afternoon.

Dawn Lewis: I'm dawn Lewis, part of friends of river place and also a dragon boater. Since we have been doing the patrol for the last three years, it's really helped. It's really helped out. I'm down on the docks year round. The boats that are there from what I can see are pretty much repeat people that have been told that, no, what they are to do and what not to do. There's a lot of just being obstinate and pushing buttons. The boats are unsafe. We have literally seen them hanging themselves out and go to the bathroom in front of us right there on the marina. Their dogs are left I don't know why they even have dogs. It's so unsanitary for them. They have crapped all over the boats. The people have. It's just disgusting. Then they hop off the dogs are unleashed on the dock, which are scary. Scary dogs. Anything unleashed to me is. And they just dump right there on the dock because the poor dog has nowhere else to go. It's awful and sending away a lot of our tourism. I know a lot of boats used to come in for different activities because of this activity

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they are just not coming any more. So I really believe in this tow effort. So I hope you really look into it and go with your best judgment.

Wheeler: Thank you for your testimony. Good afternoon.

Carlos Enrique: Good afternoon. I'm Carlos Enrique, former journalist for the Boston herald so I have covered city council quite extensively. I have just recently moved here and I have to say I'm very surprised at like how there's so many people that show up to city council and just kind of like get angry at you and yell at you and stuff like that and I'm sure that has happened before in the past when I have covered city council but not nearly as frequently as it has here. And it made me kind of wonder, like, how could someone just endure people coming and berating you every week and everyone gets mad and you say I'm signing the ordinance anyway and what I realize --

Wheeler: I'm sorry to interrupt. This has to be germane to the ordinance.

Enrique: Existence has not been properly translated to you. So this is for you.

[Rises and goes toward Council with soda cans in his hand. Officers escort him out.]

Wheeler: Not a good move. Not a good move. Thank you. Don't do that again. Okay? Not a smart move. Thank you. I do appreciate it but don't do that again. [laughter] please, folks, do not do that. For your own safety don't do that, okay? I appreciate it. Welcome to Portland. [shouting]

Wheeler: If this were the Boston city council that would have ended differently. Is there any other public testimony? [shouting]

Wheeler: That's all who signed up.

Wheeler: Please call the roll.

Fish: Mayor, could you bring to order, please? [shouting]

Wheeler: Excuse me. Thank you. Good. Please call the roll.

Fish: Commissioner Fritz thank you for bringing this forward. Thank you to the neighbors for coming and testifying. I believe that with the due process that's been described to us in terms of the notices and ultimately the opportunity to have an administrative hearing if there's an issue I think that satisfies the concerns that I would have that someone is treated fairly and there's an independent review. I do believe that the larger question here of the safety of people in these vessels as well as the impact on the river and mayor, I appreciate that you have committed to looking more broadly at finding safer and healthier places for people to live so they don't have to make these choices. Aye.

Saltzman: Thank you, commissioner Fritz, for bringing this home. It is certainly there's many -- we need to be compassionate but make sure our docks and public places are safe and attractive for residents and tourists. Aye.

Fritz: Thank you, colleagues. I think you all know how concerned I am for people who live outside whether they are in boats or tents or just on the street. So I ask many of the questions that have been asked today before we brought this to council. Public spaces are public spaces. They belong to everybody. The docks belong to everybody. They cannot be appropriated to be somebody's ongoing home any more than people can have an ongoing home in other park areas. So it's the principle that is extremely necessary to maintain the public spaces that everybody feels welcome. Thank you so much to friends of river place for all the work that you've done, continue to do. Thank you for reminding us about the funding for the rangers. Thank you, Galina Burley, and Harry Auerbach, for your work. Aye.

Wheeler: Aye. The ordinance is adopted. I believe we have one last item, 321, that was pulled off the consent agenda.

Item 321.

Wheeler: Good afternoon.

Jennifer Li, Revenue Bureau: Good afternoon my name is Jennifer Li I'm with the office for community technology within the revenue bureau. The item is an ordinance requesting

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an extension for a franchise granted to mci communication services in 1997. We're requesting an extension through February 14th, 2019, to give parties time to continue negotiating the new franchise. During this period mci will continue to operate under the terms of the original franchise. I'm happy to answer any questions you might have.

Wheeler: Any questions? Any public testimony?

Moore-Love: Mr. Johnson pulled this.

Wheeler: Could you please close the door? There's a little bit of noise coming in. Thank you. Good afternoon.

Charles Johnson: Good afternoon. Charles bridge crane Johnson. Especially in light of communication we had from Mr. McCullough, here we have mci, since the '90s, always had to dial 9501022 to get my cheap mci call. It's hard for citizens to speak to you directly on this because we are talking about franchise and the paperwork that we have, which is only two pages here, there's not a dollar sign in it. That's bad governance. When a piece of communication with the public talks about a franchise and there's no dollar sign there what are we supposed to think? It's not -- I don't think it's an exclusive franchise like with century link and pots basic telephone service and probably may be central services. I see there's an old ordinance number 170954. Amanda will tell me there's a phone number. I could have called Melvin Riddick at 3-0066. But to increase public confidence that you are really doing the best fiduciary duties with franchises it would be easier for me and maybe other members of the public to have that feeling if there were dollar signs instead of business as usual, extend because, why, because we weren't prepared for change so we have to extend to 2019? I appreciate your time. Glad to present even though that doesn't cover the actual monetary value. There are services and values and goods none of us have said a specific dollar amount.

Wheeler: Thank you. I'm sorry. I should have had you testify first and had her come up. I apologize. Here she comes up.

Wheeler: Again to the same point I agree. I think we should be linking the contract for future reference. I agree with that principle.

Fritz: Please pull it a little further. Thank you.

Li: We have been asked to put the current amounts into the council memos that we prepare so they will be doing that going forward. This was just submitted before we had that request. In response to your specific question, I looked it up before I came over. Under this franchise mci pays the city approximately \$21,000 per year for use of the right of way. So they have a route from front street that goes through downtown to connect to one of the network switching hotels. That's what the franchise is for.

Wheeler: Any further public testimony?

Moore-Love: This was pulled. I didn't have a signup sheet.

Wheeler: Call the roll.

Wheeler: This is a nonemergency.

Wheeler: Oh thank you and with that it moves to second reading. With that we are adjourned. Thank you.

At 12:27 p.m. council recessed.

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Key: *** means unidentified speaker.**

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Wheeler: We are in session of the Portland city council on April 5th. Yes, April 5, 2017. Karla, could you please call the roll?

[roll call taken]

Wheeler: There is a script I read at the beginning of all city council sessions. It pertains to decorum. The purpose of the council meeting is to do the city's business including hearing from the community on issues of concern. In order for us to hear from everyone and to give due consideration to matters before the council we must all endeavor to preserve the order and decorum of these meetings. To make sure that the process is clear for everyone and that people are treated with respect I want to review some of the basic guidelines which I hope will help everyone feel comfortable, welcome and safe at the meeting and ensure that decorum is maintained. There will be an opportunity in this meeting for public participation after we have heard the formal presentation. There will be an opportunity for public comment. If you would like to sign up for public comment I would ask you, please, come up to Karla, who is we heard this morning the world's best ever council clerk. She will sign you up and we'll take testimony in order. Please state your name for the record when you come up. We do not need your address. If you're a lobbyist we need you to disclose that. If you're here representing a particular organization, we would appreciate hearing that as well. I will see how many people we have signed up and we'll make a decision about how long the testimony is. It's probably safe if you assume for right now that you will have two minutes to testify. There are three lights up front. I can't see the microphones on the back side but make sure that the green light is on the microphone when you speak. We'll remind you if we can't hear you. You'll have two minutes, 30 seconds before the two minutes the yellow light in the center will start blinking. When your time is up the red light will start blinking. Conduct that disrupts the meeting, for example shouting and interrupting other testimony or interrupting the council deliberations, is obviously not allowed. It's a violation of council rules. People who disrupt the meeting face ejection from the meeting. If there's a disruption for any reason, I will indicate that there is a disruption. I will then inform the person or persons making the disruption that if they do it again or continue their disruption they will be asked to leave. If they are asked to leave and they do not do so they will be arrested or are subject to arrest for trespass. If folks to get as many people in, we try not to do applause. We never do boos. Thumbs up, thumbs down, twinkle fingers, whatever. We would ask you not to be verbally expressive. Those are the basic guidelines and the rules. Let's treat everybody with respect and assume that you'll hear opinions that agree with yours, that you won't agree with today. We'll all Portlanders. We all want to do the right thing. Let's start with the assumption that people's intentions are good. Karla I please call the item.

Item 340.

Wheeler: Jennifer Cooperman, city treasurer, thank you. I'll make a brief statement in advance so that I don't have any formal talking points. My understanding you'll obviously confirm this is that the city council previously had asked you to come back with some recommendations or with a recommendation with regard to principles around investments

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so you're fulfilling that request of the Portland city council to come back with your best shot at a policy.

*****: Yes.

Jennifer Cooperman, City Treasurer: Good afternoon, mayor, commissioners, Jennifer Cooperman --

Wheeler: Could you slide the mike a little closer?

Cooperman: Good afternoon, mayor, commissioners.

Wheeler: Can you hear in the back?

*****: No.

Wheeler: We seem to have had better luck with that one.

Cooperman: Good afternoon, mayor, commissioners.

Wheeler: Much better.

Cooperman: For the record Jennifer Cooperman, city treasurer, here to present the city's investment policy. As you mentioned, council direction last December was to suspend direct investments in corporate securities and to propose amendments to the city's investment policy that would incorporate environmental, social, governance considerations by adding a minimum esg rating requirement as determined by a third party esg research provider.

Fritz: Can you say what esg stands for.

Cooperman: Environmental social governance.

Fritz: Thank you.

Cooperman: The proposed investment policy adds a minimum msci esg rating of bbb, which I believe is appear reasonable approach to adding esg investments while continuing to allow investments in and to earn yield from corporate securities. As background, I would like to highlight a few points. The city's investment policy describes the framework and criteria for investing the city's cash assets. The city's policy is written in accordance with Oregon revised statutes and is brought before council for adoption each year. The city's investment objectives are first, these are in rank order, first, to preserve principle. Two, to ensure liquidity. Three, to earn a market return. Investments earnings make a significant financial contribution to the city budget and to the programs and services that bureaus provide. Investment earnings net of admin fee to cover treasury's operating costs are distributed to all city funds. So we're a net -- we net zero at the end of the year. In fiscal year '16, treasury distributed \$11.4 million. In fiscal year '17 through march 31, treasury has earned \$11.7 million. Corporate securities provide diversification and an opportunity to earn additional yield over alternative investment types such as treasury and agency securities. U.S. agencies. In fiscal year '16 corporate securities contributed \$4.5 million of the 11.4 million earned, equal to 40% of the total investment earnings. Since 2015, the city has subscribed to a research product msci, esg--

Wheeler: You're trying to turn that off, right? Thank you. Technology.

Cooperman: Yes.

Wheeler: Continue.

Cooperman: Since 2015, the city has subscribed to msci, esg research. Msci is a publicly held firm that trades on the New York stock exchange. Msci is an independent provider of investment research and tools for institutional investors. Msci esg research was selected because its methodology is comprehensive, thorough, consistent, and because it's research most closely aligned with a list of seven social and value concerns that council established in 2014 for consideration in the city's direct investment in corporate securities. We call those the council principles. Msci's research is its intellectual property and is proprietary. The city pays \$37,500 a year to have access to this research and we have agreed in our contract not to disseminate it to other parties. Msci on its website does make

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publicly available a general overview of its methodology. This is an 11-page document that was published in February of this year, and it's called esg ratings methodology, a high level overview that is publicly available. I'll just read a couple points from this methodology. The reason that this research exists is that there's a recognition that esg factors can impact the long term risk and return profile of investments and these ratings are designed to help investors understand the environmental, social and governance risks and opportunities in those investments. As part of its analysis, msci evaluates and analyzes thousands of companies on 37 key issues. Everything from carbon emissions and water stress to labor management to business ethics, chemical safety. There's a whole scheme that is written on page 4 of this that outlines its overview and methodology. Treasury will continue to use its professional expertise and discretion to make investment portfolio decisions for the city using this research. And lastly, I'll mention that since 2013, treasury has posted the city's investment portfolio online. These month-end line by line portfolio holding reports can be found at Portlandoregon.gov/brfs. Click on the button that says review where the city's money is invested that will take you straight to these investment reports. Thank you. I would be happy to answer any questions.

Wheeler: Thank you. Any questions at this time? Commissioner Saltzman, then commissioner Eudaly.

Saltzman: You're recommending we don't purchase anything that scores less than a bbb by the msci?

Cooperman: Yes.

Saltzman: Are those like bond ratings like bbb a's?

Cooperman: The rating methodology that msci uses starts at triple-a and goes down to ccc. So triple b is the midpoint of their rating scheme.

Saltzman: Okay. Just one last question. We earn from corporate securities about 4 million a year?

Cooperman: In fiscal year '16 we earned 4.5 million from corporate securities. As interest rates rise and spreads widen I would anticipate that we will earn more from our corporate securities dollar for dollar invested than we have previously because as interest rates increase the corporate spreads will widen.

Saltzman: Thank you.

Eudaly: [audio not understandable]

Wheeler: I just had a couple clarifying questions to put on the record. Continuing commissioner Saltzman's line of questioning, if we were, and I know I approached you at some point last year, if we were to simply get out of corporates entirely, then your projection based on 2016 both interest rates and market earnings is that the effective cost would have been about \$4.5 million.

Cooperman: From fiscal year '16 -- right. For fiscal year '17 where we have already earned slightly more than we earned in 2016 for the full year, I would anticipate that we would leave more than that on the table.

Wheeler: Thank you.

Eudaly: I do have a question actually. I'm concerned about the proprietary and secret nature of this information. The lack of transparency to the public. Can you speak to that?

