



CITY OF

# PORTLAND, OREGON

OFFICIAL  
MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 25TH DAY OF MAY, 1994 AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Hales and Lindberg, 3.

OFFICERS IN ATTENDANCE: Cay Kershner, Clerk of the Council; Harry Auerbach, Deputy City Attorney; and Officer Chuck Bolliger, Sergeant at Arms.

## REGULAR AGENDA

- 807** Cash investment balances for April 7, 1994 through May 4, 1994 (Report; Treasurer)

**Disposition:** Placed on File. (Y-3)

- 808** Accept bid of K & R Plumbing and Construction for SE 166th and SE Haig Street sanitary sewer for a total amount of \$44,335 (Purchasing Report - Informal Bid over limit)

**Disposition:** Accepted; prepare contract. (Y-3)

- 809** Accept bid of GTE Mobilnet (Group I) for cellular telephone service for an estimated annual amount of \$512,640; accept bid of Cellular One (Group II) for cellular telephone service for an estimated annual amount of \$52,656 (Purchasing Report - Bid 78-A)

**Disposition:** Accepted; prepare contract. (Y-3)

- 810** Accept bid of North Pacific Equipment Co. for one articulated loader for \$126,341 (Purchasing Report - Bid 152)

**Disposition:** Accepted; prepare contract. (Y-3)

- 811** Accept bid of Valley Equipment for furnishing a vibrating grizzly for \$60,388 (Purchasing Report - Bid 176)

**Disposition:** Accepted; prepare contract. (Y-3)

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**Commissioner Earl Blumenauer**

- 812** Authorize the renaming of NE Occident Avenue to NE Wheeler Avenue (Second Reading Agenda 792)

**Disposition:** Ordinance No. 167688. (Y-3)

- 813** Authorize the renaming of a segment of NE Glisan Street to Lloyd Boulevard (Second Reading Agenda 793)

**Disposition:** Ordinance No. 167689. (Y-3)

- 814** Authorize the renaming of a segment of NE Hassalo Street to NE Multnomah Street (Second Reading Agenda 794)

**Disposition:** Ordinance No. 167690. (Y-3)

**Commissioner Charlie Hales**

- 815** Recommendation of the Portland Historical Landmarks Commission to adopt the proposed guidelines for the East Portland/Grand Avenue Historic District (Report)

**Discussion:** Michael Harrison, Planning staff, said the North/Northeast Industrial Council formed a historic preservation committee some years ago and Council approved its proposal for this historic district in 1991. However, such districts do not take effect until guidelines for design acceptability are also approved. The guidelines were created by the Industrial Council and submitted to the Historical Landmarks Commission which unanimously approved them and forwarded them to Council for approval. He noted that this area is currently subject to design review as it is part of the Central City Plan. These guidelines shift those previously approved for the Central East Side Industrial subarea of the Central City to the East Portland/Grand Avenue Historic District. He said these are guidelines, not mandatory standards, and are applicable only to those projects ordinarily subject to design review.

Will Wright, Design Guidelines Committee Chair, said the Committee believes creation of the district will foster a more positive image for the City as a whole.

Commissioner Hales said this was an opportunity for Central Eastside business people to give some definition to a historic past which has been both honored and lost in pieces. The document is very user-friendly and makes it easy for citizens to understand the planning elements and what gives the district its flavor.

**Disposition:** Accepted. (Y-3)

- 816** Adopt design guidelines for the East Portland/Grand Avenue Historic Design Zone (Ordinance)

**Discussion:** Mr. Harrison said he heard that the Office of Transportation may have some concern about the guidelines that address right-of-way improvements in the historic district. Since Grand Avenue is a State highway, Transportation has some concern about possible conflicts with State standards. He noted that the guidelines are not mandatory and believes he can allay any concerns between now and next week.

Commissioner Hales said it is wise to make sure there is no regulatory conflict between how these will work in practice and the realities of right-of-ways.

**Disposition:** Passed to Second Reading June 1, 1994 at 9:30 a.m.

- 817** Dissolve the Pittock Mansion Advisory Commission (Ordinance; repeal Code Section 3.70.020 and 3.70.040)

**Discussion:** Commissioner Hales said for years there have been two citizen bodies advising the Pittock Mansion and a way has now been found to merge the two bodies together into a single organization under the auspices of the Pittock Mansion Society.

