



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **2ND DAY OF FEBRUARY, 2005** AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Potter, Presiding; Commissioners Adams, Leonard, Saltzman and Sten, 5.

OFFICERS IN ATTENDANCE: Susan Parsons, Acting Clerk of the Council; Harry Auerbach, Chief Deputy City Attorney; and Officer Curtis Chinn, Sergeant at Arms.

Item No. 68 was pulled for discussion and on a Y-5 roll call, the balance of Consent Agenda was adopted.

| COMMUNICATIONS | | Disposition: |
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| 64 Request of Richard L. Koenig to address Council regarding request for answer from City Attorney's office on vehicle titles (Communication) | | PLACED ON FILE |
| TIME CERTAINS | | |
| 65 TIME CERTAIN: 9:30 AM – Appoint Bertha Ferran to the Portland Development Commission for term to expire July 10, 2007 (Report introduced by Mayor Potter) (Y-5) | | CONFIRMED |
| CONSENT AGENDA – NO DISCUSSION | | |
| 66 Vacate portions of SW Bond Street between SW Gibbs Street and vacated SW Lane Street, under certain conditions (Second Reading Agenda 55; VAC 10020) (Y-5) | | 179044 |
| Mayor Tom Potter | | |
| *67 Terminate the franchise of Global Crossing Local Services, Inc. (Ordinance) (Y-5) | | 179045 |
| *68 Retire and transfer ownership of Parks canine, Shasta (Ordinance) (Y-5) | | 179049 |

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| *69 | Amend contract for public information services and public involvement services with Jeanne Lawson Associates, Inc. to extend term and increase compensation due to project extension (Ordinance; amend Contract 34202) (Y-5) | 179046 |
| *70 | Authorize an agreement between Emmanuel Community General Services, Inc. and the City for use of Local Law Enforcement Block Grant funds (Ordinance) (Y-5) | 179047 |
| *71 | Authorize contract with Ecology and Environment, Inc. in the amount of \$152,805 to develop a chemical, biological, radiological, nuclear or explosive regional incident response plan (Ordinance) (Y-5) | 179048 |
| 72 | Accept contract with Natt McDougall Company for the installation of the Washington Park Open Reservoirs 3 & 4 Improvements as complete and make final payment (Report; Contract No. 34785) (Y-5) | ACCEPTED |
| REGULAR AGENDA Mayor Tom Potter | | |
| 73 | Authorize the Office of Cable Communications & Franchise Management to participate in the Blue Pages proposed rulemaking action of the Oregon Public Utility Commission, AR 464, in coordination with the City Attorney's Office, ONI Information & Referral and other interested City bureaus (Resolution) (Y-5) | 36288 |
| 74 | Accept the Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2004 (Resolution) (Y-5) | 36289 |
| *75 | Authorize a contract with Structured Communication Systems, Inc. for the equipment and software required to implement an enterprise Storage Area Network at a cost of \$1,245,371 (Previous Agenda 58) (Y-5) | 179050 |

At 11:12 a.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND,
OREGON WAS HELD THIS **2ND DAY OF FEBRUARY, 2005** AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Potter, Presiding; Commissioners Adams, Leonard,
Saltzman and Sten, 5.

OFFICERS IN ATTENDANCE: Susan Parsons, Acting Clerk of the Council; Linly
Rees, Deputy City Attorney; and Officer Curtis Chinn, Sergeant at Arms.

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| <p>76 TIME CERTAIN: 2:00 PM - Amend Title 33, Portland Zoning Code to allow modifications through design review to development standards in South Waterfront height opportunity area and amend specific procedural elements of subject regulations (Previous Agenda 62; Ordinance introduced by Mayor Potter; amend Code Section 33.510.205.G)</p> <p>Motion to hold this open for two weeks: Moved by Commissioner Leonard and seconded by Commissioner Sten. (Y-5)</p> | <p>Disposition:</p> <p>CONTINUED TO FEBRUARY 17, 2005 AT 6:00 P.M. TIME CERTAIN</p> |
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At 2:13 p.m., Council adjourned.

GARY BLACKMER
Auditor of the City of Portland

By Susan Parsons
Acting Clerk of the Council

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

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Closed Caption File of Portland City Council Meeting

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

Key: ***** means unidentified speaker.

FEBRUARY 2, 2005 9:30 AM

Potter: Good morning folks. Before we begin the city council session I like to do something that we do every session that is ask the question how are the children? And today we have a very special guest with us who will help us answer part of that question. Her name is Kayleen May and she's a ninth grader at Jefferson high school. Kayleen could you come up please? Kayleen could you tell us a little bit about yourself and what you'd like to also tell us as city council members.

Kayleen May: My name is kayleen may - -

Potter: Could you point one of those microphones toward you please. And talk up a little bit, thank you.

May: My name is kayleen may and I go to Jefferson high school and I'm a ninth grader as you guys know. And what I want to talk today about is my neighborhood. All the experience that I've had living there, I live in northeast portland on Lombard and all the experience that I've had living there I think - - I know that I'm safe to walk and you know that your not - - that nothing bad going to happen to you. And at school what I've noticed is that the only bad thing, though its not that bad are the computers, their slow. But I don't think it makes that unsuccessful and also what I've noticed is a lot of teenage girls are getting pregnant. And I think what would help is to have health classes for all of the classes not only one grade or two grades and they could have programs. Like I'm in las hermanas that helps me teach - - that they teach me about sex education and pregnancy how you could receive and I think that would help for other girls not only for Latina girls but for other colors.

Potter: You're also involved with the dance class at Jefferson?

May: Yeah.

Potter: Tell us a little bit about that.

May: That has taught me more about dance. There's a lot of girls in there and they learn how to dance. Like me I didn't really know how to dance that much but I'm in African dance and ballet. And I just did a performance last week. And I think that's good because that helps me more to practice not being that shy, because I'm a shy person. But I think that helps me to not be shy and go in front of a lot of groups of audience.

Potter: Good. I also know that you're a member of las hermanas.

May: Yeah. Las Hermanas.

Potter: What is that and how are you involved?

May: Las hermanas is a program for latino girls. What I've learned there is a lot. I think that it's good for me and the other girls that are there. They teach us about sex education and how you can protect yourself if you're -- how you can protect yourself by not getting pregnant. And I think that helps me a lot and they teach me a lot.

Potter: Thank you. Any questions from the council?

Adams: It's great to have you here. Thanks.

May: Thank you.

Potter: Thank you kayleen very much. And could you introduce the person that you're with today?

May: Maria hernandez is my coordinator from las hermanas.

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Potter: Good. Thank you very much. You did a great job.

May: Thank you.

Leonard: Thank you.

Potter: Nice to know we have young people like that in Portland. [gavel pounded] Council will come to order. sue, please call the roll. [roll call taken] we'll now hear communications. Sue, please read item number 64.

Item 64.

Potter: Good morning, mr. Koenig.

Richard Koenig: Good morning, mayor. Good morning, city council. And city of Portland.

Potter: I assume you know you have three minutes, sir.

Koenig: Yes, I do. Actually what i'm here to do is hear mr. Auerbach's statements as to why he believes the speaker of the house of representatives, the city attorney for beaverton, mr. William kirby, are not being truthful.

Potter: You're here to make a statement, sir.

Koenig: Actually i'm on the agenda to hear the answer to my question. City council has received a letter from the office of the speaker of the house of representatives addressed to me in which the statement is made that a search of the Oregon revised statutes turned up none that imposed conditions on the public's right to use the highways for their vehicles. City council also received a letter from the beaverton municipal court clerk addressed to dorothy helen immediate in which the clerk had an assistant attorney, william kirby, subscribe and swear to her that there is no law that requires license plates to be attached to the bumpers of the general public's personal use vehicles. Mr. Auerbach has been challenged to address the claims made by the office of the speaker of the house and the city attorney for beaverton. His silence is deafening. But I do appreciate your letter, harry, and did spend some time reading your citations. In the meantime, the driver and motor vehicle services division is finally following through with the administrative rule ostensibly to implement the legislative's assembly titling law of 1985. The proposed rule number is there for to you review. The mere fact that the d.m.v. has drafted this rule speaks clearly. Some vehicles are required to be titled and registered, but many are not, including nonbusiness purpose and solely for personal use vehicles used by the general public as a matter of right. Harry auerbach's credibility is at risk if he truly believes that every vehicle is subject to the provisions of title 59, business regulations, part two, which is the vehicle code, in spite of the plain language of the statutes, he needs to assert his position regarding the optional titling rule as an interested person under the rule making statutes at o.r.s. prior to february 17. He must also say why he thinks the office of the speaker of the house of representatives and the beaverton city attorney are lying. You, the city council for Portland, need to search your own hearts to figure out who's most credible -- people who have nothing to gain in asserting their position like the speaker of the house, the city attorney for beaverton, d.m.v., or mr. Auerbach, who's trying to keep a lid on a powder keg. Thank you.

Potter: Thank you, sir.