Cooperman: So msci research is its intellectual property and it sells that research to money managers and other institutional investors interested in paying for it. That is what we have done contractually and we have agreed as part of our contract not to share that information or to disseminate that information to other parties who have either not paid for it themselves or in the case of the city and the members of the socially responsible investment committee and certain members of council people who have signed a confidentiality agreement. It is the ratings are one piece of information that treasury uses

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when it decides on how to invest the city's money and all of the investments that we make are published in our investment portfolio statement that goes on the website.

Eudaly: But what you're describing does preclude really explaining to the public what the criteria is before we make the investment.

Cooperman: Well there are a lot of criteria that go into the investment decisions that treasury makes.

Eudaly: I'm specifically referring to msci.

Cooperman: To the esg criteria?

Eudaly: Yes.

Cooperman: We would be reading the investment reports that we are paying for and use that as part of our analysis and decision making.

Eudaly: Which is not available to the public.

Cooperman: Correct.

Eudaly: Thank you.

Wheeler: Is the information available after the fact?

Cooperman: My understanding is that it is not. I'm aware that there are people who have been distributing links to reports that are proprietary. I don't know how those reports were shared but if you read down to the fine print there's a statement saying that the information is proprietary and that one needs prior approval of msci before distributing it.

Fritz: The actual purchases become public knowledge, right, after the fact? When you buy -- you just directed us to a site where we can look at what we have currently got invested after you buy something according to this policy that would show up.

Cooperman: Sure. We publish publicly our entire investment portfolio so after the fact one can read our line by line investment portfolio and see what we own, see what we own.

Fritz: It's my understanding that state law requires that council adopt the investment policy every year, so there would be a backwards look at who did we invest with and is that appropriate.

Cooperman: Yes, because we invest longer than 18 months we're required to come to you each year for approval of the investment policy. We understand how we need to follow the letter of the law, which is the policy, so all the decisions that we make are in accordance with the policy which you approve.

Wheeler: I'm going to put my cards on the table. I think they are probably pretty well known since I was treasurer for the state for six years, my objective here would probably be to move us towards the perfect world of having no disputes or no debates about the esg principles in which we're investing. That of course would lead us towards a logical conclusion of no corporates. But as you just said there's a real price to that and I will quantify later what I think that real price actually is. On the flip side, there's continuing the sri committee's work and having people make a decision about what companies they want to be in or not be in on the debt side, and as I have stated many times before I think it's a very blunt instrument and ultimately for every corporate issuance I can find you somebody who is offended by it. So I have problems with that side of the spectrum as well. What you have brought us here is an intermediate solution. Ideally somebody will be in the business with a thoughtful debt related corporate sri fund. I'm not sure any such beast exists yet but since we do bring this forward every year that will obviously be high on my list of priorities every year to see what's out there in the market and is there an opportunity for us to get on a corporate debt sri vehicle that has very clear, explicit and detailed esg principles then what we're doing as the council we're not cherry picking each individual security issuance, which trust me we don't want to get into, I have been there, done that, but instead we would hold a vendor accountable for living up to those esg principles and we would have the ability to be accountable to those principles. This is a thoughtful response to what the

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city council asked you to do and as an intermediary step. Obviously there's lots and lots of people who want to testify and try to change my view of this, but prior to your testimony I wanted to be honest with people and let them know how I'm currently thinking about this.

Eudaly: I wasn't here last year. I know there was a contentious debate around our investments, and that is why you were directed to limit to government bonds. I remain a little confused about msci. I would say I guess it's an improvement over absolute free for all with no regard for what companies we're investing in, but I don't -- msci is more about risk management than it is about our shared values and ethics. Just for clarity, if investments are made public, the public will know that those companies fall above our floor of bbb. But that sounds like a violation of our confidentiality agreement with msci. It's not?

Cooperman: No.

Eudaly: Thank you.

Wheeler: To be clear would that be your intention then, to publish that information?

Cooperman: We will continue to publish the month end report of the city's investments so anyone can pull up this report and see what we own. And everything that we own will always be in accordance with the policy.

Eudaly: I think I'll put them up now. I want to preface this by saying as Americans we live in a representative democracy I think in Portland with our 150 some odd citizen boards and commissions our beloved Portland public process and our lively city council debates that we have something that borders more on a participatory democracy, and I'm concerned that this resolution will diminish that. I want to honor the efforts of our socially responsible investment committee and I want to preserve the council's ability to add or remove companies from its do-not-buy list in the future. Amendment number 1, oh, boy, this is going to be fun. [laughter] nobody throw anything.

Wheeler: This is how it's done. This is great. Thank you.

Eudaly: Amendment number 1 I would like to amend section 3 -- I want to say for weeks on end the overwhelming number of emails and phone calls we have received at my office has been about this issue and putting specific companies on the do-not-buy list. Hence the first three amendments. Amendment 1, I would like to amend section 3 item f by adding nestle to the do not buy list as recommended by the socially responsible investment committee in their September 20, 2016 report.

Fritz: I'm going to second all of your amendments even though I don't know what they are. [laughter]

Wheeler: Commissioner Fritz seconds the amendment and we'll call that Eudaly one.

Eudaly: Amendment number 2, I would like to amend section 3 item f by adding caterpillar to the do-not-buy list as recommended by the socially responsible investment committee in their September 20, 2015 report.

Fritz: Second for the purposes of discussion.

Wheeler: Commissioner Eudaly moves, Commissioner Fritz seconds let's call that Eudaly 2.

Eudaly: Amendment number 3 I would like to amend section 3 item f by adding bank of New York melon to the do-not-buy list as recommended by the socially responsible investment committee in their September 20, 2016 report.

Fritz: Seconded for purposes of discussion.

Wheeler: Moved by commissioner Eudaly and seconded by commissioner Fritz for discussion. We'll call that Eudaly three.

Eudaly: And amendment number 4, I would like to amend section 3, item f, by reinstating the language from time to time city council may approve addition of specific company's names to its do not buy list at which point investment officers are not permitted to purchase securities of companies that have been added. Any existing positions of these companies

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need not be sold. From time to time city council may approve removal of specific company names from its do-not-buy list at which point investment officers are permitted to purchase securities issued by these companies.

Fritz: Second.

Wheeler: Moved by commissioner Eudaly and seconded by Fritz. Eudaly 4. Very good.

Eudaly: That's all.

Wheeler: Any further questions before we go to testimony?

Cooperman: The revised section 3 f, with the section that reads direct investments are not to be made in debt securities issued by colon; companies on the carbon underground 200 list as updated and Wal-Mart was meant to absorb if you will the do-not-buy list. So rather than have the do-not-buy list being a stand-alone separate document the intention was to - - I can't think of a better verb than absorb but combine the do-not-buy list names with the policy itself. Just for background.

Wheeler: I'm sorry, so would the practical implication of supporting amendment 4 be to eliminate the provision around the carbon tracker 200?

Cooperman: No, it's more a procedural comment that by adding back the language that references the do-not-buy list it creates a secondary document called the do-not-buy list whereas the approach that I have put before you today was to actually embed those names in the policy itself.

Eudaly: The purpose of the amendment is to preserve our ability should we choose to add or remove items from the list. I'm reticent to give up that ability.

Fritz: I think we can always -- you can't bind a future council member and also we can always add things by council vote. There's nothing that says that it can only be done at the first of the year. Is that correct? It can be done any time. I don't know if it's necessary to have that language because it's council's right to change its mind or add new things.

Cooperman: The do-not-buy list would presumably still come before council as a resolution. The way that this was initially drafted those names are embedded in the policy itself which also comes before council.

Eudaly: I don't have a copy of the carbon underground 200 list, so I have no way of knowing who is on the list.

Cooperman: That actually used to be public and they have moved to a subscription model as well. [laughter] except for the top ten names which you can access on their website. For our purposes the majority of the 200 names are foreign firms that do not issue U.S. dollar debt that we would be eligible to purchase except for two names. Chevron and Exxon. Those were the two names that were eliminated from the investment pool if you will for eligible investments previously. We can -- the intent would be to periodically check that website unless there are funds made available to actually subscribe to the database.

Wheeler: May I ask how much does that cost?

Cooperman: I haven't asked.

Wheeler: Can you look into that I would be curious.

Saltzman: I have an amendment too. What's the total dollar volume right now of our corporate bond investment portfolio?

Cooperman: Right now -- between corporate bonds and commercial paper we're at \$530 million.

Saltzman: Okay. I guess the amendment I'll put on the table is we would eliminate from our investment policy commercial paper and corporate bonds altogether.

Fritz: I'll second that for discussion too.

Wheeler: We'll call that Saltzman 1 and that is moved by commissioner Saltzman, seconded by commissioner Fritz.

Fritz: Just to clarify, that would be not investing in any corporations, right?

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Saltzman: Correct.

Fritz: I just want to comment to everybody the mayor made a very astute observation when we were talking about this yesterday that that leaves investing in U.S. treasury and I'm not all that confident that the U.S. treasury is particularly a good thing to invest in right now. [laughter]

Wheeler: To my earlier point, that's why as you know I have my views on this and I am willing to admit my view is probably the minority view here, the city of Berkeley, California, has just declared that U.S. issuances are not socially responsible. So once again for every investment you push across this table I'm going to find somebody opposed to it.

Fish: Jennifer can I ask a question on the Saltzman amendment? As a practical matter, how long would it take for us to be out of corporate security?

Cooperman: The average weighted average maturity of the city's portfolio right now is 460 days, so a little over a year. So it will take a little bit longer than a year for the portfolio to turn.

Fish: What will be -- again focusing on Dan's amendment, if you take those securities out of the mix and focus on what's left, treasuries, for example, what is again the hit to the total return, annual return in the second or third year?

Cooperman: We are currently earning about 1.1% on the city's portfolio net of costs. If we eliminate corporates, the hit in the first year is likely to be about 20 basis points and will continue in the second year. I would like to check on that but I would say probably another 20 basis point.

Wheeler: What's a basis point?

Cooperman: A bases point is one 100th of a percent so there are 100 bases points in a percent.

Wheeler: Thank you. I wanted to make sure we were getting to treasury speak.

Fish: I'm not great with numbers. We're talking somewhere between two and four million low and high end?

Cooperman: Probably -- low and high end over which time?

Fish: In two or three years we would see our income reduced between two and 4 million.

Cooperman: It's probably greater than that because the balance in the portfolio will likely be higher and interest rates will likely be higher as well. So spreads will be higher.

Fish: I guess just to complete the picture, as we are thinking through all these options, currently the income that we get from our portfolio is used for what purposes?

Cooperman: Every part of the city has a fund in our general ledger, and those funds have balances in them. Whether it's water's payments of receipts from water bureau customer, whether it's parks, their sdc monies. Every fund has a balance. Treasury allocates interest to those funds based on investment portfolio. We push out interest to every part of the city that has cash so that the end of the year we are treasury is at zero.

Fish: And can you give us an approximate percentage then of the impact on the general fund as opposed to the other fund?

Cooperman: I would want to check on that. I don't have a dollar.

Fish: What's your gut sense in terms of fraction?

Cooperman: I couldn't do that.

Fish: Okay.

Cooperman: Every part of the city will feel that.

Wheeler: Any further questions for right now, the treasurer will obviously be sticking around for a while. So why don't we go right to public testimony if we could. Can I just see a show of hands of the people who would like to testify?

Moore-Love: I have 42 on the list.

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Wheeler: Why don't we start with two minutes and see how we go with that. If you have not signed up that would like to you still have that opportunity to do so.

Wheeler: Good afternoon. State your name for the record and hopefully both green lights are on the microphones. Just go ahead and start here.

Rod Such: My name is rod such. I'm with occupation free Portland. I would like to start off by thanking commissioner Eudaly for her amendments to this resolution with one proviso. We would really like to see wells fargo added to the do-not-buy list. With all due respect, commissioner Saltzman, we do believe that retaining the socially responsible investment policy and the siic is the best way to proceed. It gives us a bully pulpit to let corporations know when they are violating our values. And we can send them a loud message, we believe, a louder message if we retain that socially responsible investment policy. The main thing, though, that I would like to speak to today or the deficiencies of the city treasurer's proposal. We're told that this resolution stems from a desire to end a contentious and divisive process and establish an objective process for determining the city's investments. We would ask has democracy ever not been contentious? Have human rights ever not been divisive? And as a retired encyclopedia editor -- [laughter] I always understood objective to mean all sided. In other words, you look at an issue from all sides. But this resolution is not all sides. It called for us to rely solely on a wall street firm. This resolution is also anti-democratic because it shuts out community input. It's nontransparent because it's based on proprietor reports that cannot be disclosed, it relies solely on the judgment of a wall street firm that gives zero weight to corporate ethics, fraud and corporate tax avoidance. This resolution may also violate the Oregon constitution by delegating a governmental decision to a private entity. I would like to call your attention to a written legal analysis submitted by Steven Goldberg of the national lawyer's guild that reaches this very conclusion. Just in conclusion I would like to say that we definitely appreciate the amendments that have been proposed by commissioner Eudaly.

Diana Richardson: Good afternoon. Mayor, councilors, I'm Diana Richardson. I prepared for three minutes so this might be a little ragged. This past week seven of those courageous women that were on the front lines at standing rock traveled to Norway as the indigenous women's divestment delegation to engage with financial institutions and public officials, civil society groups and public forums, press and media to share their experiences, concerns and calls for international solidarity and justice. Michelle Cook, speaking about the value of the indigenous women's divestment, Michelle cook explains, making indigenous human rights abuses visible is critical in ending human rights abuses against indigenous people. As a representatives of the people of Portland, we have a right to expect that you as a representative of the people of Portland, will not shame our city by making us complicit in the harm, in the violence being done to indigenous women in our communities. To do no harm ought to be our highest priority. Finally, most of the world is coming to recognize that anything we do here affects not just Portland but has effects on millions of people and on the entire planet. I urge the city council whatever its reservations to accept the recommendations of the sustainable investment committee and to adopt a resolution put forward by occupation free Portland which directs the city to put wells fargo and caterpillar on the do-not-buy list. Make us proud of Portland. Thank you.

