



CITY OF  
**PORTLAND, OREGON**

OFFICIAL  
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **25TH DAY OF APRIL, 2007** AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Potter, Presiding; Commissioners Leonard, and Saltzman, 3.

OFFICERS IN ATTENDANCE: Susan Parsons, Acting Clerk of the Council; Harry Auerbach, Chief Deputy City Attorney; and Ron Willis, Sergeant at Arms.

<p><b>DUE TO THE ABSENCE OF TWO COUNCIL MEMBERS ON WEDNESDAY, THE CONSENT AGENDA AND EMERGENCY ITEMS WERE HEARD ON THURSDAY, APRIL 26, 2007 AT 2:00 PM</b></p> <p><b>COMMUNICATIONS</b></p>	<p><b>Disposition:</b></p>
<p><b>420</b> Request of Matt Rossell to address Council regarding World Week for Animals in Laboratories (Communication)</p>	<p><b>PLACED ON FILE</b></p>
<p><b>421</b> Request of Amanda Fritz to address Council regarding Measure 26-90 Civil Service Charter changes (Communication)</p>	<p><b>PLACED ON FILE</b></p>
<p><b>422</b> Request of John Ryan to address Council regarding quantification tool and a pocket of corruption (Communication)</p>	<p><b>PLACED ON FILE</b></p>
<p><b>TIME CERTAINS</b></p>	
<p><b>423</b> <b>TIME CERTAIN: 9:30 AM</b> – Accept the report Sustainable Development Commission Activities November 2005-March 2007 (Report introduced by Commissioner Saltzman)</p> <p><b>Motion to accept the Report:</b> Moved by Commissioner Leonard and seconded by Commissioner Saltzman.</p> <p>(Y-3)</p>	<p><b>ACCEPTED</b></p>
<p><b>424</b> Accept the report of the Sustainable Development Commission PDX: The world's sustainability center, a blueprint for global leadership in sustainable economic development (Report introduced by Commissioner Saltzman)</p> <p><b>Motion to accept the Report:</b> Moved by Commissioner Leonard and seconded by Commissioner Saltzman.</p> <p>(Y-3)</p>	<p><b>ACCEPTED</b></p>

<p><b>REGULAR AGENDA</b></p>	
<p><b>425</b> Tentatively deny appeal of Goose Hollow Foothills League and uphold the Hearings Officer’s decision with modifications to approve the application of Cynthia L. Hilliard for a Zoning Map Amendment from R7 to R2, in compliance with the existing Comprehensive Plan Map designation of Low Density Multi-Dwelling Residential and four Adjustment Reviews at 1970 SW Mill Street Terrace (Findings; Previous Agenda 257; LU 06-109528 ZC AD)</p> <p><b>Motion to adopt the Findings, deny the appeal and uphold the Hearings Officer's decision with modifications to approve the application:</b>                  Moved by Commissioner Saltzman and seconded by Commissioner Leonard.</p> <p>(Y-3)</p>	<p><b>FINDINGS ADOPTED</b></p>
<p><b>Mayor Tom Potter</b></p>	
<p><b>Office of Management and Finance – Financial Services</b></p>	
<p><b>426</b> Authorize revenue bonds to finance costs of the Portland Mall Revitalization Project (Ordinance)</p>	<p><b>PASSED TO SECOND READING MAY 2, 2007 AT 9:30 AM</b></p>
<p><b>Office of Management and Finance – Purchases</b></p>	
<p><b>427</b> Accept bid of James W. Fowler Company for the Columbia Blvd Wastewater Treatment Plant Dry Weather Primary Clarifier Expansion project for \$7,399,000 (Purchasing Report - Bid No. 106989)</p> <p><b>Motion to accept the Report:</b> Moved by Commissioner Leonard and seconded by Commissioner Saltzman.</p> <p>(Y-3)</p>	<p><b>ACCEPTED PREPARE CONTRACT</b></p>
<p><b>428</b> Adopt findings, authorize an exemption to the competitive bidding process to the Bureau of Purchases pursuant to ORS 279C.335 and City Code Title 5 Section 5.34.810 and 5.34.820 and provide payment for construction of the Sandy River Conduit Relocation project (Previous Agenda 411)</p>	<p><b>PASSED TO SECOND READING MAY 2, 2007 AT 9:30 AM</b></p>
<p><b>Commissioner Sam Adams</b></p>	
<p><b>Office of Transportation</b></p>	
<p><b>429</b> Create a local improvement district to construct street and bridge improvements from the Columbia Slough to Alderwood Road in the NE 92nd Drive Local Improvement District (Previous Agenda 317; Hearing; Ordinance introduced by Commissioner Adams; C-10020)</p> <p><b>Rescheduled to May 9, 2007 at 9:30 am</b></p>	<p><b>CONTINUED TO MAY 9, 2007 AT 9:30 AM AS AMENDED</b></p>

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<p><b>430</b> Amend contract with CMTS, Inc. to supply qualified construction management, capital program management, inspection and project support personnel (Second Reading Agenda 414; amend Contract No. 36333)  (Y-3)</p>	<p><b>180907</b></p>
<p style="text-align: center;"><b>Commissioner Dan Saltzman</b></p> <p style="text-align: center;"><b>Parks and Recreation</b></p> <p><b>431</b> Accept report from the Parks Bureau on Total Asset Management (Report) <b>Motion to accept the Report:</b> Moved by Commissioner Saltzman and seconded by Commissioner Leonard.  (Y-3)</p>	<p><b>ACCEPTED</b></p>

At 11:22 a.m., Council recessed.

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**WEDNESDAY, 2:00 PM, APRIL 25, 2007**

**DUE TO LACK OF AN AGENDA**

**THERE WAS NO MEETING**

**April 26, 2007**

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **26TH DAY OF APRIL, 2007** AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Potter, Presiding; Commissioners Adams, Leonard, Saltzman and Sten, 5.

OFFICERS IN ATTENDANCE: Susan Parsons, Acting Clerk of the Council; Kathryn Beaumont, Senior Deputy City Attorney; and Ron Willis, Sergeant at Arms.

On a Y-5 roll call, the Consent Agenda was adopted.

<b>432</b> <b>TIME CERTAIN: 2:00 PM</b> - Accept Staff Report and Recommendation and Order of Council for William E. Lobdell, Measure 37 Claim (Report introduced by Mayor Potter; PR No. 06-180880)	<b>Disposition: CONTINUED TO MAY 3, 2007 AT 2:30 PM TIME CERTAIN</b>
<b>433</b> <b>TIME CERTAIN: 2:30 PM</b> - Accept the report Project Homeless Connect, January 2007 (Report introduced by Commissioner Sten)  <b>Motion to accept the Report:</b> Moved by Commissioner Adams and seconded by Commissioner Saltzman. (Y-5)	<b>ACCEPTED</b>
<b>434</b> <b>TIME CERTAIN: 3:00 PM</b> - Accept Citizen Campaign Commission: First Report to the City Council and Citizens of Portland (Report introduced by Auditor Blackmer)  <b>Motion to accept the Report:</b> Moved by Commissioner Saltzman and seconded by Commissioner Adams. (Y-5)	<b>ACCEPTED</b>
<b>CONSENT AGENDA – NO DISCUSSION</b>	
<b>Mayor Tom Potter</b>	
<b>Fire and Police Disability and Retirement</b>	
<b>*435</b> Amend contract with Data Management Consultants for computer systems design, maintenance and programming services of the Bureau of Fire and Police Disability and Retirement (Ordinance; amend Contract No. 51720) (Y-5)	<b>180908</b>
<b>Office of Emergency Management</b>	
<b>*436</b> Amend contract with Pierce Manufacturing, Inc. to furnish one Velocity Heavy Duty Rescue Apparatus at \$450,000 (Ordinance; amend Contract No. 35699) (Y-5)	<b>180909</b>
<b>Office of Management and Finance – Financial Services</b>	
<b>*437</b> Authorize amendments to Water Revenue bond documents (Ordinance) (Y-5)	<b>180910</b>

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**Commissioner Sam Adams**

**Bureau of Environmental Services**

\*438 Authorize agreement for conveyance of the John H. Rolfe and Rita M. Rolfe property located in the Johnson Creek floodplain project area to the Bureau of Environmental Services (Ordinance)  
(Y-5)

**180911**

439 Authorize the Bureau of Environmental Services to acquire a certain permanent easement necessary for construction of the SE 83rd and Harney Pump Station Project No. 6954 through the exercise of the City Eminent Domain Authority (Ordinance)

**PASSED TO  
SECOND READING  
MAY 2, 2007  
AT 9:30 AM**

440 Authorize grant application to fund outreach components of a restoration project in Oaks Bottom Wildlife Refuge to the East Multnomah Soil & Water Conservation District (Ordinance)

**PASSED TO  
SECOND READING  
MAY 2, 2007  
AT 9:30 AM**

441 Accept completion of the Woods Street Trunk Sewer Emergency Repair and authorize final payment to James W. Fowler Co. Project No. 8084 (Report; Contract No. 36193)  
(Y-5)

**ACCEPTED**

**Office of Transportation**

\*442 Authorize contract and provide for payment for the W Burnside and SE Milwaukie Avenue Road Rehabilitation -2007 Project (Ordinance)  
(Y-5)

**180912**

443 Authorize an Intergovernmental Agreement with Oregon Department of Transportation to fund design and construction of Portland Blvd Bicycle Lanes, Peninsula Park Crosswalks, I-5 Killingsworth Overcrossing Improvements and Downtown Kenton Traffic Safety Improvements (Second Reading Agenda 402)  
(Y-5)

**180913**

**Commissioner Dan Saltzman**

**Office of Cable Communications and Franchise Management**

444 Extend term of telecommunications franchise for MCI Communications Services, Inc., formerly known as Worldcom Network Services, Inc. (Second Reading Agenda 405; amend Ordinance No. 170954)  
(Y-5)

**180914**

**Parks and Recreation**

\*445 Authorize the Director of Portland Parks & Recreation to sign and enter into a Waiver of Notice and Consent to Statement in Lieu of Final Account and Judgment of Final Distribution to allow distribution of \$200,000 to the Bureau of Parks from the Estate of Frances Catherine Reuter (Ordinance)  
(Y-5)

**180915**

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<b>Commissioner Erik Sten</b>		
<b>Fire and Rescue</b>		
<b>*446</b>	Authorize a contract and provide payment for the purchase of up to eight fire apparatuses for Portland Fire & Rescue (Ordinance) (Y-5)	<b>180916</b>
<b>447</b>	Authorize Intergovernmental Agreement with the City of Gresham for the sale of data and technology used for mapping, prefire and dispatch information (Ordinance)	<b>PASSED TO SECOND READING MAY 2, 2007 AT 9:30 AM</b>
<b>448</b>	Amend City Charter and Code to rename the Bureau of Fire, Rescue and Emergency Services to Portland Fire & Rescue (Second Reading Agenda 408; amend Charter Chapter 5, Code Chapter 3.22 and other titles, as needed) (Y-5)	<b>180917</b>

At 4:28 p.m., Council adjourned.

GARY BLACKMER  
Auditor of the City of Portland

By Susan Parsons  
Acting Clerk of the Council

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

**April 25, 2007**  
**Closed Caption File of Portland City Council Meeting**

This file was produced through the closed captioning process for the televised City Council broadcast.

Key: \*\*\*\*\* means unidentified speaker.

[ The following text is the byproduct of the closed captioning of this broadcast. The text has not been proofread, and should not be considered a final transcript ] \* \* \*

**APRIL 25, 2007 9:30 AM**

**Potter:** Before we begin, we start each wednesday by asking the folks here and that are watching this on t.v., "how are the children?" the reason we ask that question is that we know that when the children are taken care of, the community is a better community. Each week we have folks come in and talk to us about issues around young people and children. And today we have liam and fianne. If you could come up, please. Both of these folks are in the gateway to college program, and we'll start with that. Who wants to speak first? Please state your name when you speak.

**Liam Ware:** My name is liam ware. I'm 17 years old and i'm enrolled in the gateway to college program at pcc. I'm here today to talk about second languages in schools. I think that's really important to learn. When I was 4 I was in preschool at belmont academy, which is a private school, and part of their curriculum was to teach spanish. So I got an introduction to spanish at a young age. And we learned a little phrases, like. [speaking spanish] but the pronunciation stuck with me. And when I enrolled in public school at 5 in kindergarten, from that point and up till now I haven't had a single schooling in any spanish or second language that was worthwhile. So i'm telling you this because a second language to me is more than just another way to talk. It's learning about a culture. My sister, she's enrolled, she's in the fourth grade, she's enrolled at richmond in the japanese immersion program. And she's learning the language, but she's also learning about the history of the people there. That's important to realize that we're part of a larger world and stuff like that. At the end of her fifth grade she'll have raised enough money to go to japan and sort of see the culture firsthand. Which is really important to her learning. The farther i've been outside of the country is vancouver, british columbia, which isn't that much different than Portland. You've been there. Assists my sister is also having more opportunities that I don't get the chance to have. I think I would like to end with the idea that if we knew a second language there would be more positive communication between groups of people in our community.

**Phianh Nguyen:** I live with my mom and -- in outer southeast Portland. My mom is diagnosed with secondary cancer. And she was -- she's terminal. She's still here, but she's doing alternative treatment. I actually work a lot. I have three jobs. And --

**Potter:** How old are you?

\*\*\*\*\*: i'm 17. And I go to school at pcc for gateway to college program. So, yeah, I have school, I have work, and I have to take care of my mom and her puppy, and I split my time, it's very difficult, but I kind of manage because I learned from gateway time management. And it worked really well for me. I made the switch from high school to gateway because high school wasn't my environment. It wasn't working out because my mom was sick, and then my mom doesn't have an income, so I had to get a job, and so I just did the transition and it's working really, really well. My goal, actually, i'm studying civil engineering, and I want to do international business as well. And I really -- my dream is actually to move to italy and do civil engineering there.

**Potter:** Not stay in Portland?



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\*\*\*\*\*: No. And actually own a vineyard. I was thinking about having a house there for me and my mom. We moved here from Oregon three years ago from santa rosa, california, and my parents got divorced, and, like, out of all the states, Oregon is the only state that actually has health care for my mom because she doesn't have an income. I'm not a big fan of the whole health care system in the u.s., but I really love living here because my mom has that support from the state. , i'm a really big education fanatic. I think education is so important. I emphasize it to all my friends all the time. I lecture all my friends about school. You need a legitimate, like, reason to be successful. Because I always learn everything the hard way. So it's real that way. I think that the whole equal opportunity to education is really important, because just because high school didn't work out for me doesn't mean it doesn't work for everyone else. I think every one should have a choice and there should be more programs, and like other different kind of high school completion programs, because then everyone will be served. Because high school environment isn't for everybody. Sometimes school is not the place for people. I think the diversity thing is really important.

**Potter:** Thank you both. I notice liam that you are on the dean's list at pcc. And you are on the honor list at pcc. All the things going on in your life, I think that's pretty amazing. Can we give these young folks a hand? [applause] thanks for coming in. City council will come to the order. [ roll call ] prior to offering public testimony to city council, a lobbyist must declare which entity he or she is authorized to represent. Let's begin with the first communication.

**Item 420.**

**Matt Rossell:** Mayor Potter and members of the council, my name is matt rossell, representing in defense of animals. Thank you for this opportunity to discuss world week for animals in labs. An annual event designed to expose the plight of animals used for testing in research. Events around the world seek to educate the public about the scientific moral and economic objections to animal experimentation. Right here in our community ohsu operates the Oregon national primate research center where more than 4,000 monkeys are being used in invasive experiments. These monkeys are socially complex, extremely intelligent, and have emotional needs similar to ours. That is why when kept in stark laboratories, they exhibit abnormal behaviors such as depression, aggression, layer pulling, circling and pacing, and can even become psychotic, biting and atabbing their own bodies. I worked for two years at the primate center trying to make changes from within. I witnessed mistakes in research, ongoing violations of the animal welfare act, ridiculous research products that -- approximate that couldn't help people and an assembly line approach that is failing to meet the monkeys' needs. Oregon's usda inspector at the time was by my side and backing me up when the videotaped abuses were revealed to the public. Ohsu claims the changes have been made since then but it is very difficult to know for sure. Ohsu is not always fourth coming about what is going on. As you are well aware from the escalated costs of the tram and the overblown projections of our public bioinvestments. I.d.a. had to sue ohsu under Oregon's public records law to receive I health records which we are now reviewing. But better than catching ohsu doing something wrong, we want to encourage ohsu to do the right thing. And so this week i.d.a. is proposing that ohsu adopt a reasonable plan to reallocate 5% of their research dollars annually away from animal research towards more reliable clinical-based research. Alarmingly, ohsu's primate census has gone up by more than 40% since 2000. Cutting-edge technology has forged new frontiers such as lasers, fiber optics, computer-based drug design and digital imaging. All of which have launched a technological revolution in biomedical research. Through my work I have had the honor of becoming friends with dr. Jane goodall, world's most renowned primateologist. And she has said, and I quote -- I think we have to find other ways of doing experiments other than using live animals as soon as we can. There is not enough incentive for abandoning animal testing there. Is a sort of implicit desire to maintain the status quo because it's easier that way. End quote. We are not lacking the technology to replace animals. What we are lacking is commitment. By embracing the initiative science and medicine will move forward, enhancing human health and well-being while

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sparing animal life. I.d.a. will be sending city leaders copies of this proposal and we are asking that you all take a lead in encouraging ohsu to adopt this reallocation initiative. Thank you.

**Potter:** Please state your name when you speak.

**Item 421.**

**Amanda Fritz:** Good morning. Amanda fritz. I'm addressing my comments to the citizens of Portland urging you to vote no on all four ballot measures in the may election. Portland's charter is our constitution. If you haven't read the current charter and all the proposed changes, please vote no. The glossy mailers arriving in Portland's households this week are slick p.r. Designed to influence voters rather than give accurate information. For example, the proponents of measure 2690, which would severely reduce Portland's civil service protections is being touted as streamlining and modernizing outdated language. I've provided to the council copies of some of the language cut by measure 2690. Copies for people here are at the table and i'll read it for viewers at home. It is the purpose of the civil service chapter to establish for the city a system of personnel administration which provides all citizens with a fair and equal opportunity for public service. It establishes conditions of service which will attract and retain employees of good character, technical knowledge, skill, and ability. And it improves efficiency and economy of the agencies of city service by the improvement of methods of personnel administration. Measure 2690 would eliminate this language with no substitute purpose or goal statement. It leaps into details without staging the core values. What is outdated about this language. We want a charter that provides all citizen was a fair and equal opportunity for public service. We want to attract and retain employees of good character, technical knowledge, skills, and abilities. We want to improve economy and efficiencies of city agencies. If you vote yes on measure 2690, you will be saying that those goals are no longer important for Portland. The constitution should set the broad value leaving the details for later. Measure 2690 does the opposite. Worse yet, 2690 would return the city to the system of political patronage and favoritism, the civil service chapter was written to correct. It would allow way more employees to be fired at will by politician was personal agendas influenced by powerful special interests. Employees advocating for the public could be reclassified as supervisors and fired. That is not in the public interest. And measure 2690 picks on the most vulnerable of city oaks bottom employees the temporary workers. Those blue collar workers have no protections except the current language that sets a standard implementing the core value that we want our city staffed by people committed to public service with permanent employees. By eliminating this standard while at the same time removing the purpose statement setting the constitutional values, we want for city employment, measure 2690 opens the door to a return to the corrupt system the civil service chapter was written to reform. Measure 2690 isn't reform, it isn't updating or modernizing. It gives more power to special interests, more power to politician and less protection for working people and citizens throughout Portland. Please vote no on 2690.

**Item 422.**

**John Ryan:** Good morning. My name is john ryan. Thank you for the opportunity to testify today. Some of meyer work, I wrote some thoughts on corporate change in 1999 and the innovation culture of gateway. Given to mayor katz in 2004 that became part of the bureau of innovation projects, and a prefilter specification for public involvement. And that contains a serious footnote. In march I testified about a method to provide a uniform basis for communication and judgment. Items like charter review can be on objective footing. From those documents and another one called the guide to company -- to accompany the unified field, mapping had nothing to do with a road map, and given the brevity of this forum, i'm not going to go into that. But it gives an idea of completeness an idea of what is possible so that we can evaluate these issues on objective footing. I've been in touch with the media about that. Another thing that I introduced was called an economy of efficiency. And that's not efficiency in the usual sense. But that is forthcoming. The mysterious footnote i'd like to unveil now as you can see in the document in front of you, is called

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the lambbare principle. To the point of this testimony, there were some things that happened in bureau of innovation project number nine. In keeping with a past m.o. There was a criminally negligent attorney who became a corrupt judge, and he hired -- he enlist add pro tem judge to help him, and that judge signed some kind of order. It's in his interest to observe -- to exert some pressure on me. Normally this wouldn't be a city council issue, but because of the work that i've done in city council and things like public involvement that it's already impacted, i'm looking at some -- i'm asking for some help, and we can think of this in terms of win-win, or lose-lose. I have a question for you. If you had anything to quantify, anything at all to make transparent so people could look at it objectively, what would it be? There was a talk of a document explaining some changes and rationale for the charter review. I hope that comes out. The charter review website has been shut down for some time, and it seemed to me in sitting in on a number of those meetings there were some sociologic aspects that make Portland a great place to live were missing. If you had anything to quantify, anything to make transparent, what would it be? Thank you for your time.

