



CITY OF

PORTLAND, OREGON

OFFICIAL
MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 14TH DAY OF DECEMBER, 1994 AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Hales, Kafoury and Lindberg, 4.

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

Agenda No. 1922 was pulled from Consent. On a Y-4 roll call, the balance of the Consent Agenda was adopted as follows:

CONSENT AGENDA - NO DISCUSSION

1897 Accept bid of Russ Chevrolet for furnishing 95 police patrol sedans for \$1,737,740 (Purchasing Report - Bid 53)

Disposition: Accepted; prepare contract.

1898 Accept bid of Structural Communications for wide-area network routers for \$75,487 (Purchasing Report - Bid 55)

Disposition: Accepted; prepare contract.

1899 Accept bid of Van Waters & Rogers for furnishing aqueous ammonia for \$30,195 annually for two years (Purchasing Report - Bid 57-A)

Disposition: Accepted; prepare contract.

1900 Accept bid of Brundidge Construction for Lents basin CSO sump Phase 5 for \$504,865 (Purchasing Report - Bid 61)

Disposition: Accepted; prepare contract.

Mayor Vera Katz

1901 Confirm appointment of Gale Castillo and John Eskildsen to the Portland Development Commission (Report)

Disposition: Confirmed.

DECEMBER 14, 1994

1902 Confirm reappointment of Charles Carnese to the Towing Board of Review (Report)

Disposition: Confirmed.

1903 Confirm appointment of Nancy Merryman to the Design Commission (Report)

Disposition: Confirmed.

1904 Appoint David Thurman to the Housing Authority of Portland (Resolution)

Disposition: Resolution No. 35344. (Y-4)

Commissioner Earl Blumenauer

1905 Accept two traffic signal installations, approve Change Order 1 and make final payment to Linnco Electric Co. (Report; Contract No. 29256)

Disposition: Accepted.

***1906** Purchase ornamental street light poles through Malcar and Associates for an estimated amount of \$159,515 without advertising for bids (Ordinance)

Disposition: Ordinance No. 168344. (Y-4)

1907 Intergovernmental Agreement with the Tri-County Metropolitan Transit District of Oregon for support of the development and production of a National Rail Conference to be held in Portland at the Oregon Convention Center September 16-18, 1995 (Second Reading Agenda 1870)

Disposition: Ordinance No. 168345. (Y-4)

Commissioner Charlie Hales

***1908** Amend contract with David Evans and Associates to include additional services not to exceed \$35,000 beyond the original scope of work for the Progress Downs golf course remodel (Ordinance; amend Contract No. 28517)

Disposition: Ordinance No. 168346. (Y-4)

DECEMBER 14, 1994

- *1909** Authorize an agreement with the Friends of the Children's Museum to pay off their debt to the City totaling \$261,600 (Ordinance)

Disposition: Ordinance No. 169347. (Y-4)

- *1910** Agreement with the Friends of the Children's Museum to provide supplemental services and programs through the Children's Museum during fiscal year 1994-95 (Ordinance)

Disposition: Ordinance No. 168348. (Y-4)

- *1911** Extend contract with the Private Industry Council for the provision of services related to youth employment (Ordinance; amend Contract No. 27253)

Disposition: Ordinance No. 168349. (Y-4)

- *1912** Amend contract with the University Hospital of Oregon Health Sciences University for physician/advisor and occupational health nurse services at a cost of \$108,614 for FY 1994-95 and increase scope of work (Ordinance; amend Contract No. 28523)

Disposition: Ordinance No. 168350. (Y-4)

- *1913** Accept donation of a semi-tanker to the Bureau of Fire, Rescue and Emergency Services (Ordinance)

Disposition: Ordinance No. 168351. (Y-4)

- *1914** Contract with Structural Communications for wide-area network routers for a total of \$75,487 and provide for payment (Ordinance)

Disposition: Ordinance No. 168352. (Y-4)

Commissioner Gretchen Kafoury

- *1915** Agreement with Woodland Park Hospital for access to the City's 800 MHz trunking radio system (Ordinance)

Disposition: Ordinance No. 168353. (Y-4)

Commissioner Mike Lindberg

- 1916** Approve final payment and the release of retainage to Eudaly Brothers for the Bayard basin CSO sump project, Units 2-3 (Report; amend Council Agenda Item 1850; Contract 29131)

DECEMBER 14, 1994

Disposition: Approved.

