



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **21ST DAY OF MAY, 2008** AT 9:30 A.M.

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

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Harry Auerbach, Chief Deputy City Attorney; and Ron Willis, Sergeant at Arms.

DUE TO THE ABSENCE OF TWO COUNCIL MEMBERS NO EMERGENCY ORDINANCES WERE CONSIDERED THIS WEEK AND ITEMS WERE NOT HEARD UNDER A CONSENT AGENDA	Disposition:
COMMUNICATIONS	
651 Request of Mark Lakeman to address Council regarding The City Repair Project (Communication)	PLACED ON FILE
652 Request of Art Ludwig to address Council regarding State Greywater Regulations and Legalizing Sustainability in Portland (Communication)	PLACED ON FILE
653 Request of John Higginbotham to address Council regarding the levels of force available to police (Communication)	PLACED ON FILE
654 Request of Chris Knudtsen to address Council regarding the rights of homeless youth in Portland (Communication)	PLACED ON FILE
655 Request of Jami Schofield to address Council regarding speak my mind (Communication)	PLACED ON FILE
TIME CERTAINS	
656 TIME CERTAIN: 9:30 AM – Portland Rose Festival Association update (Presentation introduced by Mayor Potter)	PLACED ON FILE

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<p>657 TIME CERTAIN: 9:45 AM – Revise sewer and drainage rates and charges in accordance with the FY 2008-2009 Sewer User Rate Study and establish a single, consolidated and comprehensive schedule of rates and charges administered by the Bureau of Environmental Services (Ordinance introduced by Commissioner Adams; amend Code Chapters 17.24, 17.32, 17.34, 17.35 and 17.36)</p>	<p align="center">PASSED TO SECOND READING MAY 28, 2008 AT 9:30 AM</p>
<p>658 Revise residential solid waste and recycling collection rates and charges effective July 1, 2008 (Ordinance introduced by Commissioner Saltzman; amend Code Chapter 17.102)</p>	<p align="center">PASSED TO SECOND READING MAY 28, 2008 AT 9:30 AM</p>
<p>659 Authorize the rates and charges for water and water-related services during the FY beginning July 1, 2008 to June 30, 2009 and fix an effective date (Ordinance introduced by Commissioner Leonard; Second Reading 642) (Y-3)</p>	<p align="center">181840</p>
<p>660 TIME CERTAIN: 10:30 AM – Authorize an agreement with Travel Portland for the promotion of convention business and tourism, waive the provision of Code Chapter 5.68 and provide for payment (Ordinance introduced by Mayor Potter)</p>	<p align="center">PASSED TO SECOND READING MAY 28, 2008 AT 9:30 AM</p>
<p>REGULAR AGENDA</p> <p>Mayor Tom Potter</p> <p>Office of Emergency Management</p>	
<p>661 Amend Intergovernmental Agreement with Washington County to extend the time period for the distribution of equipment, supplies and services procured as a result of Urban Areas Security Initiative Grant FY 2007 (Second Reading 613; amend Contract No. 52305) (Y-3)</p>	<p align="center">181844</p>
<p>Office of Management and Finance – Purchases</p>	
<p>662 Accept bid of Parker NW Paving Co. for the 2008 Local Improvement Districts Project for \$790,957 (Purchasing Report - Bid No. 108670) Motion to accept the Report: Moved by Commissioner Leonard and seconded by Commissioner Saltzman. (Y-3)</p>	<p align="center">ACCEPTED PREPARE CONTRACT</p>
<p>663 Accept bid of Henderson Land Services, LLC for the Burlingame Sanitary Trunk Sewer Pipe Protection project for \$959,985 (Purchasing Report - Bid No. 108672) Motion to accept the Report: Moved by Commissioner Leonard and seconded by Commissioner Saltzman. (Y-3)</p>	<p align="center">ACCEPTED PREPARE CONTRACT</p>

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<p>664 Authorize contract with Brattain International Trucks of Portland to furnish 15-12/15 yard dump trucks for the Portland Department of Transportation and Water Bureau for \$2,151,650 (Previous Agenda 636; Purchasing Report - Bid No. 108027)</p> <p>Motion to accept the Report: Moved by Commissioner Saltzman and seconded by Commissioner Leonard.</p> <p>(Y-3)</p>	<p>ACCEPTED PREPARE CONTRACT</p>	
<p style="text-align: center;">Commissioner Sam Adams</p> <p style="text-align: center;">Bureau of Environmental Services</p>		
<p>665 Authorize a contract and provide for payment to Otak, Inc. for professional project management and engineering services for the design of the East Lents Floodplain Restoration Project-Phase I Project No. 7384 (Ordinance)</p>	<p>PASSED TO SECOND READING MAY 28, 2008 AT 9:30 AM</p>	
<p>666 Authorize contract with CH2M Hill for professional engineering services for the Columbia Boulevard Wastewater Treatment Plant Wet Weather Screening Facility Project No. 5512 (Second Reading Agenda 626)</p> <p>(Y-3)</p>	<p>181841</p>	
<p>667 Authorize Intergovernmental Agreement with Clean Water Services to control garlic mustard in the Tualatin River Basin (Second Reading Agenda 627)</p> <p>(Y-3)</p>	<p>181842</p>	
<p style="text-align: center;">Office of Transportation</p>		
<p>668 Set a hearing date, 9:30 a.m. Wednesday, June 25, 2008, to vacate a portion of NE 44th Ave south of NE Halsey St (Report; VAC-10053)</p> <p>Motion to accept the Report: Moved by Commissioner Leonard and seconded by Commissioner Saltzman.</p> <p>(Y-3)</p>	<p>ACCEPTED</p>	
<p>669 Set a hearing date, 9:30 a.m. Wednesday, June 25, 2008, to vacate N Heineman St east of N Lombard St (Report; VAC-10054)</p> <p>Motion to accept the Report: Moved by Commissioner Leonard and seconded by Commissioner Saltzman.</p> <p>(Y-3)</p>	<p>ACCEPTED</p>	
<p>670 Amend Intergovernmental Agreement with the Oregon Department of Transportation for design and construction of the North Leadbetter Overcrossing Project (Second Reading 630; amend Contract No. 52833)</p> <p>(Y-3)</p>	<p>181843</p>	
<p style="text-align: center;">Commissioner Dan Saltzman</p> <p style="text-align: center;">Parks and Recreation</p>		

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671 Accept a grant from Multnomah County in the amount of \$192,846 for operation of an integration program for senior citizens who have developmental disabilities (Ordinance)	PASSED TO SECOND READING MAY 28, 2008 AT 9:30 AM
672 Authorize application to the Alfred P. Sloan Foundation for grant in the amount of \$95,000 for implementation of ParkScan, a system to provide the public greater ability to report and track maintenance issues on park property (Ordinance)	PASSED TO SECOND READING MAY 28, 2008 AT 9:30 AM

At 11:27 a.m., Council adjourned.

GARY BLACKMER
Auditor of the City of Portland

By Karla Moore-Love
Clerk of the Council

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

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WEDNESDAY, 6:00 PM, MAY 21, 2008

DUE TO LACK OF AN AGENDA
THERE WAS NO MEETING

May 21, 2008
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.

MAY 21, 2008 9:30 AM

Potter: Good morning, everybody. I'd like to congratulate mayor sam Adams, commissioner Leonard, commissioner elect nick fish, and we look forward to the november election of the final commissioner so we can have a full and complete commission once again. So congratulations. City council will come to order. Please call the roll.

[roll call]

Potter: Prior to offering public testimony to city council, a lobbyist must declare which lobbyist entity they are authorized to represent. Please read the first communication.

Items 651 and 652.

Moore-Love: Both those will not be able to make it.

Item 653.

Potter: Please call his name again. Call the next.

Item 654.

Potter: Call the next.

Item 655.

Potter: Ok. Is that it?

Moore-Love: That's all the communications.

Potter: Ok. There will be no consent agenda with only three commissioners present, so that will be -- is it next week we have three?

Moore-Love: No, we don't. Not until the 4th of june.

Potter: Please read the 9:30 time certain. I'd like to invite jeff curtis, the executive director of the Portland rose festival association, and mark mcgear, president of the Portland rose festival association, and with them they have the rose festival court who they'll be introducing shortly.

Item 656.

Jeff Curtis: Good morning, mayor Potter, commissioners. Jeff curtis, executive director. I just want to thank you for your time this morning. But I really want to deliver a couple messages. We're really only going to give you a preview of the rose festival this morning. A couple things important to the organization. It takes more than just your leadership of the festival itself. It's the bureaus you represent. Tremendous partnerships with the parks bureau allows us to work with the parks bureau to really produce our special event, specifically transportation, their efforts on the streets. The maintenance bureau with our cleanest and greenest program to clean up the environment, our parade program. The revenue bureau, getting us the permits we need and the licenses to produce the festival. And most recently the bureau of development services in working with the parade amenities. Really a tremendous partnership. We want to compliment that bureau itself for taking the lead on though role. Before we get into the preview of the festival that mark's going to deliver, I want to talk a few numbers with you. Number 61. 61 events will take place between now and the end of the festival itself. 2 million. An estimated 2 million people will participate or actually see rose festival events between now and the end of the festival. 95 to 100%.