**Potter:** Thank you. I do have to read in there that because we have two commissioners missing, we will not be voting on the consent agenda until tomorrow afternoon.

**Moore:** Correct.

**Item 423.**

**Saltzman:** As we've been working hard to drive Portland towards a unified vision of sustainability, we've seen the city's efforts rise from nearly every direction. From biofuels to the green streets, to the peak oil initiative, we've been responding to our duty of environmental stewardship. Today we're going to hear from the sustainable development commission, which is a joint body appointed by the county commission and by the city council, to advise us on these matters. And they're going to provide us two reports. One which documents the commission's progress in the last two years, and which outlines their plans for the next year. And another report from the committee's economic development committee entitled, p.d.x., the world's sustainability center, which guides the city and a county in a plan for sustainable economic development. What are the challenges facing businesses? They wanted to know. More importantly, what are the opportunities? These answers which led to the recommendations in this report, come from interviews of over 20 business, academic and community leaders. This is -- establishing a one-stop center for sustainable business practices, and environmental performance standards for new commercial construction. And I should say that on the one-stop center for sustainable business practices, that is contained and the mayor's proposed budget at this point. These are just the types of recommendations we need if we want our city to reach the next level. I want to thank the sustainable development commission for reaching out to business community, and for their work on this report. And also for the interviews and sharing their knowledge and ideas. So we have three men's here with us from the commission. Cameron, ray cook, and kent schneider. You're going to present in some order.

**Cameron Birnie:** Mayor Potter, members of the council. My name is cameron, member of the sustainable development commission. First of all, thank all of you and even the two who aren't here today for their interest in continuing and the sustain thable development commission. And it's progress along the way. The commission's 11 members, six appoint by city council, five appointed by the county commission, appreciate their opportunity to volunteer and be engaged on such an important topic as sustainability. They have been meeting regularly, monthly, and even more with staff from city bureaus, county departments, as well as with knowledgeable citizens and interest groups who are all working together to implement sustainability and local government. As commissioner Saltzman has already outlined, today we'll bring you two reports for your consideration and acceptance. I believe these reports have been included in your packets. The first report I would like to draw your attention to is a summary of our activities from the time of the most recent inception in november 2005 through march of 2007. I believe it has orange line near the top of the page. Our efforts have been focus order three main areas. Number one promoting

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sustainable internal government operations, which i'll talk about shortly. Number two, creating an education campaign about sustainability, which roy cook will overview for you after I finish. And number three, supporting sustainable economic development, which kent schneider, along with some local business leaders, will highlight for you. Sustainable government, this is the -- my primary focus since i've been on the commission, my primary interest. I'm a retired executive from state government. Having interacted with some of you, including senator Leonard, representative Leonard on the -- for many times, many years, I had much involvement overseeing state purchasing, state motor pool, printing, and I was put in a sustainability leadership role by governor kitzhaber as well as governor kulongoski and we were successful in launching several sustainability efforts. All the time knowledgeable and in amazement at what the city and county were doing in their sustainable efforts. I suppose my primary emphasis while in salem and as one of my chief interests now would be as I mentioned to the county commission last week was collaborative purchasing. And this increased time of more and more penny pinching with budget deficits collaborative purchasing, whenever you can do it, not just with fellow governments but with state governments and beyond. The greater the purchasing volume that's developed through collaboration up to and including such things as an organization called a western states contracting alliance, which includes I believe 15 concern states, number one, the greater the opportunity to be able to leverage manufacturers to put in their specifications sustainable elements, and number two, obviously the greater per savings, per item savings that can result. But Portland's city government has a long track record of seeking to gain financial environmental benefits from implementing sustainability best practices in its operation and management. I'm aware that in previous presentations from staff the council has heard about the impressive work bureaus have performed in areas relating to energy efficiency, recycling, pesticide reduction and alternative fuels. Portland is a leader in these areas. The commission has worked closely with city and county staff as well as other community stakeholders to provide guidance on sustainable government efforts. For example, the commission has reviewed and provided input into the vision p.d.x. Effort. The city's urban forest management plan. The joint city-county toxic reduction strategy and sustainable city government partnership. The commission is particularly excited about the city council's adoption of sustainable city government partnership. As an aside, several commission members will serve on this partnership-leadership team and we're very excited about being involved in this endeavor. Basically that's -- that concludes my items, my remarks, and i'd like to turn my presentation over to roy cook.

**Roy Koch:** My name is roy cook, i'm a member of the sustainable development commission. I'd like to take a few minutes to report on one of the other major initiatives of the commission, that we carried out with the able assistance I should note of the staff of the office of sustainable development. We certainly couldn't do this work without them. That's called signs of sustainability. In our role as advisors to the city and county we really believe there's a need to measure and evaluate progress of developing sustainable practices and how those practices are changing the nature of the community. However, rather than take what's the typical approach of defining relatively abstract measures of improvements and sustainability, measuring chemistry and water quality or those things, we're actually hoping to identify at least some measures that are associated with actions that people can take to reflect sustainable practices and to provide guidance and encouragement for both citizen and business to develop a more sustainable community and at the same time, be indicators of our progress. They often say they need more information, they need to know specifically what can they do to real -- that really matters to promote sustainability. It's a lot easier here in Portland than most places, but making sustainability tangible and assisting citizens and businesses in understanding it and taking steps towards sustainable practices is one of the goals of our project. The project was carried forward by pulling together experts from business, from government, from nonprofit organizations to develop compelling and measurable indicators, many of which are very action oriented by the local citizens and businesses. We looked at three specific

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components of sustainability. The ecosystem health, human and community health, and social and economic health. To date and through this process we've identified many possible indicators but selected a smaller list of just 15 signs of sustainability. Rather than go through the entire 15, I'll note a couple of examples. One that has been proposed is to present an urban forest canopy by neighborhood over time. Which is something for which Portland is well known. And the forest canopy affects issues like land, air, water quality, livability, even economic development. Another sign of sustainability is to -- is the percentage of kids that can walk or bike to school. This affects everything from children's health and air emissions to community engagement, and safety. Another might be what is the percentage of seasonal food dollars spent at farmers' markets? Something that is very prevalent in Portland. This has broad implications for sustainability in terms of agricultural practices, human health related to organic foods, in terms of community, health, in terms of community building and interaction. So a lot of our indicators have these multiple benefits and really allow citizens a way to think about participating. A number these signs drawn data that is regularly and already collected. Others, we're going to have to develop measures, or ways to collect the data. For example, the participation in farmers' markets. But that's one of the next phases of our ongoing work. These signs are already being used by some others, for example, as we understand it, there's a local radio station that's developing sustainability campaign is called one thing. And it's based on these signs of sustainability. The planning bureau is using these signs as part of their work on the new central city plan. And the project also compliments the work of vision p.d.x. The signs of sustainability project is all about providing citizen and businesses relatively simple actions that promotes sustainability and communicating in a clear and understandable way how people can get involved and also providing us a way of measuring increases in these activities. So we'll continue to look at opportunities to use them in partnership with other efforts and tell people more about sustainability.

**Kent Snyder:** Kent schneider, I'm a business owner and member of the sustainable development commission, and I've been chairing the economic development committee of that commission. I'll give you a couple context facts here. Most of which you already know. Do you know the investment in wind and solar power was almost \$25 billion in 2005? That was a 50% increase over 2004. An investment in clean energy technologies, renewable energy, hybrids, just in the silicone valley alone jumped from \$34 million in the first quarter of 2006 to \$290 million in the third quarter of 2006. Overall a venture capital in silicone valley in the clean tech area grew by \$1 billion from 2005-2006, and there's been major job growth that's starting to raise some of the dot com -- erase some of the dot com effects when the bubble burst. I can assure you you know that Portland has an international reputation for green building, for sustainable urban development, for recycling, for energy efficiency, and a whole host of other sustainable business practices. A recent example last week you adopted the green streets policy. I know your testimony from people about the economic development effects that grow out of that and the reputation that the city has garnered from -- nationally as well as internationally. So over the last two years we've seen there's been a sea change in both the awareness of and the sentiments about sustainability publicly. Including the 800-pound gorilla climate change. Smart businesses globally and governments are seeing what is happening and they're not just adapting to what's happening, they're seizing opportunities as commissioner Saltzman said, seizing the opportunities that this represents in the marketplace. And we are at the onset of a massive economic transformation. Given this transformation, the question really, the committee and the commission has been looking at and grappling with is given these changes in our economy, the changes in the environment, how do we as Portland seize the opportunity and use it to our advantage to help our community thrive? When your commission talks about economic development, we don't use it in that concept in the traditional stodgy ideas of just manufacturing jobs, making things, processing things. To us we're talking about economic vitality. Stability. Economic -- healthy growth. We have a comparative advantage, globally, nationally,

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and regionally. So the question is, what do we do? We said, let's apply some basic business tools, assess this, let's come up with a plan. Engage in execution of that, measurements and adjustments as do you along. We went and did this proper assist, the reports you have. As commissioner Saltzman said, we -- our business people and our own right and we then went out and talked to a number of other businesses to find out what their views of this, how they're taking advantage of these opportunities, what obstacles they're encountering, what suggestions they have. From all that we've developed a plan that's contained in the report. You're going to hear from a couple of the business people in a moment. Though the plan is organized into three areas, we think the commission believes you must keep three overriding considerations in view that we heard over and over and over from the people we talked with. Number one, think beyond exports. This is not -- traditional economic development is goods and services for export. This is a broader vision, community livability, natural resource base, ecological services, and things. So think broadly. Second. Clearly articulate on audacious vision. We heard that repeatedly. And lastly, implement the vision, dedicate resources, both financial resource, staff, collaborative efforts and things to actually implementing and achieving that vision. The three main areas we broke this -- this policy recommendation and some specific tasks, more targeted activities we'll go into the three areas, one is tapping into the global demand for sustainable industries. In that area I want to point out a couple of things. We heard repeatedly of the obstacles in permitting, in the green building area, we also heard about the things -- our price signals were wrong. As a business owner, i'm taxed for the work that I and my employees do. I'm not taxed for -- which I think we want people to work, we want to have that kind of economic activity. But we're not taxing or we're not shifting and saying, we don't want these kinds of emissions, carbon emissions, pollutions, etc. So we're recommending we actually look at how do we replace the business license fees, the taxes and things that are on our economic activities that we do want and how we replace those with fee and costs and things that -- on things that we don't want and we get those signals correct. We are also directing the city -- the county and staff to explore options for a 60-countywide policy requiring environmental performance standards for all new commercial construction. In the areas of fostering regional collaboration, there are many opportunities. In the cluster concept, we're talking about relationships, relationships between businesses, relationships between the businesses and the institutions that are supporting them, we're talking about ideas, and place. The city's commission ever economic development strategies need to look at what needs to be done to strengthen the relationships in the businesses involved in sounds, sustainable business practices, and those are also producing technologies and services. For example, the Oregon business council, the Oregon business plan has a lot of sustainability that's been incorporated into the business plan. And they've been talking about a sustainable development summit. That's something the city can collaborate with and the county in making something like that happen there. Are many opportunities there and we've laid out a number of recommendations there. The last one is the area of growing the local foundation for innovation. One of the key components we think is analyze and document the economic impact of the various factors contributing to our high quality of livability, things that are attracting businesses, the reason why businesses are growing here. Some of these factors including access to parks, trails, natural areas, clean water, and access to nature, etc. There's not -- there are good resources available in b.e.s., and water, good technology, good people at reed college, elsewhere, david evans and associates making a lot of money doing things on how you deal with ecological services. So there's how you support from an economic development strategy, those kinds of activities. So again, the overriding considerations are think broadly, we need an audacious vision, and we need to commit the resources to do that quoting from the -- an editorial in "the Oregonian" on april 7, Portland was green early, yes, but this is not the moment to dwell on Portland's advantage, instead it is the moment to capitalize on it. And I would like with that to call

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up, we have other business people in town involved with this, our discussions, and michelle, are they all here? We have david prouse and celina -- and lois. Lois gordon of ecos consulting.

**Potter:** Please state your name for the record.

**David Prause:** Good morning. David prouse, production manager, and celine. Thanks for having us here today. We participated in this survey that led to this report and wanted to emphasize some points we think were particularly important. It's clear as a city, community, and culture we need to figure out how to be sustainable. This report provides a good framework for starting towards that goal. And we agree the city should pursue it. This effort needs to be a systematic bottom-up approach focus order sustainable practices. It doesn't necessarily matter what is being made or done, more important is how it is done. An organizations processes, drive its impact on sustainable development regardless of the product or industry. To develop sustainable practices throughout an organization every one must be involved. The push for sustainability should be fundamental in how everyone thinks about things, fundamental in how everyone respond to issues, and fundamental in how everyone makes decisions. Pursuing sustainability can't be a brand or department, sustainability needs to be a core value. In which everyone in the organization believes.

**Selena Deckelmann:** My name is celina, i'm an i.t. Manager for king cycle group. This is something we make, it's a headset and it goes on a bike. About 32 years ago chris king made his first headset from ball bearings someone else threw away. He was trying to solve a problem. Headsets never lasted for more than a season. But he ended up solving two. He saved something from the crash and -- trash and created something useful for himself and his friends. This is another way to think about sustainability. It's using what you have to solve your problems. So what can Portland use -- what can Portland use that it has already to solve the sustainability problem? Echoing what cameron said, one thing Portland has is purchasing power. The city can buy local, the city can use 100% post-consumer paper products, each purchasing decision makes a statement about what the city believes. That is, we must -- what we buy must reflect the core valley of -- value of sustainability. The city has the power to regulate. The s.d.c. recommendations included ending the waivers for nonleed construction and actively encouraging businesses to reduce water they send into the storm water management system. We were enticed to come to Portland by a business friendly and progressive environment. However, we have --

**Potter:** Could you repeat that?

**Leonard:** Could you repeat that? I didn't hear that.

**Deckelmann:** About the water management?

**Leonard:** The business friendly --

**Deckelmann:** Particularly by commissioner Leonard.

**Leonard:** We don't hear that a lot. It's nice to hear.

**Deckelmann:** Chris said it last night. However, we have experienced what brian roder called, quote, a mismatch between the region's progressive vision and the permitting progress, end quote tomorrow bring the vision and the proper together, the city needs to streamline the permitting process for -- [laughter]

**Leonard:** I heard you the first time.

**Deckelmann:** All right. To bring the vision and the practice together the city needs to streamline the permitting process for green building projects. Finally, my last point was the city should make sustainability everyone's job. Solicit change in the city by asking people at the bottom of the organization what they think can or should change. Then empower those people at the lowest possible level to decide and make those changes. Thank you for your time today.

**Lois Cordon:** My name is lois gordon, the president and c.e.o. Of ecos consulting, an 80-person, \$10 million energy consulting firm having our 10th anniversary headquartered in Portland. First i'd like to echo our support for the vision laid out in the report. Sustainable economic development as an overarcng strategy for promoting economic growth for ecos is exactly what we need. Like

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many sustainable businesses in Portland, we were create bidirectional entrepreneurs with a sense of urgency around protecting the environment. Our modest beginnings did not include venture capital or fast-paced m.b.a. Management. But there's no denying today opportunities exist for ecos and other sustainable companies in Portland that are significant in nature. There are solid recommendations in this report that will spur economic growth for ecos as well as for Portland. While I support most of the recommendations in the report wholeheartedly, i'd like to focus on a couple of specifics. First in recommendation one in tapping into the global demand for sustainable industries, in particular, i'd like to encourage to you quickly develop matching investment programs that leverages private venture capital and other types of capital funds for sustainable industries. The marketplace now is intrigued with investment into sustainable industries, there's billions and billions of dollars from investors that are looking for where to spend their money. I would like it to be expect a great portion of it, in Portland and some of it with ecos, and we looking for it in the next 12 months. On recommendation number two in fostering regional collaboration, this the sustainable communities of business is unique. We like to work together. Most of the companies, however, are small or medium in size and as such, we have common business issues that really can benefit from a networking opportunity to go together. To grow our companies and achieve the impacts we each strive to create we need mentorship opportunities and business-related tools. At ecos i've made it a personal mission to collaborate with other sustainable companies and share what we can. This is very grass-roots and needs to be taken up to a citywide supported effort. I do encourage to you prioritize the success of existing sustainable companies within Portland while there are a number of emerging companies, you have a wealth right here of companies that are just yearning for a little bit of support are and who will become great economic engines. Finally on cultivating a regional support, Portland has a viable sustainability brand. And while I do fully agree that sustainability needs to be a core value, brand is important to develop and own. If we don't do it here in Portland, other cities with the pressure of the 800-pound climate change gorilla, will. That would be a sad loss for Portland. I think we can benefit from this when we sell into the national marketplace. We do have a national clientele. However, our brand needs cultivation and for the development, a great example of people use with me is coke never stops developing and supporting its brand. Such a brand will easily leverage into economic development opportunities for us, ecos specifically and our echoes specifically. Efforts such as p.d.x. Lounge and global -- excellent opportunities we're taking advantage of and we'd like to see many more offered. So I encourage us to seize the opportunity to own the brand as well as support the rest of this plan to create sustainability as a core value. Thank you.

**Leonard:** I thought I would just mention that when I met with chris king a few years ago to talk about them, you guys relocating from california to here, and we were showing him some of the requirements that would be for the site in northwest that you're -- that you chose in terms of green stuff, he not only said that's not a problem, he said we'll exceed whatever the requirements are. I'd never heard anybody ever say anything quite the opposite, why do we have to do this, why do we have to do that. So we really -- I was very impressed. And so impressed that evening I was home talking about it and my oldest son, who is 31 now, but was probably 27 or so then, I mentioned king cycle and he said, you met chris king? Yeah. He said, where did you meet chris king? I said, he was in my office. He said, you're kidding. He's like a rock star of cycle groupies. In the world. And I went on the website. So we're really pleased your international headquarters in Portland, it's really cool. And have you a lot of fans.

**Prause:** We're glad to be here. It is interesting, chris isn't driven by government regulations, he's driven by what he thinks is the right thing to do across the board.

**Leonard:** I really appreciated that approach.

**Saltzman:** I also wanted to congratulate lois, because just last week ecos received a city of Portland best award, businesses for environmentally sustainable tomorrow. Congratulations.



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

**Potter:** Thanks, folks. Is that it? Assists.

**Saltzman:** One more person.

**Allen Lee Quantech:** Allan lee a. Project director at quantec, a 50-plus person energy consulting environmental firm. And in -- and growing. I just wanted to make a few comments to come in the sustainable development commission for this report. Blueprint on economic development I was a member of the preceding sustainable development commission, one of the areas that we highlighted for focus and worked very hard and diligently with Portland development commission to make sure that they included sustainable businesses as one of their target areas. I'm very glad to see this report has come out and a lot of those ideas have been built upon. Kind of echoing some of kent's comments, I was very struck by a couple of the major items listed at the front of the document in items of overarching considerations. I think they're very important, and it's hard to keep them in mind and weave them in and translate them into specific activities and programs and policies. But I think they're very crucial. One is taking a look at economic development, not just in terms of having more exports from the region, but in terms of doing that in balance with keeping and maintaining the livability, ecological, and human health that we want to have in the area. The other area that I was really struck by was the requirement or recommendation for audacious vision. I've heard in the last couple days dennis wild recommend to boma that they have a lead goal requirement for their class a buildings. That's what I call an audacious requirement, it's something he think cso start in Portland and set the trends nationally. Just kind after you long those lines, quantec was very committed when yes moved downtown, we went through the g-rated program to get our office space upgraded under the city's program, and one of the things we did was move into an existing building and try to set an exemplar. And since then we've gone and met with every tenant in our building, talked to them about purchasing green power through pacificorp, and we've - - since we why buying green power and moved into the building, we've gotten about 45% of the people signed up in the building, and when we talked to the building manager they said y. Don't we just sign up the whole building and roll it into the rent? And I said, great, no problem. It hasn't happened yet, but when it does, it will be the first building, the first large office building in the pacificorp office area that's in the green power program. Just to highlight some of the recommendations in the report that I thought were very good and really need a lot of attention. One was the replacement of fees and taxes, and redirection to encourage goods and discourage the bads. It seems like a no-brainer, but this is something that's very rarely implemented. I really encourage the city to find ways to try to do that to make sure that translating policy and preferences into the dollars where it counts on businesses is going to have the kind of effects that are critical for sustainability. The focus on city and county working together I think is very important. I'm glad to see the commission a few years ago brought the county in and it's a joint commission now, and I think there are a lot of opportunities for leveraging that working relationship. The public-private collaborations is another example I think that the city should strongly pursue, things like the p.d.x. Lounge. And also the idea of sustainability brand as lois was saying, Portland has that kind of brand or that i'mage, but it's something that we're going to have a lot of competition for, and we need to stay out in front and do the kinds of things that make Portland special. Also as kind of an analyst geek I really was supportive of the idea of documenting the economic savings and the multiple objectives of sustainable economic development. Anything the city can do to support that to document what the benefits are, because in the end that's what has to be sold to the public. And then another area I thought was really important was investing in sustainable industries work force. There's a program down in oakland area that van jones run under the ella baker center. And it focuses on the inner city youth and communities and developing the -- what he calls green collar jobs. I like to see the city talk to the folks and see if similar things can be done here. I haven't said too much about our company, but we've grown from 12 to 50 people in the last three years, and we

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expect to continue growing because we focus on energy and energy is a pretty important issue. But we're also looking at related issues like greenhouse gasses, we're also doing some work in the lead prevention and remediation area, which we see as a real social issue. As far as kinds of things that have -- that the city has done that helped us, the business awards, we were able to win two of those, and that's something that is very hard to put a specific value on it translating it into business, but I think the one area where it's clearest to me it has been beneficial is whether we are interviewing people for employment or people who come to us and are interested in working at quantec, people who have seen -- it's something they are really interested in. So it's kind of a culture and it's generally the best and the rightest people that we get. And then wynn other thing, just in terms of providing assistance, when we were looking to move our office space, we were fortunate enough to have ann griffin from Portland development commission, she was with the p.d.c. At that time, and she came and helped us and looked at ways we might get funding to support our move to move into a green office space. That didn't all work out, but it was great service, i'd like to see that provided through the city, and other ways, along the lines lois was talking about. And even though that didn't work out, we wound up hiring ann. So that worked out.