Susan Haywood: Good afternoon. I'm Susan Haywood. We are the raging grannies. [laughter] we are going to be singing our testimony. [humming] ¶ from standing rock to Palestine ¶¶ ¶ here in Portland town ¶¶ ¶ human life is under attack and the right thing must be done ¶¶ ¶ which side are you on ¶¶ ¶ which side are you on ¶¶ ¶ human life or profits, which side are you on ¶¶ ¶ they gathered first at standing rock and now across the land ¶¶ ¶ to keep the water and sacred sites from deadly corporate hands ¶¶ ¶ which side are you on, which side are you on ¶¶ ¶ the planet or the pipelines ¶¶ ¶ which side are you

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on wells fargo and caterpillar bring us death and shame they bulldoze and they terrorize all in money's name which side are you on which side are you on the people or the profiteers which side are you on this is torture our grandchildren, robbing us of life tearing up our families. adding to the strife which side are you on which side are you on human life or profits which side are you on what we do here affects the world on this you must be clear don't put our money in wells fargo, killing what we hold dear which side are you on which side are you on human life or profits which side are you on

Wheeler: Thank you, raging grannies. [applause] we had poetry this morning now we've got musical interludes. I feel like we're getting the whole deal here. Thank you for your testimony. Next three, please.

Wheeler: Welcome. I'm sorry you have to follow that. [laughter] good afternoon. That was great. Thank you.

Diane Dulin: Thank you, I'm Diane Dulin, a minister within the united church of Christ part of the Palestine Israel network of my church and part of occupy free Portland. The proposal to delegate socially responsible investment decisions is in my view a lazy alternative. Which deserves to be rejected. The community has done its homework. The citizen testimony and the socially responsible investment committee. The material we have presented to you is publicly known and well established. It's no secret that wells fargo sold bogus accounts to unsuspecting customers. We all know that wells fargo investments in private prisons, which house immigrant detention centers. It's no secret that caterpillar faces criminal charges for a massive tax fraud. No one denies that caterpillar tanks built to military specifications are used against Palestinian homes and families in the west bank. And used for cyclical violence against schools, hospitals, houses of worship and civilian infrastructure in Gaza and everyone knows caterpillar is digging the North Dakota access pipeline. The action you are considering would deepen a culture of deplorable business practices. A culture now ascendant and the in our country where human rights take a back seat to corporate tax breaks. Deregulation and morally blind submission to profit and where stunning silence prevails regarding socially responsible values. Community will not delegate our trust to wall street and a wall street firm which works in secret. You have been elected to make these decisions and to do so in the open. We know when we are being told to mind our own business. And this indeed is our business. Thank you.

Wheeler: Thank you.

Richard Toll: I'm dick toll. I'm a retired episcopal priest, work with occupation free Portland and seveal and Jerusalem which is a Christian organization, and I just have returned from two weeks ago with two weeks over there at a conference in Bethlehem on the subject of religious extremism relating to Jewish, Christian and Islamic extremism and I would like to read something of a document that we studied while we were there. Written by church leaders in Jerusalem in 2009. This is the introduction. These are voices from Palestine. We are a group of Christian Palestinians after prayer, reflection and exchange of opinion cry out from the suffering in our country of the occupation with a cry of hope in the absence of all hope. A cry full of prayer and faith in a god ever vigilant. God's divine providence for all inhabitants of this land. Inspired by the mystery of god's love for all, the mystery of god's divine presence in the history of all people and in a particular way in the history of our country. We proclaim our word based on our Christian faith and our sense of Palestinian belonging. Award of faith, hope and love. Why now? Because today we have reached a dead end in the tragedy that Palestinian people. The decision makers content themselves managing the crisis rather than committing themselves to the serious task of finding a way to resolve it. The hearts of the faithful are filled with pain and with questioning. What is the international community doing? What are the political leaders in

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Palestine and Israel and in the Arab world doing? What is the church doing, the problem is not a political one. It's a policy in which human beings are destroyed and this must be a concern to all. We address ourselves to our brothers and sister's members of our churches in this land, we call out as Christians and as Palestinians to our religious and political leaders. To all the people of the world. Please hear this cry for help. I implore you to hear these voices from Palestine. City leaders we should not put our faith in investments that are adding to the burden of people that are under occupation.

Dee Poujade: Good afternoon. I'm dee Poujade I'm speaking as chair of the united Methodist holy land task force established as a means of educating churches and individuals about the illegal occupation of Palestine. In 2013 the conference vote to divest its conference holdings from caterpillar along with Motorola and Hewlett Packard which are not under discussion here because of those companies' numerous and long standing violations of human rights. They are even more egregious now than two years ago. In addition to the well documented destruction of Palestinian homes and farmers by weaponized caterpillar bulldozers caterpillar has the contract to construct the Dakota access pipeline and is in the running to build the wall with Mexico which I would like to point out will be modeled on the barrier that keeps the Palestinians prisoner. The Methodist church joined a long list of faith bodies many of whom are here today in aligning our beliefs with actions. The city of Portland should do no less. To abdicate its duty to make investment choices based on principles to a wall street company rather than utilize the thorough, dedicated work of the investment committee is lazy and irresponsible and I believe it comes as a high price morally and financially.

Catherine Alder: I'm reverend Catherine alder, a pastor in the united church of Christ. I'm also a family therapist. I know when a family is making a choice that will make the family unhealthy. This new financial policy or proposal is just such a plan. It goes against the very community values that we all share. That's about democracy. Each one of us has voted for you because of your character and I call on your good character, your sense of community values, your honesty and openness and compassion to reject this financial plan. We must have an open, democratic process regarding our city investments or the people have a voice prior to money being invested. We need to be consistent with our words when we say no to the Dakota access pipeline then we don't invest in caterpillar, Caterpillar is listed as an a on this msci wall street firm and it's a horrible company in terms of Palestinian human rights. Msci will not accurately tell us when corporations have crossed the line in terms of human rights, environmental issues, tax evasion, worker abuse, Palestinian rights, prison investments, immigration rights, indigenous people's rights. We cannot be the city of Portland as a shining city if we invest in a way that crosses those lines. I urge you to accept what the sri policy was and the work of the sric as they did it for December 2016, accept those findings. Thank you.

Sonia Kowal: Good afternoon. If I may I would like to play the testimony of Sonia kowal, which is by video. Probably just for audio for you. Is that all right?

[Video Played]

*****: I'm the president of asset management firm investing responsibly for 20 years. Previous to my role at zevin I worked as an investor of msci heading up the u.s. Office of iris. I'm concerned by the proposed investment policy which removes use of the do-not-buy list. Suggest replacing it with a minimum esg rating. Using these ratings as a sole determiner of social responsibility is overly simplistic. They should be just one part of thoughtful review. Most investment managers use these ratings as a starting point for further research. Providers typically rely on information provided by companies but this is often stale, inconsistent across companies and biased because it's based on what a company says about itself which leaves potential for green washing. High ratings are

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typically associated with more disclosure than better behavior. And when this information is aggregated across issue areas to form a single rating for a company large distortions can occur. I know this from my previous employment. Using a single rating as sole indicator of social responsibility is deeply flawed. I would advocate for the approach used by the sri committee which builds on msci research by incorporating additional information this. This helps yield a more reliable picture of a company over time. It still excludes the carbon underground 200 and Wal-Mart. This implies that council understands that using minimum rating alone cannot hope to convey the intentions of social responsibility without involvement in controversy. Portland should continue to be the thoughtful, progressive leader it's built its city on. In a world of investment ratings represent the start of a conversation, not the ends. Thank you.

[End of video]

Wheeler: Thank you.

Jamie Trinkle: I'm Jamie Trinkle I'm with Enlace and the prison divestment campaign I want to thank you for your amendments commissioner Eudaly but would like to press for the addition of Wells Fargo to the do-not-buy list. Enlace and 25 other organizations and the Portland prison divestment coalition representing the community's most impacted by criminalization have been asking city council for three years to stop investing in private prisons and their major investors, more recently stop investing in Caterpillar as destroyers of indigenous lives and land from Standing Rock to border communities to Palestine. Members of our coalition organizations are more under attack than ever. Our organizations are scrambling to deal with dozens of detentions locally to fight the Muslim bans, working 10 to 12 hours a day to deal with Trump's agenda playing out here locally. The proposed investment policy the treasurer proposed backslides from a system that city council didn't get a chance to word the socially responsible investment committee, and it replace it is with an undemocratic secretive process that allows city investments and companies financing and profiting from the racist, xenophobic and climate destroying Trump agenda. The proposed investment policy does away with our socially responsible investments committee as well as human rights and facts criteria. Decisions will be based on a wall street company's assessment as to whether a company has engaged in practice so egregious it becomes a risk. This is not in line with city values and continued support of becoming a sanctuary city, support for Standing Rock. What local governments can do to protect their immigrant, black, people of color and trans constituents is to create safety at a local level but also to cut off financing for the hateful, overleveraged Trump agenda. We need city council to do more than lip service for the causes it supports and hope you'll take the opportunity to adopt a robust democratic and transparent socially responsible investment policy that includes Wells Fargo on its list.

Eudaly: I would like to respond to Ms. Trinkle and Mr. Such, due to proprietary information I'm not allowed to say why Wells Fargo was not included as an amendment and I think it's an example of why this is not good public policy. I do want to add that I fully support divesting from Wells Fargo.

Thomas Beilman: Good afternoon. I'm Tom Beilman, a member of the Palestine Israel network of the United Church of Christ. From the very beginning in our discussions with the city about Caterpillar, I have heard statements like this. Nothing we do will have any impact on Caterpillar. Portland is so small that nothing we do will even move the dial. If true that rationale would serve as a convenient excuse to continue business as usual. But the facts tell a different story. What you see here is a list of companies that have ceased partially or completely investing in the military occupation of Palestine. This includes some very large corporations, some as large or larger than Caterpillar. Viola Transportation annual revenues of 30 billion has completely exited these Israeli settlement business. G4S, the

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world's largest for profit prison company with 618,000 employees has announced plans to cease all business in Israel. On the other hand, the French telecommunications giant with revenues of 44 billion exceeding those of caterpillar has exited the Israeli market. I could go on and on but let's take in all these companies on this list. Have withdrawn part or all of their investments in Israeli military occupation. Let's take violia as an example. Like caterpillar, violia appeared to be heavily entrenched over many years in profiting from the Israeli military occupation yet one by one cities and towns just like ours vote toddy vest their holdings in violia, or to decline business contracts with the violia. Cities like Boston and st. Louis, yolo county in California plus cities in the u.k., Scandinavia, Europe and in Australia. Which city was it that broke the back and triggering violias complete withdrawal we don't know. What we do know is that Portland has the opportunity today to be a significant voice in a struggle that will inevitably succeed. Please do the right thing.

Wheeler: Thank you. Good afternoon.

Herschel Soles: Good afternoon. Herschel soles, a concerned person that followed this issue for a long time. I really am kind of imploring to get a strong statement from the city council on racism. This kind of goes back to a production of a play, a similar situation. Production of south pacific in 1946. They were under pressure from investors to excise a song from the play because it mentioned racism. The song that they wanted excised was you have to be carefully taught. It's a song about racism. Turns out the directors and artists won out. The song was kept in, and I just want to give you the last part of the song because it involves racism and even why it exists. This is the last part. You've got to be taught before it's too late, before you're six, seven, or eight. To hate all the people your relatives hate. You've got to be carefully taught. I understand you people are under similar pressures, pressures for profit, campaign contributions, but I'm just asking you to kind of go beyond the profit concerns and do the right thing. Make a strong statement in this very bad climate we have now. A 5-0 vote would be a strong statement against racism. Thank you.

Wheeler: Thank you. Good afternoon.

Roger Weidner: Yes. Thank you, commissioner, mayor, for having this. For those of you who don't know me I'm a former attorney, public prosecutor. 40 years ago I ran the consumer fraud department in the Multnomah county district attorney's office. I was the 1990 reform party candidate for governor. I have been going after the corruption in the system. We're trying to speak in these courtrooms about innocent people in this community having their children, properties taken from them in sham star chamber type proceedings. I have been arrested 23 times. Many times violently. 300 days in jail. They put me in an insane asylum sticking needles in me to keep me from talking about this problem. I said I was the son of Leo Weidner, retired deputy chief of the Portland fire department. I was taken home from the hospital I'm told by he and Terri shrunk when they worked in the first aid car 78 years ago. I have been around a long, long time in this community. My father said leave it better than you found it, son. I'm focused on restoring constitutional governments to the citizens of Oregon. If you do not have constitutional courts, you have no constitutional rights. What we have in the courts today are administrative courts. Judges have told me that. Harlow Lennon, Thomas tunnel, Wallace Carson, that they are administrative courts, quasi-judicial administrative courts. That's not what I learned in law school. I had justice Harlow Lennon, Robert jones as instructors 50 years ago. Ethic, ethic, ethic is what they preached. We, the citizens are demanding strict, clean, constitutional government. I have left you notices that I served on all these public officials. I have had judges on the stand. I subpoenaed eight judges when they prosecuted me. I subpoenaed the judges. When they came in I charged them on the bench. I named you, judge, you. They sat there red faced. Four I charged on the bench and three including

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Dorothy baker, Lee Johnson ran out of the courtroom. That is not what a civil society provides to its citizens. We want clean, constitutional government where the rites of the citizens are protected. The constitutional rights are strictly observed by you public employees and all the rest of you public employees on the payroll that citizens' rights are protected. Thank you.

Wheeler: Thank you for your testimony.

Wheeler: Good afternoon.