Leonard: Don't forget your sign, richard.

Koenig: Thank you. I'll use that next week.

Potter: Ok. Thank you. We'll now take a vote on the consent agenda. Commissioners, do you have any items to pull from the consent agenda?

Leonard: I'd like to pull item 68.

Potter: Commissioner leonard requests to pull item 68.

Parsons: Would you like to vote on the --

Potter: Yes. Let's vote on that.

Adams: Aye. **Leonard:** Aye. **Saltzman:** Aye. **Sten:** Aye.

Potter: Aye. Ok. Let's hear the 9:30 time certain. Or do we hear the - -

Parsons: It be 68 next.

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Potter: Ok, 68. Would you please read it.

Item 68.

Leonard: Do we have a person from parks here?

John Zoller: Good morning. My name is John Zoller, the director of golf for the city. The reason we're asking permission to retire Shasta is the fact that she has on a number of occasions displayed aggressive behavior toward golfers and passersby. She's never bitten anybody. She's done a good job for us for a number of years, but we just don't feel that it's appropriate for a dog that we own to display this behavior. So what we would like to do is we're -- we're finding her a more appropriate place to chase geese. We've already got requests from -- excuse me -- two airports and a college and a number of private citizens who would like to buy Shasta from us so that Shasta might have a better place to do what it is she does.

Potter: I understand that's to chase geese.

Zoller: Yes, that's correct. She's trained to do that.

Potter: Yes.

Leonard: Well, my concern was that we wouldn't afford Shasta the same civil service rights we would any of our other employees, that we would immediately discharge Shasta without proper due process.

Sten: Is she represented?

Leonard: She might be represented. I was hoping to learn that. But we do have a -- I mean, it seemed a little -- that there was some perception issues in terms of whether the dog's behavior was truly aggressive or doing what it was supposed to be doing.

Zoller: We actually have the -- on one of the earlier occasions, we had the dog retrained, and she's still displaying that behavior. So we just don't want to put the public at risk.

Leonard: Ok. But you do have a -- Shasta's not going to be terminated, as it were?

Zoller: No. We've got at least half a dozen requests for Shasta.

Leonard: Excellent. Thank you.

Potter: Thank you, sir.

Zoller: Thank you.

Potter: Did anybody else wish to say anything on behalf of Shasta or against Shasta?

Leonard: Given the number of emails I received on this, you speak against Shasta at your risk. There's been an outpouring.

Potter: Should we vote on this?

Leonard: Yeah.

Adams: I wish Shasta well. Aye.

Leonard: Aye. **Saltzman:** Aye. **Sten:** Aye.

Potter: I know what it's like to retire. It's really not that bad. [laughter] aye. [gavel pounded] ok, sue, let's hear the time certain.

Item 65.

Potter: Bertha, could you please come up to the desk, have a seat. Thank you for being here this morning.

*******:** Good morning. Thank you for having me here.

Potter: So would you like to say anything?

Bertha Ferran: Yes. I have a few words to say, if I may. Good morning, Mayor Potter. Commissioner Adams, Commissioner Leonard, Commissioner Saltzman, Commissioner Sten. My name is Bertha Ferran. It is an honor for me to be here today as a nominee to the Portland Development Commission. 44 years ago this month I came to the United States as a Cuban refugee who had left her home as an unaccompanied minor. A month later, in March of 1961, I arrived in Portland, Oregon, my new home. This city has changed very much since the first day I arrived, but what hasn't changed is a commitment of the people who live here to make it a green and livable

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place that is the envy of others. If i'm confirmed, I look forward to working with you and the other city commissioners to increase the livability of this great city for all our citizens. I believe my role as a commissioner is to help share a vision for our city's future between the p.d.c., city government, and the city that will live with our decisions for decades to come. This shared vision must be nurtured by an open and transparent process that builds trust with our community partners through early and open communication and the promise of public accessibility for all our decisions. I know there are conflicts/issues ahead of us with no easy answers, but what is easy is conducting the community's business in a way that builds confidence and trust. We had the opportunity to make Portland a model for the entire country. To do that, we must create and retain the kind of jobs that provide livable wages for families. We must attract and grow our large businesses as well. And we must support the small businesses that are the backbone of our community. This focus in small business is especially important to me. Nearly 70% of Portland's businesses are small businesses. They're specially vital to ethnic and minority communities where they open up the door to the american dream. They give our neighborhoods vitality and give many new to this country the opportunity to provide their children a home and an education. We can do more to help the small businesses by supporting and developing technical assistance programs within these emerging communities. In addition, p.d.c. must be more innovative in creating home ownership opportunities which are often critical in minority communities. Home ownership builds equity for families. This equity provides a stepping stone into the middle class by helping fund education for children and other investment opportunities. This appointment is important to me. I believe my experience working for better housing and community development in our city will help me make a good commissioner. And I believe my experience as refugee will help me understand the needs of all our citizens. Thank you very much.

Potter: Does the council have any questions for bertha?

Leonard: I do.

Potter: Randy.

Leonard: Ms. Ferran, thank you for agreeing to serve, particularly at this time, it's an interesting time for the p.d.c. I always view this, not so much as problems, but a time for an opportunity to succeed.

*******:** Exactly.

Leonard: I really think that about the p.d.c. I am curious, however, if you have an opinion about the structure of the p.d.c. currently. As you well are aware, it's a semi autonomous entity created by the charter overseen by the board you will sit on when we confirm you, but there are other models in the state, such as gresham, and actually most cities, that act as its own development commission, so that that same function occurs, but that their own particular council oversees the development commission. Do you have an opinion as to whether or not you think the current structure in Portland, albeit a unique model, is better than if the council were to absorb the functions of p.d.c. under its authority?

Ferran: I don't really know that I have an opinion on that. I think that p.d.c. And the city have been working together. And what I think we need to do is have more of a public process. I really look forward to the opportunity to know more about how the entire process works before I can, you know, really give you a definite opinion. But I think from what I know that has happened, you know, in the past, you know, just a situation of working more -- you know, working together and cooperating more and having a more open process.

Leonard: And then what would you see are the main areas of needed improvement at p.d.c.? After you take the position, what do you hear of as the biggest criticism that you agree is a problem, that you're going to go up there and do something about that hasn't been done?

Ferran: As I mentioned in my prepared statement, basically having a more open process. More --

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Leonard: Can you give me an example of that? Just give me an example of that.

Ferran: I would say, for example, one thing that they have started already is that they're going to have more of a public meetings, where the public can come and express their ideas and talk about, you know, what they want for their communities. And I think that that's very important.

Leonard: I would suggest to you that I think the p.d.c. does a good job of doing that now. I think the criticism I have heard is that it appears sometimes that those public processes are forums to allow the public to express their feelings on a decision that's already been made. Now I don't know that that's an accurate perception, but that's certainly a perception in the community. Have you heard that as well?

Ferran: I think that I have heard that as well. And I feel that if the public gets involved from the beginning --

Leonard: Ok.

Ferran: -- in the process, you're going to have a better understanding of what the public as a community needs and then, you know, p.d.c. can, you know, work toward that.

Leonard: And I guess I would just conclude, mr. Mayor, and ms. Ferran, by saying that I hope that when you join the p.d.c. that by definition you agree something different has to happen than what has happened, because there is a -- at least a perception problem, and that you might need to be a little more vocal and independent about some of the things i'm asking you about at the p.d.c. To make sure that people not just have the forums, but actually are given the opportunity to have what they bring to a forum considered in a decision. That's going to be a difficult task. I'm not suggesting that that -- that is necessarily accurate, but it's definitely the perception. Somehow we have to correct that. Because I support the p.d.c. and the work it does. And i'm very worried that we have entered an era where it's possible to lose some of the good work that they do by not addressing some of these perceptions.

Ferran: No, I understand your concerns, and I will certainly take it -- I mean, I know what your concerns are.

Leonard: Thank you.

Ferran: They're some of mine as well.

Leonard: Thank you.

Adams: I have a question.

Potter: Yes, commissioner adams.

Adams: What do you need from us, either individually as a group, as a city council, to be successful as a p.d.c. commissioner?

Ferran: As I stated before, right now we're in the process of, you know, finding out more, you know, learning about everything that is happening there. You know, a lot of it -- some of it I know, just like -- well, through the paper, you know. It's what's going on. I'm aware of what the concerns are. You know, I think there needs to be more of a partnership between, you know, both the city government and p.d.c.

Adams: Thanks.

Potter: Other questions? Thank you, bertha.

Ferran: Thank you.

Potter: Thank you very much for considering this. And the city really appreciates your -- will appreciate all that you do for -- with p.d.c. to improve the lives of our citizens.

Ferran: Thank you.

Potter: Thank you. Is there anyone here to testify on this appointment? Please come forward.

*****: We had three sign up.

*****: Good morning.

Potter: Good morning.

