



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 11TH DAY OF APRIL, 2012 AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Adams, Presiding; Commissioners Fish, Fritz, Leonard and Saltzman, 5. Mayor Adams left at 11:10 a.m. and Commissioner Fish presided.

Commissioner Leonard arrived at 9:44 a.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Ben Walters, Chief Deputy City Attorney; and Steve Peterson and Harry Jackson, Sergeants at Arms.

Items No. 360 and 367 were pulled for discussion and on a Y-5 roll call, the balance of the Consent Agenda was adopted.

COMMUNICATIONS		Disposition:
351	Request of Michael Krupp to address Council to express concerns and to offer solutions (Communication)	PLACED ON FILE
352	Request of Lisa Bates to address Council regarding Portland Housing Bureau budget (Communication)	PLACED ON FILE
353	Request of Frances Kappes and Matt Callanan to address Council regarding SUN program at Buckman Arts Focus Elementary School (Communication)	PLACED ON FILE
TIMES CERTAIN		
354	TIME CERTAIN: 9:30 AM – Accept Fire and Police Disability and Retirement Report (Report introduced by Commissioner Saltzman) 30 minutes requested Motion to accept the report: Moved by Commissioner Fish and seconded by Commissioner Fritz. (Y-5)	ACCEPTED

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<p>355 TIME CERTAIN: 10:00 AM – Accept Year-Two Progress Report for the joint City of Portland/Multnomah County Climate Action Plan (Report introduced by Mayor Adams) 30 minutes requested for items 355 and 356</p> <p>Motion to accept the report: Moved by Commissioner Fish and seconded by Commissioner Fritz.</p> <p>(Y-5)</p>	<p>ACCEPTED</p>
<p>356 Accept the Willamette Valley Resilience Compact and authorize joining other Willamette Valley jurisdictions to collaborate on climate change adaptation (Resolution introduced by Mayor Adams)</p> <p>(Y-5)</p>	<p>36916</p>
<p>*357 TIME CERTAIN: 10:30 AM – Authorize an allocation of \$1.8 million of Community Development Block Grant funds to Home Forward to support the development of Stephens Creek Crossing (Ordinance introduced by Commissioner Fish) 15 minutes requested</p> <p>(Y-4; Adams absent)</p>	<p>185256</p>
<p style="text-align: center;">CONSENT AGENDA – NO DISCUSSION</p> <p style="text-align: center;">Mayor Sam Adams</p> <p>358 Appoint Keith Jones and Joe Schneider to the Development Review Advisory Committee for terms to expire April 16, 2015 (Report)</p> <p>(Y-5)</p>	
<p style="text-align: center;">Bureau of Emergency Management</p> <p>359 Accept donation of two ACU-1000 Communications Units from the State of Oregon (Second Reading Agenda 340)</p> <p>(Y-5)</p>	
<p style="text-align: center;">Bureau of Police</p> <p>*360 Authorize a contract with the Portland Business Alliance to provide policing services for the Clean and Safe Program (Ordinance)</p>	
<p style="text-align: center;">Bureau of Transportation</p> <p>*361 Rename a segment of SW 19th Ave between the northerly right-of-way line of SW Fairmount Blvd and the south line of vacated SW Seymour St as SW Council Crest Dr and name a segment of unnamed public right-of-way between the north right-of-way line of SW Bernard Dr and the south right-of-way line of existing SW Council Crest Dr as SW Council Crest Dr (Ordinance)</p> <p>(Y-5)</p>	
<p>*362 Amend Intergovernmental Agreement with Oregon Department of Transportation for the N Leadbetter Extension Overcrossing Project (Ordinance; amend Contract No. 52833)</p> <p>(Y-5)</p>	<p>185247</p>

