



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **29TH DAY OF MARCH, 2006** AT 9:30 A.M.

THOSE PRESENT WERE: Commissioner Sten, Presiding; Commissioners Adams, Leonard and Saltzman, 4.

Commissioner Adams arrived at 9:39 a.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Harry Auerbach, Chief Deputy City Attorney; and Larry Sparks, Sergeant at Arms.

Item 399 was pulled for discussion and on a Y-4 roll call, the balance of the Consent Agenda was adopted.

COMMUNICATIONS		Disposition:
386	Request of Bruce Broussard to address Council regarding Portland education funding (Communication)	PLACED ON FILE
387	Request of Vladimir Golovan to address Council regarding fund allocation for Vision Project (Communication)	PLACED ON FILE
388	Request of Richard L. Koenig to address Council regarding claim against police (Communication)	PLACED ON FILE
389	Request of Horace Seiver Holcombe III to address Council regarding PGE (Communication)	PLACED ON FILE
390	Request of Paul Phillips to address Council regarding service animal attack (Communication)	PLACED ON FILE
TIME CERTAINS		
391	TIME CERTAIN: 9:30 AM - Adopt the recommendations in the Memorandum of Understanding between AFSCME Local 189-2 and the City on behalf of the Bureau of Emergency Communications (Resolution introduced by Mayor Potter and Commissioner Leonard) (Y-4)	36393

CONSENT AGENDA – NO DISCUSSION	
Mayor Tom Potter	
Office of Management and Finance – Bureau of General Services	
*392 Authorize acquisition of vehicles for use by City bureaus (Ordinance) (Y-4)	180021
Office of Management and Finance – Human Resources	
*393 Create a new Regulatory Program Specialist position in the Revenue Bureau (Ordinance) (Y-4)	180022
Office of Management and Finance – Risk	
*394 Pay claim of Laura Guimond (Ordinance) (Y-4)	180023
*395 Pay claim of David Unitan (Ordinance) (Y-4)	180024
Police Bureau	
*396 Authorize an agreement with the RECIC Foundation to provide a Police Bureau Program Coordinator to act as the Program Coordinator for the Regional Economic Crime Investigation Center Pilot Project (Ordinance) (Y-4)	180025
Commissioner Sam Adams	
Bureau of Environmental Services	
397 Designate certain City Property at 5418-5420 SW Beaverton Hillsdale Highway as Sewer Easement and assign to the Bureau of Environmental Services for the SW Shattuck and Beaverton-Hillsdale Highway Project No. 8000 (Second Reading Agenda 365) (Y-4)	180026
398 Amend contract with David Evans and Associates, Inc. for additional compensation and extend the term of the agreement for the Simmons and Columbia Slough wastewater pump station Projects No. 7048 and 7250 (Second Reading Agenda 366; amend Contract No. 33551) (Y-4)	180027
Office of Transportation	
399 Accept grant from Oregon Department of Transportation, Traffic Safety Division for the modification and development of crash data reporting and query tools (Second Reading Agenda 370) (Y-4)	180032

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400	Accept a grant from the Oregon Department of Transportation in the amount of \$100,000 to develop and implement specific neighborhood-based efforts to improve traffic safety (Second Reading Agenda 371) (Y-4)	180028
401	Authorize a contract with Legacy Emanuel Hospital Trauma Nurses Talk Tough for traffic safety educational services (Second Reading Agenda 372) (Y-4)	180029
Commissioner Dan Saltzman		
Parks and Recreation		
402	Amend flexible service contracts with architectural and engineering consultants to extend the expiration dates (Second Reading Agenda 375; amend Contract Nos. 33712, 33715, 33716, 33724, 33727, 33731, 33733, 33737, 33741, 33742, 33746 and 33868) (Y-4)	180030
403	Authorize grant application for fish passage and habitat restoration work in the Oaks Bottom Wildlife Refuge to the Bonneville Power Administration in the amount of \$1,200,000 (Second Reading Agenda 376) (Y-4)	180031
REGULAR AGENDA		
404	Direct City Attorney to file a formal complaint with the Oregon Public Utility Commission to request an investigation to establish whether PGE violated Oregon law by joining in consolidated tax filings with non-unitary subsidiaries of Enron for Oregon tax purposes, resulting in more than \$50 million in Oregon corporate income taxes collected from ratepayers in rates but not properly remitted to the State of Oregon (Resolution introduced by Commissioners Leonard and Sten) (Y-3; N-1, Saltzman)	36394
Mayor Tom Potter		
Office of Management and Finance – Bureau of General Services		
405	Declare surplus property located near NW Skyline Boulevard and NW Murdock Street (Second Reading Agenda 377) (Y-4)	180033
Office of Management and Finance – Technology Services		
406	Authorize flexible services contracts for engineering services for radio, phone and video systems (Second Reading Agenda 379) (Y-4)	180034