That's the estimated downtown hotel occupancy during the rose festival, specifically grand floral parade weekend. \$70 million. That's the estimated economic impact of the Portland rose festival. 3.6 million. That's our annual budget. We produced this schedule as a gift to our community on a

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budget as a nonprofit of \$3.6 million, and I had returns an ex-economic impact of about 70 million.

5013 c. Starting this year, the rose festival will be produced under a new 501-3c full charitable foundation organization called the Portland rose festival foundation. And 313. 313 toilets will be on the parade route this year. Prior to this year, we have not had those kind of amenities. It's such a tremendous gift, and we appreciate it. 313 toilets will be placed along the parade route for our citizens.

Potter: Excellent.

Curtis: At this time, I want to turn it over to our president. I work with a great board of directors. Mark mcgure leads the board this year. He'll give you a preview of this year's festival.

Mark McGure: I am truly pleased to be before you here as president of the Portland rose festival continuing my family tradition of service to the rose festival since 1912 of my grandfather. Our 2008 festival, the first of the next century, will continue to have all of our traditions of the past and the promise of the future with several new events, a few of which i'll describe to you today. Well, first and close to my heart is our regent's grand floral walk, which is an example of our commitment to a healthy lifestyle event, and we're pleased to start that this year, and it will take place immediately after the queen's coronation on saturday, june 7th. And immediately prior to the start of the grand floral parade, we're going to have 2000 people walking with a band and some entertainment along either two miles of the grand floral route or the entire 4.2 miles. And one of the exciting things is our partner, regence, giving the proceeds back to the dougy center, crisis center for children and families. I have the honor of leading off the parade, which will present a little bit after challenge, because i've got to walk part of the walk and then I have to get whisked back to the start of the grand floral parade to get in my ride to ride in the parade. But that will be a fun honor for me. And we're having groups that are joining forces to walk in the first inaugural grand floral walk, so I would invite the city of Portland to put a team together and show the city's colors. Next a great exciting development for our waterfront village down along the waterfront. For 11 days, we're going to have one of the latest and greatest dinosaur exhibits that's going to inhabit the park, and it's called dinosaurs, jurassic journey. It's a 10,000 square foot exhibit, pretty huge, where we're going to have an interactive program for children and families there that will just be stupendous, and it will be an event that children and families would not want to miss. We will have our three incredible parades, starting with the starlight parade, our illuminated parade on saturday, may 31st, and then continuing with the oldest and largest junior parade on wednesday, june 4th, and culminating in our fantastic grand floral parade on saturday, june 7th. A few things about our feature and highlight event, the grand floral parade, I wanted to let you know about. Well, this year, our theme is romancing the rose. And after the city of Portland and the community fell in love with the rose festival all over again, we're continuing that romance. And to do that in our grand floral parade, we've got a few little tricks up our sleeves. One of our floats will actually have three couples renewing their vows while they're going down the parade route, so I think that's pretty cool. And also, for the first time, our parade will be brought cast in high definition. That's an exciting development, high-definition tv. I don't know. Eye think we'll have to have a makeup artist for me. Also, for the first time, the curtains in the coliseum will be drawn up, and I didn't even know we had curtains in the coliseum, but immediately after the queen's coronation, the curtains will rise and, for the first time, the people that are in the coliseum watching the parade, the best seat in the house, it will be like daylight with vistas of the city, actually seeing the parade go out onto mar tip luther king boulevard and views of mount hood. So that will be a fantastic development for us. And i'm proud to say again, once we have our grand marshal, brandon roy of the Portland trailblazers, one of our great citizens here in the city and a great role model for youth and families. And with that, saturday, june 7th, will end up being the largest event day in the northwest ever with a combination of the queen's coronation, the grand floral walk, the grand floral parade, and our wonderful dragon boat races going on all day long down on the river. So I truly am

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excited about the rose festival personally, a long family tradition, and it's going to be a tremendous festival, and I think it's going to be sunny on saturday, you than june 7th. At least -- june 7th. At least somebody guarantees that for me. Again, i'm very excited about it, and thank you very much.

Curtis: You just heard about a lot of the events, but one piece is brand-new. The rose festival is continuing to evolve itself and do unique things within our industry and provide a gift to our citizens. This year we're proud to introduce a program called our character clown corps. This is where every-day citizens have a chance to sign up and potentially register to be a clown. We have a couple of them with us today. [whistling] Commissioner Leonard will have a chance to give some of these away on the parade route on friday night.

Leonard: I'm looking forward to it.

Curtis: Our clown corps, every-day citizens have a chance to become clowns, and they signed up through a program that we've created. We interviewed them and selected citizens to become clowns. They went to clown school, and they're ready to be entertaining the public in the grand floral parade, and you will see a lot of them downtown. This is the first year of what will hopefully be many years of clown participants. We're really excited about our character clown corps.

McGure: Well, at this time, it gives me great pleasure to introduce our wonderful and talented and extremely bright 2008 rose festival court. It has a presentation for the council.

Rose Festival Court [speaking in unison]: Hello. We are the 2008 rose festival court and we would like to introduce ourselves and give you a preview of this year's rose festival. [microphone not working] [laughter]

Rose Nabehet: The rose festival also believes in taking care of the environment. So do i. As you know, the rose festival has been named the cleanest and greenest festival over a decade all thanks to our clean-up program in partnership with p.g.e. and the city of Portland.

Tonita Cabrera: Hello. My name is tonita, and i'm from wilson high school. I was captain of my school's cheerleading squad, and now i'm part of the wilson coaching staff. I plan to study fashion and hope to become a very successful entrepreneur. I was also recently voted best dressed by my senior class. The Portland rose festival is also the best. We are the best festival in the world according to the international festival [indiscernible]. We are proud to say we were selected over other great festivals such as the kentucky derby festival and the pasadena tournament of roses.

Chelsea Deloney: Hello. I'm chelsea from jefferson high school. I volunteer with elementary and middle school kids at self-enhancement and have a passion for writing, singing, and i'm interested in screen writing and apparel design. Speaking of design, all floats in the key bank grand floral parade are creatively designed, using all floral and natural materials. This year's parade theme is romancing the rose and will bloom to life on saturday, june 7th or you can catch it live on kgw channel 8.

Dulce Salgado: Hello. I'm dulce. I played soccer for three years and am interested in a health career. I like to volunteer for my community in my free time, read, and clown around with my friends. You will be entertained with the rose festival newest program, the character clown court. Every day Portlanders will learn how to be professional entertainers.

Vy Nguyen: Hello. I'm bea from parkrose. I participate in the spanish club and have been on the honor roll for the past four years. In the future, I plan to pursue a career in veterinary medicine. I don't think i'll be able to study dinosaurs in school, but at least kids can learn all about them. Jurassic joe will take you on a cool historic adventure with lifelike replicas of 20 different dinosaurs. It happens may 29th through june 8th at Portland's waterfront park.

Marshawna Williams: Hello. I'm marshawna from cleveland. I plan to attend university of Portland and pursue a degree in engineering. At my school, i'm student body vice president and copresident of the black student union. If you like kids, you won't want to miss the world famous

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fred meyer junior parade. Thousands of little ones march down sandy boulevard in the hollywood district on june 4th.

Taylor Allen: Hello. I'm taylor from grant. My future goals include studying constitutional law, becoming a practicing lawyer, and one day possibly running for office. I'm associated with habitat for humanity, self enhancement incorporated, and the pamplone leadership program. I love to spend time with my family and friends. Today you get to meet my new family, the 2008 rose festival court. On saturday, june 7th, one of our outstanding young ladies will become the rose festival queen at pink power queen's coronation. Come watch it all unfold at the memorial coliseum and come support the city's newest queen.

Diamond Zerework: Hello, everybody. I'm diamond from franklin high school. I'm a member of the franklin high school program and have been very dedicated to my school. I plan to receive a bachelor's of arts in psychology and then pursue law school. In my spare time, I love to learn and read. Last month in april, almost 800 eighth graders learned about the history of Portland and the rose festival through our living history program and special curriculum. This lifelike presentation captures the imagination of all students and features the mother of rose festival society and the father of the rose festival, mayor harry lane.