**Disposition:** Passed to Second Reading June 1, 1994 at 9:30 a.m.

- 818** Revise fees charged at municipal golf courses and establish effective dates (Ordinance; amend Code Section 20.20.010)

**Discussion:** Commissioner Hales said this ordinance implements the Council's budget direction about golf fees, noting that Council had sought a way for this year's budget to address the needs of children in Portland schools, particularly because of the reduction in after-school and athletic activities. He said Council then decided to increase the Youth Trust Fund Surcharge and that fee is included in this revised fee schedule as well as a previously approved series of fee increases which will fund capital improvements in the golf courses themselves. These fees will generate about \$383,000 for the Youth Trust Fund, a part of the \$1 million commitment Council made to Portland schoolchildren.

**Disposition:** Passed to Second Reading June 1, 1994 at 9:30 a.m.

**Commissioner Mike Lindberg**

- 819** Accept completion of the construction of NE 62nd and Hancock sewer relief Phase 2 and make final payment to Casper & Magera, Inc. (Report; Contract No. 28629)

**Disposition:** Accepted. (Y-3)

- 820 Amend Title 17 of the City Code to revise solid waste and recycling collection rates and charges in accordance with the Extraordinary Rate Review recently completed (Second Reading Agenda 746; amend Code Chapter 17.102)

**Discussion:** Commissioner Lindberg asked to continue this one week. Since the last hearing they have discovered that in the Metro budget process there are some decisions being considered that would have a very minor impact on the rates but would affect them. Last week Council conveyed informally to Metro that it would like any reduction in tipping fees to be passed on as savings. If Metro decides not to pass on the savings or have higher excise taxes it could increase the fees by a nickel per month. He said in the next week the City will express its concern to Metro. He noted that last week Council had frozen the rates at the current levels.

Mayor Katz said Commissioner Lindberg could convey to Metro that she is not interested in adding even a nickel.

**Disposition:** Continued to June 1, 1994 at 9:30 a.m.

- 821 Prescribe the rates and charges for water and water-related services by the City of Portland effective July 1, 1994 and July 1, 1995 (Second Reading Agenda 747)

**Discussion:** Commissioner Lindberg noted that testimony about the low-income rate program would be allowed during the Second Reading because questions had been raised as to whether there had been adequate public notice.

Gretchen Dursch, representing the Community Development Network, composed of approximately 20 non-profit organizations working to create affordable housing, asked that Council consider how this low-income rate program could also be implemented to affect low-income renters. She said often renters do not pay water and sewer bills directly but they are passed on as rent increases by their landlords. She said they would be interested in implementing a program similar to the tax abatement program for non-profit organizations which excuses them from paying property taxes on units occupied by tenants who earn below 60 percent of median income.

Commissioner Hales asked if any effort being made now to target conservation efforts toward renters to reduce usage.

Commissioner Lindberg noted the weatherization program with the Energy Office which affected 10,000 multi-family units. He said he has not heard if there is a similar program for water conservation.

Jane Burke, Environmental Services, said yes, there is a water conservation program for multi-family units. She said it is more difficult when people do not get individual water and sewer bills but the Bureau will be working over the

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next few months on how to include these people. They hope to have the program ready to go by January 1 and will be glad to work with the Network on their suggestion.

Commissioner Lindberg asked if this would require a change in State law, noting that the tax-abatement program had been authorized by the State legislature.

Ms. Dursch said she did not know.

Commissioner Lindberg said their commitment is to implement the low income program by January, 1995, and they will see if there is a way to incorporate this suggestion into it. If a change in State law was required or other obstacles arose they could adjust the program later. He asked staff to describe conservation programs which target multi-family units and renters.

Jeanne McKeever, Water Bureau staff, said the Bureau, along with the energy utilities, is providing 140,000 conservation kits, many of which are going to multi-housing units.

Commissioner Lindberg said staff has been meeting with the Chamber of Commerce and businesses about the impact of water and sewer rates and they hope to have a comprehensive information effort about garbage, water, sewer and energy programs that would allow businesses and homeowners to reduce their rates. That way they can look at all the utilities as a whole.

Ms. McKeever said Water Bureau staff is working closely with the Bureau of Environmental Services so when they work with an industry they can tell them what both the negative and positive effects of conservation are, as in some cases it may raise some additional discharge issues.

Mayor Katz said she wants to make sure that all low-income renters are treated equitably as not all are affiliated with community development corporations. She said it is rarely explained to renters how they can mitigate rent increases passed on to them because utility rates have gone up. Because they are on a central system, there is often little incentive for individual renters to conserve.

