



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **28TH DAY OF MAY, 2003** AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Francesconi and Sten, 3.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Harry Auerbach, Senior Deputy City Attorney; and Officer Michael Frome, Sergeant at Arms.

<p>DUE TO THE ABSENCE OF TWO COUNCIL MEMBERS NO EMERGENCY ORDINANCES WERE CONSIDERED THIS WEEK ALSO, ITEMS WERE NOT HEARD UNDER A CONSENT AGENDA</p>	<p>Disposition:</p>
<p>COMMUNICATIONS</p> <p>512 Request of Ellen Vanderslice to address Council regarding City support of the Walk21 IV: Health, Equity and Environment conference (Communication)</p>	<p>PLACED ON FILE</p>
<p>513 Request of Annalisa Bandalera to address Council regarding Portland Peace Encampment (Communication)</p>	<p>PLACED ON FILE</p>
<p>514 Request of Todd J. Kurylowicz to address Council regarding Portland Peace Encampment (Communication)</p>	<p>PLACED ON FILE</p>
<p>515 Request of Barbara Turrill to address Council regarding Portland Peace Encampment (Communication)</p>	<p>PLACED ON FILE</p>
<p>516 Request of Glenn Warren to address Council regarding Portland Peace Encampment (Communication)</p>	<p>PLACED ON FILE</p>
<p>TIME CERTAIN</p> <p>517 TIME CERTAIN: 9:30 AM – Declare the week of May 28-June 9, 2003 to be Great Blue Heron Week in Portland (Proclamation introduced by Mayor Katz) (Y-3)</p>	<p>PLACED ON FILE</p>

May 28, 2003

REGULAR AGENDA

<p>518 Statement of cash and investments April 10, 2003 through May 07, 2003 (Report; Treasurer) (Y-3)</p>	<p>PLACED ON FILE</p>
<p>519 Reject bid for the Wheeler structural rehabilitation project (Purchasing Report - Bid No. 102141) (Y-3)</p>	<p>ACCEPTED</p>
<p style="text-align: center;">Mayor Vera Katz</p>	
<p>520 Authorize the rates and charges for water and water-related services by the City during the fiscal year beginning July 1, 2003 to June 30, 2004 and fix an effective date (Second Reading Agenda 475) (Y-3)</p>	<p>177502</p>
<p>521 Amend Title 17 of the City Code to revise sewer and drainage rates and charges in accordance with the Fiscal Year 2003-2004 Sewer User Rate Study (Second Reading Agenda 476; amend Code Chapters 17.35 and 17.36)</p>	<p>CONTINUED TO JUNE 4, 2003 AT 9:30 AM</p>

At 10:03 a.m., Council recessed.

May 28, 2003

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 28TH DAY OF MAY, 2003 AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Francesconi and Sten, 3.

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

	Disposition:
<p style="text-align: center;">TIME CERTAIN</p> <p>522 TIME CERTAIN: 2:00 PM - Convene Council as the Budget Committee for purpose of approving a budget (Mayor convenes Budget Committee)</p> <p>Motion to accept the budget as amended: Moved by Commissioner Sten and seconded by Commissioner Francesconi. (Y-3)</p> <p>Motion to approve the approval of the Tax Levies: Moved by Commissioner Sten and seconded by Commissioner Francesconi. (Y-3)</p>	<p style="text-align: center;">PLACED ON FILE</p>

At 2:22 p.m., Council adjourned.

GARY BLACKMER
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 Transcript.

May 28, 2003

Closed Caption Transcript of Portland City Council Meeting

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

Key: ***** means unidentified speaker.

MAY 28, 2003 **9:30 am**

Katz: Karla, please call the roll. [roll call]

Katz: Commissioner Saltzman is on personal business. Commissioner Leonard is excused.

Personal. Ok. Let's take communications, 512. I'm sorry, do you have a time crunch? No. 512.

Item 512.

