



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 10TH DAY OF JULY, 1996 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; Harry Auerbach, Deputy City Attorney; and Officer Chuck Bolliger, Sergeant at Arms.

Agenda Nos. 1179 and 1183 were pulled from Consent. On a Y-4 roll call, the balance of the Consent Agenda was adopted as follows:

CONSENT AGENDA - NO DISCUSSION

- 1169** Accept bid of Triad Mechanical, Inc. for South Shore Pump Station rehabilitation project for the Bureau of Environmental Services for \$177,000 (Purchasing Report - Bid 200)

Disposition: Accepted; prepare contract.

- 1170** Accept bid of Oregon Electric Group for Ankeny Wastewater Pump Station update project for the Bureau of Environmental Services for \$238,172 (Purchasing Report - Bid 201)

Disposition: Accepted; prepare contract.

- 1171** Accept bid of Les Brown Excavating, Inc. for NW Skyline Boulevard slide repair-north project for \$199,504 (Purchasing Report - Bid 217)

Disposition: Accepted; prepare contract.

- 1172** Vacate a certain portion of N Detroit Avenue south of N Skidmore Court, under certain conditions (Second Reading Agenda 1130; C-9909)

Disposition: Ordinance No. 170351. (Y-4)

Mayor Vera Katz

- *1173** Create one MIS Support Analyst and one Sr. MIS Support Analyst position in Fire, Rescue and Emergency Services; create a new salary range for Risk Management Director, Risk Supervisor, Community Development Director and License Bureau Director in accordance with the Personnel Rules adopted by

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the City Council (Ordinance)

Disposition: Ordinance No. 170352. (Y-4)

Commissioner Charlie Hales

***1174** Increase contract with HNTB Corp. for design of the Steel Bridge pedestrian/bicyclist project (Ordinance)

Disposition: Ordinance No. 170353. (Y-4)

***1175** Authorize a contract and provide for payment for material and labor to construct George Park improvements (Ordinance)

Disposition: Ordinance No. 170354. (Y-4)

***1176** Contract with G. R. Morgan Construction, Inc. for material and labor to construct Custer Park site development and water quality improvement project for \$177,848 and provide for payment (Ordinance)

Disposition: Ordinance No. 170355. (Y-4)

***1177** Authorize a contract and provide for payment for material and labor to construct Kern Park improvements (Ordinance)

Disposition: Ordinance No. 170356. (Y-4)

***1178** Authorize a contract and provide for payment for material and labor to construct Irving Park improvements (Ordinance)

Disposition: Ordinance No. 170357. (Y-4)

Commissioner Gretchen Miller Kafoury

***1180** Authorize the Purchasing Agent to sign a Purchase Order as a contract with the Eastman Kodak Company for the repair and maintenance of copy machines for an estimated amount of \$135,000 annually for three years without advertising for bids (Ordinance)

Disposition: Ordinance No. 170358. (Y-4)

***1181** Contract with Ecumenical Ministries of Oregon for \$37,492 for the Shared Housing Program and provide for payment (Ordinance)

Disposition: Ordinance No. 170359. (Y-4)

***1182** Call for bids for four 1500 gpm triple combination pumpers, authorize a

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contract and provide for payment (Ordinance)

Disposition: Ordinance No. 170360. (Y-4)

Commissioner Mike Lindberg

1184 Accept completion of the SE Rex Street sewer reconstruction and authorize final payment to Moore Excavation, Inc. (Report; Contract No. 30485)

Disposition: Accepted.

1185 Accept completion of the Wheeler Basin Phase 2 Unit 2 construction project and authorize final payment to Copenhagen Utilities & Construction, Inc. (Report; Contract No. 29964)

Disposition: Accepted.

***1186** Agreement with Douglas P. Sowles for project management services for the Pump Station Engineering Section of the Bureau of Environmental Services (Ordinance)

Disposition: Ordinance No. 170361. (Y-4)

***1187** Authorize a contract in an amount of \$66,945 with Kaplan Engineering to provide commissioning services for new water pollution control laboratory (Ordinance)

Disposition: Ordinance No. 170362. (Y-4)

***1188** Authorize the Mayor to execute a project agreement with the Natural Resources Conservation Service's Emergency Watershed Protection program (Ordinance)

Disposition: Ordinance No. 170363. (Y-4)

***1189** Authorize a contract and provide for payment for the construction of a 16 -inch water main in SE 174th Avenue (Ordinance)

Disposition: Ordinance No. 170364. (Y-4)

City Auditor Barbara Clark

1190 Update requirements for Audit Services Division (Ordinance; amend Code Chapter 3.05)

Disposition: Passed to Second Reading July 17, 1996 at 9:30 a.m.

