



CITY OF  
**PORTLAND, OREGON**

**OFFICIAL  
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 21ST DAY OF MAY, 1997 AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Francesconi, Hales, Kafoury and Sten, 5.

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

Dick Clark, Rose Festival Association, showed slides of last year's festival and described the financial impact on the Portland economy.

On a Y-5 roll call, the Consent Agenda was adopted as follows:

**CONSENT AGENDA - NO DISCUSSION**

**712** Accept bid of PCI Mechanical Construction for Columbia Blvd. Wastewater Treatment Plant biosolids dewatering modifications for the Bureau of Environmental Services for \$209,988 (Purchasing Report - Bid 154)

**Disposition:** Accepted; prepare contract.

**713** Accept bid of Mason's Supply Company for furnishing an annual supply of concrete repair mixes for a two-year period for an estimated annual amount of \$26,136 (Purchasing Report - Bid 173-A)

**Disposition:** Accepted; prepare contract.

**714** Accept bid of Hydronix, Inc. for furnishing an auxiliary/emergency trailer mounted diesel powered pump unit for \$92,646 (Purchasing Report - Bid 177)

**Disposition:** Accepted; prepare contract.

**715** Accept bid of Brattain International Trucks, Inc. for one 25,000 GVW welding service truck for \$97,890 (Purchasing Report - Bid 182)

**Disposition:** Accepted; prepare contract.

**716** Accept bid of Robert W. McGrew dba East Wind for N. Willamette and Gay sewer rehabilitation for \$83,600 (Purchasing Report - Bid 190)

**Disposition:** Accepted; prepare contract.

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**717** Accept bid of John W. Burns & Son, Inc. for furnishing an annual supply of parking meter painting services for \$67,680 (Purchasing Report - Bid 191-A)

**Disposition:** Accepted; prepare contract.

**718** Accept bid of G. R. Morgan Construction for Sewallcrest Park improvements for \$101,099 (Purchasing Report - Bid 195)

**Disposition:** Accepted; prepare contract.

**Mayor Vera Katz**

**\*719** Agreement with the Oregon Liquor Control Commission to provide access to the Portland Police Data System (Ordinance)

**Disposition:** Ordinance No. 171178. (Y-5)

**\*720** Pay claim of Rex Allen Rigby (Ordinance)

**Disposition:** Ordinance No. 171179. (Y-5)

**Commissioner Jim Francesconi**

**\*721** Contract with J. T. Stephens Construction Co., Inc. for \$83,190 to perform window replacement construction at Multnomah Art Center (Ordinance)

**Disposition:** Ordinance No. 171180. (Y-5)

**\*722** Authorize contract with Thyssen Elevator to modernize the elevators in two garages for \$285,287 (Ordinance)

**Disposition:** Ordinance No. 171181. (Y-5)

**Commissioner Charlie Hales**

**\*723** Amend contract with Portland Streetcar, Inc. to increase the work scope and provide for payment (Ordinance; amend Contract No. 30057)

**Disposition:** Ordinance No. 171182. (Y-5)

**Commissioner Gretchen Miller Kafoury**

**\*724** Increase Contract with Kenton Action Plan, Inc. for the Kenton target area project by \$1,600 and provide for payment (Ordinance; amend Contract No. 30681)

**Disposition:** Ordinance No. 171183. (Y-5)

- 725 Contract with David F. Weich, Sr. for fire prevention and suppression services (Second Reading Agenda 684)

**Disposition:** Ordinance No. 171184. (Y-5)

**Commissioner Erik Sten**

- 726 Accept completion of the SW Washington Street sewer reconstruction and authorize final payment to K&R Plumbing Construction Co., Inc. (Report; Contract No. 31070; Project No. 5917)

**Disposition:** Accepted.

- 727 Accept completion of the Willamette River Basin test sump project, Unit 12 and authorize final payment to Moore Excavation, Inc. (Report; Contract No. 31076; Project No. 5958)

**Disposition:** Accepted.

- \*728 Continue negotiations for purchase of one permanent sewer easement and a bicycle easement required for construction of the Inverness Force main sewer project, begin condemnation proceedings, if necessary, and obtain early possession (Ordinance)

**Disposition:** Ordinance No. 171185. (Y-5)

- 729 Amend contract with CMI, Inc. to extend the contract time and appropriate funding for FY 97/98 (Ordinance; amend Contract No. 29874)

**Disposition:** Passed to Second Reading May 28, 1997 at 9:30 a.m.

- 730 Amend contract with CMTS to extend the contract time and appropriate funding for FY 97/98 (Ordinance; amend Contract No. 29875)

**Disposition:** Passed to Second Reading May 28, 1997 at 9:30 a.m.

- 731 Amend contract with Sverdrup Civil, Inc. to provide program management services to the Capitol Improvement Program for a fourth year at a cost of \$999,981 (Ordinance; amend Contract No. 29404)

**Disposition:** Passed to Second Reading May 28, 1997 at 9:30 a.m.

- 732 Amend contract with Crane & Merseth Engineering/Surveying to extend the contract time and appropriate funding for FY 97/98 (Ordinance; amend Contract No. 29884)

**Disposition:** Passed to Second Reading May 28, 1997 at 9:30 a.m.

- 733** Amend contract with Century West Engineering Corporation to create new personnel classifications and payment provisions and appropriate funding (Ordinance; amend Contract No. 30561)

**Disposition:** Passed to Second Reading May 28, 1997 at 9:30 a.m.

- \*734** Authorize a contract with the lowest responsible bidder(s) for the Inverness Force main Sections C and D and provide for payment (Ordinance; Project No. 5152)

**Disposition:** Ordinance No. 171186. (Y-5)

**City Auditor Barbara Clark**

- \*735** Amend contract with Poorman Douglas Corporation for billing and mailing services (Ordinance; amend Contract No. 28619)

**Disposition:** Ordinance No. 171187. (Y-5)

**REGULAR AGENDA**

- 710** **TIME CERTAIN: 9:30 AM** - Approve the Lloyd District On-Street Parking Management Plan and the Lloyd District Partnership Plan (Report introduced by Commissioner Hales)

**Discussion:** Commissioner Hales said this is an important step in how Council, over the long run, guides development and change in commercial districts and neighborhoods. The question today is whether the Lloyd District is going to be a piece of suburbia lodged awkwardly in the Central City or an integral part of an urban area.

David Logsdon, Parking Manager, Office of Transportation, summarized the goals and key recommendations in the Parking Management Plan. By managing and pricing parking and by improving transit they hope to affect a change in travel behavior away from solo driving. Both the parking and transit plan need to be implemented together in the Lloyd District. If the plans are successful, there should be less traffic congestion, noise and air pollution. He noted also the extensive public process that was held to develop the plan. Key recommendations call for formation of a parking meter district in the Lloyd District (consistent with Central City Plan boundaries) with a phased installation plan. He noted that Broadway/Weidler is not recommended for metering. A temporary permit parking program is recommended at the outset in neighborhoods adjoining the Lloyd District to make sure commuters do not park there. There will be no fee for residents. At the end of the temporary program, neighborhoods will have the option of converting to a permanent program. Permit fees would be phased in over three years, at the end of which time the fee would be \$15 per year. A special resident parking permit for residents within the metered area itself will also be initiated. Toward the end of the three year

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period, residents and property managers will assess the current program and consider alternatives. Income from the meters will eventually pay for all operating costs and repay the money initially borrowed from the Transportation Fund to purchase the meters. They expect revenues to exceed costs after the first year.