Ellen Vanderslice: Good morning, Mayor Katz, commissioners. My name is Ellen Vanderslice. I'm here today as the conference chair for Walk 21 IV, Health, Equity and Environment, which was the fourth international conference on walking in the 21st century which took place here in Portland at the beginning of this month. We had nearly 300 people from 18 countries here enjoying two days of the most beautiful May weather we've ever seen in the midst of winter. And I want to come here today to thank you for the city's support for this conference. 30 years ago, this city began to implement a clear, bold vision in the form of the Downtown Plan. A little over 10 years ago, you created one of the first pedestrian programs in the country, and five years ago last month, you adopted the very first pedestrian master plan in the country. And Portland has really gained quite an international reputation for being a bold and innovative city in terms of all kinds of transportation and livability, and as you may know, Portland's Pioneer Courthouse Square is featured on the cover of this lovely book, "New City Spaces." Portland has gained this international reputation and has really taken off, and we loved hosting people from all over the country. In a way, hosting Walk 21 was the culmination of all the work Portland has done. I want to particularly thank PDOT and Brent Williams and Commissioner Francesconi for PDOT's support as an agency sponsor and commend the work of Bill Hoffman, who served on our steering and host committees, Crystal Atkins, Bill Cunningham, and Ann McLoughlin of the Office of Sustainable Development. The Portland region showed wonderful spirit for our conference, and we loved the support we got from everybody. As a token of appreciation to the Council, I got you some goodie bags with some of the lovely bags our conference attendees got, the umbrella, the pedometer, jelly beans, and --

Katz: Jelly beans I didn't get.

Vanderslice: That's for energy when you're out walking. Thanks to the port of Portland. This book actually is inscribed to the Mayor. It's from the author, and it is inscribed inside, "for Mayor Vera Katz, congratulating you on the fine work for a great city. Keep up the good work. The world is watching you, from afar -- the world is watching you with admiration." It would be easy to rest on our laurels when we're doing such a good job, but our work is not done. Because a walkable city is not just about good design and good planning, it's not just about the good health of our citizens. It is about having a city that really lives and breathes, and I urge you to redouble your efforts to keep Portland at the forefront in these efforts. Thank you.

Katz: Before you hand over the book, this was tied to the Prevention Magazine identifying Portland as one of the best walking cities in the country?

Vanderslice: It wasn't actually tied to it, but that didn't hurt us in getting the conference here.

Katz: Oh, ok.

Vanderslice: Thank you.

May 28, 2003

Francesconi: Ellen, thank you for all your work. It took a leader to organize the whole thing. So thank you for doing that.

Katz: Ellen, thank you. All right. 513.

Item 513.

Annalisa Bandalera: Good morning, everybody. How are you doing today? I just came over from the --

Katz: Identify yourself.

Bandalera: Annalisa Bandalera, I am a member of the Portland peace encampment. I'm also a student of linguistics at the university of -- Portland state university. I came here today to address you again regarding the Portland peace encampment. I'm not sure if you're aware, but yesterday we did receive yet again another visit by the police. And they felt they had to take something, so they took a tarp and they took paint. We're currently working on an -- our installation across the street, the human rights installation, which is an experimental living community that speaks to global justice. It also provides people an excellent opportunity to express their creativity. We've had many visitors from other cities stop by and give their thanks for our being there. What I'd like to ask you today is to possibly lighten up with the police, and them taking our goods. We're orderly, we keep the site neat, and the constant, you know, wondering when the police might come, is beginning to resound in what we say when people stop by. Because we are a 24/7 vigil for peace and global justice. When people come by we address these issues. We address local issues, state issues, we address national issues, and global issues. But what we always address is what is Portland police doing. That comes up. How are the police treating you? What is going on with the police? And we tell them. Well, it's raining, we have no umbrellas, we have nothing to cover our sign-making material. And we don't want this to be a focal point of what we're doing. But because the police keep coming by, this is quickly becoming a focal point for what we're telling people. And we are telling this to tourists from other cities. This is how we're being treated in our city. Portland, which is supposed to be really progressive. But we're not seeing that progressive side of Portland. I'm not sure if you're familiar that there was a peace vigil maintained outside of the white house in Lafayette park for many years. And they were allowed to be permitted and they were allowed to enjoy some comforts. We would like to enjoy some comforts. Some of those comfort might be that we could have food there without the cops taking it. Because if we do have food and we don't pick it up off the ground, they'll take our food as well. The world is definitely not a fair place, but we can make it a fair place, and our whole statement speaks to the fairness of being allowed to have our right of speech. And our right to peacefully assemble. Thank you.

Katz: Annalisa, I've been quiet for all this time. Let me just differentiate. The right of speech and the right of holding signs and having signs is the right under our constitution. But the violation of code, camping code ordinance, is the end -- the obstruction of sidewalk is the issue. Those are two laws on the books. So that's the reason that the police come by, because you are in violation of the city code. That's really -- that's really the issue.

Bandalera: How can we come to a solution of that issue when dialogue is not -- has not been opened?

Katz: I don't want to debate that now.

Bandalera: That's fine.

Katz: But that is -- that clearly is the issue that is being addressed. But as far as freedom of speech, having signs, that is hopefully not violated by anybody, because that is your right.