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REGULAR AGENDA

- *1179** Lease agreement with Western PCS I Corporation and Sprint Spectrum L.P. for non-park use of Portland Parks and Recreation property for construction, operation and maintenance of a wireless communication antenna site above the Vista Ridge Tunnel (Ordinance)

Discussion: Liz Callison, 6039 SW Knightsbridge, said this lease agreement with Sprint involves commercial use of a park for a broadcast facility for cellular phones. The site is in an Environmental Conservation zone, on a steep slope subject to mud slides. She said it would be a mistake to clear cut the property and add a driveway, structure and parking here. The land was donated to the City with a deed restriction stating it should be used for the public benefit and it is a stretch to say the Park Bureau needs the money from leasing what is identified as an important wildlife corridor over Highway 26. She said she believes the tower already there was placed there prior to imposition of the environmental zoning. The City should respect its own environmental protection regulations and not justify this based on the Parks Bureau's need for more revenues. She also noted that this should not be done prior to the deadline for appealing the Hearings Officer's decision on the conditional use.

Commissioner Hales said another cellular tower has already been placed here, over the tunnel, but he is not sure why the lease agreement has been filed prior to granting the conditional use. He asked that this be referred back to his office.

Mayor Katz thanked Ms. Callison for being a watch dog.

Ms. Callison said "arf-arf."

Disposition: Referred to the Commissioner of Public Safety.

- *1183** Execute Purchase Order with Selectron to furnish and install security systems for the East Portland Community Policing Facility (Ordinance)

Discussion: Cay Kershner, Clerk of the Council, said Bureau of General Services staff had requested that this be referred back to them.

Disposition: Referred to the Commissioner of Public Affairs.

- 1168** **TIME CERTAIN: 9:30 AM** - Accept the report entitled "Review and Analysis of the Bureau of Environmental Services\Bureau of Maintenance Interagency Agreement" (Report)

Discussion: Commissioner Lindberg said for the last four or five years a number of issues have been raised about this agreement between the two

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bureaus. He noted that over the next five years, this transaction will involve about \$50 million and about 50 different work activities, all essential to the functioning of the sewer and storm drainage system. It is critical to figure out the most efficient way to address these. He said several years ago, during the budget process, Council wrestled at length with the scope of work, cost issues and whether the interagency should be cut. This is a more rational look at the whole procedure.

Dean Marriott, Director, Bureau of Environmental Services (BES) said this report grew out of the CORE process and the subsequent hiring of a consultant, EMA, to identify measures that would foster organizational excellence. In January, 1995, EMA issued its report -- labeled a "\$30,000 fly over" by Commissioner Blumenauer -- which identified over \$2 million in potential savings from the maintenance interagency agreement. Since BES spends about \$10 million a year maintaining sewer and drainage systems, the EMA report sparked quite a bit of interest in pursuing the leads identified. This report responds to those. In January, EMA also identified other areas to be investigated and the bureaus are in the process of finalizing their look at those.

Mayor Katz said she is unsure about the follow-up study or whether an external review should be done with EMA. She said perhaps EMA should be asked to home in on what they thought would be the savings and show the City that they are actually there. That might be better than contracting out for another review. She said it is okay to make recommendations after only a short visit as that gets the City to think a little bit differently. But then EMA has to prove those recommendations are valid.

Mr. Marriott said some of the other issues identified by EMA in January related to the treatment plant and BES is analyzing those itself, rather than relying on an outside consultant. BES will return with a response later this summer.

Toby Widmer, Director, Bureau of Maintenance, described the sewer maintenance services that are provided annually at a cost of \$10 million. He said the biggest problem is that half the system is 75 years or older. The disrepair often goes unnoticed because the sewers are hidden from public view.

Commissioner Lindberg noted that when a huge portion of the sewer in the Belmont area collapsed, it took a long time to repair and caused considerable disruption. BES hopes to avoid such unanticipated collapses through a responsible maintenance program.

Mr. Marriott said work groups from BES and Maintenance were convened to review the EMA recommendations. He said they did not agree with the recommendation to move some Maintenance staff to BES as the aim is to provide flexible staffing and accountability. Much of the maintenance work is

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weather related and pooling staff is efficient and workable. Some improvements were made, however, including a modified work plan and a new process to increase accountability.

Mr. Marriott said they also identified a way to strategically target maintenance in order to stay ahead of emergencies. In response to EMA's finding that BES could save \$1.5 million, the bureaus and the Office of Finance and Administration did a thorough analysis of overhead charges but found no savings at that level. They were able to identify about \$100,000 in savings overall.

Mayor Katz said she would like to see that analysis as it is very important to the organizational structure of the City.

Mr. Marriott said as a result of this review improved methods for tracking costs and staff assignments were introduced. One area they will continue to pursue concerns the way in which equipment and vehicles are acquired. Currently, the process takes too long.