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Clare Padilla Andrews: My name is clare padilla andrews. Mayor Potter and members of the Portland city commission, thank you. It is definitely an honor for me to be here and say a few words on behalf of a good friend, bertha ferran. I've known bertha for many years and find her to be a very energetic, loyal, and committed person. Also a very vocal person. One cannot help but wonder what a young girl's felt upon arriving in the united states in the early 1960's. Bertha stepped off the plane, arriving from cuba in february 4, 1961. In the late 1960's, the u.s. Government began a secret program, later christened as operation peter pan, to bring unaccompanied children between the ages of 6 and 18, from cuba to this country. The children were placed anywhere where a catholic charity willing to help -- was willing to help. Luckily for us bertha was sent to Oregon. She reunited with her parents, bertha and luis fernandez, 10 months after arriving in the united states. Her parents' strong belief in home ownership led them to purchase their first home 14 months after arriving in Portland. Unfortunately her parents passed away in the 1970's, late 1970's. Bertha and many other cuban -- or cubans from the organization peter pan children achieved success in the Portland community. And she's fast to thank those that paved the way for her and other organizations -- and the others from the organization peter pan children. Her passion for housing and economic development has led her to appointments to many boards and commissions related to housing and economic development. She's a member of the -- she was a member of the state housing council for four years and is still a member of the hispanic metropolitan chamber of commerce where she's chaired the scholarship committee for the past few years. She's a chair of the hacienda community development corporation, and also is a member of the s.m.g. Board of directors, which is an organization where the young lady was -- spoke this morning. And bertha actually has helped thousands of people achieve their dream of home ownership by her passion and commitment to housing and economic development. I thank you, mayor Potter, and members of the commission, for your appointment to bertha ferran as a member of the Portland development commission. I know she will serve our citizens well. Muchas gracias.

Potter: De nada.

*******:** Good morning.

Potter: Good morning.

Gale Castillo: Mayor and city commissioners, my name is gail castillo. I'm the executive director of the hispanic metropolitan chamber. I'm pleased to be here today to support the nomination of bertha ferran as a commissioner of the Portland development commission. Ms. Ferran brings an understanding of both the private sector and the needs of the local community. Ms. Ferran works in the private sector in the finance industry. In addition, she's been very involved in a variety of community initiatives. Specifically, she's been a champion for housing and economic development. As chair of the hacienda community development corporation and as a member of the member of the state housing council she's been a strong -- and I would say also vocal -- advocate for affordable housing and increased home ownership opportunities. As a member of the board of directors of the hispanic chamber she's supported technical assistance for latino-owned businesses and scholarships for our latino youth. As a member of the Multnomah/Washington regional investment board, she's been a strong voice for increased access to economic development resources and collaboration between the two counties. On behalf of the board of directors and the staff of the hispanic chamber, we are pleased to support the appointment of ms. Ferran as a p.d.c. Commissioner. Thank you again, mayor, for nominating her. We look forward to our continued working relationship with p.d.c. And we look forward to the insights and experience that ms. Ferran's appointment will bring to this important organization that impacts the future of all of our citizens. We have here today members of our board of directors, and also staff and other members, so I would ask them to please stand in support of ms. Ferran's appointment. Thank you very much for your appointment of ms. Ferran.

Potter: Thank you very much. Is there anyone else to testify?

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*****: That's all.

Potter: I notice don mazziotti is here. Do you wish to say anything? Oh, and eric parsons.

Matt Hennessee: Mr. Mayor, members of the city commission, my name, for the record, is matt hennessee, chair of the Portland development commission. Also recently elected as the senior pastor of the vancouver avenue first baptist church in Portland an historic baptist church of which I look forward to seeing you, all of you, sunday mornings. [laughter] You can be as vocal as you want to be. [laughter] Let me just say, on my personal behalf, on behalf of mr. Mazziotti, mr. Parsons, and, you know, we try to be careful as you do, because anywhere three p.d.c. Commissioners are gathered it is a meeting. So commissioners blumgren and wilson certainly are also in great support of commissioner designate ferran. We've had opportunities to work with her, to include her in some of the activities that we've had at the commission and are very, very pleased by this appointment. Mr. Mayor, members of the city commission, the last comment that I would like to make on behalf of the commission is I think that this -- I really appreciate commissioner leonard's comments about this being a very interesting time and a very important opportunity for us at p.d.c. to do our job even better than I think we already do. One thing I will say is that as I travel the country and the world, it's a real joy and a pleasure to be able to say to people i'm from Portland, Oregon, because there are still people around the world and around this country who are trying to figure out how to do it as well as it's been done here. I'm thankful to be a part of this commission. We look very forward to working -- in fact, this afternoon i'm going to spend time with the people at the city club so that we can begin the process of saying how can we do better what we do, and we plan public meetings to get that done as well. And as recent history has shown, that there is not only a perception, but a belief in fact that we've not done -- even though we've had a lot of public meetings and we've invited a lot of public input, that it has felt to the citizens of this community, that we have not done a good a job as we can do, and as commissioner leonard has said, it feels like the decision's already been made. We're determined, all of us, both the p.d.c. Commission and the staff and administration, to do everything we can to dispel that and make certain we're as open as possible when it comes to every project that we deal with and to make sure that you have a commission that you're proud of. That's what we really work day to day to make sure we do. Those are the prepared remarks I had. Just thought since you asked the question, being a baptist minister and being the chair, I thought I should say something. If you have questions, i'd be happy to answer them.

Leonard: I really appreciate what you just said. I know that you have taken to heart, since the city club report's come out, and some of those suggestions, I very appreciate p.d.c.'s response, and i've been watching and listening very carefully, because I am, you know, a fan of the things that you guys do. And I think sometimes that might have gotten lost in various communications, but I have never not understood what a powerful tool p.d.c. represents for the city to make it a better place. I grew up in inner northeast Portland and remember the model cities program well, and the changes that have occurred in that area as far as the directors of a lot of your work, and I appreciate that. But i'm curious about your response to the question I asked earlier, about the structure of p.d.c., if you've had time to consider the current structure as it exists in the charter or these other kinds of structures that exist throughout the state, which seem to dominate, actually, the way urban renewal areas are managed, that is directly by the city council. Do you have an opinion on that?

Hennessee: Well, you know, mr. Mayor, commissioner leonard, it is -- I think, first of all, it's a very, very important thing to consider. And I would also say that, you know, for a person who lived in city government as I did 14 years as an administrator, i've had the economic development arm under my control as a city manager. But I guess the thing I have to tell you is, one, I am and our organization is open to the opportunity to have a discussion. I want to be real serious about that and want to make that the first point. I am not certain -- and I feel much like commissioner designate ferran does -- about really the mind space that's been given to the difference between having it be a

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direct department of the city versus the sort of quasi independent nature of it right now. What I can tell you is that our commitment is to make certain that to whatever degree it feels broken in its present, you know, workings, we're determined to do everything we can to make sure that we take care of that, and we work with you to make sure that we're not do anything that makes you feel that we're sort of a runaway organization, not accountable to everybody. But I welcome the opportunity to talk about it. I would tell you that, you know, my final analysis is, I still like the fact that people talk about Portland and see Portland as a model, which is truly what happens around the country. And I think you've had exposure to people about that. And so i'm more, at least without -- without having had the opportunity to talk about it more, more feeling like we've got a great thing that's going, how can we make it better?

Leonard: Yeah.

Hennessee: And really -- i'm real open to the idea that if more needs to be done, let's talk about how we do that together.

Leonard: I appreciate that.

*******:** Yeah.

Potter: Any other questions? Thank you very much, matt. Thank you for all your service to our community.

Hennessee: Thank you.

Saltzman: What time on sunday mornings?

Hennessee: 10:35. [laughter]

Potter: Could you let us know if dan doesn't show up? [laughter] sue, let's take a vote.

Adams: I'm absolutely enthusiastically in support of commissioner designate ferran. I've had the opportunity to work with her on a number of projects over the years and get to know her in a variety of different capacities, and I think that she will provide an excellent voice of the people, voice of the business community, someone who will build, as you say, confidence in p.d.c. I like the fact that in -- i'm not surprised, but I like the fact in your remarks that you talked about a focus on family prosperity, a focus on small business, and home ownership, and equity ownership, equity opportunities I think is really important. I think the fact that you bring experience, current and recent past from hacienda community development corporation, from the hispanic chamber of commerce, from the school oversight committee, which is part of the itax, and also from the s&g foundation, will only serve you well, very well, and the citizens well, and p.d.c. Well in your role as a commissioner. I also like the fact that over the years you have, with me, not been shy.