Monica Rishiotto: I'm monica from central catholic, and I hope to one day join the peace corps and become a journalist. Currently I am the vice president of national honor society, editor in chief of my school newspaper, and I was a co-captain on the varsity soccer team. I love to travel, bake, and shop at local vintage stores. Portland also has a great number of vintage homes and gardens. Showcasing of vintage homes and landmarks. Each location has its own historical significance to the rose festival and offers a glimpse at early Portland life back when the rose festival was young.

Brenda Olmos: Hello. My name is brenda. I love to garden, and I also enjoy [indiscernible] and hope to one day major in biochemistry. [indiscernible] the best amateur race unless the area, and they race into town june 1st at the Portland international raceway.

Jill Tremblay: Hi. I'm jo madison. I participate in cheerleading. I love art, snowboarding, and plan to major in general science and pre dental because I love smiles. The starlight parade, the illumination parade, we have the greatest marching bands, community floats, and special entries. So light up the night on the streets of downtown Portland saturday, may 31st or watch it live on kgw channel 8.

Taylor Smith: Hi. I'm taylor from st. Mary's academy. I enjoy traveling, exploring new restaurants, and i'm associated student body officer at my school. I've also started my own charity and raised over \$7000 to supply education gnat materials to students in need. The rose festival believes in charity as well and is now a full-fledged foundation. Our foundation focuses on youth, education, volunteerism, and our historical heritage. Look for ways to support the Portland rose festival foundation throughout this year's rose festival.

Kim Pham: Hi. I'm kim from marshall. I plan to attend the university of puget sound, and I hope to study pre-med. I have volunteered at many local projects throughout Portland and also enjoy tennis, soccer, and going to classes. You won't want to miss this year's concert in the park. You will love this extravaganza of all sorts of dance, and it features the popular one more time around again marching band. Don't miss the excitement. It happens on friday, june 6th.

Molly Ronan: Hello. I'm molly from lincoln. I hope to one day be a writer and major in english. I'm president and founder of the irish club at my school.

Leonard: Nice.

Ronan: And love the boston red sox. Other activities I enjoy are local walks, including the walk for diabetes, aids walk, and the breast cancer walk. Please join 2000 others and walk where roses tread, the hottest new walk in town, the rye against grand floral walk. This newest rose festival event comes complete with strong adoring fans along the route of the grand floral parade just minutes before it hits the streets on saturday, june 7th.

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Salgado: Thank you for having us.

Leonard: Nice.

[applause]

Potter: Excellent. What a great group of young women, future leaders of this community.

Saltzman: Thank you very much. Always appreciated in my office.

Leonard: Thank you very much.

Potter: Thank you, folks. The rose festival does a beautiful job of promoting not just Portland but our state, and it also allows young people such as our court to really show the kind of youth that we have here in Portland and the great future that Portland will enjoy because of people like that.

Thank you so much, and I look forward to the parades, and I look forward to the different events.

Thank you. Is there a website for those as well?

Curtis: Yes. Rosefestival.org. everything you need to know about the rose festival.

Potter: There you go. Thank you very much. There's no council action required. We'll let these ladies depart. Good to see you, folks.

Leonard: Bye-bye

Potter: Please read the 9:45 time certain.

Item 657.

Potter: Good morning.

Dean Marriott, Director, Bureau of Environmental Services: Good morning, mayor Potter, members of the council. Dean marriott, environmental services director. With me is jim hagerman, our business services director. A tough act to follow. Yes. I believe i've provided you with some handouts. I'm going to walk fairly quickly through this presentation. I know you have to hear from the purb, and then certainly we'll be available to answer questions. We're proposing rates that will fund the operation and maintenance of the waste water and storm water utilities for Portland. We also of course protect the surface water quality and are busy and actively involved with restoration of our watershed. These rates will raise the funds necessary to continue the support for the combined sewer abatement program, which is on schedule for completion in december of 2011, and that date used to sound like a long way off, but it's getting closer every day. It continues our commitment to maintenance and reconstruction of our sewer infrastructure. It continues the funding for the Portland harbor remediation investigation and feasibility study and begins funds of our great green initiative to further restore and enhance watershed health. Turn the page to the revenue requirements, projected expenditures are \$247 million. Just under \$100 million for operation and maintenance of the utility, including waste-water treatment and collection system, watershed protection and restoration, pollution prevention activities, the Portland harbor superfund that I mentioned earlier, and the services, interagency agreements with other agencies of city government. Also included are \$130 million for debt service and cash financing for our capital construction program and \$20 million needed to pay the utility license fee and other fund transfers. This is the less of nonrate revenue, totaling about \$37 million, including from s.d.c. revenues, and we are moving money in from the rate stabilization fund which was established just for this purpose. That yields a rate requirement of \$210 million. Turn the page to page 3. Capital program requirements, they really remain the driving force behind the ref moo requirements. Our five-year capital improvement program is \$677 million. Almost 400 million of which are for the c.s.o. control program, 123 million for maintenance and reliability, surface water management, which is watershed restoration, and the sewer extension program, including the new program which you approved just in december. The party sewer conversion projects, which will help people who have discovered they are on a party sewer with their neighbor fix that problem. The proposed rates, 5.7% bill increase for a typical residential customer in Portland. Charges do drop from a buck 5 one-to-one .22 dollars. Customers who are signed up for the storm water discount, the clean river rewards program will see a slightly lower increase because they are continuing to reap the benefits

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for that program. We're closing in on 35,000 families who have signed up, so it's a pretty impressive commitment by Portlanders to do what they can on their property to help us with the storm water management issues. Page 5 is the current and proposed rates so you can see we don't have a single rate of course. We have a whole collection of rates. Residential, sanitary sewer volume rates, storm water management rates, the low-income discount. They're all shown here for you. Some are up more than the 5.7. Some are up much less than that. Portland harbor superfund charges are actually declining, so the net out is at the bottom, typical residential monthly bill increases as 5.7%. We like to show up where we stacked up nationally and regionally as far as storm water and sewer charges are concerned. The overflow construction projects, as you can see, we are still on the high side of the chart, but there are many cities that are moving past us. Corvallis and boston are below us, but they are pretty close to finished. Corvallis is definitely finished, and boston is wrapping up their c.s.o. Program. The cities that move more quickly, get the work done, can do so as a cost that will end up being less expensive than those cities that are not yet complete. We are fortunate that in just a few years, we will be finished. Many of these communities shown here, for instance cincinnati, which is now well below us, knoxville, tennessee, they are just beginning their c.s.o. abatement programs, so they will move up the chart quite rapidly. System developments charges are proposed to increase 8%. For sanitary sewer system and storm water s.d.c., increased at 6%. Land use review and development fees are proposed to increase at 4%. Line and branch charges, these are the fees charged to people who are hooking up to the system for the first time. These have been charged at below cost for many years. We're now proposing to increase those to move closer to the actual cost of service. The final page on the handout is a comparative chart again to show where we stand in relation to other communities as far as systems development charts. I know this is always of interest to be sure we're remaining competitive in the field. Although we are proposing to increase them, our relative standing, compared to other cities, doesn't change. That really is the overview of the rate ordinance and presentation. Be happy to answer any questions you have now or I will be glad to stay and come back up if you have any questions later.

Potter: I had a question about the age of the sewer system, the pipes and so forth. Is that a factor in terms of the difference. I look at some of the lower rates around Oregon. Does that have to do with size or age of the system? What effects the difference between us and woodburn?

Marriott: That's a great question. As you can imagine, the age of the different systems is quite different. It depends on when the city was urbanized. Portland sewers are much older than our waste water treatment plant, which is 50 years old, but many of our sewers are over 100 years old because Portland was settled and urbanized pretty early, so the more densely populated the area, the quicker they built sewers to get the waste essentially to the river system, which was a disposal system. Age is certainly a factor, and Portland has among the oldest sewers on the west coast. As far as rates are concerned, of the other major factors, what is the size of their capital program? How much additional growth have they had to incur or how much repair and replacement are they doing? What kind of replacement schedule? Of course one of the biggest drivers for us since the mid 90s has been our c.s.o. Abatement program. So if a community does not have a c.s.o. Program, they are probably enjoying quite a bit lower rates than we are. In Oregon, basically corvallis, astoria, and Portland are the three main cities that have c.s.o. Systems, so you could expect the sewer rates in those cities to be higher than perhaps their neighbors.

Potter: Other questions?

Saltzman: How many people did you say were enrolled in the storm water --

Marriott: We're closing in on 35,000 customers who have signed up. Thank you. We'll remain here in case you have any questions later.

Potter: Thank you. Any folks signed up to testify on this matter?

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Moore-Love: Yes, we do. We have the utility review board, and then we have a couple other people. The utility review board.

Potter: Would you folks come forward from the utility review board? Thanks for being here, folks. Please state your name for the record. We're not going to time these folks. They're official city functions. So please proceed.