Sandy Polishuk: Good afternoon. Mayor wheeler, commissioners, thank you for the opportunity to speak. My name is sandy polishuk. I'm with 350 pdx. Mayor wheeler, three weeks ago at the town hall on climate priorities I was delighted to hear you so strongly commit to 100% renewables and to declare climate change our most pressing issue globally and that Portland will be the line of offense in these times when acting locally is more important than ever. Obviously continuing to prohibit investments in the carbon underground 200 companies remains another important piece of our local climate strategy. We were glad to find the proposed policy does so. Commissioner Eudaly, I was equally delighted when you spoke at the same forum of feasibility study on a municipal bank acknowledging that wells fargo is bad and all the available large banks are just as bad. We understand it will take time to disengage from wells fargo. But we can place them on the list to make clear our intention and that we are consciously moving in that direction. I urge you to do so. Caterpillar is another company we must have on that list. In addition to not meeting our sri guidelines, they are helping build the Dakota access pipeline. To be consistent with your resolution opposing the pipeline and supporting the standing rock Sioux in their struggle, we need to cease further investments in caterpillar. Anything less would dEmmonstrate that your resolution was not a genuine commitment. In addition to adding these companies, I strongly urge you to keep the committee active. These citizen volunteers worked diligently for a year doing a thorough and excellent job. Their dedication and hard work needs to be honored but more importantly the city needs the committee's oversight to ensure their investments are aligned with their values. If you would permit me I do have the answer to your questions on the carbon underground 200.

Eudaly: I would appreciate that.

Polishuk: I wouldn't call it a subscription. I would call it a registration. That as long as you are not asking to register for commercial purposes, it's free and it's almost instant. My compatriot sitting next to me signed up on her tablet during this meeting. And we'll get full access. You can all personally do that.

Wheeler: Thank you.

Fritz: Did you say the purpose is to list out fossil fuel companies?

Polishuk: What it lists are the 100 coal companies and 100 gas and oil companies with the largest reserves in the ground. It's part of the acknowledgment that we need to keep those reserves in the ground.

Fritz: Is that the language in the proposed resolution is acceptable to 350 pdx.

Polishuk: That portion of it I think the resolution needs to go farther.

Fritz: In terms of the fossil fuels. Thank you.

Wheeler: Good afternoon.

Ron Buell: I'm Ron Buell from Portland. The Dakota access pipeline aside, wells fargo is still the city of Portland's bank holding 35 million of the city's 40 million in current deposits not to mention its profits from underwriting on matters like our recent housing. Wells fargo bank created as many as 2 million unauthorized fake credit cards and fake checking accounts. This came about because the bank tied compensation to how many accounts employees could open. This fraud took down the bank's ceo. He was fired. But on the way out the door fortune reports he has been given the golden parachute immediately worth

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\$133 million to him in his retirement and this was despite a \$41 million claw-back. Wells Fargo first fired 5300 mostly low level employees before he himself was fired. "Everybody knew there was fraud going on and that people trying to end it were the ones who got in trouble" says one manager who was fired. Maybe some of you saw the movie the big short in a recent speech New York reserve bank president Bill Dudley compared Wells Fargo's recent problems of fraud to the 2007 mortgage crisis which was also fanned by flawed incentive systems at Wells Fargo. These incentives encouraged brokers to turn out as many loans as possible even if the borrowers couldn't pay them back. Wells Fargo lobbying efforts led to deregulation and policies on mortgage backed subprime loans and credit swaps helped lead to the crash. After the 2007 meltdown housing prices fell by a third families lost \$7 trillion in home equity in the U.S., more than 5 million homeowners lost their homes. So Portland forward is joining today with the alliance for democracy to ask the city to do a feasibility study on the creation of a public bank, join Seattle, Oakland, Philadelphia and Santa Fe in looking carefully at the public bank feasibility and success of the North Dakota state bank. You'll hear more testimony on this today because when you're discussing a no buy list and city investment policies it's directly relevant to our need for a public bank.

Wheeler: Thank you, sir. Good afternoon.

Harriet Cooke: Hi. I want to thank you all for caring. That's something that is so clear being a Portlander in how you function. I'm Harriet Cooke. Most of what I'm going to say has already been said. I'm a member of the Portland public banking alliance and I'm testifying first in support of keeping the socially responsible investment committee alive as an independent and essential research panel to assist the city in making sound ethical decisions about how to best invest public dollars. Second, I'm here to ask for feasibility study for a Portland public bank. In addition to concerns about fraud and ethics that we have heard about, there are also significant risk to public dollars in banking with these institutions. Under the bankruptcy reform act of 2005 the Dodd Frank act of 2013 derivative hold nears banks are given first priority to a failing bank's assets over depositors that includes government revenues and pension funds. We need some place else that is safe that doesn't do derivatives to put our money. A Portland public bank could be modeled after the bank of North Dakota, which was established almost 100 years ago. Benefiting from its bank North Dakota was the only state in a continuous budget surplus since the banking crisis of 2008 generating a whopping 25% return on equity even in 2008. In 2009 it was in the unique position of reducing individual income and property taxes by a combined 400 million. In 2011 they were reduced by 500 million. Every year from the banking crisis through at least 2012 the bank of North Dakota report add return on investment of between 17 and 26%. Portland does have options to investing in wall street banks and I encourage the city to complete a feasibility study to established a Portland public bank that can support our values and the sustainable vision of our city. Thank you.

Wheeler: Thank you. Just by way of an interesting footnote, I have spent a lot of time on the phone with the folks in North Dakota about their banking model and certainly a number of you in this room have had many conversations with me over the years in Salem. This is where these two issues intersect. Interestingly. Check out north Dakota's investments and where they are making those returns. You will not be happy.

Cooke: I understand their connection with the oil, fossil fuel industry and I hear you. That said, in Ellen Brown's book, which is about all I have to go off, she compares North Dakota to California which has even greater oil reserves and their investments and their state funds went down during this time. So yes, we can model after but we in no way want to be like the bank of North Dakota. We have different values and we need a bank that supports those values and those businesses.

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Wheeler: Thank you. I appreciate it.

Eudaly: I would like to add my office has begun working on a resolution to conduct a feasibility study for a municipal bank. It will take us about a month to craft it. It's more complicated than you might imagine. It's just a feasibility study but it's the first necessary step.

Wheeler: Thank you. Next three, please.

Wheeler: Good afternoon.

David Delk: My name is David delk, president for the alliance of democracy. I appreciate you're holding this hear. I want to be clear I totally support including wells fargo and caterpillar on the do-not-buy list and support the maintenance of that list. As it exists now I am totally opposed to the city treasurer's proposal for how we should move forward. It fails to take into account the criteria used by the socially responsible I investment committee in making its recommendations. One concern that is always asked is if we're not going to invest and put our money with wells fargo what are we going to do with it? The answer at least in one state, North Dakota, was to do a public bank. We have already discussed some of this, so I will note that the bank helped the state escape the 2007-2008 credit crisis that befell most of the rest of the nation. During the past 20 years it's added nearly 400 million to the state's general fund, provides student loans at less than 2.5%, refinances student debt, saving students millions. It works in cooperation with local community banks and credit unions to fund business development and provide mortgages. Because of those relationships, partnerships, bank of North Dakota expands the lending capacity of those local financial institutions. I have a nice story here I won't go into it about how it really helped during the great flood of 1997 in grand forks and a nice illustration of how it worked in North Dakota versus how it worked in Minnesota. So I also want to call for a feasibility study for creating a municipal bank in the city of Portland.

James Olfink: Good afternoon. Thank you for having this hearing and revisiting this important topic. Most importantly considering the input of the public in this decision making which I think is something that is and should be valued and continue to be valued in Portland which is why I think that commissioner eudaly's comments about continuing to involve the public in our investments is so key and having transparency throughout. So I'm James olfink. I encourage council to add wells fargo and caterpillar to the do-not-buy list and to continue to maintain that list and solicit public feedback in removing or adding corporations from that list. I also feel this is a little bit like whack-a-mole. To your point, for every investment that we could be making in a private corporation there are likely going to be people unhappy with it which is why it's so important that we invest in a long-term solution which is a public bank where we have complete control and we can invest in accordance with our city's values. So I think that we need to decouple what is good for us financially from what maximizes wall street profits, which is the investments that we're limited to now. If we were instead of funding fossil fuel expansion, exploitive human rights abuses and corporate corruption we should be using our investments to support local affordable housing, sustainable infrastructure and quality education. One value's as David touched on that north Dakotans have found important is education, which is especially significant to me because I spent ten years working at psu in the office of student financial aid and every day I would help people mortgage their futures with companies like wells fargo who routinely charged up to 12% for a student loan. The bank of North Dakota offers 2%. Maybe in Portland we would decide to focus on building up our affordable housing stock, reinvesting in our schools or going to renewable energy. But we should be investing in line with our values and the only way to do that is through a municipal bank.

Wheeler: Thank you.

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Josh Burkhart: Thank you for having us. I'm Joshua Burkhart. I work with people in goal setting. The goal I assume today is to represent the people of Portland who have continuously voted in favor of public education, environmental conservation and local community these are not goals of wells fargo or any large national banks. Corporate banks are only interested in their profit margins. Portland public bank would be operated for the interest of public services. It would be run by professional banks, not politicians, and would be run for the benefit of the city and community. Municipal bank can decrease costs of working with large banks saving taxpayers large sums on roads, parks and affordable housing. Earnings from the bank, from loans and interest, could go back into feeding the city coffers. Rather than the profit margins of wall street as we were considering at the beginning of this meeting about our investment potential. Our government revenues are too large to be deposited in local community banks and credit unions. A public bank would not compete with smaller community banks but would partner with these local institutions on joint loans with city money creating jobs right here in Portland. When I work with people and their goals we have to look at where they apply their energy and how they can invoke their own autonomy. Portland is allowing its finances to be used for the interest of corporate banks in the profit margins meanwhile Washington we have a government which does not share the same values as polled when it comes to public education, low-income housing, the environment and so many parts of life that Portland holds dear. A public bank will increase our own autonomy in the face of national opposition to our goals while capitalizing on our own financing and putting them to go use for us rather than wall street. We propose a Portland public bank be aligned with the spirit and ethics of the Portland with a board of directors appointed by the city council. We have drafted a resolution for a proposed \$75,000 feasibility study. I hope you will give it your thorough consideration.

Wheeler: Thank you. Next three, please.

Hyung Nam: Good afternoon I'm Hyung Nam I'm a member of the Portland socially responsible investment committee that's been in suspension since the December resolution. I just want to say that I'm here to speak for the majority of us that are on the committee that I checked in with. You'll hear from another member as well. We all want to urge you to adopt our report that we made last September and continue the sri process. I want to just other people have already talked about some of the points. I want to start with thanking both commissioner Eudaly and Fritz for those amendments. I think that's one possible option here. If we add also not only the companies that we already talked about but wells fargo and amazon I think that we can go with a full list that we had that nine companies that we came up with last September. Let me just back up and start with saying that there's no way to avoid controversy. If we want to be a fossil fuel city, if we want to be a sanctuary city, that's controversial as well. I would like us to stay true to those kinds of values by being consistent with our investment policy as well. First of all, I want to point out I'm one of the people that have spent hours and hours researching, reading, stacks -- in my garage I have stacks of msci reports and did find some publicly available examples of msci reports I sent to all of you. If you look at the one I send about wells fargo that's publicly available from their website it shows that the esg, right, has 14 categories. Out of those 14 categories, seven of those are given a zero weight. It's a dog and pony show. So it has no effect on the rating. Business ethics and fraud has zero weight. Wells fargo got a two out of 10. They also got a low score on labor management. Because it's given a zero weight, it distorts the rating that they get. But I think more importantly than that, what's really important is naming these companies. In terms of financial impact, it is small, but these companies invest millions of dollars for their corporate image. If we quietly buy, no one's going to know that. When we name these companies, even, wells fargo, none of the

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securities don't mature until next year. One matures in June. There will be so little financial impact. Saying the city of Portland, a sanctuary city names nettle, caterpillar, amazon--

Wheeler: Thank you, I'm going to have to ask you to wrap it up.

Nam: I urge you to adapt our report. We put nine companies on the do not buy list. By following our report, you would have more options to invest in companies, to get the returns until we find the viable option by creating a public bank.

Wheeler: Thank you, appreciate it. Thank you very much. Sorry to push you along. I apologize. I hate doing that. Thank you.

Christopher Kuttruff: I'm Christopher Kuttruff. I want to track that the one person that's spoken in support of this resolution is the treasurer and formal vice-president of Goldman saks herself. So, just speaking, again, this acronym, msci, Morgan Stanley capitalist? This is completely anti-democratic. It completely removes any kind of transparency in this process and I want to hear follow-up from commissioner Eudaly about why you can't speak to why wells fargo is not included. That is offensive. [laughter] I just want to speak -- like, I called days before this session was supposed to go. I've been following up since the last decision was made at the end of last year. The responses that I got from the treasurer's office were completely, like, opaque and I don't understand how that is the kind of accountability we need when talking about managing public funds. I heard the treasurer refer to a lot about, like, potential lost profits. We weren't investing in these corporate securities before 2009 so it was your mistake if it is going to compromise our ethical and social standards. We need to figure out a way to do that. Again, just referring to those profits, like, at what point, like, are we cool with, like, funding weapons manufacturers that are dropping drone bombs on Syria just because we wouldn't want to lose those profit margins. Wells fargo absolutely should be that line and there should be transparency and public accountability with this process. And I really appreciate your statements and the fact that you said you were considering all other banks besides wells fargo for the city's banking. You all need to follow-up with policy, as well.

Wheeler: Thank you, appreciate it.