Outspoken is a good word in my opinion. And I like that. I like the fact that you've been an independent thinker. You're clearly smart. I think you'll make an excellent commissioner. A couple of specific things that -- and I do appreciate the comments from chair hennessee and i've had these conversations with others on the board, and just to sort of continue to stress, you know, the availability of information and communication between p.d.c. and stakeholders is a constant challenge for city government. It will be a constant challenge for p.d.c. as well, there's no doubt. And with city government, as with p.d.c., looking at performance measures, you know, our best efforts, what are they producing. Debriefing on projects or on efforts after they've gotten to the point of fruition, and, you know, being a -- continuing to be a learning organization as we strive to be -- we're going to make mistakes, you're going to make mistakes. Let's learn from them. And then finally, performance measures and overhead costs, which is what I harp on here in city government, and we need to just all continue to look at, you know, the overhead costs of providing these services to the public. So I enthusiastically vote aye.

Leonard: Well, if I had any doubt about you being outspoken, it's been cleared up. We've had three witnesses look at me and make it clear that you're very outspoken. There are areas when that's more appropriate than others. We're in an era when that's an appropriate attribute to have in city government. I've learned here that if people aren't feeling a little bit uncomfortable, that you're

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nudging a little bit, you're probably not pushing as hard as you should be. So I think that right now it will be a time of -- and don mazziotti, I had an opportunity to talk to him before this session, and we both agreed that this isn't an area that the p.d.c. should be concerned about, that they should grasp and see it as an opportunity to grow and address a number of the issues that we've been reading and hearing about lately. So I appreciate what it is. I don't unfortunately know you as well as the others, but from those that I respect I appreciate this characteristic of yours to willingly speak up when others may not, and I hope you don't lose that voice. Aye.

Saltzman: Well, very pleased to support you, bertha. I think you join a long line of immigrants who have come to this city and made it a better place. I know you've already done that. And you will continue to do this in your even greater capacity on the Portland development commission. So i'm pleased to support you. Aye.

Sten: Mr. Mayor, this is a very good nomination. And I was delighted when you brought it forward. I think bertha has a larger stage that he's about to step on to, but not really, because she's been working in all these areas for a very long time, from home ownership projects to the long work at hacienda, that's going very well. She's been tireless, worked very, very hard. She's another realtor, willing to take a hard stand, that we ought to have a source of money for affordable housing, against some of her colleagues' wishes. That's probably one of the hardest stands you can take out there, and she was the first, that I know of, to take it. She's going to be just terrific. And, you know, there's both, I think, and it's -- this is politics, and perception, there's both perception and reality, about the world's changing and we need to do things differently. We've pushed p.d.c. Very, very hard to get into arenas that frankly, in my opinion, its mission was not set up to do.

Neighborhoods, an urban renewal agency to do things downtown, and it's growing to be a lot more than that. And whether the charter or things should change, we have both perception and reality issues out there. I'm looking forward to chair hennessee and commissioner parsons, now to commissioner ferran to work together with that. I think that the depth of the conversation out there, I think, remarks on two things. One is the importance of your mission. There's a lot at stake.

These are important decisions. And the passion with which everybody feels for the city. And so if that passion and importance are in place, we should be able to succeed, but we do have work to do. We have a team of commissioners that can pull this off, I think. And if you strictly made p.d.c. for example, a whole other conversation, another department, you wouldn't have this caliber of people serving. You have that because of independence, but that independence forces us to do other work.

So it is time to rethink things, but I think it can be done. The key is having the right people there. Mayor Potter, your decision to appoint bertha ferran with our ratification is a terrific step in the right direction. Enjoy it now. I think you'll be glad in a couple days. Enjoy it. Aye.

Potter: You know, I concur with everything that the commissioners have said. When we were looking at the candidates for this position, bertha rose to the top very quickly. Conversations with her were about many of the issues that we discussed here today at council. I think that she's going to do a tremendous job for our community. I'm just glad that there are people like bertha in Portland that are willing to be part of the community, to help prepare the future for the next generation. So i'm very proud, bertha, to say welcome to p.d.c. and the board of commissioners. I vote aye. Thank you. [gavel pounded] [applause] we don't have to subject you to the rest of this, if you don't want, bertha, but we're going to move on to the regular agenda. Thank you folks very much for coming?

*****: Thank you.

Potter: That pretty well cleared the room out. [laughter] sue, please read item 73.

Item 73.

Potter: Thank you. The staff is here. Please state your name and go ahead and proceed.

David Olson: Thank you, mayor and commissioners. I'm david olson from the office of cable communications and franchise management. I'm the director of that office. And very briefly, we

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have -- i've been participating informally in the process, in the informal process of the Oregon public utility commission that looked at the blue pages listings in the phone directories. That informal process became formal in december when they opened rulemaking. And that formality necessitated coming before the council and making sure that we're authorized to file formal comments on the city's behalf in that proceeding and the importance of retaining the blue pages directory listings. The hearing before the administrative law judge is next week in salem, and we want to make sure we're representing the city's interests in that proceeding. By way of background, there's no current rule requiring blue pages listings in government directories in Oregon. This proceeding hopefully will result in that rule, so that those listings can be there. These blue pages listings never were automatic. They came about starting in the late 1970's and early 1980's primarily due to the influence of the gentleman sitting on my left. A mild-mannered citizen from Oregon who in fact, jim long is the -- essentially the godfather of the blue pages, not just in Oregon, but nationally. It was through his efforts as a citizen activist that blue pages listings became included in telephone directories, not just in Oregon, but around the nation. He started the movement here. He went to the federal communications commission in Washington. He talked with the u.s. Telephone association, and it happened because of his efforts in the 1970's. Jim is back because the blue pages are at risk in this environment. And in fact, even in Portland, they're not all they should be. I don't know if you noticed, but when Portland went to split directories several years ago the blue pages did not follow. They remained in the white pages, but they're no longer in the yellow page edition. Some people in phone booths and otherwise only have access to this. And that's the only thing I could find. The government listings are gone. Of course, business listings are in both. Government listings did not travel here. In fact, if you look at blue pages in the current yellow pages, you'll find the blue is allocated to attorneys. And there's some green for dentists and some more blue for doctors, but the blue did not travel. And there's an additional question that Portland, like many governments, may be paying business rates for listings. That means you're supposed to -- supposed to be in both directories, but only in one. A separate issue. But in any event, blue pages now in terms of community access, not only to government, but services, have never been more important. For some people this is the first place they look, only place they look. They can be so much more than they are. They could have internet addresses, for example, for services. So many government services and community services are done by nonprofits nowadays. The community service listings are not all they should be. So there's a need to bring what the blue pages concept into this century, make sure they're adequate and make sure people have access to government services and to community services that they can't otherwise find and have difficulty finding. It's a very simple concept. Simply needs to be updated to this century. Portland, because we're the only city in the state with a split directory, has particular issues with regard to this. On your behalf, my office wants to represent those issues before the administrative law judge in salem to make sure a good rule is written and adopted by the p.u.c. That picks up these community concerns. I thank you very much. Be happy to answer any questions. And would invite you to hear from the blue pages godfather, mr. Jim long.

Potter: Mr. Long.

Jim Long: My name is jim long. It's a good resolution. It's essential that the city participate in the rulemaking procedure. We're looking at establishing the blue pages, improving them and updating them. There's a lot of variation in phone books around the state. 75 phone books that are -- there's eight different colors that the government and school listings are on. There's variety in the format that they're using. One of the formats that i'm proposing would be one that would start with a -- a 24-hour seven box at the top of the page, which would list, you know, the 24-hour seven services, here's a page from coos bay that as a box up top for child abuse, elder abuse, poison control, rape crisis resources, things like that. And we're trying to make it as responsive as possible, because a lot of people don't know where to look and they need help to get there. And I think it will be

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helpful putting in something like the homepage u.r.l. So you can improve and establish the concept of a 24-hour city hall, 24-hour courthouse, people can go at their leisure time or on the weekends and find information they want. As I say, it would be very helpful if the city of Portland participates in this procedure.

Potter: Does council have any questions?

Leonard: I guess i'm curious what the basis of the opposition? Is it from qwest?

Long: Yes. Qwest dex, as you know, the yellow pages, is published, not by qwest, but by an affiliate, and they're raising some issues, none of which, in my estimation, hold much water. They don't want to be told what to do. People typically don't. But this is a quality -- it's a quality of service issue, and adequate service as far as the p.u.c.'s concerned. The phone book is essential to find numbers, to be able to use the system. And --

Olson: Commissioner, david olson. Every single page in the directory is a commodity that can be sold and has certain printing costs, and even the side is available for sale.

Leonard: Yeah.

Olson: So every page that they have to print without being compensated for it to them is a lost business opportunity. It's simply business. One can understand that, but because they remain the last -- the telephone provider, mandated telephone provider of choice, because they have to serve everyone, this is part of what is considered universal service. You have to -- the exchange for running your business for a profit in this way, you must include listings so people can get in touch for services. I think the opposition is founded simply on business and commercial reasons.

Adams: Is the regulatory purview only over qwest or the other phone books that are printed?

Olson: Commissioner, the p.u.c. only regulates the traditional dial -- you know, home dial tone cost, the incumbent phone companies, which are qwest, verizon, and the phone companies of last resort in the state. So this does not apply to independent or competitive directories, of which there are many around, but one works with what one has. So though there is not any realistic chance that this can be mandated in and among all the competing directories that are out there. Nevertheless, this directory, and wherever you are, you have a basic phone directory. Everyone gets it.