**Snyder:** Thank you for the opportunity to present this. We're more than willing to continue to work on this and hope that the city council embraces and takes us forward.

**Potter:** Is there a sign-up sheet?

**Parsons:** Yes. And we did have one from the general public sign up that was john ryan. Ok, he's gone.

**Potter:** Thank you. 423, this report, I need a motion to accept.

**Leonard:** So moved.

**Saltzman:** Second.

**Potter:** Please call the vote.

**Leonard:** I am really pleased that Portland isn't just attempting to be a leader nationally on sustainable -- I think is a leader on all of the various levels that commissioner Saltzman identified in his opening remarks the but I am struck with an article I just read in the front page of "the Oregonian" today on toyota overcoming g.m. In total sales of vehicles. And the message that that sent me is that american industry still just does not get it. They continue to produce vehicles like the hummer and in the name of satisfying consumer demand, whereas they consistently and simultaneously fight in a separate article this was discuss this morning, the cafe standards for vehicles, the miles per gallon required for the federal government for vehicles. Whereas japan has no such standards. They just figured out if you build good, efficient cars, people will buy them. Why somebody at g.m. Has not bought a toyota camry and disassembled it to figure out how to build one like that is beyond me. And not got -- and it was just sad to read comments of a worker from g.m. In this article today that said, you know, it's just the american consumer doesn't get it. And it couldn't be more opposite. We can do and should do what we're doing, but unless american industry gets that people really do what's right more often, but if they can also do it right, what's right and save money, that's what they want to do. So people like to buy toyota and honda vehicles because they're well made and they're very energy efficient. And why the american auto manufacturer hasn't figured that out is stunning in its impact on all these issues we're trying to address, because as good as we can do and as much as we can do, the truth is the automobile and the world is the greatest production of greenhouse gasses and the greatest consumer of petroleum fuels. And that has to change. So you're preaching to the choir here, obviously, and we obviously agree not only with all the work you're doing, but we do want to take advantage of a lot of this kind of stuff that we're doing as an economic development tool for Portland. And we are. And -- because this whole area creates jobs, and good jobs, from working class people up through engineers. So I really appreciate the work, and look forward to doing more of it. Aye.

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**Saltzman:** I want to thank the city-county sustainable development commission for giving us their progress report and particular your economic development report, the world, p.d.x., the world sustainability center. It's chock full of good ideas, and that I appreciate the efforts. I also wanted to just thank publicly all the members of the sustainable development commission in addition to roy and kent and cameron, we have leslie carlson, christine irvin, dennis hockwood, mike hauck, chip, lillian shirley, pamela brody-hein, and justin, who is here in the audience today. So thank you all for your work, and I also wanted to -- I also wanted to thank michelle for her staffing of this commission and I think there's a lot of good stuff in here, and as you know this, whole city council is excited about the opportunities and the challenges, and we intend to plow ahead and continue our brand Portland as the leader. The premier city in sustainability. So thanks again. Aye.

**Potter:** I too wanted to thank the commission. I really like your recommendations, and I think you're right, we need to have a regional approach on this. Because companies won't just be settling in Portland. We want to make sure that this region is friendly from one end of the valley east and west and north and south. So really appreciate that. Also the business-to-business connections is really important. And ensuring that we really begin to focus on retention and expansion as a community. So that we attract the best and the brightest, the folks who are excited about the possibilities for the future, and helping create the future right here in Portland. So thank you for all your hard work. And I know that you've got the support of this city council, I appreciate Multnomah county's participation too. I vote aye. [gavel pounded] item 424.

**Item 424.**

**Potter:** We need a motion to accept.

**Leonard:** So moved.

**Saltzman:** Second.

**Potter:** Call the vote.

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

**Potter:** Aye. [gavel pounded] move to the regular agenda, please read item 425.

**Item 425.**

**Potter:** I need a motion to adopt a finding, deny the appeal and uphold the hearings officer's decision with modifications to approve the application.

**Saltzman:** So moved.

**Leonard:** Second.

**Potter:** Please call the vote.

**Leonard:** What I really appreciate about this is that the goose hollow foothills league and ms. Hilliard did what exactly we hope becomes a template for other neighborhoods for these kinds of issues, because they occur all the time. You guys really sat down and did the right thing. And it means -- e I know a lot to you, but to us as well to not have to get in the middle of that and sort that out. So we appreciate all of the really hard work and it was a nice outcome. Aye.

**Saltzman:** I also want to appreciate the work. I also want to thank kathleen stokes for her involvement in this process too and bringing it to a successful conclusion. Aye.

**Potter:** Aye. [gavel pounded] please read item 426.

**Item 426.**

**Eric Johansen:** Eric johansen, debt manager in the office of management and finance. This ordinance authorizes the issuance of up to \$17.2 million in limited tax revenue bonds to fund a portion of the city's cost related to the Portland mall revariety liation project. Under a 2004 intergovernmental agreement between the city and tri-met, the city's obligated to provide \$50 million to tri-met within city days of deciding of the full grant agreement of the project. Another \$2 million will be due to tri-met near the end of the completion of the project. The full funding and grant agreement with f.t.a. Is expected to be signed this summer. Approval will allow the city to sell bonds in time to meet its funding obligation under the intergovernmental agreement. Debt

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service on the proposed bonds will be paid from parking meter revenues. In August of 2004 council approved an increased parking meter revenues to provide the revenues both to pay the debt service on these bonds and to fund other transportation-related projects. In addition to the parking meter revenues, the ordinance authorizes the city to pledge its full faith and credit and available -- to repayment. Bonds. This is being done in order to reduce the borrowing costs. The bonds that are authorized under this ordinance are expected to be sold later on this summer, probably in July through competitive bidding. And at which time we'll have the funds available to meet our obligations under the intergovernmental agreement. With that I'll be happy to take any questions.

**Saltzman:** When you say we're also pledging our full faith and credit, does that mean we don't anticipate the parking revenue meters -- parking meter revenue to be sufficient to pay, or is this a boilerplate safeguard that goes into these things?

**Johansen:** The concern is that we've got the parking meter revenues pledged to a number of different purposes already, including streetcar and other parking revenue bonds. Our belief is that because we would have to provide I think essentially a third or fourth lien on those revenues, there may be market resistance if we don't have the full faith and credit behind the bonds. So it's really being proposed in order to improve the marketability of the bonds and ensure that investors will look toward the ultimate security, the full faith and credit of the city, and less so on the parking meter revenues.

**Potter:** Other questions?

**Saltzman:** I would like to see before this comes back for a second reading, could you provide me, or maybe other council members as well --

**Johansen:** Yes.

**Saltzman:** What all our parking meter revenues are pledged to?

**Johansen:** It is a complicated picture, but we --

**Potter:** Third or fourth lien on the parking meters?

**Johansen:** Correct. We haven't had to use them to pay debt service on any other obligations, but they're pledged in a number of different circumstances to outstanding bonds.

**Potter:** I'm surprised they're still standing.

**Saltzman:** I'd like to see that, maybe --

**Potter:** I would send it to all five offices.

**\*\*\*\*\*:** We dock that.

**Saltzman:** Try to make it simple.

**\*\*\*\*\*:** Will do.

**Leonard:** For Dan. You can complicate it for me.

**Potter:** Ok. Is there a sign-up sheet.

**Parsons:** No one has signed up.

**Potter:** A nonemergency, moves to a second reading. Please read 427.

**Item 427.**

**Jeff Baer:** Good morning, mayor, members of city council. Director of the bureau of purchases. Before you is a purchasing agent report recommending award of bid number 106989 for -- to the contractor James W. Fowler Company. In this just to sort of highlight some of the areas, we had originally looked at and identified 27 different divisions of working for potential subcontractor opportunities and due to a variety of -- a mix of the contractor for self-performing some of the work, subcontracting out and the result was that we had just a little bit of a 3% for minority women and emerging small business subcontract opportunities, and as I've stated in previous occasions when that amount is what we think to be as low, we diligently work with the contractor through the beginning of the project to look for additional opportunities, and so normally what happens during that life of the project is we -- that number is sort of the starting point and we increase over the time of the project. So with that I'll stop and if you have any questions --

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**Potter:** Questions?

**Saltzman:** I guess i'm -- you talk about identifying 27 divisions of work as potential mwesb opportunities resulting in almost \$1 million. Yet the actual award of mwesb is 3%.

**Baer:** Correct.

**Saltzman:** That's almost 10%.

**Baer:** Those are noncertified firms. So the total subcontract was \$814,865 to subcontractors, of that amount was just about \$225,000 for certified firms. The difference was noncertified firms.

**Potter:** Other questions? Does anybody here wish to testify on this matter? This is a report. I need a motion to accept.

**Leonard:** So moved.

**Saltzman:** Second.

**Potter:** Call the vote.

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

**Potter:** Aye. [gavel pounded] please read the next.

**Item 428.**

**Leonard:** This is the project that the water bureaus wanted to do for a really long time. If you'll recall, in visiting dodge park, these conduits, those ones you see on the bridge, it is the most vulnerable portion of the entire water system. And our chief engineer has really driven home the importance of burying these conduits. So I appreciate getting it to this point.

**Jeff Baer:** Thank you commissioner. Mayor. I'm jeff baer, the director of bureau of purchases. Just to shift gears a little bit, this was a project of which we had worked scottsdale gently with the water bureau representatives on to come up with an alternative contracting method, and that is under state law the design-build process, which we thought this was an ideal candidate for that particular type of a contract. And under Oregon law we're required to make certain findings that really highlights two different areas. One is that the alternative method would not diminish competition, and that is, we are going to still do a competitive process, a competitive request for qualifications, and come back to you with a recommendation for award of that contract. Also that it would result in substantial cost savings. And I think michael will talk about the complexities of burying that pipe or conduit, and that there are some savings that can be achieved through having the design firm at the beginning throughout the entire life of the project. So I think the findings support the alternative contracting method, and i'll turn it over to mike.

**Mike Stuhr:** Thank you. Mike stuhr, the chief engineer of the water bureau. I have with me tim collins, our project manager. Before we decided to proceed down this road to get alternative procurement, I met with jeff baer and jim van dyke, the city's contracts attorney, because this is going to be the bureau's first design build project. And we wanted to make sure that we were seeking the best avenue to get this project. So jeff has been a great help to us in deciding to pursue this course of action, and in addition, we've gone and visited other communities in the area that have done design build work. Notably king county and seattle is doing a huge outfall project. We spent a day up there with our team looking at how they did that and why, and also one of our smaller suburban neighbors, cottage grove, has also done a design-build in the water -- wastewater arena. What do we believe we're going to get out of this project? Design build? We get the benefit of expertise who do tunnelling for a living. Have you all seen the bridges that two of our three conduits go overcome into town, literally two-thirds of the water that feeds our citizens comes across the sandy river. It's a very vulnerable situation, and for flood control purposes, possible volcanic purposes, and other events that you might imagine we want to put those things underneath the river. Of our bureau has never done a tunnel, we'll probably only do one more in my lifetime and we need the expertise after qualified design build contract to do that in the most effective and efficient way possible. There are other things that arise from doing design build that are well documented in the literature. Because before you get the final price from the contractor, you've

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basically got the final design, you've done a bit of risk sharing with the designer and the contractor and you've walked doubt road together. You've essentially do your value engineering before you do the final design. So you're not spending -- expending extra funds doing value engineering, it's built into the process. Kind of from the beginning. You always have less claims from a design build. That's been well documented in the literature and this form of construction because it's underground and in a tunnel, you can end up with unforeseen site conditions. And if we walk down the design road together and building the project we think we very much limit the possibility of unforeseen site conditions and claims that arrive therefrom. So I guess to sum it up, there's several pages of findings back there, but the bottom line reason that we want to do this in this particular form is we believe this will yield the best value for our citizens and other ratepayers in the area. So we hope you support it. Questions?

**Potter:** Thank you. Is there a sign-up sheet?

**Parsons:** I didn't put a sheet out for this one.

**Potter:** Is there anybody here who wishes to testify on this matter? It's nonemergency, and moves to a second reading. Please read item 429.

**Item 429.**

**Potter:** This item has been rescheduled to may 9. That day we'll hear the public testimony please read item 430.

**Item 430.**

**Potter:** Second reading, vote-only. Please call the vote.

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

**Potter:** Aye. [gavel pounded] please read item 431.

**Item 431.**

**Saltzman:** Thank you, mayor. Commissioner Leonard. I'm hopeful city council will accept the parks reports and the attachments and endorse the bureau's efforts on total asset management. Substantial progress has been made in developing a comprehensive and systematic program for total asset management. This can be pretty dry stuff but it critically important to the future of this infrastructure bureau. In order to meet the challenges of managing its many assets, parks has developed a pro program of total asset management to assure the portfolio meets demand, that assets are managed effectively and efficiently, and that resources are used wisely. This effort is a key part of the parks' 2020 vision and since -- and since december of 2005 when the bureau made its first report on this work to council, substantial progress has been made. We have senior program manager janet bebb and parks architect nancy here to quickly walk us through the total asset management report and the work completed today.

**Janet Bebb:** Thank you, commissioner. Mayor. We're delighted to be here with this body of work before you today. As commissioner Saltzman said, we have made progress since we were before you with our asset management approach last december. And also with our specific asset register report on major buildings and community centers. Food we're bringing the total asset management manual which lays out our procedures on this topic, as well as the specific asset register on our pools. Pools is a great topic as you know, it's one of our most beloved activities, and we're pleased to show you our asset register report. Nancy will go over that. That shows generally our nine pools examined are in very good condition. So as you know, parks is often in front of you saying that we have issues. That we need to take care of, and today we're here in front of you saying our pools are in very good condition. We're pleased to report that for you. These reports are about built assets. Size, capacity, condition, replacement value, and the suitability of their intended use. And that's kind of the touch stone of our program here, is that assets are to provide services. Their value is how well they support providing service to the community. I think you'll see that pervasive in our documents. They're not about land, environmental benefits, or operating costs, which is a separate consideration. The uses of this information certainly we -- it gets us ahead of the curve in

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identifying maintenance needs, and lets us correct them before they're emergency problems. It informing our capital planning, our budget preparation, and our forecasting. And it can inform our citywide distribution of services. And how well we are delivering services with our assets. As dan mentioned this, is part of the initiative started with the 2020 vision plan. Basically I can say that there are two aspects to total asset management. One is really a technical aspect, and it is a bit dry, although for engineers it's fascinating. That's where we go out with a team of professionals and look at the condition, including the structural condition, etc. And we evaluate and document and keep a careful database on that information. That's the technical side, and so today you'll see number two out after list of asset categories that we're doing that work on. The second aspect really has to do with use. And this is preparation of management reports that have to do with topics that are of keen interest to the public that. Is asset disposal, how we invest our capital, and how we manage our cultural resources. These are projects that will have a significant level of public involvement and you'll be hearing from us on those as we work through them in 07-08. When you think asset management, there are two aspects, one of the engineering and the evaluation side, the other is the use side. So i'll leave you with those thoughts. These documents are on the web, and our confidence in the professional level is high for these reports. I'd like to introduce nancy, but also let you know nancy roth, the aaquatics manager is in the office. If you have specific questions about the pool program are that we run.

**Nancy Gronowski:** Good morning. Nancy grantowsky. Landscape architect. I'm going to give you a brief power point presentation and talk to you about two documents which you believe -- which I believe you received here, is our mission. Developing and maintaining excellent places for public recreation, and ensuring access to recreation service and programs. This is our planning framework, and the piece that we're talking about today are the items that are on the bottom. And these are strategies and plans which we have yet to develop, and the asset register report which we are in the process of producing right now. And the total asset management manual is the piece that ties these together. It's the guide, the how-to in terms of developing these reports. Total asset management is ace is item a tick process of inventory assessment and management. And it's specifically about built assets as janet mentioned, it's not about the land, though that is a huge asset, it's not what asset management is about in this particular application. So the tools we have are the manual that I mentioned. We're developing the asset inspection and condition assessment manual. I need shorter titles for these things. There's a draft of that that's being work order right now. The asset register which is simply the full listing of our assets and the register reports which give information on the condition, value, and suitability. So the asset management manual includes an introduction overview of what asset management is, basically. It's a very comprehensive technique that been developed for the last few decades primarily by colleges, universities, campuses, major buildings, the army, and oversees -- it's a very important part of providing the right assets to provide the services that are required. So it briefly touches on the strategy and plans, but it does not include a specific strategy or plan, it talks about the -- what's involved and what the components are. And the register report and data that is included as to implementation and rules and responsibilities. And as I mentioned, the register is the inventory, we have organized our assets into five major groups of buildings. The amenities which is the furnishings and recreation features, the infrastructure, which is the roads and utilities, developed landscapes, which which is our trees and turf, and natural resources. So the reports are on the physical properties of the assets, particularly the condition. Its suitability for its intended service and financial information such as its current replacement value which is useful for insurance purposes. And can include a number of other things, but ours don't yet because we're just get can the bases going here. So about a year ago we brought the first asset register report to you on the community centers and some of our arts centers, our major buildings. So let me just walk you briefly through what the information is that's in the asset register report and how we use it. So we looked at, we investigated fulton community center

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and looked at the condition of a number of major building components. Structural components, its finishes, it's mechanical, electrical, all those different components and found that there were certain areas there where there were deficiencies. So we knew what it would cost to correct those deficiencies. And those numbers are the first three numbers and would be 112,000 dollars. Since then we've already done some of those corrections. So note building size, we know what its square foot replacement value is, and then there's a metric that basically gives away to compare buildings to each other. So you take the total cost of the deficiencies and divide that by the current replacement value and come up with a number. The closer the number is to zero, the better the condition of the building. The closer it is to one, the worst condition it is. If you had deficiencies that will equal to the value of the building, you might as well rebuild it. Or you at least take it into consideration as you thought about how you want to handle this asset. In this case fulton is in what we would call a good condition. The thing that also tells us is it identifies emerging deficiencies. So we know that in 2010 there are a number of things that we'll need to be corrected for this. In this case there were finishes and some exterior wall things, and more mechanical work that needs to be done. So we can look ahead and say that in 2010 we should be thinking about budgeting for these things. If indeed we want to keep fulton community center running at a good level. We know this needs to happen. So we have these for all these buildings we assess so far, which is all the community centers, and now all the pools. Here's our pools report. And the summary for that is that basically they're in very good condition. However, what's really important to know is that in five years, we can look ahead and say we've got almost a million dollars worth of investment that we need to make in niece pools. And in 10 years there's almost 13 -- a million three of conditions that need to be improved. So that's the value of these reports, is letting us budget and understand what the upcoming conditions are like.