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Commissioner Sam Adams

Bureau of Environmental Services

407	Amend contract with Parsons Brinckerhoff Quade & Douglas, Inc. for professional design and technical support services for the East Side Combined Sewer Overflow Tunnel Project No. 5516 and provide for payment (Second Reading Agenda 381; amend Contract No. 34633) (Y-4)	180035
408	Authorize Intergovernmental Agreement with the State Department of Environmental Quality to address contaminated sediments in the Columbia Slough watershed through the Voluntary Cleanup Program (Second Reading Agenda 382) (Y-4)	180036
409	Clarify description of elements for sewer protection, enforcement authority and activity to maintain sanitary and stormwater conveyance systems (Second Reading Agenda 367; amend Code Chapter 17.34, 17.38 and 17.39) (Y-4)	180037 AS AMENDED
Office of Transportation		
*410	Increase monthly contribution to the City Employee Trip Reduction Incentive Program from \$25 to \$30 per participating employee for the transit, carpool, bike and walk to work programs and maintain an incentive contribution rate (Ordinance) (Y-4)	180038

At 10:25 a.m., Council adjourned.

GARY BLACKMER
Auditor of the City of Portland

By Karla Moore-Love
Clerk of the Council

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

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<p><u>WEDNESDAY, 2:00 PM, MARCH 29, 2006</u></p> <p>DUE TO LACK OF AN AGENDA THERE WAS NO MEETING</p>	
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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.

MARCH 29, 2006 9:30 AM

Sten: The mayor is on vacation today, so we'll go ahead and get started. We'll start with communications.

Item 386.

Sten: Mr. Broussard. I think you know the rules.

Bruce Broussard: Yes, I think I know the rules. Still in boot camp, though. I'm Bruce Broussard, Portland. I was talking about school funding, and naturally some of the thoughts I was thinking about school funding was the whole issue with Sho Dizon. But in all due respect, I was thinking as maybe as a suggestion we got the kicker, and many of our businesses are here in the Portland area, I think if show could be redirected to maybe some of those business folks to maybe give a portion of that kicker, I realize the p.g.e. Thing, that could be a nice resolution if you will to maybe the problem, or they might consider giving part of that kicker, I don't know whether Enron, but maybe the second time around. I think that's something that might be something you might want to consider for that particular point in time. And the other point I was going to make is that in "the Oregonian" this morning, this is another issue, it talked about charter organization with draws, in all due respect, I think we're in a crisis in Oregon. Portland is getting to be -- becoming -- looking like, if you will, the ninth ward of New Orleans. We're in a crisis right now. And some way, shape, or form, we've got to mend some fences and start getting back down to the point to shore up those levees, because otherwise, we're going to really have some serious problem. I think we've got a category five coming, and we still have enough time to shore up, if you will, and what I mean by shoring up, I'm talking about us getting together, talking to folks, and maybe seriously sitting down with p.g.e. And see if we can compromise, because we do have a new team over there at this point in time, and maybe they could come up with a few dollars on that kicker deal, they might be able to solve some of our problems in the Portland area. With the school board aspect, the charter school, receive Reasoned Martin, I know him, he's an African-American, I know the woman who's going to run the school. She was an African-American, in all due respect, I have gotten into the situation, and there's a small minority of the gay community that was involved in this process, because they originally had applied for a charter school, but they were turned down. In all due respect, two gay folks on the city school board, and I've tried to contact them, and I plan -- I don't have too much time at this point in time, but I will have that discussion about this issue, because when you have got African-Americans willing to step up to the plate. And get into some of those issues to solve the problems, maybe we can avoid this other photo of this 18-year-old man, young man, this African-American, who was on the corner and shot this -- this this -- had this gun and shot a stray bullet and hit a family. I know Commissioner Sten has been -- now we're trying to give the families money to come back in the community. So, please, let's see if we can avoid, if you will, this category five storm and Portland looking like the ninth ward. Thank you.

Sten: Thank you, Mr. Broussard. Item 387.

Item 387.

Moore: He is not able to make it.

Sten: Item 388.

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Item 388.