Ginny Feldman: Hi, city council, mayor, thanks so much for listening. I'm dr. Jenny Feldman and speak as a pediatrician in Portland. And I'm a grandmom of two Portland youths. When I told my granddaughter I was going to speak as a member of the group, physicians for social responsibility. She said, nana, is there a group for social irresponsibility? [laughter] I didn't want to answer, well, it's a little complex. [laughter] yes your city might ignore the conclusions of a citizen-powered many year task force that determined your mommy's tax money should be invested in certain responsible ways. Your city might have the money supervised by a wall street company with no openness, expect perhaps in retrospect. My church joined with other organizations because the corporate forces intersect with other faces of oppression in America. Caterpillar builds the Dakota access pipeline while it sells bulldozers for demolishing houses and olive trees. Hewlett Packard is a top u.s. Seller of weapons. Geo influences national immigration and policing policies, turning detention centers and prisons into multi-billion dollars per year profits. The intersectionality of all this is demoralizing to me, as a Christian, as well as to my Jewish husband that takes Yahweh very seriously in his concept of justice. I don't want to tell my grandkid, a child of color, that, yes, her city does have an environmental school but will make money off banks that makes money off a dirty pipeline. Don't make me explain to my grandkids that the city is moving away from a well-studied approach to social responsibility.

Wheeler: Thank you.

Patricia Kullberg: My name is dr. Patricia Kullberg and I'm speaking on behalf of Oregon physicians for social responsibility. I had the privilege of serving for two decades at

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Multnomah county health department as medical director and assistant health officer. During my tenure there the agency earned a national reputation for promoting progressive programs often far ahead of other like communities. Some of these programs were highly-controversial. For example, needle exchange, which facilitated the exchange of dirty needles used by drug addicts for clean ones without charge and without judgment. Many opposing said it was encouraging drug abuse, but not only did it save lives it got people into treatment. I say all this to point out that the health department was fearless in good, public health practices even in the face of political and financial risk. The city council now has an opportunity to model the same kind of leadership and moral courage by keeping in force the socially-responsible investment committee and adopting its do not buy list. The proposal closes the door on the sric and its recommendations and leaves, in its place, the esg rating of the msci, proprietary wall street product that is closed to public inspection. This is not a transparent solution to the problem of socially-responsible investment. Scrutiny shows that firms like wells fargo and caterpillar could pass muster and end up in the city's portfolio but how would we know since the rating methodology is made for public review? This looks to me like a way to dodge the tough moral questions around how to responsibly invest the city's money. I see a lot of hand-wringing in the proposal about the financial impact of adopting this or that esg rating level instead of locking these decisions into place. Why not allow the community their right to weigh in on the potential risk and loss? Thank you.

Wheeler: Thank you.

Curtis Bell: Good afternoon and thank you for much for listening to all of us.

Wheeler: Thank you for being here.

Bell: I'm a member of Portland's first Unitarian church. I'd like to persuade you to reject the proposed investment policy and keep the socially-responsible investment policy that you voted for unanimously in 2015. The proposed policy does not allow for citizen input to how their money is invested. It doesn't allow for city council input. It passes total control to msci, a wall street firm that ignores environmental and human values that are deeply held by the people in Portland. I draw your attention to the same paragraph that commissioner Eudaly spoke about at the beginning. You'll find a deleted sentence, sentence reads as follows, from time to time, city council may approve company names to its do not buy list at which point investment officers are not permitted to purchase securities of the companies that have been added. Under the proposed policy, even the city council would be constrained from making decisions on investments. Commissioner Fritz said they would supersede this and make some decisions on investments, but why put into your investment policy this constraint and denial of the city council's ability to make its decisions on investments? I draw your attention to the opening paragraph, one of the three goals that the treasurer spoke about. Nowhere does it state that social value should be considered. But I think we all agree, from your disinvestments in fossil fuels and Walmart, that social value should also be considered. I draw your attention to the fact that had this proposed policy been in place three years ago, the city could not have sold its shares in fossil fuel corporations because the large fossil fuel corporations such as chevron and exon have high rankings aa or aaa under the msci rankings. I also want to just briefly speak to the public witness aspect of this that some others have spoken to here, this is not about a small amount of investments that the city has. Divestment from wells fargo doesn't bear on the public witness to put pressure on wells fargo or expand a movement against it. Thank you very much.

Wheeler: Thank you very much. Appreciate it.

Herman Frankel: Good afternoon. Thank you for all that you've done for all of us, year after year. Thank you, in particular, for having made the decision to formulate Portland's

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socially-responsible investment goals. Thank you for having created a committee, Portland socially-responsible investments committee, that would make binding resolutions to the council for a do-not-buy list. For that, I'm deeply grateful. Together, with many others in this room, I want the people who I vote for in the future to serve on our city council, to be committed to using these criteria of corporate and social responsibility when investing in our -- investing our money. If you take a look at the bottom line of the written testimony that Karla distributed to you, as a physician, pediatrician in Portland for the past 51 years, I want to invite you to consider rather than relying only on msci reports, we must continue to make use of the work of our socially-responsible investments committee. I don't have to say that again, that's the last line on the page that you have in your hands. Why is this important? Because the work of Portland socially-responsible investments committee makes decisions based on the corporation's actions. The work of msci consists of predicting a corporation's future stock market performance. Period. Now if you take a look, again, next to the last paragraph on the page you're holding --

Wheeler: If you can close it quickly?

Frankel: If you take a look at the msci report, on a bank that is heavily-invested in dapl, Dakota access pipeline, \$365 million investment, you'll see that that company's rating was recently reduced to a from aa because of high employee turnover. The report from msci is silent about that bank's involvement in the Dakota access pipeline.

Wheeler: Thank you.

Frankel: Relying on that report would provide you and us with no information about the activities of that bank. That's why we continue to need the involvement of our socially responsible investment committee.

Wheeler: Thank you. I believe commissioner Fish had a question.

Fish: I want to honor your presence here by asking you a question. It is an honor to have you here with us today. You have helped us shape great policy. Thank you, sir. I want to just ask your advice on a very narrow question. So, in the fall, faced with a lot of uncertainty about where we would land and the relative weight we would give to certain standards, commissioner Fritz and I came to the view that we should come to a moratorium that had its supporters and its detractors. I think the concept was sound. The challenge that I have is that I have a lot of friends who care about these issues. My labor friends look at companies and look to see how many unfair labor practices are there. How many picket lines are there and my friends who care about the environment have a screen. I was the author -- I think -- of the amendment that said we're going to weigh human rights as a significant factor and on and on and on. It became clear to me that I had lots of friends who had lots of strong feelings about some aspect of this and I began to question the utilities of us being in corporate securities all together, to honor as many of the voices I could. Here's the narrow question I wanted to ask you, the treasurer's proposal results in 21 companies we can invest in. My understanding is, there are approximately 21 companies that would eligible for investment. Under commissioner Saltzman's proposal, we would say, no more corporate securities. We'd look for the best returns we could off of treasuries and perhaps, someday, there would be a city bank or some other mechanism for an investment. What -- where do -- as -- if I had to give you -- ask you to force rank those two, get out of the business altogether of corporate securities or the compromised proposal on the table -- I guess you would call it -- which would reduce it to 21 and allow us, year to year, to evaluate because our investments would be a matter of public record. Do you have a strong feeling as to those two?

Frankel: As a pediatrician, as much as I love the children and their families, I make my recommendations based on my understanding of the facts rather than my feelings. And everything that I've written on this page is in the context of -- and I say, let's talk about

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these facts. Given the question, I would say, we need more information. Given the question -- and I don't mean to be running away from the question --

Fish: You do never run away from questions, sir.

Frankel: Given the question -- and thanks for the time to respond -- I would say what I said, for now, we have to continue to make use of the work of the socially-responsible investments committee. While we are gathering -- and not rely solely on the recommendations from msci. While we are seeking enough information to be able to answer your question on the basis of data, rather than on the basis of feelings. And you know, perhaps -- well, I think everyone on the council knows that I have plenty of feelings. But as far as the making of decisions that affect people lives, the feelings I have for the people move me to put in the energy to gather the information. I embrace you all, thank you.

Wheeler: Thank you. Thank you for your testimony.

Michel Bolsey: Good afternoon. Along with everyone else, I want to thank you all for taking a long time to hear us out. I appreciate it. I want to thank commissioner Eudaly for her amendments, which I hardly endorse or support. My name's Michel Bolsey, I'm with Jewish voice for peace, I'm here in favor of divesting from both caterpillar and wells fargo. However, I want to use my two minutes to talk about governance. I want to address the proposed change about the use of our tax dollars, known to some of you as messiness, to close an opaque system in which the public is left out and private discussions with tainted entities to determine how our dollars are spent. The application of the universal declaration of human rights the local governance is a fairly recent idea; I think it maybe comes out of the Vietnam war. But its -- I'm sorry. But, in this role as sanctuary city, Portland has recognized that human rights have to be guaranteed and protected at every level of government and when other levels of government have chosen to violate that. It's done its work responsibly and carefully. It brought new and worthwhile voices to the floor. I can think of no worst plan of action than to dismantle it in favor of one of the wall street firms whose malfeasance who cause problems. It's the city's responsibility to examine the use of people's money. In contrast to what the city treasurer said a few moments ago, the city also carries a responsibility to apply a vision to human rights justice to financial activities, which is clearly missing in her report to you where it appears the financial considerations were upper-most, and the only things that matters. Yes, these are contentious issues. If you move to offload these questions to a closed-loop process with a profit for profitability, you'll have dealt a blow to the democratic process. I urge you to keep the sri committee and reject the resolution. If I can take 10 seconds to address your question. I think there's an enormous value to the public aspect of our policy and to the way in which we articulate the country and to the world, at-large, because Portland certainly is on radar all over the world, the way in which we examine our investments and how we align with our principles as a city and as a people, as a people who share -- I think -- broadly many, many values. And I think those values are values that we can promote through the policies that we adopt rather than simply doing something privately. We'd rather say publicly to the world, here's what we consider important. Thank you very much.

Wheeler: Thank you very much. Good afternoon.

Maxine Fookson: Thank you. My name is Maxine Fookson I'm speaking on behalf of Jewish voice for peace, enlance and occupation free Portland. We're in favor of reinstating the city's socially-responsible policy to allow our city to align our dollars with our values. I want to commend commissioner Eudaly for your amendments and appreciate them strongly. More important, I want to say I'm also speaking for over 2,000 Portlanders who signed petitions over the last year to put caterpillar on the do not buy list and in support of a socially-responsible investment list. Those petitions were delivered to the city council last

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fall. In this current political landscape where or national leaders are disassembling our democracy, this is of great importance. Socially-responsible finances is how we enact sanctuary city. Socially responsible investing is an expectation to which we hold our public institutions. A suggestion for a robust sri policy, one, decision -- decide and prioritize our local values through a transparent process with city leaders and citizens, prioritizing the values we want to see reflected in our financial decisions. Parameters such as human rights, including the rights of Palestinians, not supporting private prisons are those that Portland has spOcken to. That is an essential process in an sri process. And essential step. Two, determine, then, how to align our investments based on those values. Identifying screening tools that are researched, transparent to the public and that can be specific to the criteria's and values that we, Portlanders, determine has important. Msci simply is not that tool. If you want to consider human rights as one criteria, msci gives wells fargo a 10 out of 10 score on human rights. That's just not acceptable. If the past sri committee was not satisfactory make adjustments. This policy is going 100% in the opposite direction and sadly, it fails us and it moves Portland away from aligning our socially-progressive values with our investments. Thank you.

Wheeler: Thank you. Good afternoon.

Scott Trinkle: Good afternoon, my name's Scott Trinkle. I'm just a Portland resident --

Wheeler: That's the most important thing, that's great. [laughter]

Trinkle: In December, this room was very contentious. I'm hearing a room full of people who are looking for socially-responsible investments, moving toward social justice. In 2014, when the council formed the sric group they charged them with recommending which securities not to invest in, seven volunteers worked two years to complete that task according to the guidance they were given to the city council. When the recommendation were made and the council took no action, I saw that as a slap in the face. Instead of acting on the recommendations, the council decided to table all investments, taking no action is not the same as taking a stand. Getting out of all investments ties the hands of the treasurer. Last December, Portland had the opportunity to be a leader in the fight for social justice, but instead of taking a step in the right direction, they decided to delay taking any action. City of Seattle had the courage to act for its people. There is an anti-corporate progressive movement gaining strength in this country. People are fed up with the corporate control government dominos are starting to fall Seattle was first maybe Portland will be a second. People want social justice. People in Portland want social justice and ask the council to act to reflect the will of its people. What we need to do is keep the sric and follow the recommendations. One question I do have for commissioner Eudaly, is if you could explain to the room about your inability about why you can't explain wells fargo?

Wheeler: If she wants to do that during her testimony --

Fritz: As a point of information, if we had not taken the action in December, Walmart and fossil fuels would be -- that do not buy list would have gone away. We continued not buying Walmart and fossil fuels and we directed that this further discussion was going to happen.

Wheeler: Thank you, sir. Next three, please. Could you remind me how many people have signed up?

Moore-Love: We have about eight more.

Wheeler: Oh, very good. We're doing great.

Katrina Scotto De Carlo: Good afternoon, my name is Katrina Scotto De Carlo and I was a member of the socially-responsible -- sric committee. I'm here today because I underwent emotional battering on that committee. You guys know what it's like to stand between the public and controversial decisions. You get beat up. That's not why I was emotionally battered. It's because I had to read about crap that I hope no one has to read

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about, to figure out what is the worst of the worst corporations that we're possibly investing in. We did not choose every company. Like Coca-Cola everyone knows they sucked. We are talking about the worst of the worst. I had to read about Tai Fishermen who work 22-hour shifts and get fed one time a day. They're kept on prison islands. When their fancy feast cat food Fish for Nestlé, they put them on a prison island so they can't escape. It was this research and all the other research we did outside of that committee. We're pissed off. We know what these investments support. I know about amazon and Walmart, I didn't know about libor and now I fucking hate those banks. Okay? I'm angry. If we keep supporting this, we are supporting the worst crap in the world. We only put nine on the list. We said, we got the worst of the worst and we might not have a recommendation. Unbelievable that you guys didn't adopt the full report. You are choosing to put our tax money into all of those corporations. It's appalling. So, stand up and do the right thing today. Right now.