John Tyler: John tyler with the Portland utility review board.

Tracy Marks: Tracy marks, also with the Portland utility review board.

Tyler: Mayor, commissioners, thank you for the opportunity to let us present to you today, and thank you for the opportunity for letting us share our insights and recommendations. Paulette rossi, the Portland utility review board or the perb's chair, was unavailable today, so I am the vice chair, and i'm here in her absence. Last week, our group met to finalize our comments, and i'll give an abbreviated version of those comments. You have the full text, I believe, in front of you. In order to be brief, we thought we would just hit on the highlights that we presented. You'll see that there's a cover letter from paulette rossi, the chair, and then the actual rate testimony. I'd like to remind you that our board has nine seats. Currently two of those are vacant, and we're seeking to fill them. I'd also like to take this opportunity to thank all the bureau staff that provided perb with briefings and answered follow-up questions, and in particular i'd like to thank the office of management and finance, bob tomlinson in particular and others for their assistance in helping us through another year. This year the Portland utility review board made two philosophical recommendations that are not necessarily tide direct live to the rates that are being proposed. Those are briefly that the average rate increase should be in line with current inflation and the cost-of-living increases. The other is that only projects that represent a clear sharp peak in bureau spending can justify the added bond finances. An example would be the combined sewer overflow project. Moving through the bureaus, our rate testimony for solid waste and recycling, our comments are that the city of Portland's residential portion of the Portland recycle plan that was adopted in 2007 anticipated a monthly increase of \$2.60 across all customer classes with an additional cost increase to cover the cost of the new roll carts. The total proposed rate for a 20-gallon can and a 32-gallon can is \$3.60, and that's a 17% increase for fiscal year 2008 and 2009. We, the perb, believe that this amount is high and that the office of sustainable development the should review its earn tural operations in an effort to find ways to mitigate for this rate increase. We also believe that the commercial tonnage fees which are proposed to increase should similarly be reviewed. Moving on to the bureau of environmental services, the current budget request to pay for the c.s.o. Project is appropriate because it complies with the regulatory and legal requirements. And we hope that that complex and multiyear project can continue to be well managed and meet its goals on time and on budget. The perb believes that the city should continue to look for federal and state assistance for this project. We know that it's been difficult over time, but we don't think that effort should be forgotten. The perb believes the city should continue to pursuit identification of those responsible for pollution and work to hold them accountable for its cleanup. Watershed projects. The perb advocates a two-pronged approach to watershed projects that will lead to meaningful, environmental, and social outcomes. First, improve surface water runoff treatment and filtration close to its course and, second, educate citizens about how their actions and behaviors can impact the watersheds which would shift us from a reactive to a proactive form of natural resource management. This next comment doesn't fit in line specifically with all the other budget proposals, but one of the items that we reviewed and we saw that city hall is -- there's a new roof replacement that's being proposed for city hall, and we're curious to know if that cost would exceed \$325,000, and we were uncertain whether this was a good expenditure when other public infrastructure, for example the union station, may be in greater need of a new roof as compared to city hall receiving a green roof as proposed in the budget. We also would like to comment on the gray to green and green streets initiative. Combining green streets initiatives with the gray to green program should further

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improve on the positive rate impact and cost savings to ratepayers through encouraging city bureaus and departments to work together, treating storm water on sight, reducing the amount of storm water philosophizing through the storm water system that could extend the life of this expensive infrastructure and meeting multiple policy objectives and compliance obligations through one set of actions. We also believe, with regard to debt funding savings, that debt funding savings should be used for rate relief, not to support existing or new activities or programs. Moving on to the proposed budget for the water bureau, the perb believes that all hydrorevenues should be used by the water bureau for rate relief, that the l.t. 2 reserve account is not helpful and should not be funded in this budget cycle. That the open reservoir maintenance project should not be done this year, that the bureau should be more conservative in its financial planning assumptions. The bureau should seek cost savings in the bull run dam two hi tower modification. The bureau should look for ways to speed up the sandy river conduit project. The bureau should seek partnerships with property owners in the sandy river basin to mitigate the cost of the habitat conservation plan, and the bureau should study returning block pricing to promote water conservation. And so that is the end of our testimony. If you have any questions, we would be happy to answer them.

Potter: Questions from the commissioners? Thank you very much.

Moore-Love: The next two people are andy seaton and tracy marks. He already spoke.

Potter: State your name when you speak. You have three minutes.

Andy Seaton: Thank you very much. I can't offer my congratulations to randy. He just left the room. So congratulations to randy anyway. I was looking through a couple of items. The presentation that was being delivered with all the numbers wasn't available to the public beforehand. I got a copy of the ordinances downstairs, but some of the numbers in here were hard to follow and weren't laid out as nice so I could see over the shoulder of the fellows making the presentation. It makes it hard to comment about all this. Just in general, i'm saying could you folks going to be seeing me until you repeal the sit/lie ordinance and start criminalizing the homeless in the city. To get more on topic here a couple of items. The way the calculations are done, particularly looking at the costs of the equivalent -- what is this here? It's the e.d.u., which is -- I found it who her a moment ago. Equivalent dwelling units, it looks like the way they're calculating what the fee should be is taking the total cost of the system and dividing it by the total capacity to end up with \$3520 per equivalent dwelling unit with then kind of fudging factors from there for multiunit homes and that sort of thing. There's a couple of questionable items I have. In particular, their total -- the total cost is equal to the present value of the replacement cost for, which, for the sanitary items, is an amazing \$1 billion. They also list a return on equity which turns out to be 19% for the sanitary s.d.c. calculations and 21% for the storm water. And according to their description of what it should be, return on equity for the portion of the facilities constructed with ratepayer funds is the caring cost for current and past ratepayers. The return on equity portion calculates simple interest foregone for each year's original project cost using each year's annual six-month treasury bill secondary market rate, and I don't think that the federal government is paying 19% on their treasury bills. It's more like 1% if we're lucky. So there are some serious questions about their calculations here and also there's a sort of an assumption that water this is equal to water out times some factor, and I have a question. If I go to the trouble of putting together swales and other diversion processes and dry toilets and that sort of thing, i'm still going to be charged -- the question I have is am I still going to be charged the same amount as other folks in my neighborhood that aren't using green services? Some questions, and you'll be hearing more from me, i'm sure, until you guys change your mind. And congratulations, randy, now that you're back, on your election. I must say I did vote for you. I appreciate anybody who says what they think and thinks what she say even though we are disagreeing often on a lot of things.

Leonard: Thank you.

*******:** At least I could give you a bathroom break.

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Potter: Is that it?

Moore-Love: That's all the testimony.

Potter: It's a nonemergency. Move to a second reading. Please read item 658.

Item 658.

Saltzman: This is the annual review of the residential solid waste and recycle rates. Because so many aspects factor into these rates, we work with an economist, a c.p.a., a recycle market consultant, and Portland state university in developing these rates. This rate review does propose an increase namely because of fuel and labor costs and because of the new recycle and yard debris roll carts. Residents can offset these increases by switching to smaller garbage containers or by reducing their collection frequencies. Susan anderson and bruce walker from the office of sustainable development are here to describe the rate process in more depth.

Susan Anderson, Director, Office of Sustainable Development: Good morning. I'm susan anderson. We're here, as dan said, to present information on both garbage rates and recycle rates. There are three components to our rate studies here. We contract with a c.p. A firm to review the residential hall reports. We contract with the Portland state university to study can weights and actually what's in the weights. That's a fun job. And we contract with a consulting analyst to run the rates and models. The model including factors such as fuel cost, labor, disposal charges, and then that's off set by the recycled materials that are sold. So we basically add up all the cost of services and then sub tract out what the haulers make when they sell the recycled paper, metal, and glass. The result this year is an increase of \$3.60 for the most common service. The most common says size is a 32-gallon can with weekly collection. This will increase rates from \$20.85 to \$21.45. The cost of the new roll carts which many homes are already receiving this month in may -- that will continue through june and july -- and which are needed to boost recycle rates to 75% as directed by council. The second factor is the hefty increase in fuel costs over the past year and those that are presumed to happen in the coming year. To some extent labor. In 1992, a 32-gallon can was \$17.50 a month. If that rate had kept pace with inflation using the Portland c.p.i., the rate would now be \$27.86. Our proposed rate is \$24.45. Our system of having private haulers is a very efficient system, and the competition to kind of keep the rate low and beat the rate is one that has been able to keep the rate low for many, many years. Most utility services, electricity, natural gas, water and sewer, have all increased more than c.p.i. During that same time, and I really feel that garbage and recycle is still a very good deal here in Portland. In the future, we will continue to see rates go up, probably a dollar or more a year because of the cost of fuel. Picking up the garbage is a very fuel-intensive business. It's important to understand that also not all customers will see a price increase. Customers have the ability to control their garbage costs. They can downsize their garbage can so they can go from a 32-gallon can down to a mini can like I have or a 60-gallon cart down to a 32-gallon can p.o.s.b. Is encouraging downsizing. We are certain many Portland residents will be able to make the shift over the year. Last summer we had 2000 families in the pilot. They were able to increase their recycle by, on average, 25%, and many families increased their recycle by as much as 50%. Many people found that they didn't have much in their garbage anymore and that they could go to a smaller can. Every home will receive information on how to increase recycle and how to downsize. They'll receive information in the roll cart when they get it, again with the curbside newsletter, again in their billing statements from each of the haulers, and we have dozens of outreach efforts on the next few months. That's the rate report. Thank you. And we're happy to answer any questions.