Richard Koenig: Good morning, city of Portland. City council. My name is richard koenig. Technically, again, this is a claim against the city for inadequate hiring and training policies. I want to make sure that you folks have set a good example for the police bureau by making sure the police report that all of you received about a month and a half ago got filed. Is that a good example for the police bureau? Should they see the integrity of city council to forward evidence and reports of crimes being committed in the city to the proper authorities? Is there any objection to that? Ok. Hearing none, we agree on that. Second item, i'm sure that you'll all agree that the police Should have remedial courses and constitutional studies that would at least bring them up to the level that's required for everybody graduating from Oregon schools, since the Oregon schools are required by law to provide a course in constitutional studies, and clearly the officers are not getting that. I'm sure the city wants to provide remedial courses. This was on the agenda last week for your contemplation. Are there -- is there any objection to that? Hearing none, I guess we're going to agree on that too. Thank you. As we're setting a good example -- as for setting a good example for integrity for the cops, I suggested since harry auerbach is someone that I have committed to providing a -- securing, making sure he has a fair trial before I send him to prison, I think that you folks could do no better than to honor his rights to remain silent. Since he's been designated as my sole liaison for the city, I think that in order to honor his right to remain silent, that you should designate someone else, and I had suggested dave worboril. He is perfectly suited for this task and has demonstrated the integrity necessary to do the job, and i'm asking you if you have any objections to redesignating my personal liaison to the city. That being dave warboril. Hearing none, I guess we'll agree on that as well. I'd also like to add as the basis of my complaint the filing of false police report by officers dalberg and bailey. They had the input of two public attorneys and they went ahead and filed a police report even though they knew that it was not good.

Sten: Thank you.

Koenig: We can take this up again next week. I want you to contemplate that, and we'll take a vote on that next week. Thank you.

Sten: Item 3 --

*****: You've been very accommodating.

Item 389.

Sten: Good morning. You'll have three minutes. There's a clock that you can see in front of you that will let you know where you are. Please introduce yourself.

Horace Seiver Holcombe: My name is horace seiver. My mother is in a financially abusive relationship with somebody who just happened to steal from her. And he stole her fuel. She had an electric generator that was still full of fuel, and he took the fuel and made batteries out of it, and the batteries didn't work, so what he did was he gave them back, but first he replaced the fuel in the generator, but it's not normal generator, it's a nuclear -- it's not normal fuel, it's fuel rods, and they're not normal batteries, they're cold fission batteries. He declared bankruptcy, and his name is enron. And her name is Oregon territory. She has a fur coat, it's worth about a trillion board feet. He plans on stealing her coat Because he wants his money back. So he's put a bunch of these dirty bombs in her pockets, and she needs to be searched and seized, but she needs to be committed, because she's a danger to herself and others and unable to provide her own health and safety, and she will deteriorate if untreated. And so the five days leading up to her commitment hearing, she needs to be put into the protective custody of the bureau of land management by expanding the borders of bull run to encompass the entire border of her state until all of the fuel rods and dirty bombs are accounted for. I'd like to submit some little things to the court. And this is a picture of her, with her little coat next to the ocean, staring off at her best friend china. When she gets committed to the international community, then she'll be able to talk with her other friends that are committed too, because right now she's living in some crazy world where there's 50 other people exactly the same

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who claim to be sane, but they're all insane, and she's the only sane one, and she needs to be sane with all the other sane ones, because they're trying to take her coat, and it's not theirs. If anything happens to her coat, they can't just take it from her, they need to -- she needs to deal with it. They can't just blow up trees with bombs, and take the trees, and take all the metal from the cars and take them to other parts of the country when they belong to Oregon. If it's going to open up Oregon jobs for them to dirty bomb us, it needs to be for Oregon workers to deal with the trees and the scrap metal from all the cars. Thank you.

Sten: Thank you. Item 390.

Item 390.

Sten: Mr. Phillips.

Paul Phillips: I'm Paul Phillips, and before you should have two pieces of paper. On the first page in large print the number 35670. That's the case or number that was assigned for this particular incident. My service animal was injured as seen from the veterinarian's bill. And of all places, he was attacked in my apartment building, which is owned by the Portland housing authority. That was March 15 that the dog was injured. On February 15 the same dog and same person, the dog was let loose, again previously, and luckily it didn't injure my dog then, but I of course reported it to the managers of the building, and they wrote down an incident report, and of course after my dog was attacked and bitten, I talked to the manager and he said that they would issue a violation or an incident thing for it. Violation, I guess what they gave her. But that doesn't pay this \$105.70 bill. With five commissioners, the average cost divide by five would be \$21.14, if you feel in such a good mood to pay that as I am, the veterinarian's name was a Dr. Andy Keiser of the Animal Medical Clinic. And he explained that the dog's injury was in a bad spot, they gave him Rimadyl and antibiotics, and then I -- with the second page hi to go back and get the antibiotics into a liquid form to where the dog is recovering with the injuries that he sustained. And of course I'm totally thrilled about that number from the Multnomah animal control services, this was reported March 16 the following day, then giving me a number, 35670, that's 35,670, this was March 16, which means downtown Portland apparently they have a raid of some 10,000 incidents reported a month since the first of the year, but I wouldn't want to jump to conclusions about that, but I'm sure that would be logical. I'm wondering how safe downtown Portland is. Maybe you can't fool everybody. Thank you.