Bandalera: Well --

Katz: And your right -- you can be on the sidewalk without violating those two sections of the code.

Bandalera: When does city law supersede national law?

May 28, 2003

Katz: This is a city code.

Bandalera: So city code is superseding the constitution.

Katz: No, you're didn't hear me. We're not violating the constitution. In fact, our constitution in Oregon is far more liberal than the federal constitution. So thank you.

Bandalera: May I ask you one more question? You said you did not want to debate the issue now.

Katz: Not here, now.

Bandalera: I agree, this is not the proper forum. But I would like to ask you when we could arrange a meeting to do so.

Katz: We'll talk about that a little later. Thank you.

Bandalera: Thank you.

Katz: All right. 514.

Item 514.

Todd J. Kurylowicz: Hello.

Katz: Identify yourself for the record, please.

Kurylowicz: My name is todd kurylowicz, i'm here with the Portland peace encampment. Excuse the not having shoes again. They're still in the property room. I can't get them out. I guess i'm under the impression that we're in violation of these ordinances? That's kind of confusing, because nobody's been cited with any violation. I've been there for the past close to month and a half, the police have only come at, say, midnight, 1:00, 2:00, 3:00, 4:00 in the morning. There's nobody around. No citations are handed out, property is confiscated and held indefinitely. It's held until we leave. The commander told me that. That would lead me to believe it's not an issue of a violation, and they're not holding the stuff until we go to court for it. They're just holding it to make us more uncomfortable, thus, you know, degrading our right to assemble in a reasonable manner. And i've heard that it's not considered an event anymore because the war is over. It's kind of the notion i'm getting. The war isn't over. That's a big misnomer as far as the war. It was never the war in iraq. Iraq was just an operation in a broader scale war that encompasses a lot of the globe. I think he said in his speech, mr. Bush said he's going to fight terrorism from pakistan to the philippines, to the horn of africa, and specifically cited syria and iran. And obviously north korea is in there, cuba, there's a whole list of countries. The way this administration is carrying out this, quote, war on terrorism, is definitely going to make anti-american sentiment only grow. So that's our position over there, is we're voicing out against this administration, if that's not clear at this point. This is our sole purpose in life. You as politicians, that's your sole purpose in life. We're not asking you to resign from your post and quit, you know. But we're seeming to get a lot of pressure for us just to get out of there. So, this being the case, hopefully we can establish a little more mediation. We have some people to set up some mediation between you and the council, mayor, to get this situated so we can get some of our stuff back. I mean, the worse thing yesterday that was taken was memorial flowers. It's not the first time flowers have been taken. You lay flowers on a grave. They're taken. I don't think they're watering them, either.

Katz: Thank you. 515.

Item 515.

Barbara Turrill: Good morning, mayor Katz, councilors. My name is barbara turrill. I am a supporter of the Portland peace encampment. I have been a direct witness to what happens when a group of individuals holds a 24-hour vigil for peace on the sidewalks of Portland during the wettest months of the year. Peace and nonviolent civil disobedience are not vague or abstract concepts, as demonstrated by the actions of rosa parks, ghandi, and reverend martin luther king, to name only a few. The peace camp is based firmly in this tradition. Portland is one of the luckier cities in the u.s. To have individuals able to conceive of and sustain an event such as a 24-hour peace vigil. The

May 28, 2003

city ought to be proud of the peace camp instead of hoping the combination of increased police harassment, inference and exposure to the elements will force the peace camp to shut down. The direction we are moving in as a city and as a society toward violence, away from compassion and human rights, demands that someone take a stand and say publicly, violence is not the answer. We can do things differently. The city council had the opportunity to take that stand before the outbreak of the bombing in Iraq and did not. The peace camp is simply reminding all of us in the face of ridicule, anger, hostility and difference, ignorance, sarcasm, fear, and cowardice that peace matters deeply. Perhaps more than at any other time in history. Statement that's members of the peace camp have made in this chamber ties the consequences of the violent policies of the U.S. With local programs, such as the defending of social service and education, homelessness and the lack of police accountability. In other words, in spending billions of dollars to enforce military solutions and corporate bottom lines, basic human needs appear to have become obsolete. Whether we look at the streets of Baghdad or at the streets of Portland. If we as citizens allow this to continue without protesting, we will have failed our generation, our children, and our grandchildren. I strongly urge the city council to interact with the peace camp in a positive, meaningful way. To hold police officers accountable when they react unprofessionally as bullies and armed aggressors, and to create a public dialogue about nonviolence. Portland will then become the city that works for peace and justice. Thank you.