Potter: Questions from commissioners? Thank you, folks. Anybody signed up to testify on this matter?

Moore-Love: David white and andy seaton.

Potter: Come forward.

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David White: Good morning. My name is David White. I'm regional representative for the Oregon refuse and recycle association. One of my responsibilities is to lead the tri-county council which represents the 23 Portland residential haulers, most of whom, by the way, are O.R.A. members. I on matters such as franchise renewal, administrative rule development, and annual rate review. We elect our governmental officials to make important decisions and establish visionary policies that benefit our communities now and in the future. You did just that about a year ago when this council made a decision that started this city on the path that led to the matter before you today. A year ago, as part of the Portland Recycles: Plan, you established an aggressive recycle goal of 75% by 2015, supported the use of more expensive biodiesel, retrofitting and purchasing trucks that reduce diesel emissions, and a collection of recycle materials and yard debris in roll carts. You sent a clear message that this council supports efficient and effective programs that clean up the environment and make good use of our natural resources. You also told all of us residents, businesses, and Portland haulers that you expect us to step up and help the city meet these progressive and aggressive goals. A few weeks ago, you passed the commercial section of the Portland recycling plan. That vote reaffirmed the council's commitment to the 75% recycle goal and sustainable collection operations. In addition, council increased the commercial tonnage fee \$2 to pay for increased O.S.D. staff to perform education, outreach, and program oversight. Today is the next step to go down that path you started a year ago. I recall Commissioner Saltzman at a meeting event touting the benefits of roll carts for recycle and yard debris that would be distributed to residential customers. At that time, the estimated cost of implementing the program was about \$2.60. It's a year later, and many customers have received those new carts, and the remaining customers will receive them in the near future. The rate increase before you today is substantial, but it should not really come as a surprise. A year ago, as I said, city staff predicted the cart program would cost 260. Unfortunately cart prices, fuel, and other costs have increased, and so has the cost of implementing that program. Even without the implementation of the cart program, increases in fuel, the metro tip fee, health care and wages have driven up the cost of providing garbage recycle and yard debris service. These are true costs to the Portland haulers are experiencing Portland to meet city goals and provide Portlanders with one of the best programs in the nation. Providing excellent service and looking for ways to increase our efficiency, contain our costs, and meet our recycle goal, we ask for your support in approving the rates that are before you today. And of course I'd be to answer any questions. Thank you.

Seaton: Andy Seaton. I live in Portland, and I'm representing myself today. Looking through this, one thing that I found rather odd was the rates across the board for the same size roll cart versus can. The roll cart costs more, which seems to be a disincentive for folks to switch tight. And I know that the roll cart -- Randy, take that off.

Leonard: Sorry about that.

Seaton: I know that the roll carts are specifically designed to make it easier on the haulers to use ought mated lifts and that sort of thing. I like the idea of decreasing the amount of size on the can if you're doing a lot more recycling, which I try to do as much as I can. You can decrease the size from a 32-gallon can to a 20-gallon can, but there's only one step down that you could go before you bottom out on the rate schedule. There might be a good opportunity to add other options. Your only options are weekly and monthly and there's no other options. There doesn't seem to be much of an option for on call although there is one for \$7.40 per pickup. There's no way to get a roll cart that's smaller than 32 gallons. You have to switch back to a can if you want to get a smaller trash can. And when you switch to the can, you also have to worry about the non-isn't surcharges and excess distance I guess which aren't required for the roll carts which makes some sense seeing as how they're easier to move. I'm also rather curious as to whether or not it would be possible to have options for buying a roll cart from your friendly neighborhood home depot or the like or even from the city if you wanted to rather than having the city provide it. So these are all just some general

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questions here that i've been able to look at. I certainly support the concept of the sort of thing that the city will provide to your average citizen, but keep in mind that not everybody has the opportunity to have a house with a 32-gallon roll can or regular can or whatever. It would be nice to use the service for some of the folks in town here. Thank you.

Potter: This is a nonemergency and moves to a second reading. Please read item 659.

Item 659.

Leonard: Although you tried to signal me last time this came up, I didn't realize that the water bureau wasn't prepared last week to testify to this, and they are this week, although it's a second reading. Thank you.

David Shaff, Director, Portland Water Bureau: Mayor Potter, members of the council, i'm david shaff. I'm the director of the Portland water bureau and with me is dave hassen, the director of our finance department. I know you're a little behind, so I will try and go through this quickly. I won't read every single bullet, touch every single bullet that we have in our presentation to you, but I will try and hit the highlights, and I have a couple of comments in response to the perb testimony that you heard as well. As you know, our budget -- proposed budget -- is \$129 million. Of that, 70 million or almost 71 is for operating expenses. And 59 million of that is capital. Our revenue is \$101 million. Of that, 76.6 is from our retail customers. 16 million comes from our 19 wholesale customers. Customer late charges will account for about 1.7 million, and other charges like s.d.c.s, chargeable work, et cetera, accounts for approximately 6.8 million. That will fund 655 full-time and 6.25 part-time employees to the bureau. Our average retail increase is 8.6%, and that includes 2% savings account for l.t. 2 that you heard mention by the purb. It does fund an l.t. 2 decision package to do both preliminary planning for what we refer to as conventional compliance if we have to treat our bull run water, if we have to cover a barrier or take out a service of our open reservoirs, and it also covers the cost of applying for a variance under the safe drinking water act to the e.p.a. Our retail rates continue to provide a fixed low-income discount program for single family residential customers at 40%. Our system development charges have increased by 1.5%. We still have one of the lowest system development charges in the region. Typical bills, our typical residential monthly bill will increase by 1.32, and we use 700 cubic feet as a typical residential building space. Low-income residential monthly bill, which is generally around 500 cubic feet, increases by about 55 cents a month. Our medium commercial customers, increases about \$2.57 and our large users of the Portland water system, their bill increases will go up by 11.2%. Want to remind you that our water bills represent only about 6% of basic utility services for retail residential customers. If you look at the next page, you see a basic pie chart that outlines that. We don't look at cable, internet, and cellular phones but, if you look at our pie chart, about 6% of the typical monthly charge is for water. 26% for natural gas. 31% for electricity. 12% for telephone. 17 for sewer, storm water. And then 7 for solid waste and recycle. So we think we're still one of the lowest of the necessary utilities for our residential customers. Er looking at our average annual change of 4.7, adjusted for inflation 1.33%. The next page show as comparison of proposed typical monthly residential utility bills. We have among our region looking at clackamas river word, rockwood, tigar, lake oswego, tv w v, beaverton, tualatin, and gresham, we have the lowest of the water rates among all of those. When you do combine them with sewer, as dean said, they are up there, although they're not the highest in this region. As dean mentioned, a lot of that has to do with dealing with the combine the sewer overflow issue. Looking at the next page, as I mentioned, we have some of the lowest s.d.c.s around. Our proposed s.d.c.s are 1760 for a typical residential system s.d.c. Versus tigar, beaverton, gresham, and tvwd august significantly higher. We do propose full cost recovery for most items. Some of the changes in our items have gone up. Others have gone down. Others have remained the same. One that might cause your eyes to open a little bit is the collection charges vary from increasing of zero to 95%. Let me give you an example of a couple of collection charges that have that kind of an increase. Usually they're nor nonpayment or

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unauthorized uses. So the removal of a meter or spacer or stand pipe has gone from \$75 to \$135 to fully recover the cost of coming out, removing that meter. That's an 80% increase. To crimp or uncrimp a service is going from \$300 to \$585, so a 95% increase. So that is when a customer has tried to bypass the meter or otherwise tamper with their service, and we've been forced to come out and actually crimp their service. We are doing a full-cost recovery on that, and that's why a high impact. Let me touch on a couple thing it is the purb mentioned. Average rate increases should be in line with current inflation and cost-of-living increases. The water bureau has been given a mandate by commissioner Leonard, with the support of the coins, to invest in the repair and maintenance of its aging infrastructure. We have a very robust asset management program that identifies areas of high risk and consequence and addressing those areas. Rate increases and other areas, we start dealing with an infrastructure that's over 100 years old in places. Two only projects that represent a clear sharp peak in bureau spending, john mentioned the big pipe project. L.t. 2 was also mentioned in the written perb testimony, can just by the added expense of bond financing. We have a 59 million capital budget this year that, if we finance -- that we will finance largely through bonds. If we were to finance this through rates alone, we'd have an immediate rate impact of raising water rates by approximately 72%, and I don't think you're going to buy that. The l.t. 2 reserve account is not helpful and shouldn't be funded. \$2 million out of --

Leonard: Why don't you make clear that that's what purb said.