Betsy Pratt, Bonneville Power Administration, Vice Chair, Lloyd District Transportation Management Association (TMA) and a member of the Citizen Advisory Committee for the Lloyd District On-Street Parking Plan, said the On-Street Parking Management Plan represents some significant areas of consensus about growth management and that parking meters and posted time restrictions are important tools for managing that growth. They also agree with plans for phasing in the controls. Finally, they agree that meter revenues should be used to support Lloyd District transportation services and help mitigate the impacts of the program. She said the Transportation Management Plan (TMP) is strongly linked to the Lloyd District Partnership plan, whose primary goal is to meet the diverse transportation needs and reduce employee auto trips into the District. She said the proposed Tri-Met's Passport Program and range of expanded services form the cornerstones of this Plan. Through the passport program, employers will be able to offer attractive discounted transit rates to their employees. The TMA already has commitments from businesses to buy 2000 passes and as additional passes are sold Tri-Met will provide more direct service into the District. The Partnership Plan will offer a variety of improvements to make the use of transit more appealing and entice people to give up their cars. If the goals of both plans are met, transit market share in the Lloyd District will triple, businesses will see improved transit service, short-term visitors will find more available on-street parking and other modes, like walking and bicycling, will become more convenient.

Mayor Katz asked if there was a plan to measure the results.

Ms. Pratt said that will be done on an annual cycle.

Commissioner Francesconi asked about the goal to go from eight to 24 percent bus/carpooling by employees.

Ms. Pratt said they hope to do that in two to three years. The goal is not broken down between buses and carpooling. She said they gathered information on the areas where approximately 8,000 Lloyd District employees work and noted that while Northeast residents are adequately served by transit, those in Southeast and in a portion of Southwest are not. In order to initiate a new bus route to Southeast, the District needs to sell 3,000 bus passes so Tri-Met can break even. Marketing efforts are underway.

Barbara Scott-Brier, representing Irvington Neighborhood Association on the Citizens Advisory Committee for the Transportation Management Plan, said their support of the Plan has always been based on the understanding that

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neighborhood livability would be sustained if meters were added. She noted that she is presenting the minority report for the neighborhoods surrounding the Lloyd District, including Irvington, Eliot, Sullivan's Gulch and Kerns. She said currently they do not have a parking problem but fully expect to after parking meters are placed in the Lloyd District, causing some motorists to move to the adjoining neighborhoods for free parking. She said the majority report does not fully address the extent of the impacts or the extent of the mitigation needed, particularly allocation of future meter revenues. Another concern is the recently adopted City policy that revenues from meters should be used for the benefit of the district and neighborhoods in order to mitigate direct impacts. A split over use of those revenues has arisen between those in the district and those in the adjoining neighborhoods. The neighborhoods feel there is an imbalance of interests which favors the District and ask for parity on any future committee, one that more accurately represents a balance between the two groups.

Mayor Katz asked if she was proposing four members from the neighborhoods, four from the business community and a neutral chair, plus other non-voting members.

Ms. Scott-Brier said yes, this will bring balance between the businesses and neighborhoods and help in developing a new policy for the use of meter revenues. One possibility is to set up a an interim committee to evaluate the meter policy and see where the impacts are occurring. She noted that in the past meter revenues have always gone into the general fund rather than being allocated specifically to the district and neighborhoods.

Mayor Katz said the next role of the committee is to measure the impact on the neighborhoods and business section and see if the objectives are being met. She said the distribution of the meter revenues seems to be of great concern.

Ms. Scott-Brier noted there would be two separate committees -- one for the transit partnership and an advisory group that assesses the meter impacts and how revenues should be allocated.

Matt Klein, Chair, Lloyd District Transportation Management Committee, said in the last 20 years about a billion dollars of public and private investment have been created within the Lloyd District. A monumental effort to create a multi-modal transportation plan has been undertaken to accommodate the current status and expected future growth. Right now the mode split is eight to ten percent for non-auto transportation, which is not good. Goals have been set to create a more balanced transportation system and the district is willing to accept the significant short term pain of parking meters for the promise of some long term gains in mode split. Tri-Met has told them that in order to increase that split they need to make free commuter parking less available. With the meters, the District will be losing about 20 percent of its total on-street parking supply and will see another 25 percent go away for on-street commuters. He said the Lloyd District is stepping to the table first. The City will help achieve the mode

split and Tri-Met will create the Passport program as part of the overall effort. There is general support for the meter program within the District even though the majority of the impact will be felt within its confines. He said the Passport program has already been launched informally and 3,000 passes have been sold, indicating strong support from the business community for this transit agenda. Regarding the issues raised by the neighborhood, he stressed that the majority of the plan is overwhelmingly supported by everyone on the committee. The committee structure recommended by the majority of the committee is also supported by the TMA. The plan contains several components which reflect neighborhood concerns, including the three-year phase-in of the neighborhood permit program and the decision not to meter Broadway/Weidler. He said the committee composition should reflect the fact that the primary impact of this plan is on the Lloyd District itself. He said they are very disappointed about the lack of agreement on this one piece.

Mayor Katz noted the participation of City staff after the initial proposal was rejected.

Ms. Scott-Brier said the neighborhoods repeatedly told the committee they did not think there was a balance and that things were not working on some critical issues. So City staff did step in and develop the parity proposal.

Mayor Katz said the critical issues are the revenue allocation, the makeup of the committee and the permit fee. Council would like to hear from Tri-Met about when the Fareless Square zone will occur. She herself has a design issue about the meters.

Ms. Scott-Brier said the consensus broke down on mitigation, which ultimately ties back to revenue allocation. The neighborhoods did not want permits and they will only be installed if at least 50 percent of the residents vote and 60 percent approve. If they are forced to have permits in order to accommodate meters, they believe the meter revenue should pay for the permits.

Commissioner Francesconi asked if meter revenue should subsidize other neighborhoods in Portland, too.

Ms. Scott-Brier said this is not a typical situation and the City has a new meter policy that says the revenues will stay in the district and the surrounding neighborhoods to offset any impacts. One offset could be for the City to pay for permits, if the neighborhoods accept them. Council will ultimately decide the revenue allocation.

Commissioner Hales said, other than the revenue allocation, there appears to be a high level of accord on the committee.

Ms. Pratt said meter revenues are very speculative at this point. It was clear that the committee's role is to advise the City on how the revenues would be

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directed. The report calls for the community to develop lists of projects that they see as appropriate mitigation impacts. The committee would then rank those and make recommendations as to which should be funded. A neighborhood proposal could very likely be ranked number one.