Adams: What about, I don't use those things, I use the webpages. What about the webpages?

Long: Jim long again. The same directory, the same print directory, the errors, omissions, inconsistencies, in the print, are also moved over to the cd-rom and online services. What we're trying to do is get everything in better shape. You know, if you can on your computer go over to an electronic button that says electronic yellow pages, maybe there should be one that says electronic blue pages, too, so people can act those services, be they life and death services, or whatever, easily.

Adams: Are there -- I can't recall that there are blue pages online. Are there?

Olson: Not to my knowledge, no.

Adams: Yeah, ok. So you're seeking -- mr. Long, you're seeking to get that on the webpage directory version as well?

Long: That's not actually part of what was in the petition that I submitted originally, but that's something that, you know, may come out in the rulemaking proceedings. But that's just an example to bring across the fact that the print and the electronic -- there's connection between them. It's the same database.

Adams: Right.

Long: It's just there and we want to make it easier to find. You know, google is a search engine. The blue pages are a search engine. A print search engine, that everybody has, people have gotten used to it over the years. So we're just trying to improve the search capability, usability of it. Plus, the real issue here, though, is -- as david had mentioned, there's residential rates you have at home and there's business rates. Businesses are supposed to get two listings. And government just hasn't been getting them recently to a great degree.

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Olson: Commissioner, hopefully the rule will also address updating these things, keeping them up to date and accurate in a way that's real sporadic, and sort of the last thing the phone company thinks of now, getting these up to date. I believe commissioner Leonard had to wait a couple of years before he even got in the blue pages. And currently if you look for information on voting in Multnomah county, in the current community service pages, in the qwest directory, you're given a phone number with a 248 prefix that the county hasn't used for six years. This is an example of the simple inattention. If these can be, not only included by rule, but kept up to date and accurate it would simply help people find services. Portland has particular issues, because the split directory, we think it's worthwhile putting this information forward in Salem so that a good rule is written.

Potter: Any other questions? Thank you, David. Thank you.

*****: Thank you.

Potter: Sue, is anyone signed up to testify?

*****: No.

Olson: Thank you, commissioner Leonard, for letting me borrow the directories from your office.

Leonard: You're welcome.

Potter: Is council ready to take a vote?

Adams: Well, I'd just like to laud a hero that I didn't even know existed until today, because, Mr. Long, I didn't know of your previous efforts. I appreciate them. Thank you. I vote aye.

Leonard: Well, there is another example of the great work of the office of capable franchise. I've really enjoyed having the office of cable franchise in my portfolio, because they do stuff like this all the time. They're on the cutting edge of what the citizens expect in Portland. And so I appreciate, David, you taking this up. It's a great public service that you're providing by doing that. Aye.

Saltzman: Aye.

Sten: Thanks. Aye.

Potter: I too would like to thank Mr. Long and, David, too. I think that's a valuable service. And having worked for an organization that used to be in the blue pages, or still is in the blue pages, I know that a lot of citizens use the blue pages. So thank you very much. And aye. [gavel pounded] Sue, please read item number 74.

Item 74.

Potter: When they said "comprehensive," they weren't kidding. Please identify yourselves.

Ken Rust: Yes. Good morning, Mayor Potter, members of the council. I'm Ken Rust, director of the Bureau of Financial Services. The resolution in front of you this morning requests that you accept the city's comprehensive annual financial report for the fiscal year ending 2004. Before I turn the mike over to Marty Scott, the city controller, this document is the one that a lot of people are interested in, but very frequently doesn't get a lot of attention by council. It's really the audit for the city that says what we did. If the budget tells citizens where we're going, this one tells people where we went. And it is the document that communicates that information to stakeholders in the community that are very interested in how the city performed financially. So it's an important document. We plan on bringing more information to you in a formal work session, help you understand what the document tries to communicate. With that, I'd like to turn it over to Marty Scott and have her provide you comments for the audit for this year.

Marty Scott: Good morning. My name is Marty Scott, city controller. It's my pleasure this morning to present the comprehensive annual financial report for the city for the period ending June 30, 2004. This report presents a financial summary of the activities of the city for the fiscal year and it has been audited and received a clean opinion from the city's external auditors, Moss Adams. In addition, the city has submitted and has received from the government finance officers association for the last 22 consecutive years recognition through their certificate of achievement for excellence in financial reporting. We have once again this year submitted the document for that recognition. As Ken mentioned, Mayor Potter has requested that we schedule a work session to

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provide more detail related to the information that's included in this, and look forward to a more in-depth discussion at that time of the highlights. We'll try not to bore you too much with that. But this morning we're just looking for the -- the formal recognition of the document, and I thank you for your attention.

Potter: Questions from the council?

Saltzman: Yeah. I think this is great. I look forward to the work session, but I think it's noteworthy that we have a comptroller now. I thought maybe ken could -- or marty -- could tell us a little bit about what a comptroller is supposed to do and why we created that position in the last year.

Rust: I'll start, commissioner Saltzman. It is the first time we've had an opportunity to introduce the city controller to the council. It really was the culmination of a couple years' worth of work that started several years ago now with some comments made by our then outside auditor, kpm&g with respect to their external audit of the city. During that time we were going through tough audits with the water billing system, and they noticed as they were serving as our auditor that there was a lack of strong central control on accounting policy and practice in the city organization, and made recommendations to us in their management letter that we consider looking at making some changes, including the creation of a city controller that would give stronger authority and guidance to the accounting operation of the city. Following that management letter presented to the council, discussed in detail with then mayor katz and commissioner Saltzman, we did study the city's accounting operation, compared it with other governments of our size around the country, and determined that we did -- we did need to make some changes. We created the position of city controller. We bought code changes to the council that gave greater strength to the position and more clarity as to the position. And also created a compliance function inside the city's accounting division where in the past we really never had an internal audit function looking at financial operations per se. And so we really added a couple positions and beefed up that compliance activity. We now have hired a compliance person and we'll be starting that work as well, and be bringing back on a regular basis the results of our compliance activity and the work that the city controller will be doing with respect to that. This is really something that works for a -- been in the works for a couple years. We hope we have the right pieces in place right now, and hopefully we'll begin to strengthen our practice, and with the implementation of a new financial system, have stronger controls, better transparency and more accurate information for everybody that depends on it.

Saltzman: And more consistent accounting policies throughout every bureau of the city, right?

Scott: Right. You may recall a couple months ago we brought an initial group of accounting administrative rules to the council for approval. We'll be bringing additional groups of those rules. We now have a policy manager and also compliance manager, both of whom begin next week. And their job, along with mine, will be to ensure consistency of accounting applications throughout the city, and that we have adequate internal controls in place as well throughout the city. So we look forward to additional opportunities in the future to report the activities of the organization to you and the things that we found and the progress that we've made.

Saltzman: And when will that be coming to us? What kind of a timeline are we on here?

*******:** For the --

Saltzman: I'm just thinking we're beginning a budget process where we'll be looking at individual bureaus intensively, and one of the questions i'd like answers to are which bureaus are complying with your directives to date, which aren't, and, you know, what kind of nudging we might give those that aren't, or delving into those issues. That's going to be starting in the next week or so. Is there a possibility for us to get that kind of an input from the controller as we're going through bureau budgets?

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Scott: That's probably a bit aggressive, since the compliance manager starts next week. However, we do plan to -- we've already identified some areas where there are some potential weaknesses and in those particular areas we'll be starting as quickly as possible to analyze bureaus across the city in some of those areas. So to the degree that we've been able to initiate the beginnings of our work, we certainly can have some of those conversations.

Saltzman: So would it be appropriate for you to share that information with those of us who are interested in that? I mean not right now, but through an email or some sort of communication?

Rust: Yeah. I think what we'll do, commissioner, is since the positions are just being -- you know, they're starting next week, is to develop that work plan and show you and advise you as to where we'll be looking with respect to accounting policy and practice. My belief is that the bureaus follow that, that they're operating consistent with accounting principles and practice, but we now have a verification function that we're going to be looking at as well. So we'll set the policy. We're going to test bureaus on different types of things, like accounts receivable, petty cash, those different areas that are important to look at to make sure that we're in compliance, and then bring those results back to you. I don't think we'll find that bureaus are doing it three different ways. But we're going to find that there are weaknesses in the way that they manage and set up and follow the policy and procedure. That's what -- that's important as well. But we will share the work plan with you and make sure you understand what we'll be looking at and bring back the results of that as well.

Saltzman: Ok.

Adams: Just a couple of questions to pick up on commissioner Saltzman's inquiries. To what extent does your work integrate into the service efforts and accomplishments report? Obviously not the citizen perception measures, but the -- you know, the factual measures in the s.e.a.? Do you intend to work with them?