Commissioner Lindberg said it takes between 18 months and two years to get equipment. He said there is some disagreement between Maintenance and Fleet Management on these procedures and someone may need to intervene and make a decision.

Mr. Marriott said ensuring fairness takes a long time.

Mayor Katz said the public would assume that taking 18 months means the City would get a much better price.

Mr. Widmer said that price may not reflect the true cost if identified work does not get done because the equipment is not available.

Commissioner Lindberg said over time adding so many procedures can end up costing the City time and money.

Mr. Marriott said the bureaus are also examining what maintenance work is appropriate to open up to competitive bidding, with the Maintenance Bureau being one of the bidders. He said the working group will identify hurdles that prevent the Bureau from being competitive and how to increase productivity.

Commissioner Lindberg said BES also has a labor/management group similar to the one in the Water Bureau.

Mr. Widmer said Maintenance already does contract out some of its heavy work. When staff looked at other possible jobs that could be contracted out, they found the Bureau provided the service at less cost. However, there is still work to do in this area.

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Mayor Katz said the methodology developed by the Water Bureau may be useful.

Commissioner Lindberg reminded Council that it was the Maintenance Bureau that responded so quickly during the flood emergency last winter and is one reason to take a critical look when people suggest putting the whole operation out to bid. He said staff now has the flexibility to move back and forth among 50 different activities and still respond to emergencies.

Mr. Marriott said he intends to pursue these issues aggressively and believes it is essential to continue close cooperation between the two bureaus. However, they would like some help with the Fleet issue.

Mayor Katz said Council has heard similar sentiments from several bureaus. There are two sides to the issues and these need to be sorted out.

Commissioner Kafoury said she will be happy to meet with Commissioner Lindberg and appropriate Fleet and other staff persons.

Mayor Katz said other bureaus, such as the Police, should be considered too. She said when outside review is sought, the consultants should be held accountable for their recommendations.

Disposition: Accepted. (Y-4)

Mayor Vera Katz

***1191** Further amend City Code Chapter 14.100 to again designate drug-free zones (Ordinance; amend Title 14)

Discussion: Mayor Katz said regrettably staff let the drug-free zone ordinance lapse, not realizing the sunset clause had kicked in. She said a system has now been implemented to prevent this from happening again.

Charles Moose, Chief of Police, apologized to the community and those contacted inappropriately and expressed hope that the zones could be reinstated as they have proven to be a successful tool in addressing illicit drug use and maintaining neighborhood livability.

Mayor Katz noted that staff is working on a measure to expand the drug-free area into residential zones but certain legal issues must first be resolved.

Disposition: Ordinance No. 170365. (Y-4)

S-*1192 Apply for a \$1,800,000 grant from U.S. Department of Justice, Office of Justice Program, Bureau of Justice Assistance (Hearing; Ordinance)

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Discussion: The Clerk noted that a Substitute had been filed, adding language to the directive section.

Mayor Katz said this reflects her belief that the community can do much better with block grants, deciding for itself how best to expend resources, than having this determined through a political process at the Congressional level. She said the City fought for that approach and won. The Administration lost and the City now has \$1.8 million to allot.

Chief Moose said this grant process began in late June, after all the FY96-97 budget decisions had been made. The process has been accelerated and they expect, with all approvals, to get the money by September. The money was considered to be one-time funds and will be used primarily to fund police overtime and equipment costs, rather than hiring new employees. The focus was on those two areas, plus domestic violence and traffic. To address neighborhood traffic problems, six motorcycles will be purchased for officers freed up from desk duty to allow them to go into the community. Some additional overtime funds will be allocated to the Transportation Division. He said the bureau will also hire a criminalist and provide new technology to improve its ability to get better evidence in domestic violence cases. He stressed that the money is being allocated based on the budget priorities set by Council and the community. This grant will allow them to do a better job of what they are already doing, listening to the community about what works and what needs to be addressed.

Nancy Dunford, Financial Analyst, Police Bureau, said a committee was formed to identify how best to use the grant funds and unanimously approved the proposed use of these funds. Also, there is a technical error and it should be noted that the request for the grant includes a request for \$206,515 from general fund contingency.

Commissioner Lindberg said this is good leveraging. He asked how contingency is being handled.

Ruth Roth, Director, Bureau of Financial Planning, said there are two contingency funds, with \$2 million in unforeseen contingency and \$1 million in general operating contingency. This year \$1.4 million was put in the general operating contingency, with \$400,000 put there in anticipation of the normal drop in overhead revenues in the fall. Unforeseen contingency is still \$2 million.

Commissioner Kafoury said something might be done with overtime.

Chief Moose said the police did not foresee that they would stop doing anything they do now. This is an opportunity to do more.

Commissioner Kafoury said there may be other unforeseen things coming

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down the pike.

Mayor Katz said the \$206,515 is over two years.