Shaff: Sorry. [laughter] Moving right along, purb indicated that they felt the l.t. 2 reserve account was not helpful and shouldn't be funded.

Leonard: Right.

Shaff: And a 2 million-dollar reserve account out of \$200 million is not a lot of money, that's true, but it's an ongoing annual amount, meaning that over five years it would accrue 10 million. And our plan is to add an additional 2% each year for the next three years, generating as much as \$21 million over five years, including interest. That is still a small amount, 21 out of \$200 million, but some advance savings, in our opinion, is better than none at all. And we don't consider \$21 million insignificant. I only have two more that i'm going to touch bases on. They also indicated that the open reservoir maintenance project should not be done this year. As we stated in the past, no matter what the outcome of our compliance strategy is on l.t. 2, much of the work that we're doing will still be required. Most of the \$23 million in the mount taylor and Washington park projects goes towards pipes and valves that will enable us to bypass the reservoirs and to do so remotely. So far our staff has deleted approximately \$1.8 million from the project. That may grow to as much as 2.5. Frankly, we're going to continue to evaluate the project as our finance strategy evolves over -- strategy evolves over the next five years. Finally purb mentioned that we need to look for ways to speed the sandy river conduit project up. We're moving as fast as the city process will allow us to move. We have two design build firms that are proposing to start shaft construction this fall in october, and the latest we expect to start would be in april of 2009. This is, for us, a fairly sophisticated project. We are going to be tunneling as deep as 100 feet below the sandy river to bury those two conduits. So we're moving along. It's one of our highest priorities. And we expect to have it done on time and within the budget we put together. I'd be glad to answer any questions if you have them.

Leonard: Excellent presentation.

Shaff: Thank you.

Potter: Second reading. But because there's new information, I think we vote.

Leonard: But before we vote, I just want to make clear my appreciation for the work the water bureau, david shaff, david hassen. They're a great team, and they're a very can do agency, and I appreciate all the work that they did.

Potter: Did we have a sign-up sheet on this?

Moore-Love: We did. We have andy seaton and veronica vernier.

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Potter: Please state your name for the record. You each have three minutes.

Veronica Bernier: Morning, mayor Potter. My name is Veronica Vernier, and an alumni of P.S.U. 2005 with a minor in urban health and water quality. I just added a little bit to it. I know I can do it. Just back it up a few more credits there. But what I was going to say really is water quality is important. I think that what we're talking about here is so important. The storm drains up there in Washington Park, the drainage on the hill, the actual built environment of Washington Park is important to this city. According to former Mayor Vera Katz, someone who says Portland is a city that works, it works well safely. They added safely to it. Mayor Bud Clark mentioned that also in comments about underground tributaries. He was always into the water and wondering where it was going. Both of those mayors are good and current Mayor Tom Potter, I support where he is along the life-span of the city. You're doing a great job, Tom, really. What I wanted to say is this. As a student, my former professor, Antonio Yoyano from the district that he lives in, has underscored the importance of water, and he taught us in P.S.U. Certain things that look for. I followed the creeks and water beds all over the city. I walk an average of five to seven, sometimes 10 or 11 miles a day on various paths. And I run into various people, runners, joggers, everything, dogs. One bobcat, no deer yet but a lot of dogs up there. And there's wherein lives the problem. The dogs of course in the park are welcome, and on leash is really, really well recommended. I underline that. I just wanted to underline something else. The children walking in the park are very important to us, and I want to make sure that, even though there is a lot of plans for the built environment there, that they are protected within that environment. You know, the dog runs need to be upgraded. Off-leash laws are really important. And also this general water thing brings up one last comment about the water department. Anytime anyone brings in a water bill and needs help paying it, look into that problem really quick. It's the right thing to do. Thanks a lot.

Seaton: I'm at a bit of a loss because I didn't get a copy of this when I was given a copy of the items this week because it's the second reading sort of officially. And one of the high points of Portland Bureau, the services you guys provide, I was the quality of water-related services, as it says here. But I just want to make my presence known, which I'll be doing continually here. I was at a conference for global transformation over the weekend down in San Francisco, and I realized that one thing I'm really good at is being a pain in the butt or, to look at it in more enlightened terms, would be --

Potter: I don't disagree with your assessment, Andy, but you have to keep to the point, and the point is about the proposed water services and rates.

Seaton: Alrighty. Well, seeing as how I'm at a bureaucratic disadvantage here, talking about rules and regulations after what you pulled last week, it's the pot calling the kettle black, although that may be a bit of -- I'm sorry if anyone was offended by that. Anyway, I will defer to the next item, which I do have some good detailed documentation on and some good bureaucratic questions on, and it's not quite that easy to get rid of me. Thank you very much.

Potter: Please call the vote.

Leonard: Aye. **Saltzman:** Aye. **Potter:** Aye. Please read the 10:30 time certain.

Item 660.

Judy Tuttle, Office of Management and Finance: For the record, I am Judy Tuttle with the office of finance and management there. I'm being joined by Carol Lentz, which is the executive vice president of Travel Portland, former live the Portland, Oregon Visitors Association, a phrase I've tried to learn over the last six months. The ordinance before you authorizes an agreement with Travel Portland for the promotion of convention business and tourism, also waives Portland city code and provides for payment. All of the council offices were briefed on this. I'm going to be judiciously brief in my comments. But I did want to just talk a little about the status of the current agreement. As all of you know, this agreement is funded with 1% of the transient lodging tax collection and was approved by charter amendment in 1978, passed by the voters of this community. The current

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agreement which is with the Portland, Oregon visitors' association -- Portland, Oregon visitors' association, now travel Portland, expires in June 30th of this year. Now, travel Portland and its predecessors, COBA and earlier the Portland convention and visitors bureau, have held this agreement continuously since the charter passed in 1978. That portion of the charter requires that the city contract be awarded to a nonprofit corporation whose primary purpose is the promotion of -- the promotion, solicitation, procurement, and services of convention business and tourism in the city. In 2005 before the current agreement was put in place, the city issued an r.f.q. To see if there were any other qualified organizations that might come forward. Travel Portland then was the only respondent to that r.f.q. The agreement that accompanies this ordinance does have some very close resemblance to prior agreements, but there are a couple of minor changes, mostly housekeeping changes that address the reporting requirements of the agreement to different dates and, as in the past, this agreement was to be reported to council in April. That's been changed to August. So those kinds of minor date changes on the reporting requirements. Cracking with minority home firms, tourism and sales activity, positive media placement, we have a fairly significant set of benchmarks with this agreement, and these two are added this year. The term of the agreement is for three years with an option to extend for an additional two years. That's the agreement before you, and I'd like to turn it over to Carol, who has a few remarks.

Carol Lentz: My name is Carol Lentz. I'm the executive vice president with travel Portland, formerly the Portland Oregon visitors bureau, otherwise known as COBA. I'd like to congratulate Randy Leonard on your reelection and sizable vote. I'd also like to thank Mayor Potter and Dan Saltzman for your years of leadership and making Portland one of the most livable cities. The staff, the board, and over 1100 industry partners are looking forward to working together with you and the new commission to keep Portland vibrant, economically prosperous, environmentally connected, and ever vigilant in leading the nation to ensure human rights and dignity for all who live, work, and visit here. The quality of life is what makes Portland a most desired destination for meetings, conventions, leisure travelers. Portland is experiencing tremendous growth in the tourism industry with increased international nonstop flights to Europe, Asia, and Mexico. The world is discovering us. The best news is that they have found their experience to exceed their expectations. Just last week, our tourism sales staff were successful in getting a Portland tour published and travel guide. That may seem like a small feat, but that has been something we have been working on since I have been at COBA, almost 20 years now. Cook Travel, they are very, very selective and only include tours they believe will be successful in an international marketplace. The representatives from Cook Travel came out to Portland on a familiarization tour. Our staff escorted them around the city and region, and they were absolutely blown away by Portland and the metro region. This was a long nurturing process that was fueled by a very strong successful public relations effort. Last year, as a direct result of travel Portland's activities, Portland received \$5.6 million in positive media coverage. This year, just nine months into the contract, we have already received over \$9 million worth of positive coverage. Now, this is not advertising. We couldn't even come close to being able to pay for advertising. This is independent, editorial articles that we can convert into column inches of advertising value but which are really priceless when it comes to credibility and believability when people read. You'll be receiving our third quarter report soon that will show the details of travel Portland's continued success for the last nine months. Just a few of those successes include 44 booked conventions for the future with an economic value of 45.6 million. 182 total room nights with an economic impact of over 100 million. Over 400 thousand visitors have already walked through the front door of the downtown visitor information center this year. That the only after nine months, so we're going to well exceed the 600,000 that we normally do. And there's been a 10% growth in room tax, generating over \$12 million in nine months for the general fund. So we're glad to be a part of that. While we have many successes, we are constantly battling the competition and some challenges. The lack of a headquarters hotel is still a major