Commissioner Hales said he does not think it will matter very much as Council will take the advice of the Advisory Committee, however it is configured, and neighborhoods will continue to feel free to advise Council. However, it does need to be decided one way or another.

Stephen Brier, 1633 NE Knott St., 97212, said the adjoining neighborhoods will bear the brunt of the plan and there is serious concern about the imbalance on the subcommittee makeup. The Lloyd District representatives believe revenues should stay in the district and not shift to the adjoining areas. Having them form a majority of the committee would be like asking the fox to guard the henhouse. He supported the minority report calling for parity in the process.

Commissioner Francesconi asked what percentage should be spent on the neighborhood?

Mr. Brier said at least 50 percent, although they have no hard and fast numbers. Potentially revenues could reach \$370,000 a year after recovery of capital costs.

Commissioner Hales noted that the majority report recommends that Tri-Met, the Office of Fiscal Administration and the Portland Office of Transportation all serve as non-voting members.

Rick Williams, Lloyd District Transportation Management Association, said the Lloyd District is the fastest growing area in the City and there is a pressing need to deal with transportation issues, particularly when major events are scheduled at the Rose Quarter.

Dave Yaden, Tri-Met, said the Transportation Management plan is rooted in Central City Transportation Management Plan policies and represents a very satisfying partnership between the Lloyd District, the City and Tri-Met. He said Tri-Met is committed to adding two new express lines to the Lloyd District from the Southeast and Southwest in September and is confident it can get the number of employees using transit/carpooling up to 24 percent in two years.

Mayor Katz asked about extending fareless square there.

Mr. Yaden said they are committed to it and continuing to work on it with the Association for Portland Progress and other groups.

Mayor Katz noted that Tri-Met could use some of the revenue from meters to subsidize that as there would be a revenue loss.



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John Lanouette, President, Lloyd District Association and Manager, Calaroga Terrace, said the majority of the plan's impact will occur within the Lloyd District neighborhood. The committee heard the concerns of the neighborhood and agreed to provide three years of phased funding for the permit program as well as not to meter Broadway/Weidler. He asked Council to give Lloyd District representatives the leadership role and support the majority report.

Art Greenleaf, Pastor, Temple Baptist Church, 1319 NE 7th Ave., supported the Parking Management program.

Virgil Oval, Citizens Advisory Committee for the Lloyd District Community Association, supported the majority report. He said the committee thoroughly discussed the neighborhood impacts and he believes the Lloyd District should retain the leadership role in determining its own future. Not all neighborhoods will be impacted by the plan.

Bob Jones, 15923 NE Sacramento, 97220, supported the majority report, noting that every issue except the committee makeup was resolved. The issue is who controls the parking meter revenue and it ultimately is the City Council. However, the surrounding neighborhoods want the majority say even though the revenue is produced outside their own neighborhoods.

Sharon Ward, Chair, Kerns Neighborhood Association, supported the minority report.

Steve Barnhouse, General Manager, Lloyd Center, Citizens Advisory Committee and Lloyd District Transportation Management Association, said the plan will affect over 200 businesses.

Brent Weidling, Eliot Neighborhood Association, Chair, Parking Sub-Committee, supported the minority report. He said they are especially concerned about the impact of meter fees on low-income residents where there is already a lack of garages.

Charlotte Uris, Irvington Neighborhood Association Land-use Chair and member of the Broadway-Weidler Corridor Coalition, said the neighborhoods have consistently supported City efforts to make the Lloyd District truly part of the Central City. They know this will definitely create negative impacts on the neighborhoods and their support is based on assurances that they will be mitigated. The neighborhoods are currently in a relatively comfortable position. Parking permits, for instance, are not needed now and are the result of a situation created by City policy. One reason the mitigation area is so small is because a high proportion of residents needs to favor the permit program before it can be implemented. The kind of mitigation and capital projects, not just the revenues, are of concern.

Paul Howard, 1905 NE 11th, #4, 97212, Lloyd District resident and multi-family

property owner, said he is disappointed that a suggestion to test out privatized parking enforcement was not addressed by the committee. Implementation of Fareless Square will cause this issue to become much worse.

Linda Wisner, representing Sullivan's Gulch Neighborhood Association, supported the minority report. They support creation of the meter district and the boundaries but believe the plan does not go far enough to ensure ongoing attention to continuing mitigation once the permit subsidy expires. They believe the proposed committee structure affects the ability to effectively evaluate the implementation and ongoing impacts of the parking plan. Also, they are concerned about the equitable allocation of meter revenue to mitigate direct impacts. She said it has been the neighborhoods' understanding all along that they will share the benefits of the revenues just as they will share the impacts. The majority report seems to direct those funds primarily to the District and neighborhoods want assurance that they will receive equitable consideration also.

David Brook, Chair, Sullivan's Gulch Neighborhood Association, Permit Parking Committee, supported the minority report. He said they recognize that change is coming but are very concerned about the spillover effects from the meters, such as increased cut-through traffic, and would like a broader definition of what might be mitigated. They support the phase-in of the permit program and most residents believe eventual payment for permits is not going to be a major problem and will possibly reduce abuse of the program. He called for equal representation on the committee and equality with regard to the kind of projects that can be funded.

Rex Burkholder, 1912 NE 11th, said this proposal will increase the number of short term parking spaces for shoppers and support increased transit services. He said the permit system ensures parking for residents and should lessen the amount of traffic coming through the neighborhood. He is also appreciative of the addition of bike lanes in the area and, finally, parking meters make great places to park bikes.

Peter Madden, President, Irvington Community Association, said the issue of whether the neighborhoods are properly represented on the advisory committee could be seen as of no great import since Council would make the final decision. But it would also be no disadvantage if the neighborhood had parity with the business interests. He called for support for the minority report.

Mayor Katz asked staff to explain the process for getting all the suggestions from the citizens advisory committee on the issue of how the revenues are distributed. Do all the suggestions come back to Council or are some eliminated beforehand? How are the recommendations prioritized? If there is a process that satisfies both sides then it will be easier for Council to make a decision.

Mr. Logsdon said the committee members could bring proposals on a time line to

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coincide with the biannual budget process. Transportation would evaluate them as to feasibility and cost and then the committee would rank them. Those projects would then be considered part of Transportation's budget and come to Council in that form.

Commissioner Hales said the process will fail if the recommendations to Council attend to the needs of businesses and ignores the needs of the surrounding neighborhoods. And vice versa. He said too much energy should not be focused on the committee makeup issue and he is inclined to support the majority report. If Council sees that a balance of mitigation proposals is not being met, it can be changed.

Commissioner Sten said he is sorry so much time has been spent on this one issue as it is a great project. However, he leans towards the minority report as advisory committees that are deeply divided do not solve problems. A little closer balance could force the committee to negotiate a little more to get to a decision.

Commissioner Francesconi said he is sorry to see the group fractionalize on an issue that is not even before Council -- the issue of future revenue. He asked if there was any support for adding two citizen representatives.

Commissioner Hales said one could split the difference, changing the number of business district representatives from five to three and have six and four, instead of eight and four.