Katz: 516.

Item 516.

Glenn Warren: Good morning. My name is Glen Warren, I'm with the peace encampment. Interesting, interesting, interesting. So as you know, Mayor Katz, I was with you and the city attorney when we went over the guidelines for the obstructions as nuisance. And we all were there and witnessed the fact that you said there was going to be -- first it started out five officers, then 12, 15 officers who would be especially trained to enforce this ordinance. And its guidelines. Well, we have a copy of it. I was there, and -- when it was kind of -- the city was hoodwinked into it. And we've always maintained the stance that we weren't looking to give people the right to block the sidewalk. That's not a right, because it infringes upon other people's rights. And at the peace encampment we've maintained a path the entire time. Even though we are an event. Even though you don't want to admit it, it's an event. It's well established that it's an event. We have many people who come by and thank us constantly. They can't support us on the level of being there with us, but they are there with us in spirit and their blessings come out to us and we receive them and we give them back and we believe a little more peace to this city. It's interesting that we have Ellen here, because I believe we are a compliment to the sidewalk, pedestrian access, and it makes it interesting, makes it informative, it's a good thing. And the world is watching, and, you know, this behavior, the police are continually telling us this is coming from you. That these orders to come over there and do that are coming from you. Like I -- like was already stated, this isn't the place to debate it, but we would appreciate it if you would stop doing this kind of covert action that violates our rights, and violates the ordinances of this city, and just because it hasn't been in the media, doesn't mean it won't be. We would like to handle this in a more tactful way rather than dragging you all out into the public with what has been going on here. Everyone knows it's universal symbol of speech without words. Flowers are a memorial. There are a lot of people who have died and they're continuing to die from this country, and from other countries and what's going on in Iraq. I think it's quite despicable that they come and take the flowers and say this is not an event, when so many other people are supporting us. Thank you.

Katz: Thank you. All right. Time certain, 517.

Item 517.

Katz: Ok, come on up.

May 28, 2003

Mike Houck, Audubon Society of Portland: Mayor Katz, commissioners, my name is mike houck, i'm here representing the audubon society of Portland, and with me is jim labbe, our urban conservationist. Some of our partners are here as well. Jim schalin, barbara hart, and linda dobson, all of whom are -- have been involved for the past many years in our ongoing celebration of the great blue heron as a symbol of the city's commitment to maintain ecological health and quality of life in the city of Portland. And what I brought you today were three documents, the first one is olmstead's 1903 report to the Portland park board. I also gave you a one-page document that highlights three of the many I think visionary statements that olmstead made with respect to what the city should do with open space, the Portland landscape as the city developed. The first one relates to stream protection. I thought this one in particular is one of the more -- 1903 he said, marked economy and municipal development may be affected by laying out parks while land is cheap. So embrace streams that carry more water than taken care of by drain pipes of ordinary size, thus brooks or little rivers which would otherwise become nuisances that would someday have to be put in large underground conduits at great public expense may be made the occasion for delightful local pleasure grounds. He obviously anticipated not only the extreme expense that we would lay out to put the streams underground, and we know that particularly in north and northeast Portland that occurred much more so than elsewhere in the region, but that we would one day, we are doing this today, bringing them back out of the ground. So I think this year great blue heron week strives to honor the olmstead legacy. This is one of a series of your long events that we'll be conducting. I also handed you a flyer which we put out every year which lists 20 or 30 event that's are occurring around the region and would encourage you to participate in those events. My particular favorite is the paddle around ross island. This year in particular I think that will be a great pleasure, given the anticipated donation of the islands to the city. And finally, speaking of the willamette and the willamette river renaissance program and the s.a. Program helped fund this publication, we just released "wild in the willamette," a map showing access points, can too put-in and take-out points and trails along the lower willamette river. And I would encourage you to take advantage of this and explore the willamette, during great blue heron week and the rest of the year. Thank you very much.

Jim Labbe Audubon Society of Portland: I'm jim labbe, audubon society, Portland. I thought I would take the opportunity -- I spent a lot of time working with citizens on the restoration work, helping them comment on development applications, and really involved in issues relating to urban watersheds. I thought I would take this -- since I usually come up here with 30 seconds to talk about some urgent issue, I take the opportunity to thank you for your support with the variety of -- from the range of city programs that we have, and there's clearly a lot more we still need to do, but I think I speak on behalf of a lot of citizens doing a lot of work in the trenches that are thankful for the -- that we have a city that has leadership in the watershed restoration. So thanks.

Katz: Take a look at the four new projects that are going to be funded.