Scott: We will initially be working in partnership with the city auditor's office to ensure that we don't duplicate any efforts. Their focus is primarily, as you know, performance auditing. Our focus will be more financial auditing and looking at internal controls. We will -- we intend to try and piggyback off of each other to the degree that we can, because there is a bit of overlap between the two responsibilities. We haven't actually discussed the -- the thought of including any of our results in the -- in the service efforts and improvements -- accomplishments. We could certainly initiate that.

Adams: I love the book. Gives me hours of fun reading. I notice some of the measures in the back would be useful to include in the s.e.a., because added to what's already there sort of flushes out, makes more robust some of the basic performance measures, sections of the s.e.a. I'd encourage you to have that conversation with them. I think it would be to the benefit of both efforts.

Scott: The statistical section that you're referring to is actually going to change significantly in the next couple of years as a result of some changes in standards from the government finance officers association. And we'll be actually providing 10-year histories beginning prospectively, although we'll be able to start that for the last three or four years, when the government financial officer -- when the government accounting standards board changed the entire reporting format. So I think you will find the new measures that will be in place in the next couple of years, even more helpful for those purposes.

Adams: Ok. Then the other part of this is just continuing a theme of mine. To the degree that your reporting can help us as policymakers and budgetmakers understand or not the equity of services, most of the information here when I look through it is sort of the rolled-up sort of information, which is you only have so many pieces of paper you can use, but to the degree where it's useful, where you can provide us special reports on the different sections of the city, efforts or accomplishments. This is outside the accounting stuff, but more on the output side, to the extent that you can break that out by geographic area or other useful, you know, divisions of the information, i'd welcome that.

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Scott: With our current financial reporting system, that's very difficult to do, however that's definitely on the criteria list for the new financial reporting system that we're just starting to establish criteria for.

Adams: Ok.

Scott: I think we've heard that from various areas, that feel like that sort of information would be very helpful and useful.

Adams: Thanks.

Potter: Any other questions? Thank you.

*******:** Thank you.

Potter: Sue, has anyone signed up to testify?

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

Potter: In addition to i've asked o.m.f. to give us a briefing and put more of this in more of an english format so we can understand it better. But i've also asked -- and I met for the very first time this morning -- the city treasurer, and learned some of the functions that he provides to the city, including our investment portfolio. I've asked him also to give us a briefing on what he does, so that we can better tie his activities to that of o.m.f. to that of the city auditor, so that we have a better understanding of how our city operates fiscally.

Saltzman: That's great.

Potter: Is council ready to take a vote?

Saltzman: Yep.

Potter: Sue, please call the roll.

Adams: I want to thank you both and your team for putting this together. Just looking at it, I can see it was a huge project. It's very readable. So I vote aye.

Leonard: I'm going to take commissioner adams' word for that. Aye.

Saltzman: Good work. Look forward to learning more about it and look forward to watching the controller do her work. Aye.

Sten: Thanks. Aye.

Potter: And I also want to thank ken and his staff and also welcome our new comptroller the city. As a new employee myself, I look forward to working with you. Aye. [gavel pounded] sue, please read item 75. This is an emergency ordinance held over from last week at commissioner adams' request, and our folks are here to respond to that. I understand they've also been able to meet with you to discuss the issues.

Adams: Yes. My staff.

Potter: With your staff.

Jeff Baer: Good morning, mayor Potter, members of city council. My name is jeff baer. I'm the acting director with the bureau of purchases. We're back here this week to introduce the ordinance requesting authorization to enter into a contract with structured communication systems for a storage area network. Before I turn it over to matt lampe, just to talk briefly about the solicitation process that we went through, which I think is somewhat informative, we had approximately 100 -- a little over 100, 113 different firms download and obtain the request for proposals, of which we had six who had responded. Actually of those who actually downloaded, we actually had a firm from india download and obtain the specifications, along with a firm in ontario, canada. And with that we actually had -- we are able to track to see if anybody who is a state certified firm has obtained that. We actually did have some -- we had two minority business enterprises. One women-owned business and three emerging small businesses obtain the r.f.p. from our bureau of purchases website. Unfortunately, we didn't have any of those that responded, but we did get six responses of which we did go through a comprehensive evaluation and chose the structured communication systems as the selected provider. So unless there's questions about the selection process, i'll turn it over to matt to talk about the technical requirements.

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Potter: Any questions? Ok.

*******:** I think we did -- went through the basics of this.

Potter: Could you state your name, please?

Matthew Lampe: Yes. Matthew Lampe. I'm the city's chief technology officer and the director of the bureau of technology services. We went through the basics of this last week. Essentially the storage area network is an important part of our efforts to consolidate and make more efficient the infrastructure underpinning the city's computer environments. The funding for this proposal essentially came from a number of projects that were already approved in the budget, but as part of consolidation, consolidating them, some of the infrastructure that -- for those separate projects into a single infrastructure. So that in essence is what we're doing here. It's important -- it's an important piece to move forward for the implementation of the new water billing system. It's an important underpinning for the efficiency package we brought through last year on server consolidation. And it will help resolve some issues we have currently with the i.b.m. mainframe that supports our current financial system and the police data system in a way that, as those systems migrate off to other platforms, the resource we acquire here will be reusable as opposed to an isolated one that can only work with the mainframe. So in that way it helps us, as we reshape our computing environment, to not necessarily have to strand future investment.

Tom Feely: Tom Feely, I'm from the office of finance and management. To sort of add to what Matt says about the efficiency process, this was targeted last year in connection with the approved budget, as one of the items discussed -- or one of many items.

Adams: I guess I do have questions about the selection process.

Potter: Go ahead.

Adams: You have on the sand graders -- what's that stand for?

Lampe: Storage area networks.

Adams: Were there any ethnic minorities?

Lampe: On the raiders. We had other people from our staff participate, and actually the person who was promoted as the storage administrator will be the primary administrator of this system when it's brought in is African American.

Adams: But you had no minorities on the selection -- [inaudible]

Adams: And one female?

Lampe: Correct.

Adams: And why is there -- why did you -- why no minorities bidding on this? Was this just one contract for \$1.2 million?

Lampe: Correct.

Adams: And it couldn't be broken up to smaller contracts? Couldn't be a requirement for partnership with a minority firm or points for --

Lampe: There were -- I mean, in the standard contract provision, there are 15 points assigned to minority women and emerging small business participation. So there are points in the process for identified subcontracting, etc. In a project of this type, there's a real concern of separating the hardware purchase from the services purchase. That is you have an engineering design that has to be fairly customized to do that.

Adams: I understand that. I'm not suggesting that.

*******:** Ok.

Adams: The concept of partnerships, though, where you don't separate out components to the future potential detriment of the effort, but to what extent were partnerships encouraged as part of this project where you have basically contracting partners as opposed to a prime and a sub? In other words, it's hard for local firms to break into this line of work unless they're given some appropriate opportunity to get experience at it.

Baer: Let me take a stab at this, Commissioner Adams. Thank you.

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Leonard: Don't necessarily try to explain what it is.

Baer: Thank you. What I have here in front of me is actually kind of a summary of the -- of the evaluation criteria. And what -- usually what we do, I think in this case we probably didn't do, is to really drive that down and request those types of -- add a secondary tier or a first tier level to have participation from certified firms. Even though we might have had that participation element in the criteria, I think, you know, in future we certainly could look at that and have a better opportunity to do that. In fact, one of the things we're looking forward to doing, is march 1, the new a.g. Rules go into effect that will open the door much broader to allowing more diversity, more supplier diversity-type programs in the purchase of general goods and services. This one here, i'm not sure if that addresses your question, commissioner adams.

Adams: I'm familiar with those rules. And I think they will help.

*******:** Yeah.

Adams: But what i'm trying to suggest is some flexibility in thinking for a creation of partnerships. Now in reality the partner might -- one partner might be very small and the other partner big, or two small partners and one big partner, but we're not going to get local minority and women-owned firms to break into this very difficult sector and sustain them without thinking creative as opposed to just prime subcontractor, hardware from software.

*******:** Right.

Adams: I'm going to continue to be a pain in the ass on those projects until I see that kind of creative thinking coming from our contracts, all of them, but especially p.t.e., which has just been a real hard thing to see progress on for minorities and women.

Feely: I think your point's well taken. It's certainly something we will look at with more depth.

Adams: And you need to have representative -- you need to have a cross-section that represents the community on your selection panels, or i'm going to vote no on everything, because we have no credibility to say we're fighting for minorities and women to have their fair shake of city resources and then these contracts come up with no minority or women participation, and there's one woman and no minorities on the selection panel. That doesn't cut it.

Baer: One of the things we've done, as you know, I think it was in july 2003, we implemented substantial changes to the p.t.e. process, contracting process. One of the requirements was having a diverse evaluation panel, one of which members would represent the community at large. And this -- this particular procurement was done -- it was not considered to be a p.t.e. contract. It fell under a different set of rules under 5.33 and city code. And so this is the last -- kind of the general goods and services area, which I think those new rules that go into effect will allow us to utilize an r.f.p. process, and adopt those requirements for the evaluation panel.