- *1917** Authorize a contract and provide for payment for the Sullivan basin CSO sump project, Units 3-4 (Ordinance)

Disposition: Ordinance No. 168354. (Y-4)

- *1918** Purchase property adjacent to the Columbia Boulevard Wastewater Treatment Plant and provide for payment (Ordinance)

Disposition: Ordinance No. 168355. (Y-4)

- *1919** Authorize salary adjustment of an employee to a pay rate above midpoint (Ordinance)

Disposition: Ordinance No. 168356. (Y-4)

- *1920** Approve settlement of lawsuit by System Construction Company (Ordinance)

Disposition: Ordinance No. 168357. (Y-4)

- *1921** Amend contract with Portland General Electric to extend expiration date (Ordinance; amend Contract No. 28870)

Disposition: Ordinance No. 168358. (Y-4)

City Auditor Barbara Clark

- *1923** Reduce sidewalk assessments (Ordinance; amend Ordinance Nos. 167827 and 167873)

Disposition: Ordinance No. 168359. (Y-4)

REGULAR AGENDA

- 1896** **TIME CERTAIN: 9:30 AM** - Announce recipient of the Lowenstein Trust Award for 1994 (Presentation by Commissioner Lindberg)

Discussion: Commissioner Lindberg recalled some of the late Steve Lowenstein's contributions to the community, noting his generosity of spirit and interest in helping others. This is the third year of the award.

David Judd, Chair of the Lowenstein Trust Board, announced Alberta Phillips as the recipient of this year's award for her volunteer work with children and, particularly support for young mothers.

Alberta Phillips said she was grateful for this award, adding that everyone needs to join in making this community a better place.

Disposition: Placed on File.

***1922**

Establish one Program Manager II/Business Opportunity position in accordance with the Personnel Rules adopted by the City Council (Ordinance; return Council Agenda Item 1818)

Discussion: Commissioner Lindberg said over the past year the Bureau of Environmental Services (BES) has substantially improved its record in using minority and women contractors and has the potential to do even better. He noted that in the next ten years, it will be spending over a billion dollars on sewer system capital improvements. He said too often in the past the benefits of such spending have not been shared among all members of the community but the Bureau has now made minority and female contracting (MBE/FBE) one of its highest priorities and the current program goes far beyond anything done in the past. Creating a position in BES to accomplish these goals has led to discussions about what the whole City should be doing and whether a centralized or decentralized approach should be used. Commissioner Lindberg said he will review a Citywide strategy with Council to determine if a more coordinated, centralized approach should be taken through the Bureau of Purchasing. He said much of the work in this new position has been going on for over the year and the numbers are very impressive in terms of what has been achieved.

Commissioner Hales said he was very skeptical at first about creating this position because of the tendency for each bureau to go its own way. He said he agrees with Commissioner Blumenauer on the need to have a Citywide policy and to share areas of expertise instead of further Balkanization. He said Purchasing has learned a lot in this area and bureaus should be able to trust one another to do the work rather than always doing it individually. Because of the scale of this BES project and the importance of this agenda, he will vote aye on the understanding that in the long run there will be such a policy.

Commissioner Kafoury said because of the magnitude of this project she will vote aye as long as there is a commitment to cooperation between the bureaus.

Mayor Katz said this is an example of how much harder the City has to work because of the form of government it has, resulting in each bureau wanting its own public information position, for instance, or outreach workers. Because of the size of this project, there is an opportunity to make major improvements in minority participation but it also raises

centralization issues. She expressed hope that Council will get to closure on some of these issues before long.