Sten: Thank you, Mr. Phillips. That concludes the communications, and we will move to the consent agenda. Would anybody like to pull anything from the consent agenda for further discussion? Council or audience?

Adams: I have an item to pull off.

Sten: What item?

Adams: 367.

Sten: That would have been last week.

Adams: Same as last week.

Saltzman: 367?

Adams: Just hear witness the regular agenda items.

Leonard: There's not a 367.

Moore: It's 409 this week. And it's on regular agenda. Once it's pulled off consent it will stay on regular.

Adams: You're way ahead of me, Karla. Thank you.

Sten: I heard a request from the audience to pull item 399. We'll take a roll call on the consent agenda without 399.

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

Sten: Aye. [gavel pounded] please read 399.

Item 399.

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Sten: This is second reading. Roll call.

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

Sten: Aye. [gavel pounded] that brings us to our time certain, item 391.

Item 391.

Sten: Ok. Yvonne. Do you want to open anything up?

Leonard: Just briefly. This resolution we're following in cooperation with our representative employees at the bureau of emergency communications, and an effort to formulize our commitment to do whatever is necessary, and that means with no boundaries, at all, to make sure that we have the best staff possible in the market at 9-11. There is some concern because of our remuneration out there, that there may be some issues with respect to recruiting qualified dispatchers, this gives us kind of a formalized process within which to analyze that and then bring of course any recommendations back to the council.

Yvonne Deckard, Director, Bureau of Human Resources: Good morning, council. I'm Yvonne deckard the director for the bureau of human resources. Commissioner Leonard is correct in stating that boec has had a long-standing difficulty with recruitment and retention of a fully staffed and trained work force, and this has been going on for a number of years. To this end, the city and the union has entered into a minimum -- a memorandum of understanding committing to a one-year pilot program focusing strictly on that issue. Boec is the first responder and the critical link between citizen and fire, police, and medical emergency services at the time of emergencies. This one-year recruitment and retention program will allow commissioner Leonard, the bureau, the union, and the bureau of human resources, to develop comprehensive and creative solutions based on benchmarking and market studies. A committee comprised of mechanics from the union, the bureau of management, employees will meet monthly. For starters we will be look at training issues, work schedules, overtime, quality of work life, compensation, quality of time away from work, and all of the other issues that we need to look at in order to try to resolve this long-standing problem. The pilot program is a one-year program that's scheduled to begin on april 1 of 2006 and will end on april 1 of 2007. The committee will prepare bimonthly reports for review and consideration by the commissioner in charge. This pilot approach presents a unique opportunity for problem solving and collaboration between the city and the union. And I recommend that the council adopt the resolution supporting this effort.

Lisa Turley, Interim Director, Bureau of Emergency Communications: Lisa turley, director, boec. I just want to echo what ms. Yvonne Deckard has stated here. We've work order these issues in our labor management committee and with found we're unable to devote the time and energy necessary to finish some of the projects, some of the ideas that we've had, and we really appreciate the opportunity to really dig deeper into some of these issues and to bring our findings forward and work on some solutions instead of stop gap temporary measures, but actually try to solve these problems. And we appreciate your consideration of this resolution.

Sten: Any questions from the council?

Saltzman: What are the solutions that you're piloting?

Deckard: Well, at this point we really -- we want to consider a lot of different solutions. Some of the things that I think that the bureau and the union would be considering would be things such as on-call lists, but it really is to look at, you know, education pieces, recruitment, special recruitment opportunities, and programs that we can put together that will really allow us to fully staff up, but part of the problem I think that exists at boec is a lot of the work quality issues that exit. This is a unit, like I stated, I Believe it's the first responder, because as soon as that call comes in, that's when the citizen is really connecting with us and so it's a job that's very high-stress, high-pressure, and our ability to attract and retain at qualified people have been difficult, and so we want to really be able to look at other 9-1-1 operations across the nation, we want to be able to look at and do some unique problem-solving things to resolve the issue and just take a real comprehensive

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approach. So some of the things we want to look at we know about, some of the things we want to look at are going to be best practices, and we have to go out and do some research and really try to put together a program that we can try different things over a 12-month period to see what will work and as things work for us, then the commissioner in charge and the director will have the ability to implement those things long-term.