Mr. Logsdon said the neighborhoods want four/four representation with a neutral chair. The current composition of voting membership is eight/four. The six/four option was raised but the neighborhood stuck with four/four as its compromise position. He noted that at the point where it was decided to recommend the current composition, some language changes were made. For instance, it states that the City's general policy is that the majority of net revenue raised should support programs within the meter district. A second key sentence states that improvements in adjacent neighborhoods that offset the direct impacts are an eligible expenditure. The language compromise in the majority report was broadened so as not to limit the meter money to just mitigating direct impacts. It makes other neighborhood projects eligible for meter income. He said when that language change was made the majority of the committee settled on continuing the current committee so any adjustment in the representation may indicate a need to revisit the language change as well because that was part of the compromise.

Commissioner Hales said with the compromise the number one item on the list is neighborhood improvements.

Mr. Logsdon said they made the language about what neighborhood projects might be eligible for the meter money a little broader than the general City policy. There was a consensus at that point that continuing the current

committee structure would then be okay.

Commissioner Kafoury said she hopes the committee will look at things more globally and not just as representatives of either business or the neighborhoods. However, she believes the committee makeup is somewhat skewed towards business.

Commissioner Hales moved to amend page 12 to change the number of members from Lloyd District businesses from five to three. That would ensure there are six business and four neighborhood representatives.

Commissioner Francesconi seconded the motion because of the compromise that was reached.

Mr. Logsdon said Commissioner Hales' motion narrows the majority from six to four, instead of eight to four. If you included the Lloyd District Neighborhood Association with the other four neighborhood associations, it would be five to five.

Commissioner Sten said he prefers four/four as this committee has agreed on everything and now Council is spending two hours on who gets a majority.

Mayor Katz said if the neighborhood suggestions fall off the table it will not satisfy her. As much weight should be given to the neighborhood associations as to the business associations. What should drive it is what kind of a positive impact it would have.

Commissioner Francesconi said he wants the project list prioritized and also a report back as to whether this group can continue to function in light of today's testimony. He said the needs of the larger City should also be considered.

Commissioner Hales' amendment passed. ( Y-3; N-2, (Sten and Katz)

Commissioner Francesconi said the focus should be on getting the mode split up to 24 percent, not subsidizing the parking permit program.

Mayor Katz said parking meters are ugly and pose a design issue for her.

**Disposition:** Approved as amended. (Y-5)

742 Assess benefitted property for the costs of improvements in the Westside Light Rail Underground Utilities Local Improvement District (Previous Agenda 652; C-9853)

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**Discussion:** Cay Kershner, Clerk of the Council, said staff requests that this item be continued one week because of the length of today's session.

**Disposition:** Continued to May 28, 1997 at 11:00 a.m. Time Certain

**\*711 TIME CERTAIN: 10:30 AM - Amend Title 14 Chronic Nuisance Property (Ordinance introduced by Mayor Katz; amend City Code Chapter 14.110)**

**Discussion:** Commander Ed Rictor, East Precinct, said the proposed ordinance adds language to accommodate the specified crime ordinance. He said the results to date show that, with the original ordinance, resolution was successfully reached on 90 of 103 identified problem properties. Two properties are being reviewed by the City Attorney for possible prosecution.

Commissioner Hales asked if the City is being as tough as it should be.

Commander Rictor said yes, Portland is in the forefront in this area and adding the specified crime ordinance provisions will only strengthen the program.

David Lesch, Deputy District Attorney, Multnomah County, gave several examples of how this ordinance had been applied. He noted that on one property where three drive-by shootings had occurred, the landlord agreed to evict the tenants.

Commissioner Francesconi said the truth is that most of the chronic nuisance cases being reported are in Southeast, not Northeast, Portland.

Commander Rictor said they have only been tracked since 1996. He said there is a serious drug house problem in Northeast where owner-occupied residences are proving more difficult to handle. In Southeast they have had a phenomenal success rate resolving these problems through informal contacts.

Larry Tyrell, 1913 SE Oak, described how effectively residents used the chronic nuisance ordinance as an organizing tool to deal with a neighborhood problem house. He said it allows for consistent police contact and creates better neighborhood communication.

Other citizens speaking in support of the ordinance included:

Deena Grossman, 1913 SE Oak Street, 97214

Richard Wood, 329 SE 20th, 97214

Pam Arden, 1817 N. Winchell Street, 97217

Gregg Knakal, 8205 SE Harney, #1, 97266

Sonya Reghetto, 731 NE 93rd, 97220

Madelyn Wessel, Chief Deputy City Attorney, said this strikes a balance that allows neighbors to solve problems while still protecting citizen rights. She said

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it is a very aggressive tool, with a lot of problem-solving procedures built in, but does not walk over the constitutional line.

Commissioner Francesconi noted Portland Organizing Project's initial efforts to see that this worked and provide an organizing principle for neighbors. He said it is wonderful to see how it has been operating.

Mayor Katz said it is comforting to have an orderly process to deal with such situations and specifically thanked Officers Kukla, Cox and Lang for their extra efforts in working with the Southeast neighbors.

**Disposition:** Ordinance No. 171188. (Y-5)

**Mayor Vera Katz**

**\*736** Authorize the Mayor and the Auditor to approve a settlement between the City of Portland and International Association of Machinists and Aerospace Workers District Lodge 24 (Ordinance)

**Discussion:** Laird Cusack, Bureau of Personnel, said this represents settlement of a grievance in excess of \$5,000. The City has now agreed to 16 hours a week pay to members of this union for being on standby.

**Disposition:** Ordinance No. 171189. (Y-5)

**737** Authorize \$18,500,000 of Parking Revenue Bonds (Second Reading Agenda 695)

**Disposition:** Ordinance No. 171190. (Y-5)

**Commissioner Jim Francesconi**

**738** Transmit report of Bureau of General Services on vehicle replacement cycles (Report)

**Discussion:** David Kish, Director, Bureau of General Services (BGS), said this covers about 60 percent of fleet's inventory. The bottom line is that if the cycle is extended one-year, the City will save \$299,626 (60 percent from the General Fund). He said if Council adopts a one or two year extension, BGS would like it to consider adding another mechanic to Fleet to take care of the anticipated increase in maintenance problems.

Commissioner Francesconi moved to extend the cycle one year. Commissioner Kafoury seconded.

Commissioner Kafoury said perhaps some of the savings could be used to add staff.

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Mr. Kish said they should be able to tell in about six months.

**Disposition:** Accepted as amended (Y-5).

**Commissioner Charlie Hales**

**\*739** Contract with Lloyd Lindley for professional services to conduct the Martin Luther King corridor study (Ordinance)

**Discussion:** Andre Baugh, Office of Transportation, described the MBE/FEB/ESB participation in this study and the public process that was conducted.

Commissioner Francesconi asked if the City was really reaching into the neighborhood to try to get new people involved.

Mr. Baugh described Gina Wooley's efforts to involve the community.

Commissioner Francesconi said a longstanding member of the African-American business community should be included.