Disposition: Ordinance No. 168360. (Y-4)

Commissioner Gretchen Kafoury

1924 Authorize the Bureau of General Services to negotiate for, and offer to purchase, a site for Southeast Precinct (Resolution)

Discussion: David Kish, Director, Bureau of General Services (BGS), said two months ago Council authorized the Bureau to look for suitable sites for the Outer Southeast precinct. The list has now been narrowed to three sites and today authorization is requested to negotiate and make offers on them. The original resolution authorized negotiations but because the Post Office is looking for the same kind of site in the same area, BGS believes it needs to move fast. The Russellville School site is not on the current list but staff has been in touch as to its availability. At one time Multnomah County planned to locate a library on that site and still has some interest in locating a senior center there if the Parks Bureau is willing to partner with them. To date they have been unable to make a workable deal with the School District. He said half the site is zoned residential which would limit other uses and because of the transit overlay zone, parking would be severely limited. To try to change that would conflict with the Livable Cities plan. He said while some of the properties do not meet all the specifications, they would like Council permission to go ahead and allow staff to make offers, subject to final Council approval.

Mayor Katz said she has asked Steve Bauer, Office of Finance and Administration, to analyze the financing and the City's commitment, as a result of annexation, to serve Outer Southeast.

Disposition: Resolution No. 35345. (Y-4)

***1925** Enter into a sublease for space at 1300 SW 5th (Previous Agenda 1874)

Disposition: Ordinance No. 168361. (Y-4)

Commissioner Mike Lindberg

1926 Endorse the Final Combined Sewer Overflow (CSO) Final Facilities Plan as presented in the Final Executive Report and transmit, with its companion documents, to the Oregon Department of Environmental Quality (Resolution)

Discussion: Commissioner Lindberg reviewed past actions taken by

Council regarding this project, including the 1991 Stipulation and Final Order with the Department of Environmental Quality (DEQ) stating what the City would do to clean up the Willamette River and Columbia Slough. In 1993, agreement was reached with the DEQ for a lower level of protection than originally agreed to, for a savings of \$300 million. Today the City is being asked to formally adopt this plan.

Commissioner Lindberg noted that portions of the Combined Sewer Overflow (CSO) program have already begun and that \$30 million of the \$700 million total cost has already been spent. The program includes 31 milestones, some already underway, including the cornerstone projects, approval of Tanner Creek stream diversion, sewer separation in St. Johns and the process for a new wetweather treatment facility. He said the Bureau is also very sensitive to total river quality, not just sewer overflow, including other types of pollutants. They also seek to focus on upriver pollutants to ensure that efforts are undertaken upstream for appropriate cleanup. He thanked the consultants and staff who have worked on this project.

Mayor Katz asked about the roof drain disconnect program.

John Lang, Bureau of Environmental Services, said they hope to hold a Council Informal in January and present ideas about how to involve the public in disconnecting the drains.

Commissioner Lindberg said staff is studying ways in which the community can be involved in implementation.

Commissioner Kafoury likened this project to a Christmas tree on which other projects are continually being hung.

Mayor Katz said, not only that, but Mr. Lang was told to save money so that they could begin the Tanner Creek project.

Mr. Lang said they are continuously identifying savings although other ornaments are being found to hang on the tree, too.

Commissioner Kafoury noted that this is a \$700 million dollar program which sadly seems to draw little public attention compared to the estimated \$1.2 million to cover employee PERS contributions.

Disposition: Resolution No. 35346. (Y-4)

***1927**

Authorize a contract with the lowest responsible bidder to furnish materials and labor for the Columbia Boulevard Wastewater Treatment Branch lighting retrofit project No. 5442 and provide for payment (Ordinance)

DECEMBER 14, 1994

Disposition: Ordinance No. 168362. (Y-4)

***1928**

Contract with Brown and Caldwell for professional services to review, modify and update the Biosolids Management Plan for the Columbia Boulevard Wastewater Treatment Branch (Ordinance)

Disposition: Ordinance No. 168363. (Y-4)

City Auditor Barbara Clark

1929

Assess property for private plumbing contracts through November, 1994 (Hearing; Ordinance; P0006)

Disposition: Passed to Second Reading December 21, 1994 at 9:30 a.m.