Sten: Any further questions? Would anybody in the audience like to testify on this item?

*****: [inaudible]

Sten: Item 391.

Moore: No one signed up.

Sten: Ok. This is a resolution. We'll take a roll call.

Adams: Excellent work. Aye.

Leonard: We have a great team in place. This is lisa's first appearance before the council as the permanent director of boec, so congratulations formally. This is an example of the great work that I expect lisa to do, and she does it with a good Combination of focus on the work that needs to be done, a compassion for the employees, it's a hard place to find. And evonne, thank you for your help in putting this resolution together, and all the other things you're working with me on. It's greatly appreciated. I want to take a moment and explain that I think, everyone, only commissioner Saltzman has shared with me the opportunity to lead 9-1-1, this is a critical piece, and I really was happy you said what you did about first responders, public safety and dispatchers, because they are the first person that a citizen whose life in a moment turns to crisis or tragedy or life and death turns to when they call 9-1-1. Though talk to one of the folks that lisa leads out there. And over the other -- over the years in a prior capacity with the city I had the opportunity to listen to a lot of those calls on incidents that were troubling. I've listened to calls from everything from a citizen calling in hiding in a closet as her mobile home was burning around her and the operator talked to her as she died, trapped in this mobile home, to a woman calling in as a man was kicking in her front door, that's actually happened since i've had 9-1-1, and dropped the phone and you can hear the assault occurring in progress. As our dispatcher calmly, efficiently, and professionally got the police there. As a firefighter, you had the opportunity when you're given an Emergency to explode physically, to get rid of all that adrenaline. You actually are doing something physical to fix a problem. As a dispatcher, they are -- I just cannot imagine the -- being in the position of listening to this unfolding crises and doing everything you possibly can to get the right people there to help with the crisis. And then get done with that and be expected at the next call to go, 9-1-1, may we help you? I want the community to better understand that of all the folks we have in the city, these folks are the link, and they're human beings, and when you go from a call from a mom who woke up to find her baby not breathing, to the next call somebody saying, what's the weather going to be like, it would try the most patient person. And people need to understand that. And I viscerally do. This effort is the kind of culmination of some discussions that we've had out at 9-1-1 with the employees and is our good 98th attempt to make sure we're doing everything we can, everything we, to make sure we're giving our folks out there everything they need to do their job. And I am committed to do that. As I know the council is. So we have a mayor that understands these issues, we have everybody here, everyone here on the council has in one capacity or another had a direct relationship with public safety, so i'm really pleased to have who I am working with now be the folks i'm going to come back to With some of these recommendation and make a case for whatever it is we need to make a case for. So thank you, and i'm really happy with the road we're on at boec. Aye.

Saltzman: Aye.

Sten: Good work. Congratulations, lisa.

*****: Thank you.

Sten: Aye. [gavel pounded]

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Sten: That will get us to the regular agenda. Item 404.

Item 404.

Leonard: This resolution speaks to an issue in state law where state law with respect to filing income tax returns allows only those businesses that have similar kinds of businesses known as unitarian nature to file consolidated returns. In what we believe is a violation, a clear violation of state statute, p.g.e. commingled its income with subsidiaries under enron's control, for example, such disconnected and dissimilar businesses as those that operate offshore in countries as far away as the cayman islands. The amount of taxes that are owed we believe are in excess of \$50 million. With interest and the -- and not even counting penalties, but just the standard statutory interest and the calculations we've done, that amount exceeds \$100 million. Under the terms of this resolution, we are seeking authorization to file the complaints to pursue the recoup of those dollars with the appropriate jurisdictions. I urge your acceptance.

Sten: Would anybody in the audience like to testify on this resolution? Please come on up. Mr. Broussard?

Russ: My name is russ. So Oregon constitution allows search and seizures of entities, and one of those entities happens to owe Oregon ratepayers about \$1 billion, and now you speak of this extra \$150 million. So I believe they have enriched uranium fuel rods and dirty bombs stashed all over the place, and most likely I think they're building, that is, electricity from bonneville is a spot where they have some, so that needs to be seized by the city of Portland. And when it seized that money should go to the public schools.