**Leonard:** On your last slide, is that \$1.3 million in addition to the 990, or is that --

**Gronowski:** That's a cumulative total.

**Leonard:** Another 400,000 --

**Gronowski:** Correct. So here's where we are so far in all those five major categories. We have a basic inventory of everything, we're updating it because there are some things that -- some of the information is a little old and we want to make sure that indeed we've -- we know what we've added. And on the report status, we have completed community centers and the aquatic facilities we intend to get the minor buildings done, those are all the restrooms and picnic shelters and the smaller pieces we haven't done yet. Hopefully by the end of the summer, we're working on the amenities, we want to do some inspections this summer of the drinking fountains, park benches, etc. Hopefully get to the landscape at the same time, and infrastructure we need to hire some consultants to help with us road assessments. The natural resources, the condition assessment is complete. And that's on our website. It's a very interesting website that really explains all the different parts of the natural resource areas. So to date we have got our basic data framework completed. We've done the register reports. We've provided the facility condition index information to the city auditor. We have established an asset management steering committee made up of mostly tier 2 people from our parks bureau. We've developed the manual and prepared second asset report. So we hope to complete soon the inspection and condition assessment manual, and do additional reports on paved trails, those are being assessed right now. Complete the asset report on buildings, do most of the amenities and assess those, and develop the scope of work so we can move ahead on that piece. Thank you.

**Leonard:** I do have a question about the pools. Are any of them solar heated? I'm not thinking of the expensive solar cells, but a lot of homeowners use what I think --

**Saltzman:** Well son -- wilson.

**Bebb:** Wilson, our most recently renovated pool, does have solar heating. And I believe, nancy, can you explain how much of the heating is provided by the solar energy?



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\*\*\*\*\*: [inaudible]

**Leonard:** Why don't you come on up.

**Nancy Roth:** Nancy roth, the aquatic director. We only had money for one pool. So we put it on our lap pool. But we found that the lap pool was very warm with the solar heat. So we have put in plumbing and a valve to now we can change it to the leisure pool as well.

**Bebb:** The other one is that as we build east Portland aquatic center, we're looking at a partnership that will get us some solar capacity on that one.

**Leonard:** So to follow up on the one that has, so you have an idea of how warm can be -- i'm assuming that more than satisfies the need to heat. You don't have to augment that.

**Roth:** I think it is. We purchase steam from the school from wilson school, so i'm not sure, i'm not the heating specialist, but --

**Leonard:** Normally in my experience with people I know that have pools, that's all they need. So the question i'm asking, have you done a cost benefit analysis to see how much you have saved by not having to typically or traditionally heat the pool versus the cost of installing the solar system?

**Roth:** I believe we have. I don't have those numbers.

**Saltzman:** That has been done. I've seen those numbers. I don't know what they are off the top of my head.

**Leonard:** The corollary to that, does that make the case, and i'm assuming it does, it would be a wise investment on the city's part to come up with dollars to do that at all the pools, knowing that it will dramatically reduce the maintenance costs? Did you get that out of what you saw?

**Saltzman:** The initial information, this is probably been up now for a little over a year --

**Bebb:** Two years. This will be our second summer. Third summer.

**Saltzman:** The initial impression was it was very effective for heating the lap pool.

**Bebb:** Right.

**Saltzman:** So that's a good question. We are, as Janet said for the Portland pool we're look at even more ambitious solar heating. I think there may even be solar electric in that discussion.

**Bebb:** You know, we'd be happy to look again at what this means for outdoor pools. And the outdoor pools to me intuitively has more potential. We did an analysis early on on indoor pools and we're going to test pilot east Portland, but indoor pools may be bit more after challenge because it's a year-round use and climate considerations.

**Leonard:** I want to emphasize what i'm describing isn't high-tech. I'm describing very inexpensive low tech methods. I've seen people do something as low tech as put black pipe on their roofs. I'm not describing that, but there are certainly panels that don't have the expensive solar cells, but actually literally have been designed in a way to cap the glass captures the heat and there's nothing but a series of piping that goes through them. So i'm thinking as much -- I notice you heat them to 84 degrees. So that is comfortable to people.

**Bebb:** Right, heat collection.

**Leonard:** But it seems to me we might be able to save a lot of money in a short -- recover the cost in a short period of time of doing this kind of even low tech approach to heat the pools.

**Bebb:** We'd be happy to take a look at that, what it would mean for the system, and include that consideration and come back to you on that.

**Leonard:** I'd like to see that.

**Potter:** Do you cover the pools when they're not in use to keep them -- the heat in?

**Roth:** Not at this time. We have used pool covers in the past. At that time they were hard on our lifeguards. We had a lot of injuries because they are hard to pull on and pull off. We are experimenting with a liquid pool cover, which is an alcohol-base system that gets pumped into our pools at night. So it's on a timer and has a pump --

**Potter:** Don't tell the kids that.

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**Roth:** And so it covers the pool, and saves heat. And so we have that on our sellwood pool, which is one of our largest outdoor pools. And we put that on at the end of the summer. So hopefully this summer we have data on how much heat we save.

**Potter:** I drove by sellwood the other day and I did see it was covered.

**Roth:** Sellwood is covered throughout off season because it's a plaster pool and we have to keep it full with water.

**Saltzman:** I do think the potential for solar heating is probably great.

**Leonard:** The overheating is addressed by simple things like a thermostat that automatically shuts it down when it gets too warm. This technology isn't like some others that one reads about in terms of generating power, that's not what this is. This is a very inexpensive and old technology that I wouldn't think would be so expensive that we shouldn't do it even if it means we came up with extra funds on the idea that I'm sure it will dramatically drop the maintenance, or the heating costs.

**Saltzman:** The Wilson student body presented us a check with \$5,000 to help us solar Wilson pool.

**Bebb:** And it's an area where grant funding is available, which we're pursuing with East Portland.

**Saltzman:** Energy Trust of Oregon is very excited about these things, and they're working with us.

**Potter:** Questions? Thank you, folks. Is there a sign-up sheet.

**Parsons:** There is. We have Amanda Fritz and Shannon Loch signed up.

**Potter:** When you speak, please state your name for the record.

**Amanda Fritz:** Amanda Fritz, speaking only for myself. I thank the park staff for their diligent work. Most of this report is very good. My concern is on pages 35 and 36 regarding asset disposal. I'd like to start by drawing attention to an email sent to you by Linda Robinson, East Portland Parks Advocate, in which she says, "I first learned that Parks was working on an asset management strategy when -- and -- last November and sent an inquiry to Parks asking if it would include 96 about disposal of land. She was referred to Nancy, who assured her that while the asset management strategy will include a section on asset disposal, it will relate to built assets, not land. And we won't do the asset disposal plan until we have developed a service delivery strategy. However, in reading pages 35 and 36 of the asset management report, Linda sees nothing that indicates this asset disposal section is referring only to built assets, not land. If it only refers to built assets, this limitation needs to be stated very clearly in the report. Even if it only applies to built assets, we still hope the process of declaring a building or other major asset surplus and determining how to dispose of it would be based on more than the two factors mentioned in the report. Which are a detailed assessment of the assets identified as surplus and analysis of how to dispose of them in full knowledge of prevailing market conditions and government. Linda concludes this report is dated in July 2006, so obviously there have been numerous delays bringing it to council. I urge you to delay it again by sending it back to Parks with instructions for them to conduct a board of public discussion about the asset disposal section. And I am very concerned about this, the two criteria, the two standards for determining about asset disposal. It should also reference the need for an open public process and to determine support for a super majority of the city council unless the -- unless Measure 2691 passes. Even then three of five city commissioners would have to vote to declare a property surplus. The report should state that. Actually, I believe the report should state that asset disposal is not something which should be done quickly or without public input. I ask you to send the report back to Parks for more public input into the policy for asset disposal.

**Shannon Loch:** Shannon Loch, I'm here in support of Parks and I'm representing the 400-plus people who have signed petitions opposing the sale, lease or private development of any part of Mount Tabor Park, including the central maintenance yard and the nurseries. This report has not been adequately reviewed by the public, and when so much park maintenance is deferred, this report codifies a process to sell parkland without adequate public process. Parks is in mediation about asset management. And the lack of public process. This is regarding around the sale of the

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mt. Tabor park yard for private development. Of this notebook is a record of the facts and information that was compiled for the mediation process and the documents here were requested from parks under the freedom of information act. In this process it was discovered that the plant nurseries at mount tabor and the horticultural services are also being eliminated as a complete reorganization that's been going on within parks. This has happened without any public review and the sale of the yard, the elimination of the nursery, and the horticultural services beings discontinued are part of a new direction that's happened with this reorganization. And it's accelerating the commercial eyes asian and privatization of our parklands. I would respectfully ask the city council to provide an opportunity for the public to review the reorganization that's taken place at parks over the last several years, and is resulting in actions such as the selling off of significant and historic parkland without any public process, and reports such as this asset management plan which appear to be the same outcome-based management style that resulted in the maintenance facility report that came before council this fall, and that was in part written with an apparent effort to provide a reason to sell the yard. Please don't accept this report until a service delivery plan is completed as this is part of the criteria for evaluating land for disposal. And lastly would I ask council not to consider any new park policy particularly regarding assessment -- asset management and disposal. Until the mediation between the parks and the community is finished. Thank you.

**Potter:** That's all? Further questions? We need a motion to accept.

**Leonard:** So --

**Saltzman:** So moved.

**Leonard:** Second.

**Potter:** Please call the vote.

**Leonard:** I do appreciate an approach that creates a methodical approach to managing our valuable park assets. The parks are probably of any of the services provided to Portlanders with the exception of emergency services the most significant thing that makes Portland. And thus I feel very passionate about our parks and the way they're managed. And maybe a time -- at times overly so. But that's a reflection of how committed I am to them being well funded, well managed, and I want this report to be implemented in that vein. I have looked through it. If I thought that there was a concern that it somehow created an opportunity to -- for the disposal of parks that didn't include the input of the council, I would not support it. I'm saddened that we're at the point where we actually have to mediate differences. I think people should be able to sit down and discuss them in a way that doesn't require mediation. But apparently that's not possible here. So I do as i've said many times here before, commit myself to doing what's in the best interest of the parks, and i've learned that's not always the most popular thing to do with advocates. But it is why i'm here, and I do ask questions that sometimes I think in the past maybe have not been asked of one another's portfolio, but I think that's a good thing. I think it's healthy and my don't is to have Portland to have the best management as is possible. Aye.

**Saltzman:** I think this report reflects, and the associated asset register report for pools reflects as was said in this presentation sort of the state of the art looking at our infrastructure and making sure that we are devoting resources in a timely manner to prevent things from getting to the point of no return. And i'm pleased to see that our pools are in good shape, I think there is a solar angle we need to look at more aggressively. I think issues around asset disposal, asset disposal is part and parcel of any comprehensive asset management plan, it's got to be looked at. But by the same token there's nothing on the table being suggested, nothing would be without being subject to a public review process or public involvement and council involvement. So I believe this is a good report and pleased to support it, and want to thank park staff for a good job. Aye.

**Potter:** I want to thank the parks staff too, because I think that's one of the things the city really needs to improve, its asset management planning. And I think by having this total asset

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management plan outlined, I think it will help bring to the attention the city council. The condition of our assets citywide, i'd like to see all of the infrastructure bureaus move towards a total management asset, because that would be helpful I believe to council in determine canning what size reserves or -- we should have in terms of capital, rebuilding capital, our capital assets. I also share the concern that I would like to see in the asset disposal a public process specifically mentioned rather than just being inherent. So it's actually outlines the steps that would be taken to ensure that there was sufficient public discussion on that. I think it's an excellent document, i'm very proud to support it, and I vote aye. [gavel pounded] we are recessed until 2:00 p.m. tomorrow.

At 11:22 a.m., Council recessed.

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**Closed Caption File of Portland City Council Meeting**

This file was produced through the closed captioning process for the televised City Council broadcast.

Key: \*\*\*\*\* means unidentified speaker.

**APRIL 26, 2007      2:00 PM**

[Calling roll]

**Potter:** I would like to point out a lobbyist must declare which entity he or she is authorized to represent. We will hear the consent agenda which we did not have enough folks yesterday so we will take vote on the consent agenda. Please call the roll.

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

**Potter:** Aye. [gavel pounded] please read the 2:00 p.m. time certain.

**Item 432.**

**Chris Dearth:** Good afternoon. I'm Chris Dearth, city's measure 37 program manager. I am here to represent a claim brought by William Lobdell, in northwest Portland in the Linnton neighborhood. To summarize the claim for you, it was brought by William Lobdell. It's located on Northwest Germantown Road just off Germantown Court, off Northwest Germantown Road. It was submitted in December of last year. Compensation demanded is \$1.4 million. And the preferred resolution is compensation or waiver of the environmental regulations and the current zoning. I neglected to put that there. The regulations challenged include the environmental overlay zones and the downzoning of the property from R7 to R20. Here's an aerial photograph of the property taken in 2005. You can see that the property is heavily wooded. None of the streets in the property are developed. The only developed roads are on the edge there on the southern edge, Spring Veil Road is a partially developed road and could potentially allow access from the south there. You can see it's just above Northwest St. Helens. Another aerial photograph giving you a little broader view. The stream by the pink arrow is where the properties are. The stream goes right through the middle of the Lobdell properties. You can see that all the way up to the headwaters of the area is natural. All of the properties surrounding the stream all the way down to just above the Lobdell property are in public ownership and completely protected. Here is a lidar topographical map showing how steep the site is. You can see the stream runs through the middle of the property there. The elevation gain from bottom to top is 170 feet approximately. The right of way which is undeveloped is an average, would be if it were developed, an average of over 70% grade, according to PDOT and, remember that fire bureau regulations allow only up to 21% grade. So this is a very, very steep site. And then some portions of site are even over 100% grade. That means 45 degrees or greater. Here's some photos of the property. You can see it's a very beautiful property. It has the stream running throughout middle. Steep slopes, heavily wooded. The zone map showing the environmental conservation zones outside of the stream area and the environmental protection zone immediately surrounding the stream there. This map shows B.E.S.'s estimate of what would be required for sewer. There is currently no sewer connection on the site. If this were to be developed, sewer connections would have to be made way down the hill just off of one side or the other of St. Helens, approximately 1100 feet. At least. So to analyze the measure 37 claim, we look at these six aspects. You have seen enemy before. Ownership was gained by Mr. Lobdell in 1966 and 1970. And then we look to see whether the regulations he has challenged are indeed land use regulations and they are under measure 37. These were enforced through a letter from the Bureau of Development Services in January of this year. And then we look to see whether any of the regulations he has challenged are exempt for public health and safety reasons, and you recall under

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section 3 of the act, it states that "this act shall not apply land use regulations restricting or prohibiting activities for the protection of public health and safety." so we look back at adopting language that the council used when you adopted the environmental protections on this property in the northwest hills natural areas protection plan in 1991. And we find the language here passed by the council stating, in part, "by decreasing runoff and increasing groundwater infiltration the foster protects downstream neighborhoods from flooding. Also by stabilizing the soil and reducing runoff and erosion. The forest protects the community from landslides, slumps and mudflows. Maintaining this equilibrium reduce the potential danger to public health and safety posed by steep hillside slopes," such as are on the property mr. Lobdell has claimed on. In addition the council made these significant findings at the time in the northwest community plan. There is inadequate water supply or pressure for residential service in the area. The elevation is too high to provide adequate service pressures. In addition sanitary sewer is not available to most lots. No extensions are planned. And also this area is within potential landslide, a potential landslide hazard area. Indeed, mr. Lobdell's property is mostly within a rapidly moving landslide zone. And then finally, the road system is substandard. Fire and emergency access are constrained. So for all these reasons I think it's very clear that the council had in mind that public health and safety was one of the primary reasons you passed the environmental protections on this and other properties in the northwest community plan. So we find that the regulations that enforce the environmental protections are exempt for public health and safety because they limit disturbance area and therefore work to prevent potential floods, landslides and erosion. They protect water bodies to maintain storage and conveyance for stream flows and storm water. They limit damage to trees and vegetation and stabilize slopes and prevent erosion. And it should be noted that the city applied these protections, not property by property but to larger areas to prevent cumulative impacts of development over time." so we examined the regulations, the environmental regulations that applied to mr. Lobdell and other properties and find that these regulations, and I am not going to go through them one by one but these limit disturbance area to prevent potential floods, landslides, and erosion, such as limits in disturbance area. These regulations protect water bodies to maintain storage and conveyance from stream flows and storm water. These regulations limit damage to trees, natural ground cover and provide for replanting, such as our protections, tree protections and tree removal constraints. And then we find that these regulations don't apply to mr. Lobdell's property because they apply only to existing development, which isn't, doesn't apply in his case. Or to property that's zoned for commercial, industrial, and multi-dwelling residential uses. And finally these regulations we find not to be exempt for public health and safety reasons. For example, fencing requirements or exterior light requirements, those don't necessarily protect public health and safety, and they are not exempt under measure 37. Next we'll examine the challenge to the change in zoning. And when mr. Lobdell purchased his property in the late 1960's, early 1970's, it was zoned r7 and you can see the indication there on the lower left. Later, with the northwest hills natural areas protection plan, adopted by the council in 1991, the council found, in part, that the area currently zoned r7, with an r5 comp designation extends over a steep ravine and creek system which is unable to sustain development at this density. All of the zone change areas are not served by sewer and must presently be served by on site septic systems. Development at the presently zoned housing densities in these areas is currently unfeasible because lot sizes would not be large enough to provide on site disposal." so the changes in zoning in 1991 changed the zoning to mr. Lobdell and other properties there to r20. You can see in the lower left-hand corner there. And with an r10 comp designation. And then later, just last year, in may of 2006, you adopted the linnton hillside recommended plan, and removed that comp designation, that r10 comp designation. So as of today the zoning on mr. Lobdell's property is r20, with the same comp plan designation. So in conclusion, we find that the downzoning from r7 to r20 is exempt for public health and safety reasons. Clearly, the council had all of the site constraints and the dangers to public health and

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safety in this area in mind when you down zoned this and other properties. And then finally, we look to see whether there's a reduction in fair market value on mr. Lobdell's property. And because we have found that the property has not been restricted by the nonexempt regulations, the value has not -- also find the value has not been recused. So in summary, most of the challenged environmental overlay zone regulations are exempt under measure 37 because they restrict or prohibit activities for the protection of public health and safety. The zone changes are also exempt for public health and safety reasons. The few nonexempt regulations do not restrict use of the property. And there has been no reduction in value. So our recommendation to you would be to deny mr. Lobdell's measure 37 claim. But we wanted to also mention briefly what mr. Lobdell's next steps are because he does have the ability to develop his property with potential of up to eight residential units and our staff is available to meet with him to discuss the service issues, which are challenging, for development of streets, water, and sewer. And we can assist him with his development proposals as well. So we're stand ready to assist him however we can. I will be happy to answer any questions you might have.

**Potter:** Questions. Thanks, chris.

**Dearth:** Thank you.

**Potter:** The claimant please come forward.

**Dearth:** I spoke to mr. Lobdell yesterday. He did tell me he would be here. We sent him his, the staff report about 10 days ago or so. But when I spoke to him yesterday, he told me he had not visited his post office box in several weeks and had not pick it up. He said he was going to do that. But that's all I know.

**Potter:** But he did advise he would be here today?

**Dearth:** That's what he told me yesterday.

**Potter:** Could the city attorney shed some light on how we should proceed from here?

**Kathryn Beaumont:** Well, since mr. Lobdell has received notice and indicated he would be here, I guess you have a couple option. You could proceed to decide his claim. He could decide to hold this and continue this until you have heard the other agenda items and pick it up again at the end to give him time to get here. Or you could continue it for another day.

**Potter:** Is it ok if we wait for the end of the other hearing?

**Beaumont:** Sure.

**Potter:** This will be continued after the next two items. Actually, the next item is a 2:30 time certain. And a 3:00 p.m. time certain. So.

**Saltzman:** We take other testimony? From --

**Beaumont:** If there is anyone else to be heard on this claim you could take their testimony now.

**Potter:** Could you read item 433, the 2:30 time certain.

**Parsons:** Mayor, we do have three people who signed up for the measure 37.

**Potter:** Oh, i'm sorry. Let's go ahead and hear the testimony on that. Who has signed up? Please call them.

**Parsons:** We have ken peery, terry thompson and ross fullburg. Just a second until --

**Potter:** Just a second until we get the other person. Who's other person? Good. When you speak please state your name for the record. You each have three minutes.

**Ken Pirie:** Starting with me? My name is ken peery. I am a board member with friends of forest park. I live at 1500 s.w. Park number 313 in Portland. On behalf of the board and members of friends of forest park I would like to express support for the staff's recommendation to deny this measure 37 claim. I would also like to add that your measure 37 website is a great resource for concerned citizens and your staff is knowledgeable and very responsive. If you ratify this decision you will send a strong message to other measure 37 claimants across the state that their property rights do not give them the right to harm public health and safety protected by environmental regulations. As you know, forest park is the largest forested urban park in the country. This park is

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a treasured place for thousands of local citizens of all ages and incomes who walk and bike the trails and experience nature close to the city. Forest also has significant natural resource value, acting as an air and water filter, stabilizing soil and slowing runoff from storm water, providing over 5,000 acres of critical habitat for many species of wildlife. This habitat is connected to the regional landscape of some species travelling from as far as the Oregon coast. Streams, even intermittent ones such as the one throughout Lobdell property, are especially important ecosystems for amphibians. There are many challenges to the integrity of forest park. The friends of forest park takes each of these challenges seriously as even small impacts can have a cumulative long-term corrosive effect. A development project such as this one if aloud directly adjacent to the park would create what's called an edge effect bringing domestic impacts such as pets, invasive vegetation, auto pollution, noise, and light closer to the heart of the park where habitat is richest. Developing the steep slopes in this ravine would also require major tree clearing and result in severe erosion. As a professional land planner myself I recognize building 30 lots on this parcel's topography, even eight lots in my opinion has probably never been feasible. The original plat was highly optimistic in its promised capacity. Thankfully the city staff report recognized the problems with this proposal on a range of levels. Your staff report is clearly a well-reasoned response to an unfounded compensation proposal. I would like to end with some words from some other city planners who imagined the value of forest park 100 years ago. The olmsteads wrote there are a success of ravines covered remarkably beautiful woods. It's true some people look upon some woods merely as a troublesome encumbrance standing in the way a more profitable use of the land but future generalizations will not feel so and will bless the people who kept these woods preserved." thank you.