1930

Assess property for sidewalk maintenance for period through October, 1994 (Second Reading Agenda 1894; Y1001)

Disposition: Ordinance No. 168364. (Y-4)

FOUR-FIFTHS AGENDA

***1930-1**

Settle claim of Joseph Cartisser (Ordinance)

Disposition: Ordinance No. 168365. (Y-4)

At 10:00 a.m., Council recessed.

DECEMBER 14, 1994

WEDNESDAY, 2 PM, DECEMBER 14, 1994

DUE TO WITHDRAWAL OF APPEAL

COUNCIL DID NOT MEET

1931

TIME CERTAIN: 2:00 PM - Appeal of Henry P. Oseran/Henry P. Oseran & Associates against Historic Landmarks Commission's decision to approve design review of Sidney F. Woodbury & Costco Wholesale Corporation at 2345 NW Nicolai and 2825 NE Yeon (94-00437 DZ; APPEAL WITHDRAWN)

DECEMBER 15, 1994

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 15TH DAY OF DECEMBER, 1994 AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Blumenauer, Hales, Kafoury and Lindberg, 5.

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

1932

TIME CERTAIN: 2:00 PM - Provide for City implementation of Ballot Measure 8 (Resolution introduced by Commissioners Hales, Kafoury and Lindberg)

Discussion: Commissioner Hales said Council has three choices in dealing with Measure 8: 1) do nothing; 2) give everyone a pay raise to compensate for its effect; and 3) phase it in. He noted that the City has nine different groups of employees who would be affected at varying times and two pension systems. More than 1,500 employees belong to the Police and Fire Retirement and Disability Fund and are not a part of the Public Employees Retirement System (PERS). He said if Measure 8 was put into effect with no changes about 17 Police and Fire employees would begin making those payments January 1 and they would wait a year and a half for the other 1,546 covered by the Fund to join them. That would not be good management. About 20 percent of the workforce is not represented by labor unions and failure to act would be a clear incentive to organize. Taking action to manage this transition will also reduce the threat and cost of lawsuits to the City. Noting his business background, Commissioner Hales said one of the reasons he ran for office was to bring business sense to government whenever possible. He said neither doing nothing nor cancelling out the effect seem to him to be good business. The responsible choice is to comply with Measure 8 but to phase it in in a way that will work effectively for the delivery of services and provide reasonable equity in the workforce.

Commissioner Lindberg said this issue presents very complex moral dilemmas and hard choices. He said the City has a contract with the public to respect the will of the voters and a contract with employees not to break trust with previous agreements. He said the solution is to implement Ballot Measure 8, but in a responsible and equitable manner, which he believes this resolution achieves. He noted the extremely strong feelings about this issue and the need to respect each other's views. He said the City is known internationally for its visionary planning innovation, strong neighborhoods and citizen

involvement and receives awards for livability, urban design and sound financial management. But, he said, the City would not be where it is today without excellent governmental leadership and the extraordinary efforts of thousands of employees. This is a resource as important as the rivers and hills and must be developed, nourished and rewarded. Above all, fairness, justice and honor must prevail. He noted his vote for the PERS pickup in 1980, recalling that the high rate of inflation at that time made the pickup seem like a good deal for all. He asked if Council wanted to reward excellent performance with a significant rollback in wages or to stand up and say no to those who would violate those previous agreements. He said government is becoming even better, more efficient and more customer-service oriented, and this is being done through a partnership with motivated employees. He said the labor/management partnership in the Water Bureau alone has led to ideas that have saved hundreds of thousands of dollars. He agreed with a recent Oregonian editorial which called adjustments and transitions appropriate to make things as fair as possible for public workers under these grotesque circumstances.

