From: Anita Davidson

To: <u>Council Clerk – Testimony</u> **Subject:** Item 132 - Written Testimony

Date: Wednesday, February 15, 2023 8:17:54 AM

Attachments: Davidson Testimony to Council on CAS Annual Report 2-15-2023 FINAL.pdf

For today's City Council record. Thank you.

To: Mayor Wheeler, Commissioners Gonzales, Mapps, Rubio, Ryan; Auditor Simone Rede

From: Anita Davidson, resident, downtown Portland, 97201

For the Record: Item 132, City Council Agenda, 02/15/2023

Accept Downtown Portland Clean and Safe Annual Report

(Contract dates: 10/01/2021 - 09/31/2022)

Date: February 15, 2023

Dear Mayor and Commissioners,

Thank you for this opportunity to testify, and for your service to our city.

My name is Anita Davidson and I live downtown. I own my home and am a ratepayer to Clean and Safe.

I want to thank Mark Wells, Steve Wytcherley, and others within Clean and Safe and its vendors who give 110 percent to support our downtown community. They are dedicated soldiers on a nearly impossible mission.

- I. My purpose today is to highlight two ways in which this Downtown Clean and Safe annual report is incomplete:
 - 1. on financial information regarding its \$1million personnel expense; and,
 - 2. on its participation in the City's process to evaluate Enhanced Service Districts (ESDs) as recommended by the City audit of 2020.
- II. As a result of these omissions:
 - A. ratepayers may be unclear what their money funds;
 - B. stakeholders are told "shared costs" is efficient management when in fact, it is not;
 - C. shared costs from Clean and Safe fees subsidize operations of the Portland Business Alliance (PBA), a lobbying organization;
 - D. compelling ratepayers—especially homeowners—to fund operations of the PBA is a violation of First Amendment rights of freedom of speech and association.
 - E. failure to improve governance of ESDs means the City, Clean and Safe, and the PBA are not fully accountable to ratepayers for authority, direction, control and management.
- III. My request of you today: reaffirm Council's resolution from September 2021¹ for review and improvement of the Enhanced Service Districts (ESDs), specifically related to governance, formation, and inclusion of condominiums and other residential properties as fee payers. If necessary, extend the deadline for action, but make it firm.

Now for a few brief details.

First, the Clean and Safe report on financial information is incomplete. This report displays a \$1million (15 percent) Personnel expense without detail; only in the Notes to the Financial Statement is this bucket called shared personnel costs. These shared personnel (and administrative) costs resulted in Clean and Safe being the opposite of efficient: it spent 38

¹ Resolution 37554, p4, 29 Sep 2021.

cents to produce one dollars' worth of program.² Most non-profits do far better without the luxury of guaranteed public income.

Ratepayers deserve clarity around what their money funds, including those salaries and operating expenses of the PBA paid in part with Clean and Safe fees. The City and Clean and Safe agreed in the contract that all Clean and Safe employees are PBA employees, and that ratepayers will fund 30-50 percent of the cost of multiple additional PBA employees³. Without this subsidy, the PBA might not sustain its current staff or operations from member dues alone.

Second, this report omits information about Clean and Safe's participation in the ESD audit response. The Clean and Safe scope of work,⁴ says Clean and Safe would be a participant in the City's process to evaluate ESDs as recommended by the City audit of 2020. This annual report does not mention how Clean and Safe or its manager, the PBA, participated with City staff to address the audit findings, any improvements apart from new contracts that resulted, any attempts to withdraw from participation, etc.

We do know, from the recent 2-year audit follow-up report (2/6/2023), there has been little progress on the review of ESDs by the Office of Management and Finance. For example, condominiums and other residential properties were to be evaluated as fee payers, with consideration to modifications of the 1994 (archaic and inequitable) fee schedule. This has not happened, in part because City staff sees the fee schedule as a Clean and Safe responsibility, while Clean and Safe insists it is in Code and therefore belongs to the City. Multiple issues like this will not be improved until standards for ESD governance are developed.