Labbe: For the river renaissance?

Katz: Right, on restoration. We're excited about that. Thank you. Anybody else want to testify? Then I need to read the proclamation. Before I do that, I want to personally thank both of you, but especially mike. We've grown old together over the years, and --

Houck: That's true.

Katz: As a city girl in an urban city -- and an urban city dweller, when I first came I didn't understand all of this. And now I -- mike has actually gotten me to read bird books, I sit on the deck with a book and check off the species. I probably am wrong a lot of the time, but the appreciation for the wild side of our community is really something that you made happen for me personally. So I want to thank you.

Houck: Thank you.

May 28, 2003

Katz: All right. Whereas a century ago, John Charles Olmstead delivered a report. That called for the creation of a comprehensive and interconnected park system, and whereas the report recommended creating public green spaces such as Ross Island, Forest Park and the large Watery Park in the Columbia Slough's region that would result in the protection of streams and rivers, fragile hillsides and scenic views throughout Portland. And whereas today Portland Metro and other local governments in the Portland-Vancouver region remain committed to creating a comprehensive and interconnected system of parks, trails, and green spaces system for wild life and for people, and whereas the Great Blue Heron, the official city bird for the city of Portland, and by extension the entire Portland-Vancouver region, is a majestic symbol of the region's effort to enhance and maintain a healthy environment for citizens, fish and wildlife, and whereas Portland Metro and other local governments are engaged in integrating watershed management efforts to ensure that protection of fish and wildlife habitat, water quality, and green spaces are included in the region's growth management strategies, and whereas the city of Portland, Metro, local governments and citizens group throughout the metropolitan region are working to build awareness, understanding, and stewardship of our watersheds through participation in nature tours, special events, environmental education, and volunteer service. Now therefore I Vera Katz, Mayor of the City of Portland, Oregon, the City of Roses and -- in commemoration of the completion of the first century of the legacy, do hereby proclaim May 28 through June 9, 2003, to be the 17th Annual Great Blue Heron Week in Portland. Thank you.

Houck: Thank you.

Katz: Roll call.

Francesconi: We were -- we see you on Johnathan Nicholas, we see you on Seniors for Living, so this is good. But most of all, what the Mayor said was really great, because you person -- personalize things for us. On a personal basis, then collectively we can do what Olmstead said. So I want to thank you for igniting a citizens movement to make sure that we reach our potential when it comes to the watershed health, green spaces, but also habitat and the citizens and how we all work together and are part of the same system. So thank you. Aye.

Sten: Thanks. It's one of my favorite weeks, and you always make it interesting and fun, and personally too, congratulations on the fellowship. I think you will almost be done by Blue Heron Week next week. I hope everybody out there will take a chance to look at all the activities. It's pretty exciting. I think we're going to vote on the budget this afternoon, but I think we'll make strides in the next year thanks to the projects the Mayor mentioned she's got in the budget. Aye.

Katz: Thank you both, and to all your volunteers to make this place a wonderful place to live. Aye. [gavel pounded] all right. 518.

Item 518.

Katz: This normally would have been on consent, but we don't have four members on the council. Anybody want to testify on this one? If not, roll call.

Francesconi: Aye. **Sten:** Aye. **Katz:** Mayor votes aye. [gavel pounded] 519.

Item 519.

Katz: Anybody want to testify? Roll call.

Francesconi: Aye. **Sten:** Aye.

Katz: Mayor votes aye. [gavel pounded] now, I've had a request. Did Commissioner Saltzman want both items to be delayed, or just --

Moore: Just 521.

Katz: Ok. 520.

Item 520.

Francesconi: Aye. **Sten:** Aye.

May 28, 2003

Katz: I'm going to vote aye. We work hard as we do every budget to lower the rates that have been recommended, one a year ago, and two at the time the budget is put together. I wish we could have done more, but at least it's lower than as recommended. Aye. [gavel pounded] 521.

Item 521.

Katz: I have a request from commissioner Saltzman to delay this until June 4. He wanted to be here for the vote, because remember we talked about the large industrial users and the shift in cost recovery. And there was some discussion, I don't know where the council all is on that. Dan made a recommendation. I wanted to ask both commissioner Leonard and commissioner Sten to review this with Dean Marriott or commissioner Saltzman and get the information before they cast a vote, and I think the commissioner Saltzman wanted to make an amendment. So because that has not had a discussion here, we're going to wait until he gets back, and we'll have to put an emergency on it so it goes into effect before -- at the appropriate time. Ok?