Commissioner Kafoury said under these grotesque circumstances the most important fact for Council to consider is fairness to the public, which wants government workers to pay into their pension funds, and to workers, who should be treated equally not only within the City workforce but in relation to other government workers. She said this is absolutely the minimum the City can do to keep some faith with both citizens and employees. She noted the emotional feedback on this and her belief that a lot of the public resentment is a result of jealousy because government workers do as a rule enjoy fair wages, fair benefits and a fair retirement system. A very few mean-spirited people have inflamed people's unhappiness with their own circumstances, resulting in Ballot Measures 5, 8 and 13. The challenge for Council is to try to mend this relationship and City workers too have a big role to play in trying to mend this rift.

Commissioner Blumenauer said he believes the goals stated here can and should be accomplished in some other manner. He said a lot is expected of City employees and they deliver, putting the City on the map nationally in areas too numerous to mention. Measure 8 has raised perhaps the most difficult set of political, philosophical and management issues faced by elected officials in recent memory. Public service is becoming increasingly difficult because of the tendency of people to place blame and seek scapegoats and bumper-sticker solutions to real-life problems. These solutions are often pushed through the initiative process without appreciation for the technical consequences and the real-life impact on people. Measure 8 is such an example. He noted that the choice of a pension pickup over a salary increase was

good for both the employee and employer at the time, and a good deal for the taxpayers, but the memory of that has been lost. He said he has long advocated for pension reform but this meat cleaver approach makes a mockery of the State Constitution. However, he does not subscribe to the direction local governments have taken to avoid the consequences of Measure 8 and believes that moving ahead with a quick fix now will make it harder over time to pay employees equitably. He said the public does not have confidence in Council's ability to deal with the compensation of City employees and the backlash created by what is seen as circumventing the impacts of Measure 8 is severe and destructive. Passing such a measure sends a message to the public, however unintended, that its vote does not count. He said the argument that a majority of Portland citizens voted against it and therefore it does not count is irrelevant as Measure 8 is a statewide measure and the City must play by the rules. Also, the argument that all other governments are doing it is an argument that every child uses with its parents and should be rejected. He said for local government this issue has degenerated into a lose-lose situation with many people who opposed Measure 8 now moving to the other side, inviting more draconian measures two years from now.

Mayor Katz said she did not support Ballot Measure No. 8 and was offended by the campaign rhetoric but swore as an elected official to uphold the State Constitution and both the letter and spirit of the law. That means she must abide by the results of the ballot box, whether she agrees or not, and whether it fails in Multnomah but passes in Washington County. She said she is trying to balance the legitimate needs of City employees with that commitment and must abide by the election results, regardless of the resulting fairness, equity or unintended consequences. She said as Speaker of the House of Representatives she and Governor-elect Kitzhaber, who was then President of the Senate, were successful in reaching their goal of raising people's level of trust in government, which was at an all-time low in 1985. Citizens feel more positive about City government, thanks to City employees, but this relationship is very fragile and one act, such as this, could undo years of work by the Council and employees. Voting in support of this measure gives more power to the backers of Ballot Measure 8 than their proposals could merit alone. She said every Council member has struggled hard with today's decision and she understands the pain and hurt being felt by City employees. However, she believes passing these items will only ensure more such measures and further erode the ability of the City to build a high-performance work force and increase public trust. For this reason she feels strongly that these actions will do more harm over the long haul.

Steve Bauer, Director, Office of Finance and Administration, reviewed the resolution, noting its intention to phase in implementation for all employees through June 30, 1996. It accomplishes four goals. First, it calls for implementing the 6 percent employee contribution for all employees effective December 29, 1994, or as soon as possible following termination of existing contracts. Two, it provides that the employee pension contribution be made on a pretax basis. The ordinance today deals with PERS, and the City Attorney's office is working on a second one to deal with the Fire and Police pension system. Third, it modifies existing and expired contracts to continue the PERS pickup payments through June 30, 1996 so that all contracts will terminate at the same point. Finally, it provides non-union employees an offsetting wage increase of 5.5 percent through June 30, 1996. The two ordinances provide the mechanics to achieve these goals. He noted that even with the 5.5 percent increase, non-represented employees will lose approximately 1.3 percent in salary. If this resolution passes, the plan is to bring the non-represented increase ordinance and any proposed amendments to existing contracts to Council next week.