**Disposition:** Ordinance No. 171191. (Y-5)

**740** Adopt amendments to the Historic Resources Protection provisions of Title 33, Planning and Zoning (Ordinance; amend Code Title 33)

**Disposition:** Passed to Second Reading May 28, 1997 at 9:30 a.m.

**Commissioner Erik Sten**

**\*741** Designate and assign four sewer easements within University Park, Cathedral Park, Northgate Park and Delta Park and provide for payment (Previous Agenda 688)

**Disposition:** Ordinance No. 171192. (Y-5)

**City Auditor Barbara Clark**

**742** Assess benefitted property for the costs of improvements in the Westside Light Rail Underground Utilities Local Improvement District (Previous Agenda 652; C-9853)

**Disposition:** Continued to May 28, 1997 at 11:00 a.m. Time Certain

**743** Create the SW Evans Street/19th Avenue Local Improvement District (Previous Agenda 653; C-9911)

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**Discussion:** Lola Gayley, Transportation Engineering, requested that this be continued another week.

**Disposition:** Continued to May 28, 1997 at 11:00 a.m. Time Certain

**744** Assess property for sewer connection contracts processed through the Private Plumbing Loan Program for the period ending May 5, 1997 (Second Reading Agenda 703; P0026)

**Disposition:** Ordinance No. 171193. (Y-5)

**745** Assess property for sidewalk repair by the Bureau of Maintenance for billing processed through April 8, 1997 (Second Reading Agenda 704; Y1017)

**Disposition:** Ordinance No. 171194. (Y-5)

**746** Assess property for sewer system development contracts for the period ending April 8, 1997, for the mid-County sewer project and non mid-County area (Second Reading Agenda 705; Z0654,Z0655,Z0656,Z0657)

**Disposition:** Ordinance No. 171195. (Y-5)

**747** Assess benefitted property for the costs of constructing street and storm sewer improvements in the SE Ankeny from 97th to 99th Avenues Local Improvement District (Second Reading Agenda 706; C-9877)

**Disposition:** Ordinance No. 171196. (Y-5)

At 12:40 p.m., Council recessed.



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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 21ST DAY OF MAY, 1997 AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Francesconi, Hales, Kafoury and Sten, 5.

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

**748** **TIME CERTAIN: 2:00 PM** - Authorize submission of FY 1996-97 Spring Supplemental Budget to the Multnomah County Tax Supervising and Conservation Commission (Resolution introduced by Mayor Katz)

**Discussion:** Mayor Katz said one number needs to be amended (Page 2, Item 24), to read \$1,981,525 instead of \$31,957. The bottom line does not change, however. She said Council can call it a scrivener's error.

David Agazzi, Director, Bureau of Financial Management, said this amends the adopted current budget upwards by \$101,000,000. Of that, \$8 million is for the Portland Development Commission and \$93 million is for the City. He explained that \$80 million is from the proceeds from the pension obligation bonds sold as a result of Measure 47. This action recognizes those proceeds as revenue within the budget. Most of the other items are debt related.

Larry Nelson, Bureau of Financial Management, outlined some of the other items included in the Supplemental Budget.

**Disposition:** Resolution No. 35613. (Y-5)

Mayor Katz adjourned the Council meeting so that members could reconvene as the Budget Committee for purposes of finalizing the Ballot Measure 47 budget. She read a statement regarding the distribution of State Revenue sharing funds and outlined the purposes the City intends to spend that revenue on, anticipated to be \$7.8 million. She asked for public testimony. With none forthcoming, the hearing was closed.

**749** **TIME CERTAIN: 2:15 PM** - Hearing by Council (meeting as the Budget Committee) on Mayor's proposed Budget for FY 1997-98 (Report introduced by Mayor Katz)

**Discussion:** Mayor Katz asked Mr. Agazzi to specifically state what Council decided during the work sessions it held in the last two days so that the public can respond.

Mr. Agazzi said the Mayor's proposed budget was released on May 5, followed by

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three public hearings. At the work sessions Council indicated a number of items they would like to reduce, eliminate or add back to the budget. In some cases, the items discussed were not funded entirely by the general fund, even though that was the assumption and there has not been enough time to get the exact figures. However, they estimate that about \$290,000 of the items are not general fund. To approve a balanced budget, therefore, some money will have to be moved from contingency, all of which he is confident will be recovered as a result of Measure 50's passage.

Mr. Agazzi reviewed the changes. For Parks, there will be an add back \$210,000 for three community schools through bridge funding plus \$150,000 from contingency for garbage pickup. Deletion of planning support for World Games will reduce the budget by \$100,000 but the Budget Office will return later when costs are firmed up. Consensus was reached by Council to add \$70,000 of general funds back to the City Attorney's office.

Commissioner Kafoury said she hopes a future budget note encouraging the use of paralegals will be added, too.

Mayor Katz said the City Attorney's office has been instructed to see to what extent it can recover Enterprise Funds for the services they provide if they exceed what the overhead model currently covers.

Mr. Agazzi said within the Office of Neighborhood Associations, there was consensus to add back \$80,000 for crime prevention services. Other items where changes have been made include the service improvement initiative, City/County consolidation, public information office, Croson Study implementation and the Fire Bureau's trauma intervention program.

Mayor Katz requested that \$10,000 be added from Contingency for the Outside In needle exchange program, the same amount provided in last year's budget. She said this is a program that actually works. She said the money would be returned to Contingency after Council deals with Ballot Measure 50.

Mr. Agazzi said other areas still to be worked out are Portland Development Commission salary costs, the proposed transfer of \$200,000 from the Parking Fund to market Smart Park and funds to be transferred from Fleet to help support the Parks Community Schools.

Commissioner Francesconi said he believes David Kish in the Bureau of General Services is proposing that Fleet rates can be reduced by about \$187,000. That would go to the General Fund, not directly to the community schools.

Mr. Agazzi said the funds are available for marketing Smart Park but he needs more information to do the technical analysis.

Council agreed to the \$10,000 for the needed exchange.

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Tim Grewe, Office of Financial Management, clarified the PDC salary issue. He said the Personnel Director did an analysis of PDC staff position by position and found them fairly comparable to City positions. However, the upper end of the salary ranges tend to be higher than the City's. They also do annual performance reviews with a range of increases from zero up to 4.1 percent. With cost of living, the annual increase is about six percent.

Commissioner Kafoury noted that a number of positions were about 10 percent higher for the coming year in the budget.

Mr. Agazzi said because of substantial reorganizing it is hard to compare last year's positions to this year's.

Chris Sherritt, Finance Director, Portland Development Commission, said comparing last year's budget with this year's does not in many cases reflect the actual salaries of individuals. Any 10 percent raise indicated is not a reflection of what people will actually be getting. The compensation system calls for an annual performance review and employees would receive anywhere from a zero to seven percent increase. The average increase last time averaged six percent for merit increases but the actual increases averaged three percent. He noted, however, that for FY 96-97 the Commission suspended all salary increases.

Commissioner Kafoury said there were enough in the 10 percent range that it surprised her.

Mr. Sherritt said that is not a reflection of what people will actually be getting.

Commissioner Kafoury asked when the totals for PDC's budget would be ready. The materials submitted as part of the restructuring proposals were not the same as the totals. Do the position reductions outlined result in a reduction of anything in the approved budget?