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competitive disadvantage for the convention booking. Increasing oil costs are going to influence leisure travelers. General softening of the economy, that's going to mean less business travel and leisure travel. And we are currently in the lead in the green market, but the competition is getting hot. We'll need to continue working very hard in that area to maintain our leadership. But we also have some real strong advantages. The soft u.s. Dollars internationallally makes Oregon a real bargain and especially now with our nonstop services. Portland, excellent image. We can't emphasize that enough. Portland's people, our open friendliness still amazes visitors. When we get comments from conventioners who say even your panhandlers are cordial -- [laughter] -- well, it's a problem. It's really nice to hear at least that they're not aggressive. And our biggest is the Portland wow factor. What we find and hear most commonly is when visitors come here, they always are saying, I never knew. Wow: I didn't know you had mountains. We didn't know you had an ocean so close. We didn't know you had such a vibrant downtown. We didn't know. It just goes on and on. And the word of mouth that comes from just that wow factor is exceptional. As a city, we continue to surpass expectations, and this is a good foundation for the future. And everyone at travel Portland is looking forward to sharing that success and being a partner in helping to work with the challenges. Thank you.

Potter: Questions from commissioners? Thank you, folks. Do we have a sign-up sheet?

Moore-Love: We do. Andy seaton.

Seaton: Good morning. Andy seaton, representing myself. Listening to the testimony and also going through the paperwork here, a couple questions, comments or whatever. On item 7 here, it says that you're waiving chapter 5.6 of the city code, which is basically the purchasing procedures for professional services. I find it bothersome that you guys are waiving city code to give this to a single-source contract, as nice as they are. I think that especially considering the fact that this is basically the city turning over an entire revenue stream over to a single organization is without following standard city procedure and city code, following the law, is problematic. The tax on travelers to Portland, the phraseology here is talking about transients and i'm rather curious to see whether or not this money might be able to be -- part of it might be able to be spent to support those that are permanently transient here in Portland. But taxing, a motel tax -- hotel/motel tax is a great tax, because it doesn't tax our own citizens. It taxes the folks that aren't going to be coming back. Compared to some cities, a 1% sur tax on hotel bills is minor. In the previous testimony, she did say that the rising price in oil is cutting back on the travel, but it actually -- one of the nice things it does is it increases domestic traveler sustainability international. And i'm also rather curious as to their talk about -- in the second section here, talking about potential return on investments targets, and i'm rather curious to see whether or not those are actually being met. It would have been nice to have seen that paperwork here. And finally the question of having nice panhandlers in Portland is certainly good to hear, but it would be nice if the folks were -- didn't have to panhandle, and it also would be nice if the city would provide services in such a manner that the homeless just wouldn't be out of sight and out of mind. Thank you very much.

Potter: Is that it?

Moore-Love: That's all.

Potter: Nonemergency and moves to a second reading. Please read on the regular agenda item 661.

Item 661.

Potter: A second reading. Call the vote.

Leonard: Aye. **Saltzman:** Aye. **Potter:** Aye. [gavel pounded] Please read item 662.

Item 662.

Christine Moody, Bureau of Purchases: Good morning mayor potter and members of city council. I'm christine moody from the bureau of purchases. Before you is a purchasing agent report recommending an award on bid number 108670 for the 2008 local improvement district project in the amount of \$790,956. The bureau of transportation engineering and development along with the

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bureau of purchases identified 12 divisions of work for potential mwesp subcontracting.

Participation for this project represents 13.5 percent of the identified subcontracting dollars. Parker nw paving is a local contractor located in Oregon city. If you have any questions, I'd be happy to answer those.

Potter: Questions from the commissioners? Thank you. Did we have a sign-up sheet on this?

Moore-Love: I did not have a sign-up sheet. Andy seaton wanted to speak on this.

Seaton: Andy seaton, resident of Portland, speaking for myself. Doing some rough calculations, I was able to, despite my unmentionable trip to san francisco, I was able to do a little follow-up research with the housing authority of Portland website, and determine that \$600 a month is about a reasonable amount of money to say what a one-bedroom apartment would cost to house the homeless. The budgeted amount of money of \$1,110,000 would work out to 154 apartments. And the amount you guys came in, I was surprised to see were you able to save significant amounts of moirntion \$790,956.64, would be equal to 109 apartment years. The question I have for the city council in general, what happens to the excess money that's been allocated in the budget and whether or not those fees could be redirected to other services or not, in particular a service that is desperately needed in this city? And the question of paving the streets and concrete cutting, and all of that are sort of things that an average city needs to do, and it looks like they're doing 13% of minorities, women's, and emerging small business participation, and as i've said before, although you can't do it this week because you've had a good job of shutting down yet another peaceful protest in front of city hall, the sidewalk was completely clear of all the protest sign and protestors this morning, many of the folks in the homeless community due to construction work and would be available, and certainly would qualify as an emerging small business. And it might be a good way to solve homeless problem in Portland, in part might be to spend city tax dollars to put together an office designed to bring them into the world of city contractors, city subcontractors. So this problem goes on and on, and just like you've got to pave the streets, you've got to -- you're going to have a department of bureau of transportation engineering and development rates, and it seems like the problem is endless of homelessness, and it truly isn't. Thank you. Though my testimony is.

Moore: That's all who signed up.

Potter: I need a motion to accept.

Leonard: So moved.

Andrew Aebi: Andrew aebi, local improvement district administrator. I wanted to answer the question about the -- we're very pleased the bids came in low. L.i.d. funds cannot be used for other purposes. It will be passed back to the property owners. Thank you.

Potter: Second?

Saltzman: Second.

Potter: Please call the vote.

Leonard: Aye. **Saltzman:** Aye. **Potter:** Aye. [gavel pounded] please read item 663.

Item 663.

Moody: Christine moody, bureau of purchases. Recommending an award on bid number 108672, for the burlingame sanitary trunk sewer pipe protection project in the amount of \$959,985. The bureau of mineral services along with purchases identified eight divisions of work for potential mwesb subcontracting. Participation represents 1.5% of the identified subcontracting dollars. Henderson land services is located -- is a local contractor located in lake oswego.

Potter: Questions from the commissioners? Anybody signed up to testify?

Moore-Love: I didn't have a sign-up sheet, but andrea seaton has requested to testify.

Potter: Come forward, please.

Seaton: So, an difficulty seaton, representing myself. So i'm rather curious, something was brought up last week, a couple weeks ago in testimony which was the -- people were complain ball game spending money on the -- on moving the sauvie island bridge, and -- and saying that basically

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it was rather an interesting turn of the phrase why not in my back yard for spending money on improving sidewalks and other city services, city infrastructure. And it brought up an interesting question, which was why is it that a local neighborhood, if it wants a sidewalk, it has to bill itself?

Potter: Keep your remarks to the issue at hand, please.

Seaton: This is the issue at hand.

Potter: No, it's not.

Seaton: We're talking about spending money here for city improvements.

Potter: That's not the issue at hand. The issue at hand is specific to the sewer trunk sanitary sewer trunk protection project. Remark to that, or nothing.

Seaton: All right. Well, in that case, the total budget here is on this was \$1 hundred -- \$1,125,000, and -- which works out to 156 apartments for a single year, to house the homeless. And the bid came in at an estimated \$959,985, which works out to roughly about 137 apartments for a single year. And again, they were able to find some minority women and emerging -- resulting in \$363,000. And -- which is good here, I suppose. And there are questions about -- there's a warranty maintenance bond of 20% of the final contract that will be furnished by the contractor before final payment is released, and so i'm rather -- basically we're trying to get a warranty on all of this work, which I suppose is a good thing. I'm curious as to how that would work and whether or not interest is being charged or -- for the contractor or by the contractor, whether or not he gets all -- if -- whether or not he's going to get the final payment of 20%, is that after two years, and nothing went wrong? And if so, did he earn any interest on the matter? And considering the interest rates that the water bureau was charging, it could be a good investment for them. How is that? Thank you.