Amanda Fritz, 4106 SW Vacuna, 97219, said Measure 8 is an unjust law and, quoting Martin Luther King, said democracy is more than majority rule and Measure 8 is a civil rights issue. The action before Council is time-limited and merely puts all members of the minority on an even basis. This is the least the City can do. She said, as employers, Council has to ask itself if 970 employees deserve a six percent pay cut while others do not. Why did the ballot measure give governments until January 1, 1995 for this to become effective if not to allow them to correct such inequities.

Ron Pennington, 16424 SE Main, asked that employees be kept whole. He said he is not a public employee but believes they have a contract giving them the pension pickup, which they believed would continue. He said many people who voted for this did not realize what they were voting for. He said other government colleagues have decided to keep their citizens whole, believing that is the moral and right thing to do.

Harold Williams, 81 NE Graham, 97212, said Council should support keeping its employees whole. The law must be recognized but Council should not hide behind it. Measure 8 is very unfair and should be challenged -- when something is wrong elected officials must stand up and say so.

Ivy Frances, 1034 Bayberry Rd., Lake Oswego, 97034, asked Council to recognize the value of City employees and protect the investment that has been made in them. She said Council should use this as an

opportunity to educate the public about what City employees actually do since what they do is so often taken for granted. She said she is very proud of the services her bureau and others provide to the public.

Nick Kies, 3337 NE Alameda, 97212, a municipal employees union member, said he worked to defeat this, noting that in the end it was approved by a very small margin rather than the large majority originally shown in the polls to favor it. He said he has been told by many people that they would not have voted for it if they had known what it meant. He said City residents voted this measure down and that is who Council should be representing.

Donna Beck, Office of Transportation employee, said it has been difficult for employees to be portrayed as overpaid slackers. She said City employees are being asked to accommodate a substantial pay cut and should be given more time to adjust to the impact. Tension among City workers is another reason why this adjustment is needed.

Sam Gillespie, 4809 SE Monroe St., Milwaukie, 97222, and a Water Bureau employee, said it is not illegal to do what is being proposed. He said he was business manager for the DCTU when the the PERS pickup was passed as a way to save the City money. Any measure is simply unfair which does not allow its employees to negotiate its wages. If this measure passes, \$670,000 in payroll taxes will be incurred. He urged passage of the proposed ordinances.

Mayor Katz said there will be a challenge on the issue of collective bargaining agreements.

Ron Fortune, Oregon Labor Council, said while the integrity of the ballot box must be respected so too should the integrity of contracts, as well as fairness. Everyone is not out to get public employees as shown by the vote count in Portland. He said if people could see what the outcomes are, reasonable people would agree with the three Commissioners who support this.

Dan Vizzini, Assessment Manager, Auditor's Office, said this proposal is the least that needs to be done to ensure equity between the various City employee groups. He said City employees have come to terms with the fact that they must live with the rule of law but have also come to terms with the indignity of the measure. He said the U.S. Constitution was intended to bring people together, rather than empowering factions. He said shrinking away from the notion that citizens are noble and willing to accept each other's differences is to shortchange the public. He said the public will understand that what Council is doing is reasonable and fair and ultimately upholds the law.

DECEMBER 15, 1994

Mark Mitchell, 2136 NE 70th, said Measure 8 does not mandate a pay cut for public employees but sets a precedent for eliminating the PERS pickup made on behalf of the employee by the employer. The six percent was given in labor agreements and what has been given should be redirected so the six percent shows up on their checks.

Mayor Katz asked about the chart distributed by Commissioner Hales and if all the contracts expiring in June 30, 1996 will continue to be covered by the six percent pickup.