**Terrie Thompson:** My name is terry thompson. I live at 8922 n.w. Germantown road adjacent to mr. Lobdell's lots. Public health and safety issues are a huge concern for me and my neighbors. It is my hope that the city continues to keep the environmental overlays on mr. Lobdell's property. The unsafe steep slopes are landslide prone and would not be able to support additional septic, storm water runoff. If trees are cut down to allow for development erosion will occur and runoff will be a problem for neighbors downhill from the development. Natural area resources and habitat on this property would be adversely affected. The natural setting, trees, stream, views and privacy are what attracted me to this area and right reasons why I bought my house. Development would destroy the uniqueness of this neighborhood. The scenic canyon, forest and water fall should remain protected. Approximately 10 yours ago I got support from neighbors, friends of forest park, linnton neighborhood association, forest park neighborhood association, in protecting the waterfall from a proposed b.i.s. Solution to flooding which would have destroyed the scenic view and natural setting of this gem. We were successful. B.e.s. Implemented a less obstructive solution that did not obstruct the waterfall. Hundreds of people, including mr. Lobdell, signed my petition to save this waterfall. I urge you to accept the city staff report recommendation to deny mr. Lobdell's claim. Thank you.

**Ross Folberg:** I'm ross fullburg. I am a resident of linnton and current neighborhood association president. I know the linnton hillside is fairly familiar to many of you after the recent adoption that you passed last year regarding it. And in this adoption one of the main concerns was the fact that linnton is somewhat unique in the fact the city of Portland has four kind of major environmental issues in its environmental overlays. Those are landslide, earthquake, fire, and flood. The area that, of the linnton hillside happens to lie in all three of those and the only reason there's a fourth because it's probably too high to be flooded. However, given that, in the 1996 heavy rains caused Portland's flooding, a house adjacent to germantown near mr. Lobdell's property actually slid down the hill and was destroyed. So this is not just a fees sill bee thing but it's been show it is still a genuine issue. I think that the -- [beeping ] your ruling in 19 none basically didn't talk, it really just said developing on that was not feasible and by the presentation given to you earlier, you can see. When



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you have 20% grade is the maximum allowed in there, having 70% grade, where state highways are required to show warn trucks of anything over 6% grade. This is significantly a steep lot. In addition, the, you know, the compensation claim seems somewhat absurd, given the amount of infrastructure required to be able to develop just any homes on this lot. And to be able to do that. So it would really, in the spirit of the hillside plan, along with all the obvious issues that were mentioned, it would be my recommendation that you guys, you deny this claim. One suggestion may be that with the current, or the recently passed bond issue to purchase property and the fact that the city has made an active effort to purchase many properties that are either in forest park or bounded by forest park, maybe this could be, this issue could be taken on mr. Lobdell's hands as a negotiation for the city purchasing the property and kind of creating a continuous protective area for the streams involved. Finally, the issue of where the property is located. At the merging of germantown and bridge road where the property is, is always in a sense of failed traffic area. It's dangerous. The corner there is very difficult to turn. Large trucks can't make -- it's basically a u-turn and I think they would present a major safety issue if you tried to have further vehicle traffic entering anywhere near that site. So thank you very much.

**Potter:** Thanks, folks. Chris, do you see mr. Lobdell? Mr. Lobdell in the room? Ok. We will go ahead and hear the 2:30 time certain. Please read item 433.

**Item 433.**

**Potter:** Commissioner Sten.

**Sten:** Thank you, mayor. Potter. We want to take a couple of minutes and celebrate some good news many I am going to ask heather lyons, the city's homeless coordinator and ruth benson, in charge of homeless connect to come up. I will start and you will see why this happened in just a minute but I wanted to share with the council that Portland and Multnomah county won a national award that pursuit of solutions for project homeless connect. From our good friend phillip mondetto at the interagency council on the homeless. The mayor and I know very well. We have a medal randy can wear. [laughter]

**Potter:** For those special occasions?

**Sten:** I think most people know we have had great success as a community over the last two years. We still have a long way to go but we are if you years into what we are calling a 10-year plan to end chronic homelessness and we have helped as a community 1,000 people who had been living on the street for a year or more into permanent housing and we are seeing them stay there. One piece is project homeless connect. And project homeless connect is a twice a year event. We do it once in january for individuals and in summer for families. And also I think almost what we are trying to make and I will show this today with some of the folks we are honoring almost a brand or an approach, a strategy of how to try and take on homelessness because we want to better connect our community to homeless people and homeless people to our community. Project homeless connect is an event at which we have had all kind of services brought together at coliseum and basically invited homeless people to show up. It's also something that the mayor at first event said, we need to do homeless connect every day. We are after the kind of concept of a permanent access center where we could do this work. As you will hear later today many of our community organizations are seeing the concept of connecting the community to the homeless and helping to create dignity and spirit that's necessary for people to get back on their feet is something we can put into other venues as well. And the council has heard me say it before, but one of the things that I think is really changed in the last two years is just that concept of recognizing the people have to feel part of a community. No matter how many services and other things you can get to them, if you are completely isolated, as chronically home rest people often are, it's very hard to turn things around. If you can imagine yourself with no family and friends and no place to take a shower how would you turn it around? So what we want to do today is just very briefly give the council some of the statistics and information and kind of the results of homeless connect which you helped make

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happen and then I wanted to give two individuals and two corporations awards from us and say thank you for their work. Because although the great are project won the award we want we won it because of these folks right here and I want to recognize them today for the council. Heather and Ruth.

**Heather Lyons:** Thank you. Mayor and city council, it's really an honor to be here to present to you this information around a successful project homeless connect. One of the things I value so much is how project connect is connected to the larger 10-year plan to end homelessness. And one of the things that I want to say in terms of the results that we have seen, it's been kind of an unusual week for me. I started out in Calgary, Canada, for two days and then was in Salem yesterday, and just at lunch today talking to some folks from Sacramento, about our efforts around the 10-year plan. And every single time I talk about the results and I show that graph, the graph that you hopefully have in front of you around the street count reductions, people either are shocked into silence, and then give a positive response, or applaud. And it's really, really nice to have that kind of response. And I think that the work around the 10-year plan and, has been really successful. And Portland is being looked at as a model now internationally as well as nationally. The role of project homeless connect is absolutely critical to seeing future success in the 10-year plan. If we are not able to continue to provide opportunities for civic engagement and corporate engagement I don't believe we will have the level of success in future years we need to truly end homelessness in this community. So you have the results in front of you on this sheet and also on the power point. I will leave those to you to read. I am sure I have presented those before you a few times before so I won't go through the whole thing. I just wanted to acknowledge our success and that we are being looked at as a best practice, and not only in implementing the 10-year plan but how we connect our 10-year plan to our homeless connect events. And with that I will leave it with Ruth to talk about homeless connect. Thank you.

**Sten:** Thanks, Heather.

**Ruth Benson:** As commissioner Sten mentioned in project homeless connect is one component of the ending homelessness plan. In 2006, after a visit to San Francisco's project homeless connect events Portland launched their first event. And we were amazed at the results that we bought. We served over 900 people, only having expected 500 to walk through the front door. That success has seen us grow. This year we saw city council dedicate funds to two permanent positions for project homeless connect and the ending homelessness plan. We saw our list of platinum donors grow from six to eight. One-time donors are now signed on permanently and want to make sure we are contacting them for each event. We have got volunteers that started out just giving for the day and they are now actually team leads for several of the areas at the event itself. And we saw several clients come back in January 2007 to serve as volunteers who had come from the January 2006 event. Most importantly, we have seen the Trail Blazers partner with us to help produce a video that will hopefully get word out and increase community awareness. The feedback that we have heard from clients and from volunteers has been the same. Everybody talks about what a life changing experience project homeless connect is. We have had so many stories, so many anecdotes of the homeless folks that come as well as the volunteers, and just the stories that they find out from these people and how they ended up on the street and that the kind of experiences that they have had. I think probably one. Ones that I remember the best from this last event was, I had a gentleman standing there in the middle and he looked really lost. I had to ask him, I said, are you looking for a particular service or an area to go? He says, no, I am trying to count up how much you have spent on me today. I'm sorry? He goes, well, no, I figure you have spent \$3 on me in medical, probably another \$200 in dental and lunch, that would be at least 20 not to mention the coffee. And he just went on and on and on and was adding all this up in his head. He said, I've never had anybody care that much. That is just one of many stories of people that come to the event and how they are moved. By the numbers, this last time at 2007 we saw 850 people come through and 550 general

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volunteers as well as 300 service specific volunteers, doctors, chiropractors, optometrists, lawyers. We also gathered data at each one. Our events that we put into the homeless management information system to track how many people are coming through the door, and to track basic demographic information as well as whether or not they got their services and needs met. As I mentioned before our sponsors list just keeps growing. We have had folks move from the gold sponsorship to the platinum sponsorship just because they want to participate more and more. And each of our events. And the list of partners is huge. And again that just continues to grow with every event that we give. Each event has given us some lesson that is we have learned. Last year at our 2006 event we learned that apples were not a good thing to provide as many people have dental issues and are not able to eat the apples. This time around we learned about poppy seed baked items. They were not very popular. Participants were concerned about drug testing and possibly even losing their housing.

**Saltzman:** Is that true? Or is that just a popular myth? About the poppy seeds?

**Benson:** It's true it will show up as a trace but whether or not they will take your housing or your dog, that I don't know. We will not be serving poppy seed.

**Saltzman:** I hear it all the time. I wondered if it was true.

**Benson:** It show traces. You have to consume quite a bit and be tested within a certain amount of time. [laughter] in case you needed that. Ok. Anyway. Moving right along. One our more important lessons that we continue to learn is providing on site Oregon i.d.'s. This time we were able to provide 33 Oregon i.d.'s and we were limited to 33 mostly lie logistics and the cost of the i.d. itself. This has been such a large issue now we are looking at a bill going through the legislation right now that will hopefully provide Oregon i.d.'s to the lowest poverty level residents in Oregon for free.

**Sten:** That bill is stalled right now.

**Benson:** Is it? Oh, dear. Ok. Again, cell phones was new learning experience. We have provided cell phones at every event but for some reason it fell through this last event and we had not realized but a top priority it was for folks to be able to come and be able to place phone calls to long lost family, to friends, and even just connecting with jobs. So again something that we are hoping we will not run into again. The community response has been overwhelming and so one of the things we continue to work on is how to best and most effectively use the folks that come to volunteer their time. And, of course, dental and vision are always our first services to go in the day. They usually close down within an hour, hour and a half starting because there's so many people that need them. Those are just some basic highlights from the last project homeless connect events.

**Sten:** Great job. Any questions from the council for staff? Great work.

**Potter:** Impressive.

**Sten:** We had two individuals and two corporations that we wanted to honor. And I think maybe what he will do is have people stand up and i'll read and tell you why they are getting the awards and maybe after I do all four we'll ask the council to come down and take a picture.

**Potter:** Do we have a signup sheet for testimony?

**Sten:** For testimony? I don't know if anybody would want to testify. We will check. Why don't I give the awards and we will take testimony if anybody would like. Our first award is to an individual bob kramer there he is. And you get a little bit of a sense from the list of all the services provided the amount of detail that goes into planning a project homeless connect event. And we actually last time posted on the p.s.u. Listserv we were looking for an intern to help us out with project homeless connect and bob showed up. He is a a retired oil economist -- industry economist and is willing to debate randy on biodiesel. He did seem like an unlikely candidate. And to my knowledge not having a background in homeless issues but wanted to make a contribution and he did. We actually, bob was kind of person you look for in everyone event where big and small tasks were great for him. He did everything. I think dedicated over 100 hours to homeless connect

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including administrative support and entire day setting the place up, driving to wilsonville and newberg throughout Portland to get juice, ketchup, bagels, t-shirts and water. He cleaned up the coffee had the perk later exploded at the event and after working for 12 hours at the event he drove all the leftover food to the shelters in Portland so it continued to get used. And we actually borrowed his garage that event to store what we didn't get out that night. He also, while he was there, was the first person to grab somebody, help them and make sure the day went well. I was touched by his enthusiasm. And I hope you will help me in thanking bob in being part of the solution to end homelessness by connecting in Portland. Thank you. [applause] and our next award winner is rochelle rosenberg. Hi, rochelle. I am really pleased to recognize rochelle. She has a lifetime of service. Has worked for many years with severely emotionally disturbed children. And for the last many years has been raising her children and helping her husband's psychology practice. She has volunteered on all three project homeless connect events. And I think she got connected because she has a friend in serena cruz's office and through that connection has given 420 volunteer hours of her time and has taken on the job of leading the vision services area, which ruth mechanics the is really, it's amazing how much people need this help. There's no doubt that the vision services that rochelle has put together has been one if not the most popular part of homeless connect, and what she's done is basically gone out on the homelessness's behalf and nurtured relationships with really what's become an amazing list of sponsors. Lenscrafters the school of optometry and goodwill. And we offered eye exams and vouchers for exams right on site. They had a team of eye doctors fitting people that gave 116 people appointments to come and get a free pair of prescription glasses. So over 156 people were helped to get glasses that obviously if you can see you can't do a lot of things. We actually, and I think this is really thanks to rochelle, now have the lenscrafters and others saying, what more can we do? And they are actually trying to figure out how to get their whole team from the national office to come to our next p.h.c. To see if they can get number way, way up in terms of those already amounts of spores and maybe copy this in other places. Of course, we don't want to be unique in getting homeless people off the street in Portland. We want to do it everywhere. I hope you will join her children who were glad to give her up for those 420 hours in thanking rochelle for being part of the team in ending homelessness in Multnomah county and Portland. Thank you, rochelle. [applause] and our two corporate sponsors I wanted to recognize first one is providence health systems. Police zillah lewis. Welcome. Providence health system was one of our very first sponsors the very first homeless connect and she haven't gone anywhere since. They actually attend the first meeting and they didn't want to be the only health system in Portland to help out. They actually immediately. First thing they did was call their competitors although they had a chance to get their name on it and said, no, we want to get everybody involve in this thing. They have, they really have been responsible for making sure we are connected into the full range of medical services. And last time, as does happen sometimes we were just a little bit short on money. And literally I called russ danielson, the c.e.o. Of providence, I think many of you know he has served on the steering committee of the citizens commission on homelessness for over three and a half years now, to help craft this plan, and as the c.e.o. Of a large medical company the amount of time he has put in is amazing. We said, russ, we are about \$5,000 short to pay all the bills. I could probably get it out of city but even as a commissioner our process is kind of slow on saturday. And he said how about we put 10,000 bucks in and get this done. It was unbelievable. But the more interesting thing part about it that's really actually as amazing that that was it was minor compared to what they have done on the medical side of things. They ever supported us with pharmaceuticals, vaccines, wheelchairs, medical equipment and they actually give out vouchers for free surgery last time around. Today we have a couple of representatives here, russ would be here except for the team is actually at skamania working on the corporate strategy. Priscilla left a pretty important event to come down and join us. Thank you so much. I would also mention that -- [applause] I did want to also recognize brett steel, regional director of supply change management

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and he has got gotten us the medical supplies and locate the wheelchairs. I had also mention along with some work that ohsu has done with the salvation army, providence has really I think pioneered what may be one of the most important innovations in the broader plan in addition to homeless detective which is they have begun a relationship with where they fund central city concern to be able to take chronically homeless people when they are discharged from the emergency room and get them into housing immediately. So one of the things that has really I think plagued our community is that the hospitals do a great job helping people with emergencies and then they have no place to send them. And so what happens is, predictably the conditions recur as the people go back on the street. Providence has appeal step in and actually arguing there's a business model here that's better than just a charitable model. If they can park them with our systems and with the nonprofits they can actually save the expense of potentially getting person back as well as the obvious human costs. So providence has just incredible and we want to thank you. And our fourth winner today, you may recognize some of their faces in the room. How are you doing? Is the Portland trail blazers. And I got to tell you last summer, I got wind that the san francisco giants were dedicating some proceeds from a baseball game to san francisco's project connect which I will admit they did project connect first but I will also admit we won award this year for the best one after copying them. And so we got ahold of jay and said, you know, the giants are doing this. What do you guys think about it? Actually the blazers had been involved already. Our event is at memorial coliseum. Blazers were very involved and the first year but we said you got to do better than the giants. And literal lie within an hour I heard from jay and about two days tracy rose and alissa moore had met with our staff and said we can take this way past the proceeds from a single game. That's nothing. Let's get this thing done. And ever since then we have had a really deep partnership. And what I mentioned a little while ago was that the idea of project homeless connect is that maybe there's a brand here that has a message that says what we are trying to do is connect with people. And so the blazers I think as you know for many, many years have done a harvest dinner right around thanksgiving, I think it is. And they basically open the doors of the rose garden, have an immense amount of food and invite -- I know mayor Potter was there and some of you to come serve food. They have the blazers and the coach and it's pretty fun. It's funny like rich people, poor people alike get a thrill from having a trail blazer serve them dinner. And it was full of people. It's all really nice event. And a good, good thing. But they actually said you, theo now we have an idea. We can do something more and mark harvest dinner and homeless connect and so what we did with the blazers's help was got the service providers and some of links to necessary thing into the rose garden that day so when people came to get their dinner many of them came to see a famous athlete and coach mcmillan, they also had a chance to hook up with some of the services like they would in project homeless connect. So it really became a good event that wonderful event became something more, became about making this connection. They start allowing us to put the homeless connect logo in a variety of place. Tracy and her team basically having which is getting on the phone and calling their corporate partners and saying, you got to be part of this thing. And if anyone has ever had a call from tracy, you return that call and get it done. So for her really, really did amazing job. Global spectrum who operated the rose garden at that helped did a ton. Ovation food service has written off a lot of costs for us. So it's really been a team event. Then what happened I said the blazers have been like providence really digging in. Is tracy and her team basically said to us, you know, this is a story that you have to tell better. And it turns out they are better at doing promotions and telling stories than even us population issues. What we will show you is at the actually at no cost to any of the agencies, or homeless connect, assigned the blazer video crew to go out and do a dvd we can use to show people what this is all b it's pretty wild. We will show that to you but before die that I want to introduce the folks at the blazers who have given us this star power. Mike golub, vice president of business and executive affairs. Jay isaacs. Mike fennel, vice president general counsel. Brad stith, director of ticket

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services. Is brad here? Selling tickets. [laughter] jerry moss, tracy rose and brittany davidson from the community relations. All here. Mike scan lan and lynn from global spectrum. Hi. And tony hendricks from ovations. And tracy rose who I have mentioned the direct every of community relations. This is a big team and they are all here. Because they have all actually really stepped up and have made project homeless connect get to this next level. Thank you, trail blazers. [applause] we will show this short film and then maybe take some pictures with the council. And I did want to recognize ryan flaherty, the creative director and film editor bill olmonson who directed and produced the film. They took the crew to sisters of the road, to transition projects and actually got executives from nike and providence that you see in the movie in the film already, and as part of it. They wrote the script, arrange the graphics and so as you can tell they really did the whole thing. Why don't we show the video. I think it will get you fired up as we hope it will our next round of sponsors we hope to give awards to next year. And we will wrap this up. I thank you the council for your time. ¶¶ on any given night over 2,000 people sleep on streets in our community. They are adults, young people, couples, and families with children. They are homeless. Sometimes temporarily, and sometimes for the long term. But no matter how they got there, most homeless people don't want to live the way they do.

\*\*\*\*\*: The vast majority of people, 95, 99% of people, of course, do not want to be homeless. I think that one of the most harmful myths is that people choose to be homeless. It's incredibly difficult position to be in.

\*\*\*\*\*: So many people have just had really maybe a rough start in life. There's a lot of multigenerational poverty. A lot of people with mental health issues that are untreated. Lots of people who just need someone to help them along.

\*\*\*\*\*: We have people who have been computer programmers in silicon valley. People who, a lot of people, of course, who have struggled to just make ends meet for many years and then one thing caused them to be homeless, which I think there's thousands and thousands of people in that position, where they're one paycheck away from being homeless.