Adams: Greg wolley is here, mr. Mayor, the program coordinator for the bureau of purchasing, p.t.e. services expert. I hope, with your indulgence, we could have him spend just a few seconds talking about this project --

Potter: Just a minute. Tom.

Adams: Could have him talk about more generally what he's trying to accomplish with p.t.e.

Potter: Certainly. Let's find out if there's other questions from the other commissioners. Ok, fine, thank you very much. Good morning.

*******:** Good morning, mayor Potter, city commissioners. Thanks for allowing me a few minutes to speak. I'll just start out --

Potter: State your name, please.

Gregory Wolley: Ok. My name is gregory wolley, and I work in the bureau of purchases. I was hired in october to coordinate a stepped-up program in the outreach area with a focus on minority women and emerging small businesses and responding to concerns at the process. It's been not as open, as accessible as it could be for small business people. So I want to talk just a couple minutes about some things that we've been doing and some different ways that we're doing those, and then

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some new things that we're doing to reach more businesses. In the past, we've done newspaper advertising, in the niche newspapers, specific papers, the hispanic papers and so on. What we've done is we've actually put my picture and my direct phone line and my web address on all those advertisements. And it's been a big help. If I could just -- .

Potter: Just a second, so you can talk into the microphone.

Wolley: So that when I attend outreach and marketing events and networking events, and I go to quite a few, people can walk up to me and say "i saw your ad in the hispanic news, here's my business card," and the result is that I meet with several small business owners every week to find out about their businesses, the capacity of their business, their interest in doing work with the city, and any barriers that they have -- have had in doing business with the city. And then I can explain the process to them as far as getting a business license and e.e.o. Requirements and everything that needs to be done. I've also moved into some other ways of advertising that we haven't done before in terms of radio and even some small tv spots, but I commissioned a marketing study at no cost to pinpoint the kinds of radio programming and the kinds of tv programs that specifically minority and women, small business owners are most likely to view. I've used that as a guide to do my outreach. So we're putting that together in spanish-speaking radio stations and other niche programming that occurs during the week as people are driving home and so on to reach minority and women businesses that we haven't had in professional services. I have a major outreach event, actually the first event of the year for the bureau of purchases. And that's on february 24. And what we will have is project managers that do the hiring, as opposed to kind of the usual suspects, you go to these trade show, people like myself or my counter parts from the different agencies there, and we're kind of this liaison or a pass-through, but we'll actually from our project managers from the major bureaus present at the event from the city, but also from p.d.c., port of Portland, Multnomah county, clackamas county, p.s.u., tri-met and metro. And so i've done a mailing to over 200 businesses and counting for attending the event. They're rsvp-ing. The idea is that the managers will give presentations and an idea of the opportunities that have recently occurred, open now, and also a three to six-month look ahead for -- for contracting opportunities. Also developing some partnerships with -- kind of on a bureau-by-bureau basis. I'll give an example with the bureau, office the sustainable development. They're sponsors, as you know, of a lecture series, training series, called "rethink." i've talked with their staff and set up an arrangement where those trainings, two-hour courses, they're complimentary essentially tuition waivers to minority women and emerging small businesses to come in and attend those, to help them to start to break into the field of green building, which, of course, we're known for here internationally in Portland. Working in a lot of different ways. Gail brought these over from h.r., to fill an existing position, but she's been assigned specifically to work with me to help me develop the program, expand the program. In the future, later this year, i'll be returning to you for approval of two additional programs within this fold of p.t.e. One is the sheltered market program for professional services, for p.t.e. We have that in place for construction, technical -- instruction, technical assistance. Some of the small firms have the same challenges terms of financial management, so on and so forth. We'll be developing a shelter market program for them. Also, i'll be developing a supplier diversity program and actually going to a class later this week -- or later this month to learn to set up a supplier diversity program. Those are very common in the corporate world, and also in higher education. Some cities have them, many cities don't. Up till now we've had no way of tracking, that the diversity background of the suppliers, everything from pencils to -- to furniture. You know, we haven't really known. Now we're starting to -- to ask those questions and put those into the request for business, request for solicitation, for goods and services. So I just wanted to actually thank mayor Potter for putting small business development and diversity up on the top of your agenda. I feel very supported by you and i've met with some of you and some of your staff. And commissioner leonard, I apologize, you're next on my list. I'll be coming by and speaking with you. So I feel that, you know, we're all

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kind of -- we're marching together on this. I'm very open to suggestions and more ideas to do everything that I can. This is quite a follow-up to come with the b.t.s. Bid. I came in october, and it was already on the street. So it was a little bit of the tail chasing the dog, doing the outreach. And the goal is to really work, of course, on the front end of the process, and to work the language into the bid solicitations and requests for proposals, so we can unbundle some of these bigger contracts and give the smaller firms a shot.

Leonard: You heard the questions commissioner adams asked of the current contract. I appreciate you've been here just three months. Are you developing a strategy or trying to think about how to educate our various bureaus to do the kinds of processes that commissioner adams was suggesting needs to be done? Are you going -- I guess i'm asking, are you going to advocate for those kinds of things to happen so that bureau managers who might otherwise overlook that important aspect will include an already representation on the purchasing committees and evaluating committees and think a little more creatively about how we can bundle a contract for a minority-owned business.

Wolley: Yes, I am. Speaking, meeting with the project managers, because everybody's on a different level of awareness of the process, of the contracting process, or what they need to do, or even how to think about diversity. And so it's working on a person-by-person basis, where they are, and helping them to think more expansively when they're first developing the scope of work so these criteria can be built in and the access can be easier on the other end.

Leonard: I'm actually thinking we need some kind of a written guideline, so that people have something that they will automatically refer to as opposed to a reminder verbally, something -- I don't know what it is i'm thinking the form would be, but something that the managers would rely on in helping compose their various purchasing committees and evaluating committees.

Wolley: Ok. We will develop some language, some specific language.

Leonard: That would be a good idea.

*******:** Thank you.

Potter: One other thing. I will also, commissioner leonard, make sure that gets into our citywide efforts to bring about changes in all the bureaus, so that there is a standardized approach, everybody understands their responsibilities.

Wolley: It's february 24, from 2:00 to 4:00 p.m., second floor, room c. And the audience that I wanted to hear about it, they just left, but they'll hear about it.

Adams: Just a comment, if I could. P.t.e.'s are still not done the same way construction contracts are done. Construction contracts are actually managed by the bureau of purchases. P.t.e.'s are not, they're tracked. As the former chair of the fair contract and unemployment forum and contract coordinating committee for 11 years here in the city, we had to fight to get this level of cooperation between the operating bureaus and the bureau of purchasing. And at the time, as chair, what I said to bureaus was we would try this, but if you don't get cooperation and we don't start seeing the numbers going up, I will at least propose on city council that we have p.t.e.'s run the same way that construction contracts are through purchases. The bureaus will hate that, because they -- they view p.t.e. contracts in a different way than they view construction contracts, although i've never sort of bought their arguments. And i'm very grateful that commissioner Potter has put minority contracting as part of his number one bullet --

Leonard: Although i'm not sure he's grateful. You just demoted him to commissioner.

Adams: Who did?

Leonard: You did.

Potter: I'm deeply honored.

Adams: Oh, god, i'm going to get the water bureau. Mayor Potter, deeply appreciative that he has that on his number one item and hope that you'll work with austin and that bureau innovation project, but we really need to see results. This just happened to be the first contract that came across my desk.

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Wolley: Thank you.

Potter: Other questions? You know, greg, when is the next event?

Wolley: It's coming up in about a month and a half.

Potter: Ok.

*******:** I don't know a specific date.

Potter: I will be encouraging all of our city commissioners to -- not city commissioners -- bureau heads to attend that and also invite the city commissioners. It's a great opportunity to network. It's held at the interstate firehouse cultural center.

*******:** That event's been's successful.

Potter: The next one is at wieden & kennedy.

Wolley: They've outgrown their venue, which is a sign of great success.

Potter: And like commissioner adams, I too share the concern that we've got to think differently within the city structure. We will be looking at these things much more closely.

Wolley: I appreciate that.

Potter: Thank you. Does staff wish to provide additional information?

Feely: I think it's important that we have jeff talk to you just briefly about what we have in place right now. In the past, council has been supportive of adding resources to the purchase's budget in support of this. We did have some p.t.e. changes that require review of r.f.p.'s now by over 100,000 by the purchasing p.t.e. staff, which has been helpful. We'll ask jeff to talk about the direction we give to bureaus.