Commissioner Hales said yes, until their expiration date.

Mayor Katz said what Council is really dealing with are the contracts expiring January 1, 1995 for the non-reps who do not have a traditional contract, although some will argue that deferred payment is a contract.

Commissioner Hales said the contracts expiring June 30, 1995 have to be extended as well to achieve a single expiration date.

Mayor Katz noted that the statement "This also assumes planned completion of Fire and PPCOA contracts prior to January 1, 1996" should read 1995.

Mayor Katz asked if the contracts expiring June 30, 1995 would be reopened shortly for negotiations. If negotiations were to last a whole year, would those employees be covered for the six percent until they get to closure on a contract.

Ms. Meng said that is unknown at this time.

Mayor Katz said she asked that because there is some confusion about the language in the DCTU contract and whether the PERS pickup would continue until closure of the agreement. She said it may be possible to continue the six percent pickup through June 30, 1996 without this language, depending on the legal ruling.

Ms. Meng agreed.

On the resolution, Commissioner Blumenauer voted nay.

Commissioner Hales, noting Commissioner Blumenauer's earlier statement, said what is being proposed here is not what every other local government is doing but is much more conservative and simply puts Measure 8 into effect for all employees on the same day and in the same manner. He agreed that it does not make sense to say Measure 8 is not binding just because it did not pass within the City, but noted that in 1948 voters, through creation of the Fire and Police Disability

and Retirement Fund, did act on a pension plan for many City workers. The spirit and letter of this part of the Charter has to be honored as well as Measure 8. The City is bound and obligated to follow the law and this measure has been crafted to do that. The City is also bound to govern wisely and manage a good business. This is good business -- the most the City should do to comply with Measure 8 and the least the City can do for its employees.

Commissioner Kafoury said she appreciated Ms. Fritz citing Martin Luther King's letter from the Birmingham jail, adding that she almost copied it for Council but decided it was too dramatic.

Commissioner Lindberg said while many believe the will of the voters is being circumvented Council is actually, and unfortunately, implementing Ballot Measure 8, but in a way that is responsible and equitable by allowing an 18-month period of transition for all the families of employees. He said he cannot imagine that proponents would oppose a transition period for something that would take half a billion dollars out of the pocket books of public employees. He said people forget about the range of salaries paid City employees, many of whom are entry level or single moms trying to get by. He called this measure a very mean-spirited effort to inequitably solve the State's problems, stressing again that the 1980 agreement saved a tremendous amount of money at a time of extremely high inflation. Today's approach is responsible, reasonable and allows time for a transition.

Mayor Katz said she hopes Council will go to the Legislature to share the inequities of what has happened and ask it to revisit this whole issue and come back with a ballot measure improving the PERS system rather than this draconian method. However, she still recommends that the money be set aside until the legal challenges have been resolved and that the City conduct a market survey analysis and look at benefit packages over a period of time without thwarting the will of the voters. She voted no.

Disposition: Resolution No. 35347. (Y-3; N-2, Commissioner Blumenauer and Mayor Katz)

***1933** Authorize employee contributions to PERS for work performed on and after December 29, 1994 to be made on a pre-tax basis (Ordinance introduced by Mayor Katz)

Disposition: Ordinance No. 168366. (Y-5)

S-1934 Establish temporary pay schedules and specify the effect upon employees in the classifications involved effective December 29, 1994 (Ordinance introduced by Commissioners Hales, Kafoury and Lindberg)

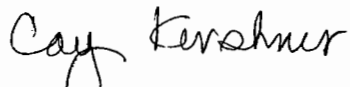
DECEMBER 15, 1994

Discussion: Commissioner Hales moved the substitute to make several technical changes as highlighted. Commissioner Lindberg seconded and, hearing no objections, the Mayor so ordered.

Disposition: Passed to Second Reading December 21, 1994 at 9:30 a.m.

At 3:15 p.m., Council adjourned.

BARBARA CLARK
Auditor of the City of Portland


By Gay Kershner
Clerk of the Council