Wheeler: Thank you. Good afternoon.

Will Singer: Good afternoon. Thank you very much for that. My name is will singer, I've lived in Portland for over 27 years. Portland's my home. Time has long-since passed where we can concern ourselves more with local affairs, whether it's the financial or moral impact of the prison industrial complex or the plundering of wall street or wells fargo in particular. We can no longer pretend that we're not involved. The investments are central to that involvement. I'm a member of Jewish voice for peace and I recall learning, as a child, how my grandparents with two children, being among the fortunate, managed to escape from Germany in the 30s. It instilled in me the imperative that we cannot know injustices against our fellow human beings and do nothing. In 1977 I lived on a border of Gaza, it wasn't until 2003, and again in 2007, that I traveled to Gaza. In 2007, I interviewed children who had been maimed by an Israeli artillery attack. There is simply no way that any wall street investment advising company is going to bring that kind of experience to determining which companies qualify as socially responsible, ever. I've seen how corporations can corrupt social responsibility. You are better-served by what you have heard by your constituents in these hearings. The do not buy list, the socially-responsibly investment committee, thank you. Thank you very much.

Wheeler: Thank you.

Fritz: I also thank you very much for your work.

Wheeler: Good afternoon.

Carol Landsman: That's a hard act to follow, those two speakers really moved me. I'm carol Landsman and I'm with Jewish voice for peace and I have to tell you that I am gob smacked that you are considering the treasurer's proposal. Less transparency, going for more transparency. Less public involvement, going for more public involvement. Why would you want to do that? This is Portland, Oregon. That goes against everything. It's just the wrong direction. The socially-responsible investment committee, which must be an anagram for Morgan Stanley -- never mind. They have the same initials, pretty much. Did a fabulous job reflecting, reading, listening to people and making decisions and now you want to replace it or you're thinking -- I'm sorry. You're thinking of replacing it with a wall street business firm, a for-profit wall street business firm. Why would you do that? This is Portland, Oregon. This is progressive, wonderful, Portland, Oregon. I mean, I guess all I have to say is, why would you do that? This is Portland, Oregon. [laughter] thank you.

Wheeler: Thank you.

Ned Rosch: Good afternoon. My name is Ned Rosch, I'm a member of Jewish voice for peace. A recent national survey found that 92% of rabbis believe investors have a moral obligation to avoid investments that harm society. Portland should lead the way in that kind of socially-responsible investing. There are moments in life where we can take a stand and

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step towards greatness. We ask that you take a step and put our money where our values are. We need investments that yield good returns and investments that reflect our social values. We do not seek one at the expense of the other. We want and need both, they are not contradictory. We were one of the first cities to have a socially responsible investment policy and now other cities are following our lead, some divesting from companies that so much as bid on construction of the wall with Mexico. With the proposed resolution, however, we take a giant step back of socially-responsibly investing is not even mentioned it needs to be. We should add to the resolution that investments should reflect Portland's values, just as there is no reason to compromise on rate of return, there is no reason to compromise on values. Retain the sri policy, divest from wells fargo, caterpillar, amazon and Nestlé, support human rights from standing rock to Palestine, that would be the moral thing to do and an inspiration to cities around the world. Thank you.

Wheeler: Thank you.

Ethan Scarl: Good afternoon.

Wheeler: Good afternoon.

Scarl: I'm -- my name is Ethan Scarl and I do appreciate the hearing.

Wheeler: Thank you for being here.

Scarl: I'd like to speak to the risks, some of the risks involved in investment and bank deposits, even. Even though I do not claim any expertise in investments, myself. And in fact, I have some doubts as to whether such expertise actually exist. [laughter] the returns -- there we go. The returns that were quoted, the multi-million dollars we achieved, those were achieved in the context of a bull market and that if -- if we had invested, in 2007, there's quite likely that we would have suffered some considerable losses. The -- the market is -- risky and a lot of the factors that led to the crash of 2008 have not been corrected and they are still in place. So, it wouldn't be out of line to view -- to see the current bull market as a bubble. So, I strongly -- I strongly recommend commissioner Saltzman's recommendation that we either keep out of the securities market all together or not invest anything we're not prepared to lose. Also -- secure -- investment is one thing. Bank deposits is another and one person previously mentioned the bail-in problem. If a bank collapses, it can go to -- potentially go to depositors to recover that money and some of the largest banks have been using risky instruments to make money vulnerable. In short, I thank you. We've got -- you've got the recommendations of the committee, which has been thorough, transparent and well-documented and I urge you to adopt it and retain the committee.

Wheeler: Thank you, sir. Good afternoon.

Patricia O'Herron: Thank you for the opportunity to testify.

Wheeler: Thanks for being here.

O'Herron: I'm dr. Patrick o'herron. I'm here to express the support of Oregon psr and my own support for the city engaging in socially-responsible investing. As a surgeon who takes care of critical ill and injured patients, I'm aware of delegating work. When a patient isn't doing well, I need to be more involved and do the extra work, to take control of the situation and manage all aspects of that patient's care. In the case of the city of Portland, we delegate investing our money to banks like wells fargo, a bank that helped fund the Dakota access pipeline. It is among the banks most heavily-invested in nuclear weapons with over \$10 million invested. It's hard to imagine we're going to see different outcomes. Let's consider the msci, the Morgan Stanley in msci speaks for itself. I don't think an informed debate can be had when there is a bbb rating when citizens don't understand what is determined to have a bbb rating. We cannot continue to delegate how our money gets invested. We can align our investments with our values. It's hard to see how we can do that without a public bank. Let's utilize the socially-responsible investment committee,

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where we can insure that our money is not being used poorly, but we can actively spur and catalyze social, active progress. Thank you.

Diana Rempe: My name is dr. Diana rempe. Thank you so much for having us here today. I really want to thank commissioner Eudaly for her amendments and commissioner Fritz, for her support of these amendments. I also want to urge the council to add wells fargo to the do not buy list and to maintain the socially-responsible investment committee rather than uses Morgan Stanley to make our financial decisions. I understand that decision-making is complicated. But, I was in standing rock this year for quite a while and what I witnessed there was not particularly complicated. It was really simple. It was really wrong. It was wrong in regard to the utter disregard of indigenous rights and sovereignty. It was wrong in regard to oppressive peaceful protest by a police force and it was wrong in regard to environmental justice. While I'm sad, I'm really furious that my money and our money helped fund -- through the city's investment in wells fargo is what helped to fund this project. As so many have described, so well today, it's our moral responsibility to exert control over the way our money is invested and in that end, I have much more confidence in a citizen's committee. I urge you to both reinstate the socially-responsible investment committee and add wells fargo to the do not buy list. So, I hope that you will all do the right thing today. Thank you.

Wheeler: Thank you. Good afternoon.

Wayne Wignes: I'm not the most educated on the issue. One week, we have a room full of people saying affordable housing, a process which companies like caterpillar thrive off of and now we're saying don't support them. Their products line the shelf. I question the effectiveness of just blocking them. A lot of the argument against them is their involvement in Syria so I had to run home and get this book for you, ted. I hate to be a brOcken record, so we're all on the same page, this is called the battle for home. It is how infrastructure is for belonging over there and greedy developers and the politicians over there and they allowed it to run there. There is a very good case about how that contributed to the war and hopefully it's obvious how companies like caterpillar thrive off of this whole process. I'm a grad students of the physics program at psu. I'm aware of how much materials have transformed our environment and when you pop open these books, you find things like ways to make it more efficient, but you don't find them concerned about what affect it has on people and it produced a lop-sided trade-off. It makes it easier for them to build more cost-effective and they sell it to us for an exorbitant price. They are killing people in Syria. So I want to throw another tool in the toolbox, set some standard for the materials and the city of Jackson, Wyoming, they told Walmart, we're a town that builds off of all-natural wood and Walmart said, you know, I'm not okay with that and they didn't build there. You set standards and the companies aren't interested. Yeah, I had one more thing, but I forgot. Thank you.

Wheeler: Thank you. Appreciate it, very much. Good afternoon.

Ted Gleichman: Mayor, members of council, I'm ted Gleichman representing the Oregon sierra club and we focused on process with three main points, keep the sri mission and committee and strengthen it and broaden it, focus on transparency and maintain the legally-available options to make changes as you go down the road. I will say, though, for the record, that we are on-record about wells fargo. We're deeply committed to environmental justice, economic justice and social justice. We see those as inextricably linked. To close out a portion, at least, of the day with a moment of perhaps inappropriate levity, I need to reveal that I am personally a member of a semi-proprietary corporate data network. I subscribe to the wall street journal. [laughter] I see the value to good, quality data. But I also see the value to multiple sources. I get the New York times and have a magic phone, there's a lot of information available and it's imperative that the transparency

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issue be front and center. Saltzman, one is fascinating. What might be called Eudaly zero, the wells fargo issue is an interesting, unfinished question and it is, I think, in many ways, shocking that there is a proprietary issue that prevents you from speaking to the realities of the city's relationship to wells fargo. I spent a lot of time on contract law and negotiations. There is something contractual with wells fargo at this point, please consider revisiting that. Thank you so much for your time.

Wheeler: Thank you, sir. Thank you. Thank you for your patience.

Edith Gillis: We can make a lot of money with the short-term gain from corporate investments. But we have to be careful that we don't have long-term catastrophic losses and destroy our city. For example, let's build a nuclear power plant in downtown Portland. We would have utmost profits because we don't have to pay liability. We could have a private prison and have labor and wouldn't have to pay for labor cost. With our federal government, we're going to have gutted d.e.q., they don't have to pay healthcare or liability or for the environment. Let's privatize our schools. We wouldn't have to pay for our teachers, we wouldn't have to pay for special ed, talented and gifted, esl, lead in the water. We could just make lots of money. Let's get rid of our local businesses. Let's get rid of all these different pesky things and just have -- huh? Prison slaves? No one to pay taxes. No one to come in and fight for this being a livable environment. No one to support your moral development. And care about you, when we have the big earthquakes? Let's stick with the socially-responsible investment committee. Let's get out of corporate, wall street gambling and let's move toward a municipal public bank.

Wheeler: Thank you for your testimony. Good afternoon.

Ed Averill: Hi my name is Ed Averill. I've lived in the Portland area since '77. I'm -- I was mostly an engineer while I was here and I became a climate activist when I found out what was going on when I retired. So, my hot button amongst all these things is climate. But the morality of all of the suggestions of why you should go to the committee and support that kind of input, I believe in very much. But in terms of climate and what we're dealing with, you noticed that the 200 companies on the 200-company list. They were there because of the amount of reserves they held. Reserves are the issue in climate. We have five times the amount of carbon that we can burn and have a planet left. And we could burn the amount that makes the difference before 2050, without blinking an eye. We've got to do things very different between now and 2050. In order to save ourselves. That's pretty high-moral issue. So, these companies are valued on the stock market, largely on the basis of the reserves they hold. And in point effect, those reserves are their stock market value and they spend tens of billions of dollars for next year even though we know they better not burn it. But for the sake of their value, they assert that they by golly are going to burn it. So, we've got this horrible situation with fossil fuels. The other side of it is, when we get to green energy, it's going to be basically no cost for the fuel. You make a capital investment and you get the -- the energy just about for free, it's coming down at an exponential rate in terms of cost. The kind of burst in efficiency that that's going to produce in the next 20 years is going to be amazing and so, not only -- we -- every investment in fossil fuels is a bad one right now. If you're investing in the stock market for fossil fuels, it's bad. If you're investing in producing a natural gas, so-called, methane-fueled generation plant for Oregon, those things all are based on 30 to 50-year investment terms. They can't make it. They've got to be shut down long before then. They're bad investments. So, we need to get the other place and this process can do it and you're heading in the right direction if you do.

Wheeler: Thank you, sir, I appreciate it. Good afternoon.

Stephen Denny: Good afternoon I'm Stephen Denny a human resources manager once said to me, businesses are to be amoral, the only concern of a business is to make money

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for the shareholders. Like a business, the city has a responsibility to invest its funds wisely to maximize returns on investments. The city must recognize its moral responsibility to the citizens and to the environment in making decisions reflecting the ethics of the community. I commend the mayor and commissioners for your work in taking moral stances on issues, such as the Dakota access pipeline and immigration. Concerned for our environment and ethical business practices cause previous administrations to place on the do not buy list, fossil fuel companies and Walmart. In the proposed resolution, the elimination of the paragraph in roman numeral three, from time to time, city council may approve the addition of specific company names to its do not buy list is not helpful to having a civic discourse on moral issues of our day. It places investment ahead of ethical decision-making as it relates to the city of Portland and the people who live and work here. The city is not a business. It is a government. With a moral responsibility for oversight and administration on behalf of the people of the community it represents. Please continue to hear the voice of local citizens. Do not eliminate your ability to make investment decisions that reflect the values the people of this city. Continue using an open, socially-responsible investment process and sri committee, support their work. I thank you for all the time you've taken to hear many voices today.

Wheeler: Thank you for being here, we appreciate it. Thank you.

****: Please, please, please incorporate the entire occupation free Portland investment policy.

Wheeler: Thank you for your testimony.