Bruce Broussard: Bruce broussard from Portland, Oregon. Just adding to my points that were made in my original statement, I really, really think that we've got to look at this thing in another way, because many of those employees at p.g.e. Are Portland residents, and we've got a new c.e.o., if you will, in that particular situation as a result of the resolution between enron and whatever. And again, i'm still making my point that some way, shape, or form we need to sit down with these folks and see whether or not they may understand where we're coming from. We've got to get into the door. Right now there's a definite divide, and with the shoemaker situation of late, I had the opportunity to listen to Commissioner Leonard, and I know his compassion, if you will, for this city and the like, but that's such a major divide. And I do not see in any way, shape, or form, any of the -- p.g.e. at any point in time wanting to do anything than take us to court. Every time we go to court it costs us money, and money, and money, and i'm sure there's other priorities here that we have in this city that I really feel that we need to focus on. And I would encourage you hopefully in some way, shape, or form, I -- both you and commissioner Sten, I know both of you are compassionate, but some way, shape, or form, we've got to resolve this issue and get on with i.e., building up that dike, if you will, because as I said, Portland is looking like the ninth ward of new orleans. Thank you.

Russ: You don't need a search and -- you don't need a warrant for -- for search and seizure --

Leonard: Excuse me, bruce.

Sten: Horace, or --

Russ: You don't need to go to court for a search and seizure. You want one random cop who wants their money back --

Leonard: Bruce, the only thing I was going to ask you, think about it like this -- what do you think would happen if bruce broussard failed to file his Oregon income tax return? Would somebody stand up and advocate compassion for you? Or would somebody stand up and advocate sitting down and talking to you about it? What do you think would happen to bruce broussard if you failed to file an Oregon state income tax return?

Broussard: In all due respect, as a taxpayer, i'd have to respond on an individual basis. If I did not have to pay the fine --

Leonard: That's not all.

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Broussard: I know, but in your particular position, you are representing us all. And I can understand that. I really do. But again, at p.g.e., you've got taxpayers, you've got Oregonians, and a lot of those folks are considering moving out --

Leonard: Did they sell electricity to file their taxes and pay -- there is no excuse for anybody, and just because they happen to run a multimillion dollar corporation, that is not a defense for not complying with state tax law that you, Bruce Broussard, and I, Randy Leonard works be held accountable for in front of a judge with nobody advocating for our fair treatment, other than pay your taxes.

Broussard: I appreciate it, but Enron is not supposed to be --

Leonard: Not Enron this, is p.g.e. P.g.e. is responsible to pay its state taxes, not Enron.

Broussard: I'm still saying we've got this kicker tax sitting out here, we've got school problems and the like, we need these funds, and I'm sure they've got a pretty sizable kicker.

Leonard: I'm sure the state could use \$104 million that was owed to them that wasn't paid.

Broussard: Maybe show design or a businessman could go up to these folks and say, could you give us A piece of that kicker? I do understand your compassion, but since --

Leonard: It's not about compassion, it's about complying with the law, and when you're charging folks for taxes that you owe the state and you pay it in your rates, pay the state what you are supposed to pay them according to the law. This isn't about some legal manipulation of the tax code that we're talking about, this is failure to file. Appropriately under the law. That's all this is. This isn't about philosophy or strategy, or antibusiness attitude, it's pay your taxes.

Broussard: I really appreciate it. You know the old adage about the golden rule, he who has the gold rule. For some strange reason city hasn't won a case yet. They can keep this thing court on and on and on.

Leonard: We'll see.

Broussard: I know you're part of the marine corps like I am too, that's why I'm sitting here, that's why I've taken the next step --

Sten: Do you have any further questions?

Broussard: I'm sorry. I really appreciate it. Thank you very much.

Saltzman: Can I have the city attorney come up here, please? We have an ongoing investigation into p.g.e., Enron's payment of taxes, license fees, this is not culminated yet.

Linda Meng, City Attorney: That's correct, we have not received the additional documents we've requested, and we've issued the subpoena for those.

Saltzman: What in your explanation, why are we doing this today when our investigation is not complete?

Meng: We believe we have sufficient information from the public records that are available that demonstrate that there's a question here that the p.u.c. ought to look at as to whether p.g.e. did make these tax filings appropriately. And the information that this is based on is public record, that is available to us and to everyone.

Saltzman: Is this new information? Is this something that we discovered in the last three weeks?

Leonard: New in the sense we have a text expert that looks at these issues and advises us, new in the sense I don't know that any of us independent of Mr. Understood the severity of what he identified early on, and actually quite conclusively.

Meng: It is a result of our outside tax expert looking at the materials. It was not something we were aware.

Saltzman: So why would we do this now as opposed to waiting until our investigation is complete and there might be other findings or requests for investigation we would ask of the p.u.c. or the department of revenue? Why now?

Meng: I think that's really a question for Commissioner Leonard. I think we can do it at any point in time. We feel -- we've been advised we have sufficient information on This particular issue. It's

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an insulated issue we could -- because we have this information, because the p.g.e. is beginning their rate case at this point in time, and because they're working on the s.b. 408 rule making, which is the income tax rule based on the legislation that was passed last session, that is ongoing, so it may be appropriate to bring this to the commission's attention at this point in time. We don't --

Saltzman: Are we not an intervener in the rate case?