\*\*\*\*\*: The good news is, the campaign to end homelessness has begun in the Portland region. Since 2004, policymakers and citizens have realized that homelessness is not an inevitable truth that must be endured. And an emphasis on doing what works, helping hopeless people find permanent homes, is now under way.

\*\*\*\*\*: We absolutely, if we made it a priority, could end homelessness. And we are creative. We are learning a lot. If we work together and we just have the will we absolutely can end homelessness in Portland, Oregon.

\*\*\*\*\*: We actually could end homelessness. We would have to work as a whole as a community so everyone, businesses, social service providers, regular citizens, everybody has to do it. It's a huge commitment but I think it is possible. And it's probably what keeps me and all my staff coming to work every day. We all want to be unemployed by the end of the 10-year homeless plan.

\*\*\*\*\*: The 10-year plan is a community effort to try and get people who are living on the street into a home. And really that means get them to be parts of the community. So it's working with hospitals, with the jails to try and change the way we do things. And our focus is really get people into housing, connect them with the community, help them sort of rebuild their self worth, and be productive again. It's really in some ways that simple.

\*\*\*\*\*: The reason this strategy works is that once homeless people have housing, they are ready to get the help they need to stay there. By focusing on housing first and then connecting homeless people with services such as medical care, addiction counseling, legal advice, and job counseling, we have been able to keep over 65% of homeless people given permanent housing in their homes for two years.

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\*\*\*\*\*: Government can't end homelessness. And no one person can end homelessness. But if you think about it, it's not that complicated a situation. But we have become accustomed to it. I think many of us grew up assume there's always homeless people when, in fact, it's a relatively new phenomenon. So I think we can do it but it's going to take the whole community. And it's partly giving, it's partly changing things and really saying all these folks are part of this city and we are going to make sure they have a place a live and be productive.

\*\*\*\*\*: A lot of social service providers, money and you understand fiscal. That's a given. And a lot of our social service providers can do great things with donations. I think the community as a whole if they have something special they can do like they are a landlord or housing provider can open up a room or apartment unit to a social service agency or some formerly homeless people. If you are an employer you can give them apprentice ships, an opportunity to learn a trade. What it all boils down to is having some empathy. Being able to provide financial assistance as much as you possibly can but also he had indicating yourself on what it means to be homeless when it means to be mentally ill. What kind of things people have to struggle through on a daily basis just to survive a day.

\*\*\*\*\*: Part of what the 10-year plan is is trying to better use what's out there. And we do need more housing. We need more services. We also need to be more smart about how we do things and we need to connect with people more. So project homeless connect, for example, isn't just about connecting homeless people to services. It's about connecting the community to those people as well because people want to help. And I believe if we actually kruse resources and the gives we have in this community we can solve the problems. So it isn't a matter of, we flow money at problems all the time and that's important to fund things. But it's really more about rethinking how we connect with each other as human beings.

\*\*\*\*\*: Recently, the community has come together to show our homeless citizens that we care and we want to help. Project homeless connect not only connects the homeless with needed services, it connects our community with the homeless.

\*\*\*\*\*: It was just really amazing. These people went out of their way to make me feel special, to make me feel like I mattered. And that my children mattered. And they had medical services, dental services, housing, they had all kinds of things that just all put into one big balloon that you can go 50 miles in one day or in a year and never be able to get them all.

\*\*\*\*\*: What we have really worked a lot with corporations and business leaders throughout the city and really the state and when I say that the government cannot end it, that's completely true. We have, it has to be a partnership with everyone. So what's happened we found once we started project homeless connect and gave some structured ways for people to help, they really stepped up. The Portland trail blazers tied their annual thanksgiving dinner to service provisions. Super cuts was there giving haircuts. It was a great training ground for people and made them feel good. It isn't just so much charity as it is seeing that if we can connect with these people that are on the street, the city gets stronger and the business community gets stronger as well because there's a lot of problems that the business community can solve by using the things they are very good at.

\*\*\*\*\*: I think nike and other businesses in this community have a big role to play. Not only are we important corporate citizens but we also have employees who live, working and raise families in this community. And if we can be part of the solution, part of the campaign to end homelessness, that will make it for a better, stronger, healthier community for all of us.

\*\*\*\*\*: Whether we are reading to a child or feeding the homeless or building a home, there's something everyone can do. I think sometimes we are naive to the fact that we all could be faced with this situation. And the fact that we see that and we recognize that, we wanted to be a part and we want to try and prevent that. What we want to do is challenge other people to join us, the Portland trail blazers, and helping too prevent homelessness.

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\*\*\*\*\*: Once something turns in an individual and they feel like there's support and there's caring they turn around. And a lot of ways the business community is better positioned to send that message. It's that vote of confidence that comes from a business person saying, I care and this is good business as well.

\*\*\*\*\*: I'm proud to live in a community that comes together to take care of its people, all of its people. We're so fortunate here in Portland that neighbors will come together to try and solve our social ills rather than ignore them or just manage them. At providence health system, we are committed to ending one of our city's most lingering problems. And that's the problem of homelessness. We can make a difference if you step forward. Start by volunteering. Once you get engaged I know you will want to do more. I encourage to you join my team at providence and work together as a community to solve this problem. I know we can end homelessness in Portland if we work together.

\*\*\*\*\*: We can end homelessness.

\*\*\*\*\*: We can end homelessness.

\*\*\*\*\*: We can end homelessness.

\*\*\*\*\*: Portland can end homelessness. [applause]

**Sten:** Thanks again, trail blazers. You can see they could have used a better narrator but other than that it's really, really wonderful and we do believe that this will really be something that we can use to communicate to folks who haven't been there who can and really get involved. So I think what I will do is starting with bob and rochelle and providence and the blazers maybe ask to you come up and ask the council to pose for a picture. And I didn't d-want to thank chair wheeler, former chair linn and commissioner cruz walsh who have been working closely on this afternoon. And kathy gardipee of my staff who about a year and a half ago I said we have to do this I think and she took the lead and did it. Thank you, kathleen.

\*\*\*\*\*: I'll learn how to work the camera. There you go. Got it. [applause]

**Sten:** Providence health systems. [laughter]

\*\*\*\*\*: Thank you. Thank you for this honor. [applause] [applause]

**Sten:** Was there any public testimony, sue?

**Parsons:** There was not.

**Sten:** That takes care of it. Thanks, mayor.

**Potter:** That's just excellent. Congratulations, eric.

**Adams:** Great presentation.

**Saltzman:** Be sure you get your medal back. I think it went down that end.

**Adams:** It's his and he's keeping it.

**Potter:** Take the 3:00 p.m. time certain now.

\*\*\*\*\*: Excuse me, mayor. Can we take a vote on the report. To accept the report.

**Potter:** I'm sorry. We do need a motion to accept the report.

**Adams:** So moved.

**Saltzman:** Second.

**Potter:** Please call the vote.

**Adams:** Great leadership, commissioner Sten. Look forward to participating in the next one. Aye.

**Leonard:** That was an excellent presentation. Thank you. Aye.

**Saltzman:** Good job, commissioner Sten and all the partner who is made homeless connect successful. Thank you. Aye.

**Sten:** Thanks everyone for your help. Aye.

**Potter:** Thanks, commissioner Sten. All the good folks who, from the city and from our community, gave their time and effort. It sure paid off. Very, very provide of this city. Thank you. Aye. [gavel pounded] now move to the 3:00 p.m. time certain.



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**Item 432.**

\*\*\*\*\*: The measure 37 claim would like to set that over to another day.

**Potter:** Ok. Come on up, chris.

**Chris Dearth:** We did mail, mr. Lobdell is here. He misunderstood where the hearing was. But we did mail to it him 10 days ago. For whatever reason it didn't arrive at his box. He has not seen a copy until now. We are agreeable to putting it oh every to a later date so he can have a look at our report and think about it before he testifies. That's what he would like to do if you are amenable do that.

**Saltzman:** The testimony we heard remains part of the record?

\*\*\*\*\*: I would think so. Yes.

**Adams:** Come back unless they really want?

**Potter:** Any objections? What's the next available date?

\*\*\*\*\*: I apologize. I don't have the calendar right here.

\*\*\*\*\*: We will do it as soon as there's an available time.

**Potter:** Would you make sure mr. Lobdell is notified of that date.

\*\*\*\*\*: Ok.

**Potter:** As soon as possible.

\*\*\*\*\*: We will do that.

**Potter:** That's set over. Now please read the 3:00 p.m. time certain.

**Item 434.**

**Potter:** Auditor blackmer.

**Blackmer:** Good afternoon, mayor, members of the council. One of my responsibilities is to oversee the public campaign finance system. And one of the keys to success is the seven-member citizen campaign commission. Which monitors the campaign cycle and makes recommendations. And i'll be introducing the chair in a moment but I did want to say it's been a very hard working talented and dedicated group and it's been a great pleasure to work with them. Let me introduce leslie hildula and she will introduce the others who will be making a presentation.

**Potter:** I think we all have copies of the report.

**Blackmer:** You do. They have copies.

**Potter:** Thanks for being here, folks. When you speak, would you please state your name for the record.

**Leslie Hidula:** I'm leslie hildula, chair the commission. It's a pleasure to be here today. When we are first here in september. I remember having that deer in the headlights kind of feeling. And it's been an exciting time. In may 2005, you passed an innovative campaign finance reform, campaign finance fund and we became the first city in the nation to offer a fully funded, full publicly funded campaign finance. It was in place for the 2006 elections. And in order to help monitor that you establish the commission of which I am chair. The members are stan baumhofer, christy mason, jarrett, jessica sweeney and andy linehan who are the co-editors of the report. We began meeting monthly in september monitoring the election. And it chose -- it proved to be much more lively than we had all anticipated. At the end of the primary season, we were able to begin our report because, as you know, the incumbents won. There wasn't a need to go to the general election. At that point, we invited everyone who had participated in the primary election to come and be interviewed by the commission. 10 out of the 14 candidates came and talked to us. We also talked to other political leaders and stakeholders in the system in preparation of our report. We recognize the 2006 season was a limited test of the campaign finance fund. However, it was interesting. We received a lot of good feedback from it. Out of, during the primary, 14 and out of the 14 candidates, eight filed their intent to participate in the two city council election. Three candidates actually qualified and one was later decertified as a candidate. And everyone admitted that it was much harder than they expected it to be to be, to get certifications. When we organized a report, we

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looked at the charge that we were given by the city council and by the things that you had written about, the campaign fund, and developed six goals that we used to sort of evaluate the program. The first goal was reducing the perceived influence of large money donors and other special interests in the campaign. The 2006 election suggests that it does help reduce influence large money donors although the fact we had incumbents in both races tempers that assessment. We did notice that in terms of numbers of actual people donating, that they were easily doubled in the races where people were qualifying candidates. Second goal was reducing the overall campaign spending. Again, it was a case where, in 2006, less money was spent than in 2004, but we didn't have an open seat. So we are looking ahead to when we have an open seat to really evaluate that. Supporting more competitive elections, including increasing the challenges to incumbents. It may not have increased the number of challenges to incumbents, but in our opinion it increased the effectiveness of amanda fritz when she came as a qualified candidate. Going number four was increasing recommendation of underrepresented groups among candidates. It's a little too early to tell. One of the things we heard in our interviews, and these interviews were with politicians outside of the city council races. Our two county commissioners. Their take on it was we really have to wait until an open seat comes up before we can make an assessment of that. And five, increasing candidate contact with voters. I think that that was a case where it truly did that. Both candidates who were qualified said they believed they spent more face to face time with citizens rather than the time spent in fund raising. And, six, the last one is to assure appropriate protection and management of public funds. We will be talking a lot more about that because we had two candidates, commissioner erik Sten and amanda fritz who successfully participated in the campaign funds, complied with all the rules and qualification requirement. However, in one case with emily boyles, there were issues and we will deal with those in greater depth. In short, the commission believes that the program shows promise, and that it needs, it's worth retaining and it needs strengthening. I was fortunate to work with some very talented and knowledgeable people on the commission, people with a great deal of expertise and background to contribute write this comprehensive report. And today I have two of them with me, christy mason and jessica sweeney, one our editors. I am going to turn it over to them to go through the recommendations of the report.

**Christy Mason:** Thank you, leslie. I'm christy mason. And jessica and I are going to briefly review each recommendation so you no he what came up in our meetings. Even if we don't make a recommendation to change what's already in the code, we thought it would be worthwhile for you to know some of the issues that we spent a long time talking about. The recommendations are broken down by phase, by campaign phase. So if we talk about the exploratory phase, when someone is interested, perhaps in participating in the fund, we have two recommendations. The first is to have an optional informational workshop for people who are interested in the fund and we also recommend a mandatory training program for the candidate or staff after that declaration of intent form is filed. It was clear last election cycle that, although each candidate is charged with knowing the code and knowing the rules, that judged by the number of calls that came in or didn't come in elections officer judged that people were not really taking time to know what they had to do. So that's the training section. We also recommend that any potential candidate who has an outstanding money judgment should be required to resolve that before receiving public monies. Excuse me. Then in the qualifying period, when a candidate starts collecting signatures we also looked at a number of things. First change we recommend is changing timing of the period for collection of contributions to july 1 through january 31. And this is a change from the current period of september 1 through march 31. We heard from candidates and others that it would be helpful to be able to be out collecting signatures when the weather is warm, and we also heard that because the voters pamphlet deadline came before the end of the period, before -- it would be helpful to know who would be on the ballot before the voter pamphlet statements were due. The length of the

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period which is seven months is going to stay the same. We look at seed money limits and decided that we would keep those in place. We heard that the limbs required some tight budgeting for startup costs but decided to leave those in place. We do recommend a slight increase in the in-kind contribution contributions. That reflects our thinking that election night parties be better paid by in-kind donors than public funds. Jessica.

**Jessica Sweeney:** Excuse me. I'm jessica sweeney. And I am going to talk about our recommendations regarding the qualifying process. Currently, candidates running for city council or auditor who choose to participate in the campaign finance fund must collect \$5 contribution from 1,000 supporters. We believe that both thresholds should be retained. Our interviews with participating candidates consistently showed they felt the thresholds were reasonable and could be achieved with proper time management, organization and person commitment. The system currently allows supporters to contribute the \$5 qualifying contribution either by cash, personal check, or money order. During our interviews with participating candidates, there was a strong majority who felt that the \$5 bill contribution was attractive to supporters and was consistent with the grass roots spirit of the fund. Some also suggested allowing contributors to pay with a credit card. While we feel this proposal is worthy of merit, we don't believe it is the right time to implement such a change. We are recommending a number of other significant changes for the next election cycle, credit card transactions would add yet another layer of administration complexity. We recommended maintaining the current methods of payments but consider making the change if conditions warrant it. Currently, when supporters contribute the \$5 to participate in candidates, think must sign a form that allows for multiple signatures on a single page. The form is similar to those petition gatherers circulate and provides little information on the campaign finance fund and what is required of each contributor. We recommend a brand-new form that makes it clear that signers are contributing to a participating campaign finance fund candidate and that the sign are is a resident of the city of Portland, and has registered to vote. The form should make it clear that there are substantial penalties for both the person seeking signatures and the contributor if perjury occurs. We also recommend making the form available in other languages to provide further clarity for contributors who are not fluent in english. In the last election, participating candidates were allowed to collect \$5 qualifying contributions from all residents of the city of Portland. Going forward, the commission recommends that the rules be changed, excuse me, so that only residents of city of Portland who are registered to vote are able to contribute. This change will allow the auditor's office to verify that all contributions come from residents whose voter signatures are on record. If this change had been in place during the last election cycle when the fraudulent collection activities occurred it is unlikely the forge the signatures would have been missed.

**Mason:** Then we turn to the verification process. The auditor's office still has to verify all the zigs and in that area we made several obvious recommendations. The first relating to turn in. Auditor's office could be subject to a heavy administrative burden if a number of candidates decide to turn in 1,000 or 1500 signatures on the last day of the period. So in order to avoid that, the recommendation is to require 30% of the required number of contributions at the beginning of december. And we did consider some of the possible political effects of requiring that percentage but we believe a percentage of the size does not really make that large of a difference and it does address the administrative issues that were bro brought up. We also under the recommendation that every single contributor has to be a registered voter in the city of Portland, the auditor has to look at each one of those and determine whether that's true. So under an informal agreement with Multnomah county, that office with help from the auditor's office staff if necessary, will do that verification work. This is very different from the internal check that was done last cycle. The commission also recommends that members of the public, and that would include press and the commissioners themselves, would have five days after turn-in of signatures to review the signatures and raise any issues that are noticed. We also recommend that the auditor be granted authority to

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reopen the certification review if evidence comes in that may disqualify a candidate. That takes care of some of the delay that is seemed to be inherent in the time lines in the last election cycle. Auditor should also be allowed to seek immediate revocation and require immediate repavement. Then in the election period, once the candidate has qualified and now has the public monies, the auditor's office turns its focus to spending issues. We looked at requirements of report, the contributions and expenditures. Because the candidates will be using or-star, the new state reporting system, we recommend that the system be used post expenditures. And we are recommending a shortened time line for reporting. Excellently expenditures to have been reported within 30 days. And we recommend that they be reported within 14 days with a shift to seven days before the election, which I think is 42 days before the election. That also tracks state law. That time line will catch spending violations much earlier. If they are going on see them quicker, you can do something about it. We also recommend that the auditor review those reports at least 14 days. Finally we recommend the auditor's office remain open the weekend before the election to review reports as they are filed late on friday or over the weekend, to be able to report to candidates when they may be eligible for matching funds.

**Sweeney:** Currently, the campaign finance fund provides qualified participating candidates for city commissioner and auditor with \$150,000 to run a complaint. With the exception of emily boyles it attracted serious candidates who are able to develop credible campaigns and promote their candidacy. We recommend retaining the \$150,000 limit but continue to monitor spending and interview candidates to ensure the amount continues to be adequate but not excessive. Although the issue of independent expenditures did not come up in the may 2006 primary we feel this is an area that should be monitored going forward. We recommend no changes at this time. Under the current system, if a nonparticipating candidate spends more than \$150,000 on their campaign, matching funds are triggered for participating candidates. The matching amount is equally divided among participating candidates. There has not yet been an opportunity to divide matching funds so future elections should be monitored to ensure the mechanism works as intend. We recommend no changes to do matching fund system at this time except to improve the reporting forms for accounts payable and accounts receivable to make sure matching funds are processed smoothly. Watching the may 2006 primary unfold gave us some incited into three types of expenditures that we believe the campaign finance fund should exclude. Although they western an issue in the last election cycle they may occur going forward. The issues of: Certified participating candidates are responsible for the campaign finance fund revenues they receive. If they are being charged for misuse of campaign fund funds they might want to hire an attorney or other professional advise tore assist them. It would be a potential conflict of interest for the campaign finance fund to reimburse candidates for misuse of the fund itself. Thus we recommend that candidates be prohibited from using campaign finance fund revenues to pay for fees for professional services. After an election, campaigns often throw post election parties. Since these largely occur after the election, and the public perceives them as a frivolous unrelated expense we recommend that election night parties should be a prohibited use of campaign finance funds. The campaign finance fund allows qualified candidates to employ family members to help run their campaign. Objections to this came up during our interview was candidates and the may 2006 primary. While we agree that the practice should be discouraged -- and the campaign finance fund handbook warns that such employment relationships will be subjected to extra scrutiny, the city attorney's opinion on this matter is that a prohibition against family members is legally unenforceable. Thus we recommend continuing to advise against employing family members and closely monitor them. Currently, if a certified campaign finance fund candidate commits any spending violation whatsoever, they are decertified, required to pay all public funds and may be penalized. During our interview participating candidates expressed serious concern this one strike, you are out policy is too severe. We recommend allowing candidates to commit one spending violation of less than \$1,000 without decertification but increase

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the penalty and deduct it from the candidate's public campaign funds. Nonparticipating candidates are also currently subject to penalization if they fail to report spending that exceeds \$1 hundred 50,000 and whenever they reach additional increments in order to trigger matching funds for participating candidates. Thus a nonparticipating candidate who fails to report their expenses in a timely manner has a considerable advantage over their participating counterparts. The current penalties are imposed on a sliding scale and may not be high enough to discourage late reporting by nonparticipating candidates. Thus we recommend increasing the penalties for improper reporting of contributions or expenditures. By nonparticipating candidates to equal the amount involved with the \$1,000 minimum. The campaign finance fund is not currently set up to allow the auditor to seek immediate recovery of funds from qualified candidates if they commit infractions during the qualifying periods or spending violations after certification. We recommend the auditor be given the authority to recover funds immediately. Currently, a participating candidate charged with qualify indication or spending violations must wait a minimum of two weeks before the time they file an appeal and had the appeal is actually heard. The auditor's office allows for up to 21 days to conduct the hearing. The public, other candidates, and the candidate that filed the appeal need to know as soon as possible whether or not they are certified. We recommend reducing maximum amount of time that a written request for a hearing must be filed from 14 to seven days after the notice of violation. We also recommend reducing the maximum amount of time from a request of a hearing to actual hearing from 21 to 14 days. This is the last recommendation. The fund does not currently set up to accept voluntary contributions. We recommend the fund be set up to accommodate those that come in after a candidate is certified.