Baer: Commissioner adams, as you well know, we had some very lengthy discussions about putting these policies into practice, and we took the step of doing some incremental changes, which began in july of 2003, one of which we completely revised the city code, 5.68 on p.t.e., rewrote a very instructive p.t.e. manual, process and procedures of how to do that. Along with that we also implemented what we call an evaluator's review guide to talk about how to factor in and how to look at the diversity and how it's comprised of your evaluation and selection team, so that that was - - that requirement of having one person on that team, a representative of the community at large, that the project might have an effect upon, that they do look at that. Now we've done this incrementally. One of the things, with greg wolley coming on staff late last october, that it -- we took a long time to get him hired, and we really appreciate the efforts he's really taken to work with the bureau managers and also to do the outreach to different private firms, smaller firms especially to really get them interesting in doing business with the city.

Potter: Any other questions? Is anyone signed up to testify? Please state your name. You have three minutes, sir.

Dave Lister: Dave lister Integrated data concepts here in Portland. Hadn't planned to testify until the conversation went off in a little different direction, your honor. One of the reasons why small local firms are not involved in your technology acquisitions, in my opinion, is the r.f. p. process. I don't know if you've seen the r.f.p. that resulted in this one that you're talking about today, but it, like many others, are about the size of the medford phone book. When you take a small technology firm, like ours, four or five employees, we simply don't have the resources to evaluate those r.f.p.'s. They're oftentimes a contract, as well as a proposal, that require a legal review. So I just want to mention briefly that you might want to consider, particularly with technology, simplifying some of these r.f.p. processes and requirements. An r.f.p. works great if you want to buy six ford pickup trucks. You say we want them blue, leather, we want this, we want that, all the dealers sharpen their pencils and give you a price. Technology is a little bit different, because there's some perceptions of suitability of purpose and end result that isn't implicitly part of the hardware acquisition. So speaking as a local technology firm owner, it's really the r.f.p. process that precludes our company and I think many companies like ours from getting involved in these city projects. Thank you.

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Leonard: So do you have a suggestion, dave, on what specifically could be done? I'm not asking you necessarily to answer that now, but something maybe you could send us, some unnecessary stuff that's included in the r.f.p. that we can get rid of?

Lister: Well, you know, i've written about this matter and you've probably read what i've written. Part of the problem is that I think some of these ongoing -- when you go into an ongoing technological improvement program, like you're doing here, and some of you know I looked at this thing, and you're getting a good price, and it's a good plan, and I think it's all fine, but when you talk about partnering with local firms, I think -- I think what you need to do is look at more of these projects as -- as time and materials endeavors rather than r.f.p.-based endeavors, and find some good companies. I'm not trying to sell you us, because, this, what you're looking at today isn't what we do, we do software, but find some good local firms, emerging firms, minority firms -- mine's not emerging, we've been doing business here in Portland for 20 years -- that you can partner with over the longer term, and break some of these things up into smaller segments. Most of the work we do we do own a budgetary estimating system and it can be on a not-to-succeed, but typically a times and materials approach to these acquisitions. You can still ask for a bid on the hardware components, but you won't get local firms, particularly small ones to participate in these kinds of things as long as the r.f.p. process is what it is, in my opinion. And that's why you get out of state firms, out of country firms, big firms. Guys like us can't spend the time to even analyze those r.f.p.'s, let alone get a legal review on them.

Leonard: I really appreciate your recommendations. I hope make that's something you can -- if you don't know how to get ahold of dave, he's one of blogging my pals.

Lister: Anyway, thank you very much for letting me talk.

Potter: You're welcome. Is council ready to take a vote? Sue, please call the roll.

Adams: I reluctantly vote aye, but this will be the last time I reluctantly vote aye.

Leonard: I appreciate the discussion that's been instigated and inspired by commissioner adams. I don't know whether a week ago I would have just made a cursory vote on it, and I want to acknowledge that it's because of his questions and attention that I focused on this. And i'm proud to say or embarrassed to say that, but I didn't focus on some of the issues he's articulated here until he narrowed in on them. So I greatly appreciate the discussion. I've learned a lot and in agreement in total with commissioner adams' concerns, but i'm also sensing that you're also -- also want to be responsible. So aye.

Saltzman: I appreciate the discussion. Aye.

Sten: Yeah, thank you. Aye.

Potter: I also appreciate the discussion, and appreciate commissioner adams raising the issues, because I think in the future this council will take a very strong look at contracting overall throughout the city, and how we award contracts, because there's a lot of elements to it, including ensuring that small businesses, minority businesses, emerging small businesses, women businesses, get a fair shake in this process. I want to see more local contractors get these contracts. So with that, I support this particular thing, but in the future i'll side with commissioner adams on that. Aye. [gavel pounded] this is our last item for the morning. We'll recess until 2 p.m. This afternoon. [gavel pounded]

At 11:12 a.m., Council recessed.

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2:00 PM

Potter: Council will come to order. Sue, please call the roll. [roll call taken] sue, could you please read the item? Thank you. Since the council's last meeting, i've had the opportunity to meet with community members, developers of the project, and our planning staff. After meeting over this past weekend, one of the things that came from that was a request to continue this for two more weeks, to have time for the developers, the community, and the planning bureau to discuss different options. You know, I look upon this as a real opportunity, both for the community, the developers, and the city so that we can use this to sort of refine some of the things we've been talking about in terms of how the public is involved in the governance process, particularly around decisions that deeply affect them, such as development projects. So I want to thank personally the developers in this case. It was mark eatland and homer williams, for them being open to meeting with the neighborhoods andersen. I want to thank the neighborhoods. They've, I know, felt like they've compromised a lot over the last few years on development projects. So I appreciate them willing to come to the table again. I appreciate and value the efforts of the planning bureau. Gil kelley in particular has been at these meetings. We'll have meetings over the next two weeks. And hopefully at least begin to discuss the issues. Monday night's meeting was the first, according to both sides, where they actually sat down and talked face to face. And that's good. So i'm supportive of this process. I would ask that council, to support this continuance for two weeks so we can continue to discuss this issue. We see this as three stages. One is what's going to happen over the next two weeks in terms of coming to a conclusion about this particular development project. The second phase is really what to do, then, after that in terms of how we engage the public in this process. My goal as the mayor is to make sure that, from the very get-go that we have the community, we have the interested parties, such as developers, and we have the city at the table talking about what are the possibilities. And then in the long run, what I want to do is to implement the recommendations coming out of the public involvement task force in terms of how citizens are engaged in the process of governance. So it's a long-term solution, but for the immediate issue I want to make sure that we have a chance for these folks to talk before the council has to make a decision. So as they come up with the recommendations, we'll be discussing them with the councilmembers so they can keep posted with what's going on. So in that case, i'm asking to have this continued, and I think, sue, what is the next available date?

*****: I was just working on that with your office.

Potter: Ok.

*****: There's on the 17th, you do have water leaf coming back, and they'll want either one to two hours. And on the 23rd there's an item that has been requested, but not confirmed from your office. So I was just getting a heads-up on that. Is that open?

*****: Yeah, I think the request from the neighborhoods was that there was an ending opportunity, and wasn't clarification yet on whether we could actually leave that. The neighborhood groups wanted to participate and ask for a council meeting that --

Potter: Would the council be open to an evening meeting on february 17 so we could get this decision fixed.

Leonard: Absolutely.

Saltzman: Is that a thursday?

Potter: Is that a thursday?

*****: Yes.

Potter: Good.

Saltzman: Like 6:00 type of deal?

Potter: What did you say, nancy?

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*******:** 6:00 p.m., people coming after work.

Potter: 6:00 to 8:00. Would you make sure the appropriate parties are notified about that. Ok, I need a motion to hold this open for two weeks.

Leonard: So moved.

Sten: Second.

Potter: Second. Sue, please call the roll.

Adams: Well, one idea to just put on the table, and I really appreciate your leadership on this, mayor Potter, and also your willingness to look at the previous decision in terms of public involvement, but one idea, just to ask you to put on the table is sometimes I think it's hard to try to narratively write out what we want the skyline there to look like, and if folks can come to agreement on sort of the preferred silhouette, or preferred skyline, and especially from the viewpoints, making sure that the viewpoints are clear, public viewpoints. I just offer that as a potential solution as opposed to trying to write what a skyline would look like, which I think is really hard. And that might be a little out of the box in terms of what we do, but it might be a way to sort of make the discussions for it a little easier, and then we would all know better as each project rolls out whether or not it fits into that preferred silhouette. I vote aye on the continuance.

Leonard: Aye.

Saltzman: Aye.

Sten: I want to thank mayor Potter for his work on this. And glad to vote aye. I also want to thank troy, who has been working hard to come up with some ideas. Good work. Aye.

Potter: And are you from planning? Oh, great. I was just wondering if you heard what commissioner adams had said. I think that's a great idea. Once again, I want to thank all the parties. I think their willingness to communicate and reach some points of agreement I think are really important for our community, for everybody to come together as a community. I think we really need to understand what's at stake, and also what is -- what is the common good in all of this. So I appreciate the efforts and applaud them and look forward to it. So thank you very much. This is the last item for today. We will be in recess until 2:00 p.m. tomorrow. Thank you. [gavel pounded]

At 2:13 p.m., Council adjourned.