Meng: We will be. We expect to be, yes.

Saltzman: We can bring that information forward as an intervener too?

Meng: I believe -- yeah, I believe we could.

Saltzman: It says in the whereas, a sworn statement to the securities and exchange commission is the basis for this particular new request for p.u.c. to investigate.

Meng: The public filings they make to the s.e.c. describe their operations and whether or not they are what's called a unitary entity or not. Those are the materials that were part of the basis of these.

Saltzman: These are not recent filings, they are recently discovered by us?

Meng: They've been consistent over time, but, yes, again, this is part of the review by the outside expert that we hired to look at this material.

Saltzman: So the only reason we're doing this now before our investigation is complete is because there's a rate case occurring and there's a rule making occurring, both of which we're going to be heavily involved in?

Leonard: If you don't mind, i'd like to answer that. The reason we're doing this now is this is not civil in nature, this is potentially criminal in nature. We have a responsibility in my view when we discover through the course of our investigation that state statutes were violated to report them expeditiously, and that's what we're doing. This is not a dispute over what we think the appropriate thing --

Saltzman: If it's criminal, shouldn't we be reporting it to the department of justice?

Leonard: We reviewed the statute and we think this is the formal way under the statute with respect to p.u.c., its authority over the -- over regulating utilities that they then, they report this to the appropriate agency. And they've indicated they probably will. So we're following closely what we think the statute gives us as the avenue of redress when you have issues with an entity.

Saltzman: You've had indications from p.u.c. Staff that we want to look into this.

Leonard: I would say just the opposite. I don't think they've indicated they want to look into this by any means. We've looked at what the trigger is to require a review of a concern that we might have, and we believe that this compels them to do an analysis and then refer it appropriately to the - - whatever other state agency they think should follow up on it, which might not just be the a.g.'s office, we think also the department of revenue. We actually expect that to happen, that they will not be the ones that actually does the in-depth investigation, but rather refers it to the appropriate other state agencies.

Saltzman: Ok.

Sten: We're ready for a roll call.

Adams: I want to make sure that as p.g.e. goes from being the subsidiary of enron to an independent publicly traded company, that it does not carry forward any of the practices of its former parent company. And I understand p.g.e.'s desire to sort of get on with life, but I also think that the overriding public concern should be that indeed they're getting on with their new life as a new company, and not bringing along with them any of the cultural orifice call or business practices of their former parent company. This authorizes us to advocate for an investigation on something that on the surface I think is a reasonable question for us to ask for the appropriate jurisdictions to investigate, and I understand that it comes on top of other questions that have been asked by the city of Portland, but -- and I understand that this is perhaps an annoyance for p.g.e., but I hope they also

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understand our desire to protect the public interests and to answer -- to get answers to reasonable questions. So I want to thank the authors of this and I vote aye.

Leonard: Aye.

Saltzman: Well, I guess i'm concerned that the city's actions I think have not endeared themselves with the p.u.c. As of late, and this is viewed as simply one more step here. If we really believe there were criminal actions, it seems to me our course of action should be to the state department of justice or to the department of revenue, and more importantly, I think we should wait until our investigation is complete, and we shouldn't be dribbling out findings after findings and allegations after allegations, and p.u.c. investigation request after p.u.c. investigation request. So i'd say the good -- a hallmark of a good investigation is exactly that. It's an ongoing investigation, let it conduct its process, let it wrap up, present the allegations to the city council, and let the city council decide what to do with the whole package. It could be going to the p.u.c. With a complaint, it could be going to the department of justice, it could be going to the department of revenue. But I guess i'm going to vote no in this case, because I think we're not being very holistic in our investigation and we're just being a little ad hoc in what we're choosing to toss down to salem to look at and it's only I think antagonizing any working relationship we're going to have with the p.u.c., the city, and other organizations in the state. So I respectfully -- I appreciate what commissioner Leonard is saying here, but i'm going to respectfully vote no.