Mr. Sherritt said the current budget does not reflect the most recent changes to agreements they have made with Council about reduction of work force and other alterations.

Mr. Agazzi said they planned to make those changes during the technical amendment that is still to be adopted.

Commissioner Kafoury said it would be helpful to have a ballpark figure for how much the budget is being reduced -- \$50,000 or \$5,000,000?

Mr. Agazzi said while there will be reductions in positions, salaries and programs, the total budget due to reorganization may not change all that much as funds and grant money may instead be directed to community-based organizations.

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Commissioner Kafoury asked if there would be any savings other than in the positions.

Mr. Sherritt said the 29 position reduction is actually reflected in their budget.

Mayor Katz asked what would happen if loan services are transferred.

Mr. Sherritt said they will continue to contract to provide the loan servicing for the City funds although it may be done through an out-sourcing arrangement.

Commissioner Francesconi asked if that decision had been made.

Mr. Sherritt said not yet as they are currently assessing loan servicing providers but hope to make that decision soon.

Commissioners Francesconi and Sten said they are not interested in out-sourcing the loan services.

Mayor Katz said if PDC finds it is a better deal she would like them to come to Council and make their case.

Commissioner Francesconi said he would like Council to have the ability to assess the work force board. He said he is not sure it takes 16 people to do it.

Mr. Agazzi said there are a lot of issues to review, including the need to talk to a number of grantors.

Mayor Katz said the reductions taken originally are reflected in the proposed budget. What is not reflected, however, are decisions about loan servicing and work force issues as those are the ones where Council is considering changes. Those changes will be reflected in the adopted budget, as far as can be known, but enough flexibility will be given to allow Council to make changes after adoption.

Commissioner Kafoury said she did not realize that some of the reductions in positions are contingent on these longer processes.

Mayor Katz said the bottom dollar amount will not change.

Mr. Agazzi said there was also a request from David Kish for an additional clerical position in communications with no increase in rates. He said they will add a budget note stating that by the end of the first quarter BGS will have to report back to Council on every service where they provide additional savings to make sure they ultimately hit their budget target. Adding this position and the marketing position would put their budget beyond the agreed target amount so they hope to get at least that amount in savings.

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Mayor Katz said while BGS may realize additional revenues, the only way to get savings is to not add bodies. She noted the restoration of funds for the community schools and some restoration of garbage cans in the parks.

Commissioner Francesconi thanked citizens for their advocacy for Parks, for retaining crime prevention staff in the neighborhoods and for economic development. He also thanked City staff and fellow Council members for their tremendous efforts.

Commissioner Hales congratulated the Fire and Police Bureaus for doing a fine job of eliminating middle management and said he was also pleased with the way the Planning Bureau rethought its community planning effort. He said citizens have responded favorably to support for public safety and livability and he is committed both to tax reform and to retaining local control.

Commissioner Kafoury said Mayor Katz did a tremendous job in keeping critical services viable although she worries about emergency services during the winter. Regarding PDC, she said she is not anti-development and wants the agency to thrive in its new configuration. Regarding the Multnomah Human Relations Commission, she regrets the acrimonious debate and hopes those involved can move beyond that now.

Commissioner Sten said he is glad to see that Police, Fire and Parks services remain intact. He too called for tax reform which places less burden on home owners. He is also committed to keeping affordable housing on track and believes PDC should propose no more tax abatements.

Mayor Katz said this budget did not turn out as badly as she originally feared. She especially thanked newcomers Mr. Agazzi and Janice Deardorff, Personnel Bureau Director, as well as the bureau managers who made cuts in ways that had the least impact on services. She said the Police Bureau will experience the most cultural change with demotions creating some difficulties. She hopes to revisit this issue if it becomes clear that mistakes have been made. She said passage of Ballot Measure 50 gives Council the opportunity to do things differently with the additional dollars, not just plug the money back into those areas where cuts were made. It gives Council a second chance to think more creatively about services.

**Disposition:** Approved as amended. (Y-5)

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**Commissioner Charlie Hales**

**750** Tentatively deny appeal of Multnomah Neighborhood Association and uphold Hearings Officer's application approval of Leonard and Carolyn Faria, for a conditional use and adjustment to install a permanent, unmanned cellular broadcast facility at 4350 SW Multnomah (Findings; Previous Agenda 655; LUR 96-01075 CU AD)

**Disposition:** Continued to May 28, 1997 at 2:00 p.m.

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

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 22ND DAY OF MAY, 1997 AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Francesconi, Hales, Kafoury and Sten, 5.

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

**\*751 TIME CERTAIN: 2:00 PM** - Amend the Comprehensive Plan Map and change the zone of property on the west side of NW Skyline Boulevard, north of Thompson Road and south of Saltzman Road, from OS (Open Space) to R10 (Residential) (Ordinance introduced by Commissioner Hales; LUR 96-01137 CP ZC PU SU EN AD)

**Discussion:** Linda Meng, Senior Deputy City Attorney, suggested that this matter be carried over one week because the wrong day of the week was listed in the hearing notice. That would allow anyone confused about the date a chance to enter testimony.

Commissioner Hales and Mayor Katz clarified any contacts that might have been considered ex parte contacts.

Duncan Brown, Planning Bureau, described this proposal for a 95-lot subdivision which requires environmental review, adjustments and variances in order to meet the approval criteria. To approve this proposal, the Council must find that it equally or better supports the relevant goals. He noted that an earlier proposal had been withdrawn and has now been modified to provide higher density and greater connectivity. Mr. Brown said Open Space zoning was placed on this area because it was part of a cemetery, not because of its environmental value and the owners, Skyline Memorial Gardens, have now offered it for sale. Portions of the site are within the Environmental Conservation Zone, as part of Resource Site 144 in the Skyline West Conservation Plan. The resources were part of the ESEEE analysis used to determine whether environmental zoning should be placed on this site. That analysis concluded that it has only Class C resources and only the drainage ways merited Environmental Conservation zoning.

Mr. Brown said overall this development is an improvement over what was proposed earlier. Development is more dense, providing greater housing opportunities at lower costs and much better access, including a

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pedestrian/bicycle pathway and two additional roads extending to the south. The applicant has proposed two changes in the conditions. The first, 1.b, would clarify the legal creation of the site. The Hearings Officer added a condition tying approval to a particular lot line adjustment and the applicant feels perhaps a partition or some other means may be needed and would like more flexibility. The Bureau of Planning believes it merits inclusion. The requested deletion of Condition 27 is supported by Transportation Engineering which believes transportation needs can be met through the carpool program required in Condition No. 26.

Commissioner Hales asked if this condition was similar to the one requiring Forest Heights residents to participate in a private transportation system. Now, staff is saying Condition 26 is enough and that more people do not need to be added to the private transportation agreement in Forest Heights.

Jean Harrison, Office of Transportation, said the condition for Forest Heights is very specific to that development and would have to be reopened and amended before it could apply to another subdivision. Transportation is investigating that possibility but at this time Condition 27 would tie the applicants to something they cannot do.