Fritz: Before you close public testimony -- are you done with the sign-up sheet? I got a text message from commissioner Steve Novick that he asked me to read into the record, it says commissioner I didn't realize two things, that the hearing on Sric was today and that relying on the ratings agency would make the do not buy list secret, although should have guessed that. Although I sympathize with the desire to leave the socially responsible decisions to the ratings agency, the secrecy is a problem. It's still better than nothing, but does partly defeat the purpose. Jennifer said that it was okay to say that the ratings influenced the choice. I think there were two problems with last year's process, there was no limit on the number of companies that could be named and both the committee and the council were put through an emotionally fraught process. My suggestion would be that the council, itself, fix a number of companies, say three, publish a proposed list and invite public comment on whether other companies are worse than those three. That eliminates the amount of painful process and forces discussion about the worst actors. I responded, are you okay with me reading this into the record? He said, yes, please sorry I'm not there I just now realized you were in a hearing. That's now on the public record.

Wheeler: Very good. Thank you, everybody, for your testimony. We appreciate it.

Colleagues, I'll leave this to your discretion. My recommendation would be we go through the amendments, first if that suits your pleasure.

Eudaly: I'd like to ask the Wells Fargo question, first.

Wheeler: I want to clarify one thing, for the record. I'm sure treasurer Cooperman would rather have been just about anywhere else but here today. I want to remind you why she is here. She is not here because she wanted to be here discussing this issue. She is here because the city council directed her to come up with a strategy and be here and present it and she and her team spent a considerable amount of time putting the proposal together, whether you like it or not. I know their intentions were very, very good. The city of Portland is very lucky to have Jennifer Cooperman as our treasurer. She's an extremely qualified woman for this position. She comes to us with a diversity of backgrounds. She has served the public as a volunteer, using her expertise in many capacities. She served on the 529 college savings plan board for many years. Those of you who are involved in it know it's

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been a really successful nationally-ranked program so I'm very grateful that we have her and I just don't want people to think she's coming here and espousing a particular view or value. She's doing her job and she was directed to be here to do that. I want to be clear on that.

Fish: Can I supplement that?

Wheeler: Thank you.

Fish: I just think -- first of all, I appreciate that we've had a very civil dialogue here today and quite honestly, this is the way Portland has hearings and has discussions and the last couple months have been challenging as we've tried to incorporate new voices into this body and balance the rights of other voices. I appreciate that this has been a very profound discussion and very thoughtful and everyone has been respectful of all the opinions. I do think, though, I have noticed a trend -- I think it's a bad trend. Rather than challenging the substance of the matter before council or challenging the position of a council person, we have time to time, strayed too directing our criticisms to staff people and I must respectfully dissent from that approach because it gets us nowhere because staff don't get votes up here and because we want to have a variety and diversity of inputs from staff. God help us if all we had was a monolithic set of inputs; we would not be making good decisions. I wasn't planning on saying something, but I also felt it was unfair that Jennifer's credentials were minimized. I know the work she did before came to Oregon and she was one of the chief regulators on behalf of banks in the state of New York. She was the public watchdog on banks and she took a fraction of the pay she could have had in another line of work, to represent the people of New York. And so I would just say -- I'm not here to lecture. I'm just suggesting that I think it's fair game to attack a proposal. It's certainly fair game to hold us accountable but I would hope we give the professional staff the benefit of the doubt and not bring them into these conversations or question their motivations because I don't know where that leads other than to a very bad place and I would say that in my experience, I am incredibly grateful for the service of the people who work for the city and provide pure, public service. It's not an easy time to be in public service and I'm incredibly grateful for the people who do serve. The mayor has left us; I think he's had quite enough of this issue. I hope when he comes back, we can have a -- madam president, I hope when the mayor comes back, we can have a discussion before we take up any amendments I think this is worthy of council discussion.

Eudaly: I would like to address the questions, and perhaps confusion about my statement about wells fargo. I'm not trying to be coy, I'm trying to not divulge proprietary information. I support divesting from wells fargo. I did not feel that it was necessary to specifically name them, today. And the reason why is the thing that I can't discuss here, due to confidentiality. But I'm happy to offer a fifth amendment -- so many amendments today. If - - well, I'm going to suggest that we consider commissioner Saltzman's amendment first and depending on the outcome of that, I will happily add a fifth. So, the mayor is back. I'd like to say a few more things. First, I want to thank the raging grannies. Are there -- is there a raging granny left here? I aspire to be a raging granny one day. I think I might have one foot in the door already. And singing is perhaps what is going to preserve my sanity over the next three years and nine months I have left of this term. I want to thank all of you -- singing, that's right. One of these days, I'm going to bust out and sing you all a song. Not today. Not today. I want to thank all of you for being here today. This can be a challenging and sometimes isolating job and I definitely did not feel alone today and I really, really appreciate you being here. And, I -- I -- is there anybody against the sric or for msci strictly adopting their standards? We received dozens of emails and phone calls, from constituents and we had one against adopting sric proposals. So, I do feel that the prevailing sentiment throughout the community is that the public wants us to put our

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money where our mouth is. Mayor, when we met for the first time, after the election, and you were surprised to see my face, rather than commissioner Novick's, my first question was about our status as a sanctuary city, due to the threat of losing federal funds as per our president's -- first 100-day plan. And you said that Portland would be a beacon of hope and set the standard for the rest of the country and I would argue that we have an opportunity, here, to set another standard for how we invest our public dollars and how those investments align with our shared values. I don't have any investments, for the first time, I guess I do have a retirement plan. The one and only time I've ever owned stocks was in 1991, when I got married. My grandparents gave me 100 shares in AT&T, which are promptly sold because of their investments in South Africa which I promptly sold because of their investments in South Africa. I haven't spent a lot of time worrying about my financial security or future. And -- but I certainly cannot abdicate the responsibility to think about our city's security and future. And so my personal impulse would probably be to, you know, withdraw all investments from any questionable institutions, including apparently government bonds. But, as a commissioner, I do have a responsibility to be cautious. I said earlier, I fully support and want to honor the work of the SRIC and I would certainly support adopting their report. The reason that I made some individual amendments today, adding specific companies, is I felt that it was more likely to get success on those than to add the entire group. I think I've covered all my basis. Thank you, again.

Fritz: Question, commissioner Eudaly. I understand about Nestle and Caterpillar. Why New York Mellon?

Eudaly: This was on a list I believe from Enlace. Could you come up and talk about that?

*****: [audio not understandable]

Fritz: I didn't mean to put you on the spot. I have a question for the city treasurer, if that would be all right?

Wheeler: You wouldn't mind coming up, treasurer Cooperman?

Fritz: And I also have been very impressed with your work over the years and very much appreciate your dedication to public service. I want to clarify that the MSCI scores are not the only thing that you would make your investment decisions on, is that correct?

Cooperman: Absolutely.

Fritz: So what other kinds of things do you consider?

Cooperman: We consider the liquidity of the bonds, how they fit into our cash management yields on the bonds, the call centers, there's a variety of issues that we consider in the investment decisions that we make.

Fritz: You have certainly sat through all the testimony and so you're aware of the community's concerns?

Cooperman: Yes.

Fritz: If we went with commissioner Saltzman's amendments, how much would that conservatively cost us?

Cooperman: That would likely knock off 20 basis points to the investment earnings that were projected to earn for the rest of the calendar year. And then probably another 20 basis points for the following year. If you give me a minute, I can do some back of the envelope math for you -- I didn't bring a calculator. So that's about \$3.5 million, that 20 basis points on the current size portfolio.

Wheeler: For this year.

Cooperman: Yes. And then additional for the year after.

*****: [audio not understandable].

Fritz: Thank you, I really appreciate it. That answers my questions.

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Fish: I have a couple, if I could, mayor? Jennifer, was I correct in stating that under the proposal that you've put forward, after you go through all the screens, there are approximately 21 corporate securities which we'd be eligible to purchase?

Cooperman: Correct. Would you like me to walk through that?

Fish: Do you mind?

Cooperman: Our investment policy limits us to certain credit ratings and maximum maturity ratings. We have Bloomberg, an information resource that is widely-used in the investment world and we plug in and we say, spit out for us a list of all of the outstanding bonds that meet our credit rating requirements and have no more than three years to maturity. That kicks out a list of issuers, that is 60 names. Then if I go through that and I eliminate what I call, the small issuers. Issuers like McLaren healthcare corp, that probably has \$10 million in bonds outstanding we will never see and we will never be offered and they are not liquid and another threshold that the money market funds use is a \$300 million bond issuance for liquidity. If I eliminate the 22 small issuers and companies that have no esg ratings, like brown university. They have -- it's a \$500 million or \$300 million. If I eliminate that, then we're down to 32 issuers. Then if we eliminate the company's names on the carbon track, 200, that would otherwise qualify. We eliminate Walmart and all of the issuers that have esg ratings that are below bbb, we're down to 21 issuers. That's the eligible universe. On any particular day, when we have cash, there may or may not be bonds available, of those issuers. As those issuers mature the eligible universe gets small.

Fish: So I'm clear, there would be 21 issuers and the council, in the future, would be free to further-shrink that list?

Cooperman: The investment policy comes to you. At the end of the day, it is always your decision about who we are allowed to invest in and not.

Fish: Of the \$500-something-million-dollar portfolio?

Cooperman: \$1.7 billion.

Fish: How much is currently invested in corporate?

Cooperman: \$530 million.

Fish: Of that \$530 million, that's all of the funds of all of the bureaus. So they're embedded in all the 28 or 29 bureaus, so it would be in our utilities, in pbot, blah, blah, blah, as well as the general fund and you currently don't know how it's actually allocated?

Cooperman: And what I was given by my treasury team is the general fund receives 5% of the investment earnings so they must represent 5% of the pooled earnings or pooled assets. So that 5%, in fiscal year 16, was about \$570,000 allocated to them as earnings.

Fish: That's important because what we're going through is a budget exercise, is determining how to allocate the general fund. These other funds might -- a lower return might necessitate cuts in programs. Or, at the very least, would be considered a lost opportunity?

Cooperman: It would likely be the former. Every year in the fall, treasury issues an interest rate. So the bureaus come up with their estimate of what their cash balances are likely to be, we give them the interest rate they can use to make their forecasts. When we come back to them, if the council -- whatever the council decides, we may need to adjust those interest rate forecasts and if there's a decrease, then the bureaus will have less interest earnings to incorporate into their budget.

Fish: It sounds to me, in a perfect world, you'd rather have that effective as of the new fiscal year?

Cooperman: When you say, it --

*****: [audio not understandable]

Fish: If there's any revisions that have to be made to fund balances and current cal targets?

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Cooperman: That doesn't impact us because we're just providing the interest rate forecast. It may be easier for the bureaus to have that at the beginning of a budget development process.

Fish: Thank you.

Fritz: I just have one further question. And that is, why did you pick the particular company for the ratings thingy?

Cooperman: The bbb? Msci?

Fritz: Yes.

Cooperman: Prior to the socially-responsible investments committee, there was a temporary socially-responsible investments committee, it is on the omf web side. The temporary committee interviewed or asked various money managers to come in, who are active in this socially-responsible space. And we asked them, tell us what you do. And there were two companies providing research that were consistently mentioned, msci and sustainalytics. I approached both when the resolution passed, directing me to procure research. Sustainalytics, was not comfortable with the sharing of information to a committee. And so we couldn't get past the contractual aspects of working with them. It also seemed that the msci research more-closely aligned with the council principles that were passed earlier on in the process.

Fritz: Thank you, that's very helpful.

Cooperman: Sure.

Fish: Before we -- sorry.

Saltzman: I wanted to give my perspectives before we get into the voting. I offered my amendment to have us get out of the business of corporate security investment all together. Not out of any disrespect for what we're here today, asking us to do. I have a lot of respect for what you're asking us to do and I'm not talking about the opportunity cost and I'm not talking about interest earnings, the opportunity costs on my time as a city commissioner. I've spent four hours today -- we'll spend four by the time we're through, 10 to 12 hours in December. Four or five hours last September, too. There are a lot of issues I'm not getting work on today. We spent a night in the Lents neighborhood hearing about the challenging they're facing maintaining and achieving livability. There are a lot of problems. I haven't had a chance to work on any of those today. I'm bound and determined to do that. I'm leading an investigation on to whether or not uber has deliberately misled Portland regulators about their practices in Portland. Haven't gotten anything done about that today. Fixing the street, you approve a 10 cent gas tax that we are in the midst of trying to invest in getting our roads fixed, getting our streets safe for bicyclists and pedestrians. The concern about our children's well-being and the children's levy is ongoing, as is the budget discussions. I don't think the people in Lents would say, you should be spending four to six hours today on this issue, as opposed to working on solving our livability issues and so that's really where I'm coming from. It may sound selfish. When I was in graduate school, I served on that school's investment committee. So, I fully respect and appreciate what you're saying, but I think it's the wiser course to get out of the business altogether because I don't want to have to do this once or twice a year and have the same discussion over 21 companies. We're talking about 21 companies. This is a disproportionate use of our time, in my opinion. As much of -- I fear corporate America, too. I fear the directions this administration is taking in this country and those are all things we're going to be pulled on to take stands on. When you add up all the things that we are taking a stand on, then it becomes a real opportunity cost and that's why I'm most concerned about it and I think it's best to get out of the corporate securities all together.

Fritz: If I might put my cards on the table too. The raging grannies, which side are you on, human rights or profits? Going with commissioner Saltzman's amendment, which would

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take \$3.5 million from the city's budget. That money is factored into the budget office's forecast and it will pay for good things we need to get done for those potholes and staff and taking care of people. So, I'm not wise or not necessarily completely on the side of the angels. We don't have a municipal bank now, so I think that what the treasurer has proposed potentially with some amendments by commissioner Eudaly, does what you're hoping for, which is to set a standard which is somewhat flexible based on whether a company does better on the ranking and then they can pull themselves up into the range without having a lot of contentious discussions, which today, we heard a lot about people asking us to ban caterpillar in December and before that. We had a lot of people who were very concerned about naming caterpillar, about their work, supplying weapons in Israel and I will support the amendment to add caterpillar because of their involvement in the -- things that are in this country, that we know of. There's people on both sides of the other issue. The Dakota access pipeline, the war are not things that I want to invest in and so that's where I'm coming from, is where is the right line and which other companies do we want to put on?