Ms. Roth said both she and Tim Grewe, Director, Office of Finance and Administration, have recommended extreme prudence in the past about tapping into the general operating Contingency. They now agree that they have made the Council a little too conservative in its use, treating it as sacrosanct. It is there to be used for unanticipated emergencies and opportunities that come up. The money has been budgeted assuming it will be spent and it is not good policy to husband it and spend nothing out of it. She said spending \$200,000 to get \$1.8 million in new dollars is a very good return.

Commissioner Hales noted that Council cannot ask a bureau to budget as if it will get such a grant. They have to budget and then hope to get the grant.

Ms. Roth said if they had known about this when they came to Council with final balancing, this \$200,000 probably would have gone on the list for possible appropriation. But at that point they did not know about the grant and Council had other priorities so it fell outside the timing sequence.

Mayor Katz said one thing not included here but something she and Chief Moose are working on is the performance measurements they want to attach to new dollars so they can determine that something, in fact, has happened in the community.

Ms. Roth said Financial Planning recommends that no budget adjustment be made appropriating the funds from contingency until formal notification has been received.

Commissioner Kafoury moved the Substitute. Commissioner Hales seconded and, hearing no objections, the Mayor so ordered.

Mayor Katz said allocation of this money truly reflects the community's goals. She said this shows Congress that it was wrong when it concluded that police departments would spend such grants on flashy equipment like tanks and planes.

Disposition: Substitute Ordinance No. 170366. (Y-4)

***1193** Authorize bonds to finance public improvements associated with the Oregon Arena Project (Ordinance)

Disposition: Ordinance No. 170367. (Y-4)

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1194 Authorize renaming a part of Front Avenue within the City of Portland as Naito Parkway (Second Reading Agenda 1126)

Discussion: Mayor Katz said she has asked Commissioner Hales to bring a group together to review the five-year lag time for street renames. It will report back with a recommendation.

Disposition: Ordinance No. 170368. (Y-4)

Commissioner Charlie Hales

***1195** Authorize development agreement with Homer G. Williams for improvements to intersection of SE Foster Road and SE 162nd Avenue, and for dedication of an easement for public park purposes. (Ordinance)

Discussion: Commissioner Kafoury asked when a policy on such projects will be ready. She said she is very nervous about shoveling so much money out the door.

Commissioner Hales said people are working on it now.

Mayor Katz said the City is beginning to see developers who want to build within the Urban Growth Boundary but find that the necessary infrastructure is not in place. Some developments may come along faster than the City is prepared for and a policy is needed to set priorities because the well is running dry. However, the City is committed to providing opportunities for growth.

Commissioner Hales said the City has to take its share of the region's growth but he hopes the legislature will give them more resources to help achieve it.

Disposition: Ordinance No. 170369. (Y-4)

Commissioner Gretchen Miller Kafoury

***1196** Approve settlement agreement with the joint venture of Hoffman-Pavarini and create exemption (Ordinance)

Discussion: David Kish, Director, Bureau of General Services, said Multnomah County workers on the 15th floor lost about 10 percent of their space due to propping up the cracking and sagging floor. He said the cracks on the top two floors need to be repaired now as the County cannot be asked to wait any longer. He said those repairs can proceed now as they are not related to the seismic problems, for which physical solutions have not yet been found. They estimate the cost at between \$200,000 and \$300,000. He said Hoffman-Pavarini has agreed to do the repair work at cost, with no profit or overhead charges. He said the Bureau will audit the estimates and final cost.

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Jim Van Dyke, Deputy City Attorney, said his office reviewed the legal issues regarding liability and concluded that the joint venture, Hoffman-Pavarini, was responsible for the problems found at the building. The settlement seems a reasonable way to go about correcting them and, because it enforces a previous contract, there is no need to go to a competitive bidding process. Also, one could not expect any contractor to bid on a job that allows no overhead or profit.

Mayor Katz asked about the statute of limitations.

Mr. Van Dyke said the City would contend it had not expired while Hoffman-Pavarini would argue the opposite. He said it is unclear how the court would rule as a case could be made either way. In this settlement agreement, each party gives up something.

Mayor Katz noted that a bigger job lies ahead with the rest of the building.

Mr. Van Dyke said the settlement also provides for the parties to enter negotiations regarding the remaining repairs. The City is not prohibited from suing later on those. This settlement is limited to repairs of the County-leased space.

Disposition: Ordinance No. 170370. (Y-4)

Commissioner Mike Lindberg

***1197** Increase contract with Woodward-Clyde Consultants for ground water contamination cleanup (Ordinance; amend Contract No. 28903)

Disposition: Ordinance No. 170371. (Y-4)

At 10:50 a.m., Council adjourned.

BARBARA CLARK
Auditor of the City of Portland

Cay Kershner

By Cay Kershner
Clerk of the Council