Bob Stacey, attorney representing the applicant, said the developer believes that it would be better to participate in Forest Heights' existing program, rather than duplicating it. They approached the Forest Heights Association Board and received a letter stating their strong opposition to modifying their conditions of approval, potentially adding to the cost. The Northwest Hills Study does not impose a transit service requirement; it imposes a requirement that transportation services be part of a subdivision not served by transit. The developer has proposed a ride-sharing and carpool matching program to meet that condition but all look forward to the day when Tri-Met will provide service to the area. He said adding 95 units will help provide the critical mass as will the build-out of Forest Heights for providing that service in the future. He outlined the changes made since withdrawal of the earlier proposal at this same location. At that time Council expressed strong concerns that a plan amendment from Open Space, even private Open Space, requires a significant contribution to be made to other public policy objectives of the City in order for that change to be justified. The proposal has since been changed significantly. One of these changes is that the Forest Heights Neighborhood Association no longer opposes the application. Other major changes include an increase in density from 60 to 95 lots, zoned R10, but leaves 18 more acres in the Open Space plan designation than the former R20. Within the development, there will also be 12 acres in common Open Space connected by a public trail to Skyline Boulevard and, via Saltzman Road, to Forest Park. Finally, there will be three new connections to the south to Forest Heights -- two streets and a bike/pedestrian pathway. Mr. Stacey noted that to accomplish this Forest Heights agreed to redesign Phase 7 of its development.



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Don Hansen, OTAK, discussed vehicular and pedestrian circulation, the proposed lot pattern and the storm drainage system. He said the proposed drainage is a more urban system and will vault water to minimize the impact to on-site drainages.

Steven Kolberg, attorney representing the owners of Skyline Memorial Gardens, voiced the support of his clients for the proposal.

Les Blaize, the principal opponent, said the Forest Park Neighborhood Association's decision not to oppose this in no way should be interpreted as meaning that it favors this proposal. Rather they felt this was a done deal and they should get what they could out of it, although he disagreed with that decision.

Mr. Blaize said his primary concern is that Goal 5 resources were not dealt with correctly and that a Significant Resource Area should not be confused with Environmental Zones. He said it defies common sense that 95 houses are better than Open Space, arguing that the maps indicate that the Significant Resource zone definitely overlaps the Environmental zone. They are so distinctly different that the applicant does not want to mention it. He said their ESEEE analysis does not take that into consideration. Because of the difference between the two the conflicting uses must be taken into consideration. Tim Brooks, the planner who developed the Skyline Resource Plan, told him the developer must go back to square one for its ESEEE analysis and then determine how the Significant Resource zones are going to be protected and measure the conflicting uses of residential zones. He said to say that residential is similar to Open Space and would have the same impact as a cemetery is nonsense.

Mr. Blaize quoted Council members' comments made when they voted against the prior application, noting that at that time they stated their opposition to density at all costs. He said the criteria are still not met, particularly with the added traffic 95 housing units will produce, and drainage issues still remain. However, the big issue is the torturous reasoning of the Hearings Officer in comparing Open Space to Residential. He also questioned cutting off a natural resource area feeding Forest Park.

Nancy Rosenlund, 5900 NW Cornell, said the Forest Heights Neighborhood Association did not support this proposal. Rather, it unanimously opposed it but by a split vote decided not to testify against it. She said this is a severely hazardous area, subject to slides and land instability. She said Open Space needs to be preserved and this area kept in a restful position. She said the property owners bought this with full knowledge of the Open Space designation and any zone change was speculative.

Arnold Rochlin, Acting President, FHNA, explained that the neighborhood association had reached a settlement agreement with the developer and voted, by

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a majority, not to oppose this after achieving certain assurances about future development.

In rebuttal, Mr. Stacey said Mr. Blaize calls for applying the rules of Environmental zones outside Environmental zones, which is not appropriate. He said this is an area rich in natural resources, which has two functions: 1) visual relief; and 2) recreation and access. He said development will fulfill both functions. He said the Hearings Officer addressed the issue of whether the property is an arm feeding Forest Park and concluded there was no logical connection.

Mr. Hanson said a soils analysis specialist found the area suitable for residential development and prescribed specific methods for building. He said the City's standards do work, adding that during the recent floods and slides, nothing built to these standards failed.

Commissioner Francesconi asked if a precedent existed for stating that there should be a higher standard of value for Open Space.

Mr. Stacey said every Comprehensive Plan map amendment should be taken as a whole and there should be a balance of relevant policies. The balance, considering the benefits of development and the minimal impact on Open Space, favors the proposal. Equally or better, not higher, is the test.

Mr. Brown said when the prior application was heard, Council said that R20 did not provide enough benefit (to density goals) to offset the loss of Open Space. Now the applicant is proposing higher density and lower-cost housing.

Commissioner Francesconi asked if any specific case sets a precedent regarding the standard for Open Space.

Mr. Blaize said Fasano v. Washington County places the burden of proof on the party seeking change and must clearly state the public need for the change on this particular property at this particular time.

Mr. Stacey said the recent Johnswood/HOST decision by Council which redesignated Open Space for development sets a precedent for this. He disagreed that Fasano applied.

Commissioner Sten asked how staff determined Open Space zoning for cemetery use.

Mr. Brown said they reviewed the original designation when the property was annexed into the City.

Ms. Meng said the City Attorney's office concluded that this case should be continued because the hearings notice mistakenly said Wednesday, not Thursday.

Commissioner Hales said the record could be left open but that should not preclude a tentative decision. He moved to tentatively uphold the Hearings Officer's decision of approval but to modify Condition 1-b and delete Condition 27.

Commissioner Francesconi seconded.

Commissioner Hales said this is a common sense approach and now the balance tips towards approval rather than denial.

Commissioner Kafoury said this property is within the Urban Growth Boundary and she will vote to approve this based on the increased density and improved connectivity.

Commissioner Sten said in his view a high standard must be met before Open Space is changed and he is somewhat uncomfortable about the policy here.

Mayor Katz left the hearing and did not vote. Commissioner Hales as President of Council, noted that the hearing has been closed but written testimony will be accepted prior to this case's continuation to May 28 at 2:00 p.m.

**Disposition:** Tentatively approve with modified conditions (Y-4); applicant prepare findings for May 28, 1997 at 2:00 p.m.

**752 TIME CERTAIN: 3:00 PM** - Prescribe the rates and charges for water and water-related services by the City of Portland during the fiscal year beginning July 1, 1997 to July 1, 1998 and fix an effective date (Ordinance introduced by Commissioner Sten)

**Discussion:** Commissioner Sten said he is very pleased that the water and sewer rate increases have been kept to this level, with a zero increase in water rates rather than an estimated increase of 4.7 percent. Sewer rate increases have been kept to 10.8 percent on average, rather than a projected increase of 13 percent. The Bureau of Environmental Services (BES) is now projecting annual 11 percent sewer rate increases for the next four years. He believes citizens want the Columbia Slough and Willamette River cleaned up and are willing to pay for it. The question is how to do it most cost effectively. Commissioner Sten said he is pleased that garbage rates will remain flat despite the dramatic drop in the market for recyclables.