Which begs this final question: Who runs Clean and Safe? It's not the ratepayers. This report describes, however subtly, the convoluted and co-dependent relationship between the City, Clean and Safe, and the PBA, which is a lobbying entity. Clean and Safe is necessary—not at this point to provide enhanced services, but to do basic stuff the City does not provide fully or consistently. Clean and Safe is also necessary to the PBA—not only to make downtown a more desirable place to live, work and shop, but to share in funding its administrative and personnel costs.

This report shows that Clean and Safe ratepayers, with City approval and PBA management, fund operations of the PBA—operations that include lobbying activities. We ratepayers are compelled to support an entity some of us cannot even join, and political positions with which we may disagree—both are violations of First Amendment rights.

Yours truly,

Anita Davidson Portland, OR 97201

Brita Garidin

² Annual Report, p 3-4: City Fees+Personnel+Operating/Administration, vs. program costs excluding Police Bike Unit, which is managed by the Portland Police Bureau.

³ Contract #30007911, Section 3.9.1, p11

⁴ Exhibit B, Statement of Work, Downtown Portland Enhanced Service District, Section I.

From: <u>Diane Meisenhelter</u>
To: <u>Council Clerk – Testimony</u>

Subject: Renewable fuels not a reliable emissions reduction strategy

Date: Wednesday, February 15, 2023 8:58:26 AM

Since many of us testified at the City's listening session on renewable fuels, we assumed that would be shared with Council, but City claims are disconcerting. The approved Zenith LUCS arguments are problematic given the facts on renewable fuels. While the City's intent in developing the fuels mix policy is understandable, choosing an emissions reduction strategy based on renewables is likely to prolong the transition to cleaner sources and there has been no phase out timeline adopted for the transition clearly needed to address climate. Renewables will likely become a roadblock for those very phase out efforts unless City administrative rules provide preventative action. Increasing availability of diesel in various forms could lead to lower prices and increased overall diesel use. Shunting grain towards fuel production can raise food prices. Plus there is no guarantee that renewable diesel production will actually decrease petroleum diesel production, unless there is an overall cap on the total diesel allowed to be stored and sold for local use.

Renewable diesel is a very similar chemical combination to petroleum diesel and all the dangers are still there in terms of spills, fires, seismic concerns and pollution effects, particularly of Nitrous oxide and carbon monoxide.

Zenith claims renewable fuels will reduce emissions by 80% but there is **not** evidence or proof of this. From the scientific expertise provided by Dr.Rich Plevin and others, it is clear that the modeling around carbon intensity is problematic. The various models all have major shortcomings and often produce contradictory results. Given this, the choice of model ultimately determines the supposed CI values. The Oregon Fuels program the City is using was put in place before the intricacies of biofuel modeling were understood and national standards developed (plus there was industry lobbying which weakened it even more than the problematic CA standards). Without controlling what feedstocks can be utilized and the fuels used in the hydrogenation process, as well as adequately accounting for land use change, renewable fuels could actually add to emissions or barely reduce them. The OR Clean fuels program at best claims to only lower the average carbon intensity of fuel used by 10%. Most importantly, the carbon intensity numbers promoted in the City's renewable standards only apply to fuels sold for local use and have little to do with the fuels continuing to be dangerously transported and stored by Zenith—either the fossil fuels continuing over the next five years or the renewable fuels they hope to export. Along with an overall phase out plan, we should be banning exports of renewable and fossil fuels-- both when burned add to the climate crisis. The City must stop falling for industry greenwashing, choose cleaner pathways, and electrification.

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City Council Meeting - Wednesday, February 15, 2023 9:30 a.m.

Agenda No.	First Name	Last Name
132-01	Steve	Wytcherley
132-02	Sydney	Mead
132-03	Anita	Davidson
132-04	Kaitlyn	Dey
132-05	Lauren	Armony
132-06	Dan Handelman	Portland Copwatch
132-07	Keren	Eichen
132-08	Mark	Schlesinger
132-09	Tessa	Peterson