Francesconi: If it's all right, if I could just say, Dean's been trying -- been trying to reach me, but commissioner Saltzman's proposal of going to 60% makes sense to me. So I support commissioner Saltzman's recommendation.

Katz: That's fine. The rest of the council needs to review that as well. All right. Then we stand adjourned until 2:00. [gavel pounded]

At 10:03 a.m., Council recessed.

May 28, 2003

MAY 28, 2003 2:00 pm

Katz: Council will come to order. Karla, please call the roll. [roll call]

Item 522.

Katz: All right, everybody. We're convening as a budget committee for the purpose of approving the budget. Unfortunately there's only three of us, but I think i'm aware of no real major issues that have been raised. All right. Mark? We've made some decisions. I guess the one decision on the trauma intervention program, we were thinking of going across the overhead model and your recommendation, or at least staff's recommendation that we not do it that way, that you want us to tap for one year into the contingency?

Mark Murray, Office of Management and Finance: That's correct. We're not convinced that the overhead metrics are a good way to recapture the cost of the program based on the use of particular bureaus.

Katz: Can we during this year keep track of how often they're used by all the bureaus?

Murray: That would be our suggestion.

Katz: And if we funded them next year -- it would be cut next year, would appear as a cut next year?

Murray: That's correct, unless we finalize a different approach to the funding.

Katz: It would be cut next year. If you follow the use of it and how many times it's used by everybody, that would help us then make the decision if the council wants to approve it for funding next year, how to allocate the resources.

Murray: Yes.

Katz: Ok. Is that all right with everybody? Ok. Now, i'm sorry, I was going to let you do the talking.

Murray: That's quite all right.

Katz: Why don't you go over the solution on the parks issues. Remember, everybody, drew told us yesterday we had \$125,000 of one-time -- drew, did you spend the money on anything else? Do we still have that in one-time --

Drew Barden, Office of Management and Finance: One-time.

Katz: So we're going to try to solve some of the problems, not all of them, because it is one-time money, and remember we forecast for five years. Go ahead.

Murray: It's my understanding that the commissioner in charge and the other council members would like to support moving the m.l.c. pool on the one-time funding of \$60,000, is that correct?

Katz: Right. That includes the revenues anticipated coming in.

Murray: Program revenues, that's correct. And for the woodstock community center, support them with transition money to the tune of \$30,000 out of the available one-time funds, for this year only. Is that correct? Ok. Besides that, the only other adjustments are pretty technical in nature. The administration for the business license surcharge, recognizing both the resources and requirements on that, and then in the other funds, getting the correct figures for the children's investment fund, adjusting the housing investment fund so those numbers --

Katz: Let me ask you, is there any money left for that children's investment fund that we can use to bridge the problem that was created?

Murray: I heard about that problem this morning, and right now I don't have an answer for that. We'll of course look at it, but I think it also important to remember that at this point the city is giving no money to those programs, so this would be new money.

Katz: We know that.

Murray: Giving money to a program that hasn't gone through an r.f.p. process is problematic.

Katz: You're right, I was trying to problem-solve that. But I think it's their problem now.

May 28, 2003

Murray: The others are the business license surcharge fund, that does now recognize the \$13 million that we are going to recognize, and then taking care of the technical aspect of that to get it into the bond redemption fund and get it to the schools as well. And that's really about it.

Katz: May I ask another question? On the Multnomah county tax, have they made a decision with licensing, whether we're going to be doing it or the state is going to be collecting it?

Murray: My last discussion was last Friday and the decision has not been finalized, but it looks like it will be coming to the county for administration, and although we have briefed your offices on the anticipated costs of that, we would recommend not taking official action in we -- until we really know, and that would be after July 1, even into the fall bump period.

Katz: I -- [inaudible]

Murray: Going to the city for administration, I'm sorry.

Katz: Before we make that decision, I would have us check out the costs if the state was going to do it, since they already collect the income tax. I've got to think it's got to be cheaper.

Murray: Dave Boyer from the county is working on that with the state, but indications at this time are that because of the improvements we've made to our system in licensing over the years, we can perform that task at a less cost, assuming we get access to the data we need, and there was a specific bill at the state legislature to ensure that we had access to the data as needed. Dave Boyer will -- you can be sure going for the least cost methodology.

Katz: Ok. Anything else? All right. I'll take a motion to accept the budget as amended.

Sten: So moved.

Katz: Do I hear a second?

Francesconi: Second.

Katz: Roll call.