Mike Rosenberger, Director, Water Bureau, said staff is proud of its zero percent increase as it was done without reducing services and with the expansion of some. He said the City will meet all State and federal drinking water standards

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and staff will report later on the implications of the new federal regulations for safe drinking water. Mr. Rosenberger said the Bureau will go to optional monthly billing as of July 1 and noted that three-fourths of its customers stayed at level one throughout the year and two-thirds during peak season.

Dean Marriott, Director, Bureau of Environmental Services, said they are pleased to have been able to bring the sewer rate increase down to 10.3 percent, after projecting 13 percent. While they cannot guarantee they will continue to bring rates below the estimated level, that is their number one objective. Garbage rates will remain the same except for an increase in the hilly terrain surcharge from \$1.70 to \$2.20 per month. Although the market for recyclables is down that is balanced by a reduction in tipping fees and increased hauler productivity. He said the rationale for adding the \$.50 surcharge was based on a 1997 study which showed a 27 and 25 percent cost differential for hilly terrain.

Sue Keil, BES Solid Waste and Recycling Manager, reviewed the results of their recent customer survey, to which 10,000 customers responded. Regarding storm debris pickup, she said 69 percent prefer a small charge at the site to a general rate increase. This year Metro reimbursed the City for its debris pick-up efforts, which were free, but has indicated that it will do so in the future only if the President or Governor declares it an official disaster area.

Doug Morgan, Portland Utilities Review Board (PURB) Chair, described the PURB's analysis of all factors affecting rates. He said their one real worry is the double digit rate increase, which could lead to a taxpayers' revolt. He said PURB unanimously supports the rate proposal but to continue the phase-in of the cost reallocation program adopted by Council last year. It will only be more difficult if it is delayed a year. The recommendation is to reduce the fee from eight to five percent.

Speaking for Chris Thomas, Chair of the PURB Water sub-committee, Mr. Morgan said they support the change in rate methodology adopted by Council last year and believe it should not be deferred.

Commissioner Sten said he plans to discuss this at the next budget session and will consider putting this on the list of items to be considered for the additional money granted under Measure 50. He said this is an unfair tax and the bills will continue to go up but it is just a matter of when Council bites the bullet and pushes down this completely regressive and bad way to fund the general fund.

Commissioner Kafoury noted that all of Council supported moving the fee down gradually.

Commissioner Sten said his assumption, however, was that Council would not even look at it until next year. It certainly was a rational decision in the face of Measure 47 but now it is a question of where on the priority list this should go.

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Commissioner Francesconi asked Mr. Morgan if PURB looked at commercial versus residential rates in terms of the franchise fee.

Mr. Morgan said no.

Commissioner Sten said he delayed the service charge implementation, a four-year plan to shift some costs on certain businesses that should be placed on residential customers. If that was done this year there would still be a zero percent rate increase because the amount charged across the board would not change. However, residential bills would go up three percent and giving residential customers the message that zero percent means their rates go up made it worth delaying the phase-in plan another year. He said this was basically a political decision for him.

Paulette Rossi, PURB Solid Waste Sub-committee chair, said a rate stabilization fund should be formed to mitigate the effects of differences in the recycling markets. She also said the haulers should itemize the terrain differential as BES did not explain why flatter areas in southwest would still have to pay the differential. Only 20 people who returned surveys questioned the surcharge and PURB supports the increase.

Rick Steinfeld, PURB Sewer Sub-committee, said his committee studied the impact of the CSO projects on rates in depth. Their one recommendation is to delay the Johnson Creek project and also to review and reduce the franchise fee which they believe is an unfair burden on rate payers. Speaking personally, he said not just big businesses but smaller ones, such as his, are large water users and should be considered for possible rate breaks.

Commissioner Francesconi asked if PURB had any basis for believing there would be a ratepayer revolt.

Mr. Morgan said if citizens knew that eight percent of their bill was used to support Parks, Police and Fire they might feel different about their rate increases. He said its regressive impact and lack of connection to the services given make it politically unsound.

Commissioner Sten said a January poll of Portland citizens indicated that over 70 percent of the citizens support continuation of the franchise fee in order to keep Police, Fire and Parks services going. But it is still unfair. He said to avoid a ratepayer revolt a link needs to be made between their bills and all the projects that are cleaning up the rivers. Rate increases need to be kept down and other sources of money need to be sought. Finally, the City needs to make sure that its work is leveraging other work downstream.

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Mr. Steinfeld said Council should also consider a cap on businesses. His company's bill is over \$350,000 and when they hear rates are going up 11 percent that is significant and cause for a revolt. He said only two categories of businesses are in the top ten water users -- pickle companies and sewers.

Mike Hutchens, Chair, BES Solid Waste Advisory Committee, said his committee supports these proposed rate increases and recommends that a full explanation of the terrain charge accompany the rates for customers in the the surcharge areas twice each year but that the line item terrain charge no longer be shown separately on the bill. The committee also appreciates the willingness of staff to manage within the revenue generated by a reduced franchise fee of four percent.

Ms. Rossi, speaking for herself, said a recent management study shows the average American citizen spends more time each year (13 hours a year) putting on underarm deoderant than on improving the community. She noted her previous request to have the City form a non-profit corporation seeking voluntary contributions to assist in funding water and sewer rate relief and she would like to see community service as a component of an enhanced utility assistance program. She asked for a budget note requesting that each bureau identify the cost, labor and liability constraints of using volunteers, to determine the tasks they can perform and develop a methodology to measure their accomplishments.

Rick Steinfeld, President, Steinfeld Products Co., said the business community is not given enough time to respond when new rates are proposed in May and Council votes two weeks later. He asked Council to review block pricing and possibly exempt food processors who require higher usages of water in the summer from the price increase. He noted that they hire about 300 additional people, many of them students, in the summertime.

Duke Kershner, no address stated, said PURB has done an outstanding job of making sense of the, at times, very confusing stuff that comes from staff. However, it is is very unfair for the federal government, through an unfunded EPA mandate, to order the City to spend a billion dollars to clean up the water but provide no money to do so. He said the federal government should be asked to help out.

**Disposition:** Continued to May 28, 1997 at 2:00 p.m.

753

Amend Title 17 of the City Code to revise sewer and drainage rates and charges in accordance with the Fiscal Year 1997-98 sewer user rate study (Ordinance introduced by Commissioner Sten; amend Code Chapters 17.35 and 17.36)

**Disposition:** Continued to May 28, 1997 at 2:00 p.m.

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754 Amend Title 17 of the City Code to revise residential solid waste and recycling collection rates and charges and to reduce the commercial solid waste tonnage fee charged by the Bureau of Environmental Services (Ordinance introduced by Commissioner Sten; amend Code Chapter 17.102)

**Disposition:** Continued to May 28, 1997 at 2:00 p.m.

At 4:25 p.m., Council adjourned.

BARBARA CLARK  
Auditor of the City of Portland

*Cay Kershner*

By Cay Kershner  
Clerk of the Council