Fish: Mayor, if I could. This has been -- this is why we serve. I'm proud to be a commissioner of a city that I love today and we're having an important conversation. I also want to acknowledge what Katrina Scotto De Carlo said, I did ask her to serve and she's one of my heroes. She is -- she founded suportland, she is a local innovator. She has done more to help small business and shine a light on makers and things going on in our community than all but maybe two other people who are her close friends and collaborators. I appreciate what she said in her passion. I would also say, though, that I think through this process, which commissioner novick launched and you've participated in and has led to these conversations, I would hope that all of our thinking has evolved and I - - my guess is you may be slightly disappointed with me today, but I hope you don't feel like I've disrespected your work because my thinking has grown enormously through this process. I also want to comment, a couple people talked about the messiness of democracy and the implication being we wanted to avoid that. We live in the age of trump and cities are the place where things are happening. My job description changed a little bit. It's messier now because of what's happening in Washington and I take that as a source of pride. We're a city that's leading in efforts and areas where the federal government is no longer going to lead. That should be a point of pride and it's going to be messier. There's risks associated. The sanctuary city comes with risks. Here's where I come down after listening carefully to all the testimony and thinking about this, in the fall, I thought the moratorium was a good idea because I was beginning to think, frankly, that we should get out of corporate securities and I'll tell you a little bit why. I -- before I sold my house and lived on the east side, I used to go to peet's coffee on Broadway. And there's about 10 politically active people there and it's like any gathering of Portlanders it's 10 people there and 15 opinions on any given morning. What I loved about going there is they had all read the blogs and had the latest information. By the time I got there, at 6:00 a.m., everyone was pretty jazzed up. But the thing that unified them -- there was a lot of divisions among my friends at peet's coffee, was the desire to have a city bank, to think about a municipal bank and plan for that in the future. I know there are enormous challenges to get to do that. But it is something that I want us to consider and I think we have an advantage in having a mayor who's a former treasurer, who has the highest level of experience and iq around financial matters. And I hope -- and he views this, I hope, and all other things with a certain conservative view. I think this is an idea that requires study and I would like to see an independent assessment of a municipal bank and its feasibility. Where I land today is, I'm still of the view -- if there's a consensus on the council, that we should get out of the business of corporate securities. And I'm of that view because I have so many friends who

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have such deeply-held views about the values of companies and I don't want to be the arbiter of that. I would never answer the question, if you pose to me, which of my children do I love more? These are very hard things. Even commissioner novick mentioned it. So, it comes at a cost, but I've heard overwhelming that it's a cost people are willing to bear. Cost is a factor, but should not be the driving factor. So, I would be prepared to support the Saltzman amendment. And would do so not to disrespect the work of Katrina and the committee and my friends, but to honor the work and say, I would like to go a different direction. If there's not a consensus -- that's why I think these conversations are good. We do their best work when we have these conversations. I think the treasurer has proposed kind of a compromise that does have weaknesses. I've heard loud and clear the criticisms. But I also believe that the fact that we would be publishing for public review, that the securities that we purchased, and that that is transparent, is somewhat redeeming and I would be prepared to support that but I think I would prefer Dan's support. Mayor, the one thing I would ask and we've done this because I think we have become a very collegial body. Many of the most controversy votes have been 5-0 votes, which would be unthinkable a year ago. I think there's nothing wrong with doing polling of your colleagues to see if we can get to a consensus. I would like the broadest possible buy-in as we get to whatever approach you can abide by.

Wheeler: Very good. Thank you. I'll go ahead and give my comments and unfortunately, they look like this. So, if you actually understand them at the end, you're probably going to be a rarity. My view on this matter of divestment is well-known. Having served as the state treasurer for six years prior to being here and the chair of Multnomah county for four years before that, it's no surprise that it is not my most favored strategies. There's no question in my mind that there are a variety of tactics that can be used to support environmental, social and governance standards, particularly in the government sector. As your treasurer, I brought the state's first esg principles to the Oregon investment council so all the decisions being made by p.e.r.s are being run through an esg lense. We have the deferred comp program so if people wanted to go a different route than what was being offered in the main pool of funding, they could go ahead and do that. We were obviously actively engaged as shareholders. We ran towards the board meetings, waved our shares in the air, got together with other large institutional shareholders and demanded change in corporations that needed changes. You know, some of the most notable example, we worked with Washington, California and other states to actually create a set of profiles of women and people of color who could serve on fortune 500 boards and we actually demanded that the sec require corporations to publicly disclose the ceo's salary ratio relative to the average employee, because we felt that was important to know about the future dynamics of the hr system and that company. There were times I supported wholesale divestments. I happen to believe, because -- I believed and of the theories that have been born out around coal, that they were lousy investments. So, I was able to justify on a fiduciary responsibility. Some of you have mentioned the city -- potential city bank or state bank. I looked over how to implement all or part of such a structure. What we did what we brought credit unions in the parity and passed legislation to make it possible for the credit unions to be public depositories so the city of Portland, Multnomah county and others could actually move their funds through credit unions. We developed a coalition of local community banks to help us fund our operations and I feel, on the whole, we did a great job. So, I happen to think divestment is a blunt instrument. There are many people in this room whom I respect and admire and listen to on a whole host of issues, who have a fundamental disagreement with me on that principle I have no monopoly on the truth here. There are sharper ways to do this. You know, sandy and I have had many conversations over the last few years and she's made a very profound case that it's important to make a

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statement and I do agree, that on all of these issues, we should make a statement and particularly as mayor, I have the opportunity through my pulpit to make statements all the time. Seattle was mentioned in regards to wells fargo. I want you to know what Seattle actually said and it created this national wave of good will and I've had hundreds of people tell me, you should do what Seattle did. What Seattle did was they said when wells fargo's bonds expired, they wouldn't reinvest in them. Check that box, we're already there. And they said that when the contract for their banking services expired I 2018, they would rfp the contract. That was the proposal for Seattle and we have already said we'll rfp the contract this year. We don't have as much pr flare about it. Perceptions matter in this business. The bully pulpit is important, but I would remind people there is real costs. As the treasurer was saying, \$4.5 million this year, more next year. I did quick math on my own. \$4.5 million, that's 285 units of housing. That's 850 ada-accessible curb ramps and additional year-round shelter beds. When I was elected, what people told me they wanted to do was address affordability, address the homeless crisis, improve the policing structure in our community and fill the dang potholes in front of my house. And, so those are the things that are actually the things that I do, as mayor, that I'm asked to do. For me, when I hear \$4.5 million hit this year and potentially larger next year, for me, I can't overlook that, that is a significant resource. I still believe in direct engagement. Here's where I'm going to get in trouble with everybody. One particular reason I don't like divestment as a strategy, I think it's a very passive strategy. I don't think it's an aggressive strategy. It's easy to say, well, I don't want my dollars -- I already knew you were going to hate this. Hear me out. I don't want my dollars invested in the securities or the debt of a company. I want to be very clear on the security side, it doesn't impact a company at all. It has absolutely zero fiscal impact on a company unless it's a company issuing a stock for the first time. There is more of an overlay on the debt side, but not by much. On the equity side, you're buying and selling in a third-market transaction. It doesn't impact the company itself at all. Then there's the issues commissioner Fish addressed. There is no end to the list of things people ask me to divest from. Here's the ones I remembered off the top of my head, and some people mentioned some. A lot of socially-responsible index funds -- I'm interested if we find a debt-based sri fund and can agree on the principle, that would be a good mid-range opportunity. Sri, up to this point, has largely met technology. In this room, I bet we would find disagreements. How about hp? Amazon, and Facebook? How about the shared economy? Uber? Airbnb? Are those socially responsible or not socially responsible? What about ceos that don't behave well or have values that not all of us hold? For example, about the ceo of under armor, who got into a little bit of hot water because he had political views that were not broadly held in progressive communities like Portland, Oregon. Does that meet the threshold? What about boards that don't have women? What about boards that don't have people in color? Are those socially-responsible investments? Even if they meet other criteria of socially responsible investments. I would argue, they don't. But some people here might take a different view. Taking sides in foreign conflicts. I've been asked to divest from Iran, Saudi Arabia, china, I've been asked to divest from Vietnam, Israel and the list goes on and on. How about communications equipment? It can be used by first responders, like ambulances. It can be used by other first-responders, like firefighters. It can also be used for the military. In fact, there are a lot of companies where we buy the product that have a larger role and make money off of supporting the military than our first response. There could be a conflict between what we are actually buying and what we are saying are socially responsible investments. Junk food, beverages, sugar beverages, alcoholic beverages, private investments in private education, animal products, airlines, Nestlé, utilities, the list goes on and on. If we look at our own behavior, the sharper edge to me -- and I support what you're trying to do and what this committee did and having met

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with and of you. I know how much time and energy you put into it. I do applaud it and I do respect it. It's not divestment that changes the company's behavior. It's the bottom line. Are we still buying the product? Anybody here wearing a leather belt or shoes or carrying a leather purse? I had requests all the time, as treasures to disinvest in companies that use animal products. Did anybody drive a car here or use carbon products to get here? We're buying the product that Exxon and bp and shell that we say we don't want to invest in. We have to stop buying the product. Coffee. Are you buying coffee that's fair-trade coffee or from exploited workers? Marijuana? Do you fly an airline, last but not least and then I'll shut up, do you use a visa or a master card? If you do, you're feeding the beast, according to some. What I would like to -- I'd love to continue to engage this company -- there I go. I'd love to continue to engage the intelligence and passion in the room and talk about procurement and the actual purchases we are making and have an activist role in changing the behavior. So that's just my view. It's not a perfect solution. Jennifer, I think you gave us the best shot based on what you were asked to do. So, I feel like you've done your job extremely well. It's a mid-range proposal. I think -- I would rather get to an sri fund -- I'm a little -- I really don't like the idea of completely getting out of corporates because I just think the hit is too hard, as I said. There are people who think U.S. government securities are also dirty. So, take your pick. Pick your poison. You know, I'm erring on the side of fulfilling what I was elected to originally do.

Eudaly: Wow, that was a compelling argument against capitalism, mayor wheeler.
[laughter]

Wheeler: You know what, that's an important statement. If capitalism has become corrupted -- and I think a lot of us in this room believe there are certainly a lot of bad actors in the capitalistic system -- every day, you open a newspaper and you see example after example. Is the right way to simply be out of it or run toward it and engage it head-on? I prefer the latter strategy, but I know others disagree.

Eudaly: I'm really not an all or nothing thinker on this issue, but I would be comfortable supporting commissioner Saltzman's amendment. I also would have been happy to adopt the full recommendations of the sric, if we could reach agreement on that. I do have to respectfully disagree that the onus of the burden of socially-responsible investment should be on the consumer. It needs -- and this is one of the rare times you will hear me say this. It needs to come from the top-down. We shouldn't be allowing certain choices to even be made. And, that's a much larger conversation than we're here for today. I don't deny the personal choices part of this equation. But I can't dismiss the symbolism and meaning of Portland taking a stand on -- on these issues and -- and saying, we're either not going to invest in corporate securities or we're going to add a layer of socially-responsible criteria to this baseline that's provided by msci -- I can't believe I'm starting to remember all these acronyms. So, that's where I'm at, at the moment.

Wheeler: Commissioner Fish, you'd asked me to poll the council on some of these and I'm aware of the late hour.

Fish: I've got some family issues. Not those issues, I've got other issues. I wonder whether we can do a test vote on the Saltzman amendment and see where we stand?

Wheeler: This being my first test vote, I want to ask legal counsel, what is a test vote?

Fish: To put the amendment to a vote.

Wheeler: So it's a real vote?

Fish: The amendments on the table.

Wheeler: You made it sound fancier.

Fritz: As a person who introduced a similar amendment in December, I remember being roundly criticized by everybody that part of what we were trying to do in this instances was to do some public shaming and have some specific company's called out. So, if that's still

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the desire, I would respectfully suggest that -- not investing in any corporate securities doesn't get there.

Wheeler: So -- and I want to be collaborative with my colleagues. Would you like to start with Saltzman's amendment? Why don't we take a vote on Saltzman one and commissioner, could you restate it?

Saltzman: Yes, it will say that we will no longer invest in corporate securities and corporate paper, I guess -- just corporate securities. So we would remove all reference from our investment policies to investments in corporate securities.

Cooperman: 3f in the current investment policy would be deleted.

Saltzman: Okay. So, deleting section 3f.

Wheeler: Please call the roll.

Fish: Thank you for this great conversation and, today, I'm either going to -- I'm supporting the amendment and if it doesn't pass, I'm going to support the treasurer's proposal and I want to get out of the business of picking and choosing. I think -- I would rather have a clean -- a clearer line to follow going forward. To guide our actions.

Saltzman: Aye.

Eudaly: I'm going to support this amendment and I guess I will share that I would not support the treasurer's proposal without added amendments. Aye.

Fritz: I keep thinking of the affordable housing and the shelter beds and the ada-accessible routes that the mayor commented on and I'm worried about losing \$3.5 million, that would mean more cuts. No.

Wheeler: No. So the amendment passes. To the main -- do we still have to vote on the main motion?

Saltzman: We have to adopt the policy --

Wheeler: As amended. To the main motion please call the roll as amended.

Fish: Thanks, again, to everyone who joined us today and to my colleagues for their discussion. Aye.

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

Fritz: Thank you to Jennifer Cooperman, I continue to be impressed with your ethics and your skill. I know you'll continue to work for the city of Portland. Aye.

Wheeler: So I obviously did not support the amendment, but I understand where my colleagues are coming from on this and so I will cast a friendly aye vote for the ordinance, as amended since it's passed anyway. Aye. The ordinance is adopted.

Wheeler: Thank you, everyone.

At 5:17 p.m. council adjourned.