Ms. McKeever said that dialogue needs to occur although there are no easy answers as it has always been a difficult situation to determine how tenants can reap the benefits of behavior changes which increase conservation. She said, however, there are some creative ideas out there to be explored. She said she hopes that renters who are non-affiliated with non-profit organizations can be reached when they design the conservation outreach.

Juliann Lansing, no address stated, thanked the Mayor for letting them speak on this issue. She questioned where the public hearings were held and said she had seen no information about them. She said the poor should not be punished

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for being poor and commercial people should not receive favoritism.

Mayor Katz asked Commissioner Lindberg to review how the low-income program is being paid for.

Commissioner Lindberg said the program involves a 16.5 percent rate reduction, or about \$500,000 a year, which is split between water and sewer. That was going to be passed on as part of the rates rather than being absorbed in the budget because of all the reductions already taken.

Michael Rosenberger, Director, Water Bureau, said the program is apportioned between the Water Bureau and BES and the Water Bureau's share is being financed by a half-cent raise in the unit cost of water in each of the three blocks under the new pricing structure.

Mayor Katz said normally she would tell the Bureaus to eat this cost but they have already been asked to eat a lot. She said they will review this at the next budget cycle to see if it can be absorbed so that rates will not be affected.

Dave Gooley, BES, said the cost for the first year for their Bureau will affect the rates by about one third of a percent.

Mayor Katz, noting that they had room for the program in their rate structure, asked if they had funds for additional needs for next year.

Mr. Gooley said everything not being used to fund operations and debt service is being set aside to lower future rate increases.

Mr. Rosenberger said the total cost is \$900,000 for two years and is marginally higher in the second year so the rate of relief remains at 16.5 percent.

Commissioner Lindberg said they will have an evaluation as the figures are predicated on having 10,000 customers eligible for the program.

Mayor Katz said what she meant is that a 13 percent increase is being collected by BES while only a 12.4 percent increase was needed for operations. That difference was kept because there may be additional expenditures.

Commissioner Lindberg said he understood that was not correct and that the Bureau is not overcollecting.

Mr. Gooley said rates are set with multi-year forecasts in mind and once the decreases were put in the forecast model, they did not yield the same reductions that had been assumed on the earlier rate analysis sheet. It was closer to 12.9 percent once it was put into the context of the five-year horizon.

Bernice Bagnell, Office of Finance and Administration Utilities Review Team,

said they did an overview of the first year and found the discount effect to be around \$300,000. However, when that is put in a multi-year context it does not turn out to be quite as much money. There is still some flexibility which BES is reflecting by not adding this low-income program to its budget.

Commissioner Hales said he believes it is appropriate to use the rate base to fund the low-income program. He said the City should attempt to operate enterprise funds as good businesses but also as socially responsible ones. He said another concern was that the relief program would not grow over time and distort the good management of the utility. He believes the program has been set up so that will not happen. His third objective is to offset most of the impact on low-income rate payers of the effect of the capital program that BES in particular must take on. This cancels out for low-income rate payers the sharp jump in the capital costs needed in order to start on the CSO program as well as Water Bureau capital needs. He said this program is at the right level and funded the right way.

Commissioner Lindberg said to have only a five percent increase in one year for the three utilities (garbage, sewer and water) together is quite remarkable considering the massive capital improvements that are in the works.

Mayor Katz noted that Council had worked long and hard to restrain the rate increase. She said she hopes there will be additional savings in order to maintain constraint on the rates. Another issue is how is this being paid for. After the review, she predicts they will have to shift over to the General Fund as they could face a much higher rate if they keep pace with inflation and add low-income renters. This increase, however, is relatively small and will help 10,000 low-income households and is a good beginning.

**Disposition:** Ordinance No. 167691. (Y-3)

- 822** Amend Title 17 of the City Code to revise sewer and drainage rates and charges in accordance with the biennial sewer user rate study (Second Reading Agenda 748; amend Chapters 17.35 and 17.36)

**Disposition:** Ordinance No. 167692. (Y-3)

**City Auditor Barbara Clark**

- 823** Assess property for private plumbing loans through April, 1994 (Second Reading Agenda 798)

**Disposition:** Ordinance No. 167693. (Y-3)

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

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**BARBARA CLARK**  
**Auditor of the City of Portland**

*Cay Kershner*

By **Cay Kershner**  
**Council Clerk**

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**WEDNESDAY, 2 PM, MAY 25, 1994**

**DUE TO THE LACK OF AN AGENDA  
THE CITY COUNCIL DID NOT MEET**