Francesconi: First I'd like to thank the mayor for all of her work on this budget. Our form of government makes it challenging for a mayor to put this kind of budget together. Second of all I'd like to thank the council and the community and I want to say to the community especially in northwest Portland that the M.L.C. pool will stay open for a minimum of two years and hopefully longer. And I appreciate the additional re -- one-time resources that the council's put into this infrastructure. And parks will also step up, and then we're asking the community and the principal to also help us. I also would like to say the Woodstock community center, we have a year to transition this, but no longer, and we can keep this into an important public asset. After much thought and deliberation, I'm going to support the mayor's budget. And the reason is there's some -- these are difficult times for the city, and she and others, we've had to make difficult sacrifices in terms of police personnel, and others. But I also want to say that from now on, whether the program is early childhood as a bridge, whether the program is recreation programs, whether it's the tip program that comes back, which is a good program looking for ongoing funding, I won't be supporting any of that, folks. Whether it be marketing, if the money comes out of transportation, I won't be supporting that. And the reason is, we now have \$5 hundred -- 596 miles of roads that are in need of repair with potholes in many of them, and that number is growing. In terms of dollars and cents, we now have \$82 million backlog in one of our precious resources, our infrastructure. That number is going to grow to \$117 million under this budget. And I in the past with commissioner Hales have said, we're going to grow the capital infrastructure, the C.I.P. Budget, but we take it down again in this budget. And we've been taking it down for the last three years to run important programs. What that does is puts us in the position that we have to go yet again to the taxpayers and say, fund this bond measure for our capital needs, or fund these roads some other way. We can't keep doing this, and I can't keep doing this. So, folks, I'm not going to look backwards, but I am looking perspective. The time now is to put money in our infrastructure. In

May 28, 2003

our roads and in our capital budget. It's not fair to the taxpayers, and it's not fair to how we manage our assets from this point going forward. Aye.

Sten: Well, I'm proud to support this budget. I do want to thank the mayor and the team, and all the bureaus who have worked on this. It's a good piece of work. I would be the first to say due to the tax structures, the city has been a little better off and probably a lot better off than the state and county, and it's made it a difficult task, but not the one I think our partners face. I'm thankful for that and hope that as we work on this budget, we're looking and we will have to over the year with the bureaus, to see what's going to fall out from the state budget, what's going to happen from the county budget and how things we do are going to have to work in tandem with those issues. I think the key right now is to provide services and try and cut as much administration and as much of the things we don't have to do. In an operation this big we're not going to be perfect, but we are making progress. I want to compliment Tim and your team for the last couple years, and I believe if we haven't taken the move a few years ago to cut \$10 million in administrative services out, we wouldn't have the success as we are today. It's a different approach, I think the mayor told me last year she wanted me to have a general fund bureau so I could experience that, and actually it was a good experience. I think we made the right call to keep police and fire strength full, and as you look at the fire budget, what we tried to do is not just do gimmicks and throw people into the pool, but come up with permanent ways to save money, and we'll be in a little push in a couple years when the new stations get built, but I think that's OK and I think we're going to have to keep doing the same in the next couple years. I would like to see us keep pushing in those directions across the board and I think that we also -- I want to compliment the mayor, have found the right balance I think on doing some of the key projects to get us moving forward. If we're just reactionary to the bad economy, then what happens is we don't do anything to build ourselves out of it. So if you look at some of the things like a few projects that are going to come out of the sewer fund and other places to keep moving on the river renaissance, I think if we stopped the things like the river renaissance which ultimately make Portland great, we will be shooting ourselves in the foot. And so I think there's a nice balance of this, of trying to get the forward momentum going on things that ultimately will create value, but also protecting the key services that need to be there. I also obviously we wouldn't be able to I think provide any of the services without the good schools, so of course the measure passing in the last couple weeks has made a key difference, and I want to say that I think the way the city has approached this has been a key to making that partnership work. On the whole it's a hard time, but I think this is a budget that looks forward and that basically says, you know, let's not let things go down the tubes while we're struggling in a tough time. And I think we'll keep our services, build some new strengths, and I think it's a budget we should be proud of. I think if we can do -- keep some of the administrative efficiencies we found and keep squeezing ourselves to find cheaper and better ways to do things, when the economy improves, we're going to be in a mode to get a lot more done and we'll be able to fix a lot of these problems because we won't have quite the drag on the overhead and other things. So I think it's a very positive budget. I think it's as good a job as I've seen done during a tough time. Maybe we had it easier than some of our partners, but it was not an easy one, and I want to compliment the mayor and everybody else who worked on this. Aye.