Potter: 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 item 664.

Item 664.

Moody: Christine moody, bureau of purchases. Before you is a purchasing agent report recommending an award on bid number 108027 for the purchase of 15 dump trucks in the amount of \$2,151,650. O.m.f. Business operations, the city fleet along with the bureau of purchases issued an invitation to bid and received three responses. Brattain international trucks was determined to be the lowest responsive bidder providing the trucks at \$143,000 each. Brattain is a lot vendor, located in Portland. Thank you.

Potter: Questions from the commissioners? Is there a sign-up sheet?

Moore-Love: This was heard last week. Commissioner Adams had a question about it.

Potter: That question was answered to my satisfaction. There was testimony last week?

Moore: We did.

Potter: Directly to vote. We need a report to accept the -- a motion to accept the report.

Saltzman: Moved.

Leonard: Second.

Potter: Please call the vote.

Leonard: Aye. **Saltzman:** Aye. **Potter:** Aye. [gavel pounded] please read item 665.

Item 665.

Don Henry, Bureau of Environmental Services: Don henry, the project design manager working for the bureau of environmental services in the public works division. We went through a predesign report. Let me back up. Fema gave us money for a flood mitigation project out on foster road and 112th. We have since that time conducted a predesign study, collected a preferred alternative, and

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have advertised for a design firm to design contract documents suitable for bidding for flood mitigation and stream enhancement improvements. That's what you have before you right now. An ordinance to accept the contract, make payment.

Potter: Questions? Thank you, folks. Is anyone signed up to testify?

Moore: I did not have a sign-up sheet, but Andrew Seaton has requested to testify.

Potter: Please come forward.

Seaton: Andy Seaton. Citizen of Portland by choice. It would make more sense for me to move to Washington state where there's no state income tax, and I do a lot of work out of Seattle, but I enjoy living in Portland. So the total -- the total amount that's being proposed here is on the project is \$3,648,091 for the floodplain reconnection project. And which worked out to \$506 -- 506 apartments for a year. It was unclear from the paperwork, it looks like it's not the -- is professional project -- they're not actually providing a service, but they're under the contract as \$695,788 of which FEMA, which is the federal emergency management agency, I suppose, would be receiving -- would be paying \$173,000. It's not very clear here from the may per work to -- paperwork to -- exactly how this fits together, and granted, I haven't had a lot of time to look over it this morning. But the -- the -- I'm curious as to why FEMA would be providing -- I suppose that would be in the preventive emergency management aspects of what FEMA does, as opposed to trying to mitigate disasters such as New Orleans and Hurricane Katrina. Let's see here. Looking on page 305 of the first section, going through these amount of monies, it looks like that probably adds up to their \$-- on the table, it looks like it adds up to \$365,000, though it's not entirely clear to me -- yes, it's not -- you look at the first paragraph, that's what it says, and the attachment C is a fee estimate to be seen later. All manner of fun things. Dollar for photocopies, 10 cents a page for standard photocopying, print copying of 25 cents a square foot. Those are all wonderful standard fees that I'm sure could be reduced at -- sounds like they're going to Kinkos for every copy. Kinkos doesn't even charge 25 cents a copy. You perhaps should be asking them for -- since this is millions of dollars and probably thousands and thousands of pages, we should be asking for a rate on our copying fees. So thank you very much.

Potter: Non-emergency, moves to a second reading. Please read item 666. Ctlh ch2m hill

Potter: This is a second reading, call the vote.

Leonard: Aye. **Saltzman:** Aye. **Potter:** Aye. [gavel pounded] please read item 667.

Item 667.

Potter: Second reading, call the vote.

Leonard: Aye. **Saltzman:** Aye. **Potter:** Aye. [gavel pounded] please read item 668.

Item 668.

Potter: Staff?

Linda Birth, Bureau of Transportation: Good morning, Linda Bird, Portland transportation. This item and the following item would have normally been on the consent agenda. The public hearing for these vacations will be June 25th.

Potter: Did you say the 668 and 669?

Birth: Yes.

Potter: Could you read 669 too?

Item 669.

Potter: Please continue.

Birth: This one would also have been on consent.

Potter: Ok. Is anyone signed up to testify on these matters?

Moore: Andrew Seaton.

Potter: These items are here as one testimony. You have a chance to testify once on both matters.

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Seaton: My name is andy seaton, i'm representing myself. Going through these, it's nice to see what life is like without a consent agenda. Going through the paperwork here, this is a request to vacate north hein man street northeast of lombard street. And the -- consolidate property. I take it they're basically doing away with the city street in the process here for off of lombard. It looks like in the exhibit one it looks like it's barely a block long. And the question is, consolidating property gets into, again, the question -- the only thing the homeless wanted in this town is a place to call their own. And --

Potter: Keep your remarks pertinent to this issue.

Seaton: All righty.

Harry Auerbach, Chief Deputy City Attorney: And the issue precisely is to set a hearing date at june 25 at 9:30 for these matters.

Seaton: All righty. What's happening on june 25th? The question is, in that particular case, what else is going to be heard on that day, and what is the time available, and whether or not it would be open for further discussion and whether or not that discussion would be more things would be allowed to be discussed in that matter or not. And whether or not the proper use of land in this city for consolidation is for unknown topics to be seen later. Who knows -- consolidated property for what purpose? And what are the options for the use of city land, and whether or not there will be time on june 25th at 9:30 a.m., to discuss possible option ras they're than turning it over to some developer. These are all good questions that I have, and i'm rather curious to see when you -- when you're talking about this, it looks like on the other item, i'm not sure which item this would be, let's see. This would be office of transportation. I think 668, which is --

Potter: Keep your remarks to the 25th.

Seaton: Yeah. The northeast 44th avenue south of halsey street. And again, it looks like your -- you're giving up about a block here, and it looks like according --

Potter: Your time is up. Thank you very much. Please read item 668.

Item 668.

Potter: 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 669.

Item 669.

Potter: Need a motion to accept.

Leonard: So moved.

Adams: Second.

Potter: Call the vote.

Leonard: Aye. **Saltzman:** Aye. **Potter:** Aye. [gavel pounded] please read 670.

Item 670.

Potter: Second reading, call the vote.

Leonard: Aye. **Saltzman:** Aye. **Potter:** Aye. [gavel pounded] can we hear 671 and 72 together?

Items 671 and 672.

Saltzman: Yes. 671 accept as grant from Multnomah county for our senior center project, which provides recreation, integration to developmentally disabled senior adults, among other things. 672 authorizes us to apply for a grant in the amount of \$95,000 for implementation of a park scan system to provide greater ability to report and track maintenance issues on park property.

Potter: Questions? Anyone signed up to testify on these two matters?

Moore-Love: I did not have a sign-up sheet. Andreea see seaton would like to testify.

Potter: Please come forward. You have one three-minute time slot.

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Seaton: My name is andy seaton still. Let's see, getting these in order. Accepting a grant, Multnomah county in the amount of \$192,846 for the operation of an integrated senior citizens -- integration program for senior citizens who have developmental disabilities. \$192,000 works out to roughly 26 years worth of apartment here --

Potter: Keep your remarks to this issue.

Seaton: Thank you. In that case i'll have to talk in terms of developmentally disabilities of senior citizens who describes many of the homeless folks I have found who qualify as senior citizens and have been mainstreamed, kicked out of the mental health system and have been left to fund -- to their own devices. It will be nice to see if some of them can be served by this system, and have some of their needs met. But it is always -- it has a little been a question for me as to -- as someone who has come close to being homeless myself a few times, there are some who might question some of my developmental disabilities myself, and with the amount of gray hair I have, whether or not I qualify as a senior citizen, as to how to find out what's available and what services are available for poor folks, especially for the homeless, which is the problem with kicking them all the way out to the airport. And on the other ordinance here, the one from the all ferd p. Sloan foundation in the amount of \$95,000, online maintenance, use jog line technology, computer technology to another mate the systems is a great way to reduce costs, and increase feedback. And so this is a wonderful idea. There's a question as to whether or not -- which -- which city department, which city services are best used by the homelessness -- homeless situation --

Potter: Keep your remarks fought issue at hand, please.

Seaton: If you let me finish --

Potter: Your sentence does not have to do with this issue.

Seaton: As I was about to say, the -- it seems to have been deinvolved to the park system for the most part to deal with the homeless situation, and anything that should be done to decrease the cost of the park system in Portland and increase the response time is a good thing. And perhaps some of the money that can be saved in the long run by these improvements could be used --

Potter: Time is up. 671. Please read that.

Item 671.

Potter: Nonemergency, moves to a second reading. Read 672.

Item 672.

Potter: Nonemergency, moves to a second reading. We're adjourned until next week.

At 11:27 a.m., Council adjourned.