Sten: Equally respectfully disagree, and I think I understand commissioner Saltzman's points. Part of what's happening here is you have, after 10 years of working the tax system every way possible, and potentially that's all this is at this point, but potentially illegally in this case, enron is about to leave town, and I do agree with the sound byte that's come from the p.g.e. Supporters and others that we want to sever from enron. I just believe when we do that, we ought to not do that without giving up all of our legal remedies and attempt to get as much of the money as I believe has been taken from this community back. And I think it's not painting a good company with the enron brush. Enron has owned and operated and it's very clear has used p.g.e., from the trading to the income tax. It appears, which has been the case, which is why people are going to jail from enron, have both filed that their companies are not related, when it's helpful at the s.e.c., and also filed that they have a unitarian relationship, which means they can combine taxes when it's helpful for them at the state. And you can't have it both ways. There may be an explanation. We may have got to the place commissioner Saltzman would like if p.g.e. Had provided the documents. I find it very difficult to not pursue things somewhat independently when they're not cooperating were explaining what happened, so I don't know that we have a choice. I also think it's very important that we make our case and file them, it's not a case we'll decide, it's -- the tax law is pretty straightforward, before enron leaves town, which is going to happen. Enron is going to leave town. There's no doubt about that. The question is, are they going to leave town with 100% of the money they stole or are we going to fight and get some of that back. That's how I see this, and it won't surprise anyone I vote aye. The resolution passes. [gavel pounded] item 405.

Moore: We have a brief announcement from security.

Larry Sparks, Security: Between now and 2:00 they're testing the fire alarm system in the building. You may hear a muffled alarm. Don't panic, it's tested, if there really is a fire alarm you'll be notified. If you hear something that sounds like a fire alarm, relax, it's just being tested.

Sten: Thank you. Item 405.

Item 405.

Sten: This is a second reading. Roll call.

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

Sten: Aye. [gavel pounded] 405 carries. Could you please read item 406.

Item 406.

Sten: This is also a second reading.

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

Sten: Aye. [gavel pounded] Karla, please read item 407.

Item 407.

Sten: This is also a second reading. I want to mention to the boy scouts in the back, welcome, and on second readings it means we've taken the testimony the week before and they're hearing it a second time. Roll call.

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

Sten: Aye. [gavel pounded] item 408.

Item 408.

Sten: Roll call.

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

Sten: Aye. [gavel pounded] item 409.

Item 409.

Sten: This is also second reading. Roll call.

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

Sten: Aye. [gavel pounded] our last item is item 410.

Item 410.

Sten: Commissioner Adams.

Adams: Thank you, mr. President. Over the past 10 years now the city and many other businesses in the central city have provided commuting incentives for their employees. Our program has been one of the most successful and economical in the region. With no free parking in downtown, great access to transit, bicycling, and walkable urban neighborhoods over 50% of city employees who work downtown use transit to get to work. 6% bike, 3% walk, 14% carpool, and only 21% drive alone. We want to keep up the great work and continue to encourage these commute options. This ordinance authorizes the city to pay its employees \$5 more a month towards a tri-met pass as well as its bike, walk, and carpool 77 program, and maintain as a benchmark a monthly incentive equal to half of the two-zone monthly pass.

Lavinia Gordon, Manager, Transportation Options, PDOT: Good morning. Lavinia gordon. This item was before you already during the budget discussion, but we are coming back here because we need to meet the april deadline for annual transit passes. So we need this ordinance immediately. Pdot has worked with o.m.f. And the budget director to come up with this ordinance to increase the city's share of the city employee's transit, bike, walk, and carpool benefit from \$25 a month to \$30 a month. And this ordinance also authorizes o.m.f. To review the 77 annually, so we will not be coming back to you every year to readjust it, but to set it at essentially roughly equivalent to one half of an annual tri-met two-zone pass. So rich will tell you a little bit more about the program that he manages.

Rich Cassidy: Rich cassidy, city of Portland transportation office Division. I've been the manager of the city employee incentive program for about 10 years now. As commissioner Adams said, we've been providing the bus pass program for 10 years, originally starting at \$20 a month, in 1996, then we -- as transit fares increased, council raised it to \$25 a month, in the year 2000. You may have seen how tri-met has raised their rates, keeping up with the high cost of fuel and operations by more than 20% in the last five years. In addition, tri-met has add an \$18 a year postage and handling charge, which has been past on order to city employees. Currently the city is funding this program at about 40% for transit pass, so we would really like to have that back up to 50% again. We have prepared to go forward with an april enrollment period for a tri-met annual pass, which would be effective with july. So this item is on your -- today's regular agenda because we have to enroll in april to get city employees their annual passes beginning july. Thank you.

Sten: Any questions from the council? Would anybody like to testify on this ordinance? No? Ok. Thank you very much.

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

Sten: This is an emergency ordinance. We will take a roll call.

Adams: Rich, lavinia, the whole team, thank you for all for your good work. Aye.

Leonard: Aye.

Saltzman: Good work. Aye.

Sten: Aye. [gavel pounded] 410 passes. That's our final item. So the council is adjourned. There's not an afternoon agenda, so we're adjourned until next week.

At 10:25 a.m., Council adjourned.