Katz: Thank you, everybody. Thank you first to the staff that worked with me to help put it together. Not much has really been said about the 46 positions in the police bureau that are left vacant. And the impact of that is important to understand, and it's very important to understand that I will not tolerate any further reductions. Especially not in these times. I've talked to the chief, we left these positions vacant last year in anticipation of revenue shortfalls, or the anticipation of overtime. That was a smart move on our part, and we were able to keep the budget balanced. Now we have those positions vacant but we don't have the resources. So we did set aside money for

May 28, 2003

overtime, but those positions and those resources are no longer available. That's a lot of money. And a lot of bodies that we could use to do some wonderful community policing efforts. On the issue of the color of money, I can't fund police, fire, the office of finance management planning, even the bureau of development services with gas tax dollars. It's against the constitution to do that.

Gas tax dollars fund road projects. If the gas tax dollars are not there, we have options. There are programs that improve the quality of life that we funded with general fund dollars. When times were short we had to pull and reduce those particular programs. But the responsibility for potholes is really the responsibility as a user fee, and that is the gas tax or the registration, it's directly related to the use and abuse of roads. And until the legislature figures that out, we have no other alternative but at least to make the reductions where we for years have placed general fund dollars into transportation to do the things that all of us here on the council want to do to improve the quality of life for people in the neighborhoods. So to the legislature, do what you're supposed to do to maintain the infrastructure of not only the city of Portland, but all over the state of Oregon. And do what you're supposed to be doing to fund schools. That is not the responsibility of the city council or Multnomah county. We did it because we care about the community that we live in and we care about our children. But take charge and get it done. It isn't brain surgery. Aye. [gavel pounded] ok. I need a motion now to improve tax levies. You know, karla, I never had you read the items, so why don't you read the item.

Katz: Ok. Let me read the language the city shall levy its full permanent rate of \$4,577 –

Murray: That's 4 dollars.

Katz: I'm sorry \$4 -- can we round it to \$4.58?

Murray: No 4.577 it has to be.

Katz: 5.777 and \$6,679,176 for the payment of the bond principal and interest of \$92,212,622 for the obligation for the fire and police disability and retirement fund. Does anybody want to testify on that item? If not, I need a motion to approve the approval of the tax levies.

Sten: So moved.

Francesconi: Second.

Katz: Let's take a vote karla.

Francesconi: Aye. **Sten:** Aye.

Katz: Mayor votes aye. [gavel pounded] all right. I'm opening the hearing now to discuss state revenue sharing. I'm going to say it every time, i've said it for 11 years. I was responsible for this language in the state statute and now i'm urging the state to stop wasting our time because nobody ever comes and testifies. So eliminate the language. Go ahead. This hearing is held by the city council of Portland, Oregon, in compliance with provisions of the state revenue sharing regulations o.r.s. 221.770. It is to allow citizens to comment on the possible use of these funds, these are revenue sharing funds from the state to the local government. We don't know how long we're going to be seeing these, but at least for now we're going to hold a hearing and make sure that we spend them for the purposes that we've identified. As proposed for the council adoption, the 2003-04 budget anticipates receipts of \$3.7 million from state revenue sharing and it is to be used to support fire prevention and police patrol services. Is there anybody -- surprise me, somebody -- is there anybody here that wants to be heard on this issue? Ok. That's it. We don't -- that's it.

Murray: You would adjourn as the budget committee and i'll give you a brief update on the next steps if you'd like.

Katz: Do I need a motion to adopt this? The revenue sharing? Yes?

Murray: No. Just hold the hearing.

Katz: We're back out now.

Murray: Next steps on this will be, it goes into a very technical stage. We'll rebalance the approved budget and submit that to tax supervising conservation commission. There will be a

May 28, 2003

hearing with the commission on June 19. On June 19 council immediately following that hearing council will also meet to adopt the annual budget. Between that time we will be working on technical changes to the budget which will include things like request for carryover funds, just clean-up of any technical mistakes, errors, or requests. And anything that council may suggest to us. **Katz:** Budget notes.

Murray: Budget notes will be brought forward within the next couple of weeks circulated to your offices and they will be voted on as part of the budget adoption on June 19. And I believe I have a collection of nine or 10 of those in draft form right now.

Katz: Pretty limited.

Francesconi: Just make sure if we would, make sure there's notice of that so people know what the budget notes are and that we actually vote on them. So that public is aware of it as well.

Murray: Yes. We'll make sure they're clearly recognized as an addendum or attachment.

Katz: Ok. Anything else? We stand adjourned, everybody. Thank you very much. Thank you, everybody, for working on this with us. Appreciate it. [gavel pounded]

At 2:22 p.m., Council adjourned.