**Saltzman:** I am not sure I understand that last point.

**Sweeney:** The fund does not currently set up to accept voluntary contributions after a candidate has qualified. In our interviews we had a number of candidates who said people wanted to contribute but they couldn't because they had already been, the qualification period had ended. So for people -

**Saltzman:** The \$5?

**Sweeney:** I'm sorry. The \$5 contribution. Because they can only pay the \$5 during the qualifying period. And they wanted to support the fund by making --

**Saltzman:** The \$5 would go to the fund?

**Sweeney:** Right. To the campaign finance fund.

**Saltzman:** Not to the candidate but to the fund.

**Sweeney:** Right. Well, it actually goes to the fund. I have a question on recommendation number 21. It's referenced on page 45. I can't see where it explains this so maybe you can help me understand it. Increase the penalties for improper reporting of contributions or expenditures by nonparticipating candidates to equal the amount involved with the \$1,000 minimum. So nonparticipating candidate has some requirements with the system? And if so what are those?

**Mason:** Yes. And the improper reporting refers to spending that a campaign finance fund candidate would be eligible for for the matching funds over and above the amount that's already been received. So if that nonparticipating candidate does not follow those reporting requirements, then there are penalties involved.

**Leonard:** I see. So if they --

**Mason:** If they fail to report spending within a particular time line, and that's not laid out in the report. But if those expenditures are reported late, for example, then matching funds can't be issued in the timely way so that the participating candidate can use them.

**Leonard:** Late in terms of the state campaign reporting requirements? Or late in terms of some other time lines that are different from what the state has?

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**Mason:** I believe there are some time lines that are different and there may be some that will be different based on the way that the recommendations we are making are going to fit together. We are going to leave that to the city attorney to try to put together a time line.

**Leonard:** The state's are seven days after in the last 30 days before an election within seven days of an expenditure or a contribution.

**Sten:** It has to be -- those dates render the matching funds meaningless. Because in my race there was a lot of money spent but not reported until after the race was over. And there's no point in having a matching requirement if you can avoid reporting it to the match. I don't know exactly what the time line has to be but it has to be if in the last week there's large expenditures that would trigger the matching requirement the campaign commission has to know about it.

**Leonard:** I see.

**Sten:** Otherwise nobody's ever going to trigger. They will wait until the last minute.

**Leonard:** Has, was that part of the existing program? Or is this a recommendation to add into the program?

**Mason:** The existence of a penalty system was part of the program or is it is currently part of the program but it needs to be tightened up.

**Leonard:** For nonparticipating candidates.

**\*\*\*\*\*:** Correct.

**Saltzman:** Are the penalties for improper spending by both participating and nonparticipating the same in terms of dollar amount?

**Mason:** We are leaving that open. Our recommendation is to change this particular penalty for nonparticipating candidates. I don't know if they are the same for the participating candidates. I don't know why that wouldn't be. That seems to be also changing.

**Saltzman:** That would be part of the changes we would be asked to enact?

**Mason:** Yes. We are waiting to look at the actual recommendations from the city attorney to the code and the rules. So in certain cases we are saying increase the penalties and then we will be looking at actual detailed code and rule changes that will be also given to you to review.

**Saltzman:** Our goal is to have qualifying and nonqualifying or participating and nonparticipating to be subject to the same level of the penalty? I see three heads nodding.

**\*\*\*\*\*:** I think so.

**Leonard:** Have we work through yet whether that will be online reporting or is there some other method? Something you are asking the auditor's office?

**Mason:** Well, in terms of spending, we understand -- oh.

**Leonard:** Reporting of the contributions we were discussing?

**Mason:** The original contributions, the \$5 contributions? I'm sorry.

**Leonard:** On this subject of recommendation 21, a nonqualifying candidate, if a nonqualify -- not a nonqualifying but nonparticipating candidate -- if the nonparticipating candidate receives some money that puts them over whatever that limit is that allows for matching funds for the qualifying candidate, have you addressed the issue of how that's reported, the mechanics of it?

**Mason:** We haven't addressed the specific mechanics. It could go I think two ways. One is to have or-star be the places where those are recorded and the auditor's office would be look at those on a periodic basis. Other way would be to have a separate form on top of what is already having to be reported.

**Leonard:** Or-star I guess.

**Blackmer:** Well, let me see if I can elaborate. The or-star system is going to be tracking contributions and expenditures through the campaign for participating and nonparticipating. We have got a higher reporting requirement for participating. For the nonparticipating the only thing we ask is that they give us what we call incremental forms. When they have gone over the \$50,000 it's a simple form that reports what they've either spent or received or committed to with increments

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of \$5,000 or more. So those are very simple forms. And there's like a next business day deadline for them to submit them to the auditor's office.

**Leonard:** An electronic means by which that can happen?

**Blackmer:** We've -- a fax machine is as good as it needs to be. It's a simple, one-page form. Ultimately it does get reported in the electronic version when it reconciles there. We needed a shorter time line just for the nonparticipating to give their opponents a chance to receive matching money and spend it within that election cycle.

**Sten:** I actually, i'm thinking about this on the fly, but we start from the premise the penalties have to be the same. I would argue the penalties for abusing the public funds should be more severe. You know, there's a hole legal construct for what you can, if you raise private money to run for office, you are under certain laws and there's certain enforcements that need to be in place if you abuse those. That's not our problem. If you decide, which is your choice, that you are going to opt for city financing for your, you should be held to an extraordinarily high standard and the penalty should be severe if you fraudulently. Like if you get tossed out for fraudulent use of your money I think the offense of fraudulent using public financing money for elections is much worse to me than some of the other pieces. There just needs to be a strong enough penalty on the immediate reporting at the end so that a candidate can't drop \$100,000 and at the last minute, and then not trigger the matching requirement because they don't tell the auditor. So to me it's kind of two completely separate, different pieces that you know, that just need to be thought through. And the bar on the last one just needs to be high enough where people aren't going to do it. In terms of reporting. It's a sleazy thing.

**Saltzman:** Isn't it possible there could be a scenario where a participate be candidate would at the last minute do have loaned themselves or receive a large cash contribution and, effectively win the election and then face the consequences later?

**Sten:** They would owe all the money back.

**Blackmer:** They would owe all the money back plus penalties.

**Sten:** And you could probably void the election.

**Blackmer:** It's a pretty steep pay back to have.

**Sten:** Something would happen.

**Saltzman:** Would it void the election? I understand the pay back.

**Blackmer:** No, we would need to have a charter change to void the election.

**Leonard:** My question on this recommendation, just to be clear, this recommendation doesn't deal at all with qualified candidates. This is exclusively on nonparticipating candidates so i'm raising the question and you will notice I didn't raise the question of the amount of the penalty, either. That's not my concern. My concern is, is that you have multiple levels of requirements of a candidate during all the final days of a campaign that may kick in some reporting requirement that falls through the crack. And I want to make it as seamless and as consistent with the state regulations as is possible so that an honest mistake doesn't happen in terms of reporting something that should have been reported. And it just worries me -- I just need to think this through about the extra form.

I liked, if it was an or-star, in other words, if you said, and i'm just, I know we are not voting on this language. It's a report. But just so people, it said you are required for the purposes of Portland's or the Oregonian, if you are a nonparticipating candidate, to post expenditures or contributions immediately. Not within seven days but immediately. This far out from the end of election. And then you had these penalties i'm good with that.

**Blackmer:** Well, they could do it with or-star but they would have to notify us they just put it out. We may not look ate every day. I mean I guess we could at end of the election.

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**Leonard:** I bet you the other side does. I tell you I watch it half a dozen times already. [laughter] I'm sure -- I'm not real word about somebody noticing a contribution in the final days of the campaign.

**Blackmer:** I think it's important for them to positively notify us when they have --

**Leonard:** Again, my point isn't not to do that or penalize but to make it as seamless and least cumbersome as possible so people don't in the final days of the campaign, as you know, comes insane that somebody just forgets the email but, you know, but people should know, ok, you are within this many days of the election day. State says every seven days, within seven days. We are saying within 24 hours you have to report it.

**Sten:** And the participating candidates, I don't think if it's necessarily if they had to post it on the secretary of state's website the participating candidate has to request the matching funds. The auditor's office doesn't find them and go, here's your money. So if a campaign isn't on top of it enough to look at the secretary of state's website, then, I think that's their mistake. So I think something like that would be fine. One of the things that I think is the most, one of the benefits of this system is that it actually does push to some extent the amount of money spent down for sure but it also forces candidates to kind of think through what's their strategy. So last time around you had commissioner Saltzman who did not participate but purposely limited his funding down to the level of the participating candidate because not wanting to trigger the matching funds. That's unprecedented. I participated. My opponent went over the matching funds and so you actually have this whole, there's no serious nonparticipating candidate who is going to be running against a participating candidate who doesn't know exactly what happens with the over 150,000 bucks. It's not the dates before the election. It could be three months before the election. It's as soon as you go over the 150 and they will be plotting very carefully why they would want to go over 150 if, in fact, they do and trigger the matching funds. Because he had though two totally different and very interesting dynamics in the different races. So that's really the key is just that if they do decide to go over the 150, in the case of my race, and I think it was a learning experience, I don't think anybody violated the rules but they played the rules perfectly and did not, did not report the money until the election was over.

**Leonard:** Right. And or-star is actually a perfect vehicle to address this with the time and requirements.

**Blackmer:** We are very fortunate to have that.

**Leonard:** It really is a great system. To the extent we can do what commissioner Sten recommended, that would make me feel a lot better to put the onus on the candidate to make sure they post it right away. That's their responsibilities but the challenge are should be one that goes, hey, Gary, guess what. 2:00 a.m. Last night I happened to be watching or-star and it kicked in over at 175. I want my other 125. That's exactly how it will happen.

**Hidula:** This came up for us in a lot of conversations is in responding to the problems we had, we also did not want to create fixes that were so onerous nobody wanted to campaign under this system.

**Leonard:** Yeah.

\*\*\*\*\*: You want to keep things as streamlined as possible and error proof as possible to make it easier for the candidates to do the right thing, not harder.

**Saltzman:** So did you have a question?

**Leonard:** He always has questions.

**Saltzman:** The disqualification of a participating candidate, there's an outstanding money judgment? I guess what's the rationale behind that and does that apply also to bankruptcies as well?

**Mason:** That relates to Emily Boyles in particular. She had a judgment against her that would indicate to us in our discussions that perhaps she had had some mishandling of finances in the past



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or something that resulted in a nonjudgment which is a serious result from some financial mishap in the past. And all --

**Saltzman:** Does that apply to bankruptcies?

\*\*\*\*\*: No, it does not.

**Saltzman:** And it's even if the money judgment has been satisfied?

**Mason:** No. It needs to be resolved before that person continues on in the process.

**Saltzman:** Apply to only court ordered judgments?

**Blackmer:** If there are ongoing payments, child support, as long as they are not in arrears, that's all right. Make sure candidates do their duty.

**Saltzman:** Truly family friendly.

\*\*\*\*\*: Yeah.

**Hidula:** The other nice thing about it was the fact that if a candidate is interested, finds out there's this problem or this issue regarding the unsatisfied judgments, they can take care of that and then continue to try to qualify.

**Saltzman:** Right. Are signature gatherers -- not signature gatherers but contribution gatherers, are they allowed to be paid by the contributions or the campaign?

**Blackmer:** It's hard to draw a line where paying begins and ends in any campaign because --

**Saltzman:** I guess paying by per \$5. If you bring me 20 \$5 contributions I will pay you \$70.

**Blackmer:** There is a prohibition against the individual who made the --

**Saltzman:** How about an individual collecting?

**Blackmer:** Not at this point. We had several people, or at least one campaign, try to could what and failed very quickly. It's one of those issues where we've, you know, we have campaign managers and so forth, as part of their duties they are supposed to go out and gather contributions. So it's difficult to draw a line and say you can't do that.

**Saltzman:** And then on your immediate repayment in case of infractions, I guess how would that be accomplished? Have you given thought to making the auditor a joint sign are on a campaign account? That seems to be the quickest way to deal with an infraction. Otherwise you are trapped at the mercy he is of the court process.

**Blackmer:** I hadn't thought about that.

**Saltzman:** I'll tell you with something to think about. Then I guess my last question is, are really I still feel that family members should be prohibited from employment or prohibited from leasing transaction. You shouldn't be able to sort of lease something from a family member. And then my favorite, you did eliminate out of state travel but I also feel we should eliminate leasing of automobiles. I don't think that's covered anywhere in I see that as a potential coming back to haunt us in the future date. And then the independent expects, I guess that is my last point. I understand maine which was one of the states this look at does have an independent expenditure has dealt with that issue that an independent expenditure campaign against a nonparticipating candidate would increase that threshold by an equal amount before triggering matching. So did you look at that?

**Sweeney:** We did. And I actually had written it down to read to you but I thought it was too long so I took it out. Of course, i'm drawing a blank.

**Leonard:** If you are not allowing for the rental of an automobile does that include not allowing the reimbursement of the relation expenses of a automobile owned by the campaign?

**Saltzman:** I think I recall that was one of my original concerns was both. Reimbursing or leasing.

**Leonard:** I think we need to be consistent. If you are leasing you don't want a car you have to say no automobile-related expenses.

**Saltzman:** I agree. On that issue? I just think it's a potential embarrassment waiting to happen. Somebody is going to lease a very nice car for six months or reimbursement themselves. Most don't

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reimburse themselves for miles traveled. I think it's one of those things that could be a potential abuse.

**Blackmer:** State election law does restrict personal income from campaign expenditures. And among those things are automobiles. So leasing a vehicle would definitely raise flags not only here but in salem.

**Leonard:** Not when a campaign reimburses for related automobile expenses. That's a lot -- under state law.

**Blackmer:** And I think there is a line that can be drawn between leasing and mileage.

**Saltzman:** I think both should be prohibited.

**Saltzman:** On the independent expenditures we can talk about this further. I just want to raise this. I know maine has dealt with this issue. You did say that you think it's an issue but you are going to wait until a later date to deal with it. It's a potential issue. I think somebody who easily do something to an independent expenditure.

**Sweeney:** I was going to say that arizona has adopted language to deal with push polling in which an independent organization seeks to aggressively influence voters toward a certain pro or con position. Those are matching funds are trigger for the offended candidate. Maine imposes penalties on participating candidates if it's determined independent expenditures cade aided their candidacies but we are recommending no changes at this time but it should be monitored.

**Blackmer:** We went through a lot of scenarios and it was really difficult in the hypothetical framework and we did look at what arizona had done. From our perspective it was difficult to try to guess which way independent expenditures could go beyond what we already had in the rules.

**Saltzman:** It's not too hard to figure out the potential scenarios, for one side or the other. Since there's a receipted at this sense to want to do something when you have two states that have already stepped forward, two states we modeled ours after and have more experience.

**Blackmer:** We did model the independent expenditure language on those two stays. So to the degree that it's reflected already in the code was where we looked at to see what scenarios we could add to it. But given that we really didn't have a track record to work from, we are a little concerned I think about trying to build out all the hypotheticals that would come from that.

**Saltzman:** I would think there should be some discretion. You should build in some discretion to the either the commission or the auditor to deal with the situations as they may emerge. So I mean maybe there's a range of options that you can be petitioned to --

\*\*\*\*\*: Uh-huh.

**Saltzman:** That's something to maybe think about.

\*\*\*\*\*: Ok.

**Potter:** Under f, the source of qualifying contributions, I am concerned that Portland residents, unless they are voters, cannot contribute. Did you look at other ways to try to handle this rather than crossing out that group of residents of Portland?

**Hidula:** I was concerned about that, too. As many people were and one of our work around for that is that the campaigns can register them to vote. And that it's you want to campaigns to make sure those registrations gets back in to the county in time for them to show up when those signatures get checked.

**Adams:** But if the rule says they have to be a registered voter at the time that you sign this form, they don't.

**Blackmer:** The verification. It's different. Most people with initiatives, the state law is very different around that, that they have to be registered within 24 hours of signing the petition. But we can actually allow a longer period of time from when someone signs until their voter card gets in. As long as they are registered at the verification time point.

**Adams:** I have a couple of questions and I need to -- thank for your work. I really appreciate it. A supporter of this first time around. Remain a supporter and I need to study this ask and digest it but

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a couple of smaller items. Why -- I don't see the additional work of taking credit cards. It's the campaign's work to take and process the credit card. It's not additional work for the auditor. And it's actually quite a good verification trail option. So what was the thinking around not taking credit cards? Most campaigns are already set up or easily set up with merchant account to take credit cards.

**Hidula:** Well, we can probably all chip in on this because we had lively conversations about it. One is that the campaigns were interviewed did not suggest that this was a problem. And second of all is we did not want it set up so that people could do in a web-based campaign. We want this to be person to person, grass roots-style campaign. And then there is the cost of credit card transactions as well. So those were three things as well.

**Adams:** How do you care if it was done on the web or not?

**Sweeney:** It decreases the face to face contact with voters.

**Adams:** But you already allow other people to go out and collect this anyway. Kinds of undercuts your argument.

**Blackmer:** Except we would have to change the threshold. If we had broadcast emails going out to thousands of people. So suddenly the electronic candidate could easily hit 1,000 whereas someone who is going out one on one with people would be a huge disadvantage.

**Adams:** But you already have that potential problem in allowing surrogates to go out and get the --

**Blackmer:** Not so much potential.

**Adams:** Yes, you do. Those of us that have been around a long time and know a lot of people and ask 10 people to go out and get, you know, 10 signatures it's not hard to do.

**Blackmer:** And contributions.

**Adams:** Contributions and signatures.

**\*\*\*\*\*:** Excuse me.

**Sweeney:** I understand your concern but I am not sure that the solution that you proposed is either logically consistent nor incredibly useful, there are some great arguments to, forward with credit card transactions as you just proposed. And it's something that is definitely worthy of consideration going forward. But we just thought, there's so many other changes that perhaps waiting for another election cycle and seeing if it is feedback from candidates are still consistent with that.

**Adams:** The other thing I would just point out is that the grass roots insurgencies have been web-based in this country.

**Leonard:** Presidential.

**Adams:** So it clearly is a tool for grass roots insurgents that are outside the mainstream. So to assume that it's otherwise is true in some cases but not true necessarily in all cases.

**Leonard:** I would throw out that I think that it's difficult to compare national presidential campaigns and the efforts required to reach voters on that level versus city wide candidates. And that by allowing credit cards in city wide races, you are essentially creating a cottage industry for those that could inherently as organizations well organized, have the ability to literally, in a day, collect the money and the signatures one needs to qualify for this, these funds, and it seems to me to be not comparable with a national effort where you literally have to have efforts like that to have any chances. I think here it would -- the intent of the stated intent of the program to open it up.

**Adams:** Then you have got to shut this off from having surrogates go out and get your \$5. You can't logically say --

**Leonard:** Relationships are different than having files on a computer.

**Adams:** I disagree. You can have the sierra club go out and get your checks, your and submit them on time.

**Leonard:** That's based on going and talking and having a relationship. Versus essentially somebody could get the signatures for you. All you have to do is give them the ok or something

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akin to which we saw in the last campaign and literally in a day by having a sophisticated system --

**Adams:** I understand what you are saying but it is not intellectually consistent. You have not convinced me on that.

**Leonard:** I'm not trying too convince you.

**Adams:** You are talking to them.

**Leonard:** I am, too. You interrupt immediate by the way.

**Adams:** You haven't convinced me yet. I want to make it he had for people to participate in this and, you know, we are going to get --

**Leonard:** I don't think that's the point to make it easy for participate. Then just cut anybody who walks in --

**Adams:** You are trying make it easier for the nontraditional candidate to participate in city elections.

**Leonard:** Have these fine folks sit at an interview they can f-they like them they can hand them a check. I would --

**Adams:** No now you are just having fun with the argument.

**Leonard:** Or do you want to employ what I think is really the intent is to get people who are highly moat rate the, willing to ongoing out and do the work as we also saw in this last campaign, establish the contacts, establish the relationships, ask for \$5, get the signature as at least one candidate I have talked to in this last round.

**Adams:** You keep repeating your argument. But it's still remains intellectually inconsistent.

**Leonard:** You deep interrupting me but I will still finish.

**Adams:** I have so much time to live on this planet.

**Leonard:** I sit and listen to you.

**Adams:** This is the first time I have talk on this issue this afternoon.

**Leonard:** First time you have talked in weeks.

**Adams:** I know. So let me talk.

**Leonard:** We like each other, too. We are squabbling. We like each other.

**Sten:** You guys are making a case for or against public financing?

**Leonard:** I find the need to argue.

**Adams:** Knock it off.

**Sten:** You are making it a case for make it easier to challenge incumbents.

**Leonard:** Bring it on.

**Adams:** So the other question I had is, just a practical one. I have about \$25,000 in debt from the last campaign. So how --

**Leonard:** How would -- I get it now.

**Adams:** How is that treat the under that scenario?

**Blackmer:** Like it always has been. You can't use any of your public campaign funds to deal with that. And literally it's frozen. So you can't fund raise while you are campaigning to deal with that. So you either got to get it resolved.

**Adams:** By July 1?

**\*\*\*\*\*:** Yeah.

**Adams:** That's all I wanted. I just want to ask for my money back at some point.

**Blackmer:** I apologize, commissioner and mayor, I have to go do something else.

**Adams:** I'm done.

**Leonard:** Can I go with you?

**\*\*\*\*\*:** Thanks, gary.

**Adams:** Why do you hate grass roots candidates?

**Leonard:** I just hate you. [laughter]

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**Potter:** Any further questions? Thank you, folks.

**Hidula:** I do want to take a moment to thank the staff, Gary Blackmar and Diane and Andrew, the new city elections officer. They could not have been more helpful and given us better guidance. We really appreciated their work month after month, week after week and during at the excitement of the investigations. Their daily guidance, they were terrific. So we hope that you accept our report. We hope that you keep the system and that you accept all or most of our recommendations to strengthen it. Thank you so much.

**Leonard:** Thank you for your work.

**Adams:** Thank you.

**Potter:** Thank you. Are there more people that wish to come forward other than those who have signed up?

**Leonard:** Eric ran this time.

**Parsons:** We have four sign upped.

**Potter:** Please call the first.

**Parsons:** The first three are Carol Cushman, Amanda Fritz and Bill Harris.

**Potter:** Thanks for being here, folks. You each have three minutes.

**Carol Cushman:** Thank you. My name is Carol Cushman, Receipting League of Women Voters in Portland. The league enthusiastically supported the plan and we are pleased to be here to address the first report and recommendations. We appreciate the commission's work they have taken their charge seriously and they have made excellent recommendations. Program is a work in progress. And will require constant evaluation and change as we experience new situations such as open seats, fall runoffs, independent expenditures. Fortunately the commission has shown that it is up to the task and we are confident they will continue to monitor the system with great care. For the most part we support the recommendations outlined in the report. The recommendation tightening the signature gathering requirements are essential and should prevent the type of incidents we experienced in 2006. The proposed signature form is an improvement eliminating confusion with initiative petitions and makes clear who is eligible to contribute as well as the penalty for signing inappropriately. We feel allowing candidates and campaign volunteers to register voters or provide registration cards for later submission maintains the focus of broadening participation and getting more citizens connected to and interested in voting and in their government. Based on the information gathered by the commission, adjusting the qualifying period forward to include summer makes sense. We are concerned, however, that the December deadline for submission of 30% of the qualifying contributions might exclude excellent and viable candidates whose efforts might peak later than others. We prefer to see early submissions encouraged and offered as an option for candidates wanting to check their progress. Circumstances could eliminate highly qualified candidates if the December deadline is adopted. We are fortunate that this city council had the courage and foresight to adopt Portland's campaign finance fund two years ago. The success of the system depends to a large extent on the future actions of you, our current council members, and will be enhanced by your full participation in the system further, because collecting qualifying contributions is labor intensive and time consuming, late announcements of candidacy by incumbents could sabotage the system by shutting the door on broad participation of new candidates particularly in the December deadline is kept. The league will be disappointed if incumbents don't consider the long term success of the program when making decisions about announcing candidacies and participation in the system and once again we thank the city campaign commission for an excellent report and recommendations.

**Adams:** Just so I understand, so your concern is that an incumbent waits until after the December deadline, therefore not being able to say, well, I am not eligible?

**Cushman:** Well, the way I read the recommendations, if someone is going to qualify to be a candidate under the campaign finance fund, they have to turn in 30% of their signatures and \$5

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contributions by the first of december. If, and from reading some newspaper articles, it seems there's a possibility that we might not know if there's an open seat until the middle of november or the first part of december, that makes it almost impossible for a group of candidates to collect their 30% by the first of december.

**Adams:** Got it.

**\*\*\*\*\*:** You know, it's --

**Adams:** That's helpful.

**\*\*\*\*\*:** Two things together that could make a problem.

**Amanda Fritz:** I'm amanda fritz, speaking for myself. I want to start by thanking the commission for all their hard work thank the council for adopting this revolutionary program last year. I'm not sure it didn't make any difference in the outcome in my race. My children thank you because I didn't ends up with a \$20,000 debt so they are still be able to go to college this year. It made a big difference to me. And I also will thank tim and edward fritz the three people who with me checked every one of my 1,045 signatures. We checked each one five times to at least to make sure they are all correct. And the almost 100 people who help immediate collect signatures from 90 of the city's 95 neighborhoods. It did open up the process to so many more people and we are all very grateful for it. These are good recommendations and I hope you will adopt them. I knee there's going to be another hearing to look at the specifics and I look forward to that. I would like you to adopt them and then immediately ask the commission to continue its work to define rules for a special election.

There's currently no process or time line for if there's an open seat. For instance if the gates foundation were to offer any one of you \$300,000 to work for them that might open up a seat. No one of us know what's going to happen in the future and we need this process more than ever in a special election. So please direct the commission to start work on that immediately. I support the revised time line and second the league of women voters in encouraging incumbents to delay by july 1 but certainly by end of september because some of us are not going to run unless there's an open seat and certainly it would be more challenging to gather signatures and donations running against such popular incumbents.

**Adams:** Except randy.

**Fritz:** Randy's already announced and I have already announce I would not going to run against him.

**Adams:** You have already announced?

**Fritz:** In writing.

**Potter:** Yeah.

**Fritz:** You got to read mercury blog. Read the murphy. [laughter]

**Fritz:** I have four minor administrative issues to discuss with you and, mayor, I hope you will allow me a few extra seconds to talk about this because I think I have the most experience in this actual system. First of all I would like to see an administrative rule that covers the loan of small in kind donations. We spent two days in my campaign having all staff discussions about the potential value of two folding chairs and how we should declare it and what it might be if we had to declare it. There should be some diminimus loan or gifts for use of substances that would not be required to be reported. Secondly, the language on return of funds after the election doesn't quite work given that there are bank charges and phone bills and things that come in after the 30 days. I was more than happy to donate money for my own election party and for other things that I felt shouldn't be used for public funds. I felt a little resentful having to spend my own money on relatively minor bills but ones that came in after I had been required to turn back the \$5,000 which I saved for my budget to show that it could be done under budget. I would suggest that we should allow voluntary contributions of \$50 in but not in the candidate's name to the campaign fund to match the political contribution that it's allowed at state level. In fact, I don't really see why there should be any purpose to not limit any donations of any purpose to the fund as long as they are not linked in name

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to a particular candidate. We should all be supporting this system and if we could get more private funds rather than public funds that I think would make the more acceptable. Mayor it ok if I keep going?

**Potter:** Please. Just for another minute.

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

**Adams:** There currently is a limit? I didn't know that.

**Fritz:** You can't currently give at all. And the campaign is commission is suggesting \$5. It takes a really long time to get any amount of money in \$5 bills. We didn't get my website up until the end of september last year because I was saving up for it to out of the fund because I chose not to use any in kind donations. Carol warn me I wasn't going to be able to read my notes and I understand. I had also like to highlight and commend the relaxing of the rules to the rid of the one strike and you are out rule. That the rules as I went through them was if you made one single mistake in any one of your 1,000 signatures were completely disqualified from the whole system and I lay awake at nights for days on that. So I want to thank them in particular for that. On credit cards first of all the new form requires the donor and the solicitor to sign at the same time which would not be possible with online contributions. Second of all, you do require a signature on the form and it's not clear how that would be. Third, I would be very nervous about credit card numbers and signatures both being posted online or being available in some public manner that they would leave the donors open to identity theft. And I do agree with the commission's point of view that having face to face discussion, especially with the new form which requires that the people who are soliciting talk about the candidate, identify the candidate, the person who is donating, acknowledges that they support that particular candidate which is different. Oh, and on -- I will nail it down. I wanted to current on the car thing. I couldn't have managed without a car. Some of the days of campaigning I did six different events that I was barely able to get from one to another and in the current campaign financing rules, you are allowed to declare the value of miles either as an in kind donation oh and you need to get reimbursed for it so why you would make it more difficult for campaign finance events to get from event to event I can't fathom. I do understand you shouldn't be able to buy a car with the proceeds and then continue to use it afterwards. Maybe that -- I didn't employ anybody in my campaign. I didn't pay any money to anybody who collected donations for me and I didn't employ any family members. And I agree that it would be helpful if there were some kind of restrictions. My preference would be that if you help gather the money and act as a solicitor you then are not employable in the campaign and it would seem like that would work. Thank you.

**Bill Harris:** My name is bill harris. I live in northwest Portland. I want to speak about it, this issue in a general way and very briefly. I am grateful to the council for the courage you had to legislate this change, and also for your wisdom in establishing systems that were very likely to make it work. Those systems have been talked with enough today to convince me that they are in place and I am thrilled. The public ownership of elections is a major step toward the sustainable community we all seek. Seems to me for two prominent reasons. One, it encourages a movement away from our present process of making public decisions in line with the desires of moneyed individuals and entities. Second, it promotes citizenship, encouraging people to be more aware of the common good, become devoted to the common good and enthusiasm and participating in public affairs. I think we owe ourselves every possible tool to move toward the sustainable state which we so much obviously need and this is one of those tools. Thank you.

**Potter:** Thank you, folks.

**Parsons:** Our third testifier is janice thompson.

**Potter:** Thank you for being here. When you speak please state your name for the record. You have three minutes.

**Janice Thompson:** Janice thompson with the money in politics research action project. Starting next week, we are going to have a new name. We are going to be doe mock crass see reform

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Oregon. Less of a mouthful. So I also want to thank the commission for its hard work. I think one indication of the value of this reform overall is documented in a report by the center for governmental studies and I want to highlight that one of its findings is the need to kind of take a long view, in fact, these reform options need to be given time to work to demonstrate the full potential. I think we are seeing that in the commission's recommendations and the commission will come again. The testimony that you have got two things. One is just a general analysis that we did. And then the testimony is highlighted with the date at the top. I am going to run out of time which is partly why I wrote it down so to touch on two things and I will let you read on your own. There's a few recommended clarifications to some of the recommendations I want to suggest. And also I want to highlight some recommendations for, that I thought would urge you to -- ask that the commission to kind of take up next. One of them is a particular topic about independent expenditures. I think the other questions that came up about independent expenditures could be factored into those conversations. But I have two, one significant amendment to suggest and also one idea and for an action that you could take to kind of request more information, to kind of, you know, shed more light on this whole credit card issue. But the significant recommendation relates to no. 11, which is setting up the mandatory early turn in, needing to have at least 30%. This I think should be changed to an optional early turn in deadline. I think it's kind of flies in the face of what you call realities given that folks take a while particularly incumbents. And it really forces a challenger to not make a decision to participate at a run not really kind of based on the assessment of the candidate pool but like, o. This little arbitrary december 1 deadline. How soon do I have to be geared up to meet that? And I am particularly concerned that it will actually discourage incumbents from opting into the system and I think we wanted to if anything do the exact opposite. I think part of the motivation is to help the auditor's office manage its workload. I think that the -- well, two things. One is, I don't think it helps the workload enough to make a difference. And then in general, I think the balancing act between the balancings act we are trying to reach between the administrative burden and effective running of the system, this recommendation as written doesn't meet the mark. Can I go on --

**Potter:** How much more do you have?

**Thompson:** I want to touch base with an idea to get a little bit more information to on the whole credit card issue. The discussion between commissioner's Leonard and Adams I think really exemplifies the tussle in people's minds about credit card or not credit card. I am more in commissioner Leonard's camp with the -- [laughter]

**Leonard:** Thank you so much. You don't know how much that means to me.

**Thompson:** In terms of I think it's -- I think it's instructive to take a look at the presidential campaign, and I think that's why the commission I think is really clearly signaling that this is not like a recommendation that they are seeing as being cast in stone. But that's policy fix at one scale and I think we are talking about politics at another scale. So that's why I think caution in this area makes sense. But one idea that did come up was the notion of allowing a certain percentage of the qualifying contributions to come in the form of a credit card payment. And that way, kind of have that be an option for those folks who, that's kinds of how they run their life. They don't have checkbooks anymore. They don't carry cash. But to have it be capped so that it can't be just kinds of a runaway internet, you know, web-based campaign. So there was a lot of discussion about that. And very clearly, that would increase the administrative complexity. It may well be the commission's recommendation at least for now stick with not allowing credit card contributions. May reflect, you know, the right balance in that sweet spot you are trying to find between good public policy and appropriate level of administrative burden. But one idea is to request a little bit more information for the auditor's office about how hard that would be to kind of, you know, set up a mechanism of allowing it but putting some level of cap on it. But then this is on page three. I



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kind of map out if it's indeed an administrative burden there's some kind of pro's and con's. And with that I will let you read the rest.

**Potter:** Thank you.

**Saltzman:** I guess just to ask you a question. I didn't realize this early whether commission was up here but it says there's a mandatory canvassing declaration by incumbents by a certain date?

**Thompson:** No.

**Saltzman:** There's not in the recommendations?

**Thompson:** No.

**Saltzman:** You question whether it's politically or legally feasible.

**Thompson:** Right.

**Saltzman:** So it's not in the report?

**Thompson:** It's not. So I mean, in other words, one way to make the man -- if you are going to have a mandatory december 1, you have to have opted in, you have to have at least 30%. Another way to get around that, if part of the reason that's troublesome, is because it could force somebody to make some decisions before incumbents and other folks have like, you know, opted into the system. One idea would be, well, let's somehow make it like commissioner Leonard, you know, by expect amount of time, you have to declare one way or another. That's just not again physically or politically feasible or probably legal. So given that that's not the case, I just think it's inappropriate to have this mandatory 30% early time line and it's an example of not hitting the right balance between kind of workload concerns and good public policy.

**Sten:** Would it make sense to have that mandatory 30% turn in you just have to turn it in when you get to 30% so the auditor can do that early work? I'm working through. I think the argument of having people turn in a chunk sooner has some merit.

**Thompson:** Right.

**Sten:** I think the idea of early warning systems on both sides has some merit. I tend to agree with you the december 1 is just too arbitrary. If you, the last thing you want is somebody out say, fritz says she's not going to run but she doesn't know and she starts accepting five bucks and doesn't want to do it because the incumbent announces in november. That doesn't make sense. But I see something to this 30% turn in argument.

**Thompson:** So in other words, whenever you start, when you hit 30%, or your best faith effort, you are going to turn it in. And I think in that situation, I think, one, that helps, you know, I can see pro's and con's from a workload point of view. The pro is that it's going to stagger when it comes in. The con is you have no control over the exact timing when it could come in. So then the other question that needs to be addressed, and this was all also discussed and it's something that's done in arizona, is, ok, you give it your best shot and you turn in 30% and what if you don't quite hit the mark? What happens then? And I think in that case, because I think there is a concern about not setting up a a system that lets people take bite after bite of an apples, if they keep just turning in really sloppy work. You don't want to let them keep trying it. So I think there's two ways to get at that. One is, just to allow one early turn in and not repeat an early turn in but the other is, say, i've been out there and I have collected what I calculate is 30%. And I would probably want to turn in a little bit more to try to -- is that -- I think the make or break decision would be I could go forward if i, like 90%. That's the figure in arizona. Where they allow --

**Sten:** This needs some more work. But basically --

**Thompson:** Because if somebody turns in 30% and only 50% are valid you don't want to let them keep going but at the same time if they are 30%, they gave it their best shot and are 90% off, then I think they are deserve to kinds of -- that's the kind of -- it's another approach. That was discussed and I think it's a little better way to handle this.

**Potter:** Thank you. Is that it?

**Parsons:** That's it.

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**Potter:** Need a motion to accept the report.

**Saltzman:** So moved.

**Adams:** Second.

**Potter:** Please call the vote.

**Adams:** Again, thank you for all your work. Look forward to getting the actual written amendments back to us and studying it further. I want to thank you, commissioner Sten, for your leadership on this and the team that worked on it. Aye.

**Leonard:** These are good changes and I will support them. But I continue to believe that the goal of this effort is one that I support which is to try to level the playing field for not only this challenges to incumbents but as we heard here for those that might want to run for vacant seat. And with all that I have read and discussed and been involved with, with this issue since it started two years ago i'm not there. I don't think it does that. What I think does do that is actually something ironically we have had an opportunity to do here real recently is to create districts in the city. Where an individual can literally, with the motivation knock on every door in a council district, and with a small amount of money, literally contact every voter. I found it interesting in the report, when I read the report, that they alluded to the fact that on the county commission, there have been significantly more women serving than on the city council. And they went on and attributed that to, or some of the concerns that those incumbent commissioners had that were women to being not being able to break into raising the money as being an issue and just completely ignored the fact that the county commission has districts. And which I just am persuaded is how we get to the place where we get representation from the minority community, representation from women, but more importantly to me to be quite honest, representation of working class people's values. That, that is how we are going to actually do it. And I am sad that we missed an opportunity here recently to actually -- this is not new to me. I actually worked with the former late state senator bill mccooy to do just this in 1996. We actually wrote an initiative. He died during the initiative campaign to create districts in Portland. And that stopped the effort. But I continue to be convinced that when we are true lie, as a city serious about breaking down some. Traditional barriers that allow arrange people to run for the council we will create districts. But I will support this report and when it comes, and when the language comes to council. Aye.

**Saltzman:** I support changes in this report. However, I will be looking for additional changes. I want to see us incorporate the best practices regarding independent expenditures that maine and arizona have modeled. And I also want to see that explore the option of the auditor being a co-signer of the qualifying candidate counts in order to quickly recover any funds in the event of abuse or fraud. So those will be two issues that I will be pursuing with the auditor, the commission and ultimately with the council. I do think that the independent expenditure loophole really applies to nonparticipating candidates. They are the ones who are effectively knee capped in this situation. And I do think there's a slight bye I can't say of the commission and the people who support voter-owned elections to want to maybe everybody run under the voter-owned election system and simply this is a society that is diverse. People have their rights. And the level, the playing field has to be leveled and it has to tolerate the rights of those. Us who will not participate in the publicly funded because we have at laos for myself itself ethical reason of not using taxpayer dollars. That has to be taken care of. Arizona and maine, the leaders in this field, have both addressed it. So I will be looking for some changes to incorporate that. Aye.

**Sten:** Well, I am open on some of commissioner Saltzman's points. And I want to thanks the commission. You have done really great work. I think i, I guess i'm the only candidate that's ever run under both systems and raised lots of money from very few donors, under the old system and raised I think I had 1400 contributors last time around which even against my current race which was very grass roots oriented was about 50% more. So I think that I could agree completely with dan that we should have people able to run both ways. I think that this will give, has already really

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changed the way races are looked at. I am, I won't share everybody because they may be on the ballot together but I have the good fortune of being overwhelmed with potential terrific candidates that are all considering running that I don't think would not have, would not have considered it without this system in place. And there were definitely some, there were some errors. There's also some fraud. And I think people were punished for that. It's been a pretty severe punishment. And it's taken a little while. I think what the citizens commission is doing is trying to make this system much stronger and I would say to people who say, gosh, you didn't get everything right this first time it's really taken 200 years to get our democracy to this disgraceful position it's in of money dominating everything. And if you look at national politics all we hear about is, ok, obama raised more than clinton so he's the leader. And that's the entire discourse. We are not going to reengage the average citizen until we take away what they know to be true which is the process is not dominated by money. It's not that people are cynical so the process is dominated by money. They are cynical because they rightfully understand the kind of inordinate influence that big money has on politics and I would be the first to say I don't think it's the same kind of heavy foot coming down in these chambers. There's certainly, I have never seen any indication that my colleagues have had a vote bought or anything like that. But it's a totally different kind of experience and like global warming and some other issues that are huge in scope, you can only change them if you start locally and prove different systems are possible, the chance to really take on I think the crippling issue of money in politics is not going to come from Washington, d.c. It's coming from Portland, Oregon, and we copied maine and arizona. So there is a movement afoot to say there's a better way to do things. And it is a volunteer way and you can run both ways. And I actually think that's the right way to do go about it. And I think you guys have really made this much better with your work. It's that kind of somewhat arrest do with us citizen work that Portland is known for that I think is recognized in this document. And the december 1 issue to me isn't quite right but I think we can get through those things and I really appreciate everybody's hard work and thank you. I vote aye.

**Potter:** I appreciate the leadership commissioner Sten and auditor blackmar and supporting this and bringing it forward and all the good folks in the community who helped us create it. And particularly to the commission. I really appreciate your insight, and also there were several good issues raised today by those folks who testified. So i'm accepting the report but I think that there's some work that needs to be done on it. And I will be glad to assist the commission and this council in doing that. I vote aye. [gavel pounded] we are adjourned until next week. [gavel pounded]

At 4:28 p.m., Council adjourned.