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<p>363 Call for bids and authorize contract for N Burgard Rd–Over Abandoned Railroad and N Burgard Rd Storm Sewer Project (Ordinance)</p>	<p>PASSED TO SECOND READING APRIL 18, 2012 AT 9:30 AM</p>
<p>364 Amend Intergovernmental Agreement with Multnomah County in the form of a permit for location of an electronic traffic and parking advance information sign (Second Reading Agenda 342; amend Contract No. 30002513) (Y-5)</p>	<p>185248</p>
<p>365 Authorize Continuing Control Agreement with TriMet to operate and maintain the I-205 Light Rail Project in City right-of-way (Second Reading Agenda 343) (Y-5)</p>	<p>185249</p>
<p>366 Authorize an Intergovernmental Agreement with TriMet for maintenance of the I-205 Light Rail Project in City right-of-way (Second Reading Agenda 344) (Y-5)</p>	<p>185250</p>
<p>Office of City Attorney</p>	
<p>*367 Authorize the City Attorney Office to amend outside legal service agreement with Littler Mendelson PC (Ordinance; amend Contract No. 30001850) (Y-5)</p>	<p>185255</p>
<p>Office of Management and Finance</p>	
<p>*368 Pay claim of Christine Stolebarger involving Portland Police Bureau (Ordinance) (Y-5)</p>	<p>185251</p>
<p>*369 Amend contract with Michael Willis Architects to increase contract by \$86,768 to provide additional architectural and engineering services for new construction for the Emergency Coordination Center (Ordinance; amend Contract No. 30000701) (Y-5)</p>	<p>185252</p>
<p>Commissioner Nick Fish Position No. 2</p> <p>Portland Housing Bureau</p>	
<p>*370 Authorize an Intergovernmental Agreement with the City of Gresham for \$1,036,266 for the HOME Investment Partnership Program and provide for payment (Ordinance) (Y-5)</p>	<p>185253</p>
<p>Portland Parks & Recreation</p>	
<p>371 Transfer inventory from Portland Bureau of Transportation Maximo system to the Bureau of Parks and Recreation MicroMain inventory system (Ordinance)</p>	<p>PASSED TO SECOND READING APRIL 18, 2012 AT 9:30 AM</p>

<p>Commissioner Dan Saltzman Position No. 3</p> <p>Bureau of Environmental Services</p>		
<p>*372 Authorize application to Oregon Watershed Enhancement Board for grant up to \$200,000 for River View Natural Area Habitat Restoration Project (Ordinance) (Y-5)</p>		<p>185254</p>
<p>REGULAR AGENDA</p> <p>Mayor Sam Adams</p> <p>Office of Management and Finance</p>		
<p>373 Accept bid of Stellar J. Corporation for the Columbia Boulevard Wastewater Treatment Plant Secondary Process Improvements Project for \$7,200,600 (Procurement Report – Bid No. 113936) Motion to accept the report: Moved by Commissioner Saltzman and seconded by Commissioner Fritz. (Y-4; Adams absent)</p>		<p>ACCEPTED PREPARE CONTRACT</p>
<p>*374 Authorize urban renewal bonds for the Oregon Convention Center urban renewal area (Ordinance) (Y-4; Adams absent)</p>		<p>185257</p>
<p>Portland Development Commission</p>		
<p>375 Approve the 42nd Avenue Neighborhood Prosperity Initiative Urban Renewal Plan (Second Reading Agenda 331) (Y-4; Adams absent)</p>		<p>185258 AS AMENDED</p>
<p>376 Approve the Cully Blvd Neighborhood Prosperity Initiative Urban Renewal Plan (Second Reading Agenda 332) (Y-4; Adams absent)</p>		<p>185259 AS AMENDED</p>
<p>377 Approve the Parkrose Neighborhood Prosperity Initiative Urban Renewal Plan (Second Reading Agenda 333) (Y-4; Adams absent)</p>		<p>185260 AS AMENDED</p>
<p>378 Approve the Rosewood Neighborhood Prosperity Initiative Urban Renewal Plan (Second Reading Agenda 334) (Y-4; Adams absent)</p>		<p>185261 AS AMENDED</p>
<p>379 Approve the Division-Midway Neighborhood Prosperity Initiative Urban Renewal Plan (Second Reading Agenda 335) (Y-4; Adams absent)</p>		<p>185262 AS AMENDED</p>

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380 Approve the 82nd Avenue and Division Neighborhood Prosperity Initiative Urban Renewal Plan (Second Reading Agenda 336) (Y-4; Adams absent)	185263 AS AMENDED
381 Authorize Intergovernmental Agreements with Portland Development Commission for transfer of tax increment revenues and shared tax revenues related to Neighborhood Prosperity Initiative urban renewal districts (Second Reading Agenda 337) (Y-4; Adams absent)	185264
Commissioner Dan Saltzman Position No. 3 Bureau of Environmental Services	
382 Authorize a contract and provide for payment for the construction of the Mason Flats Wetland Enhancement II Project No. E10406 (Second Reading Agenda 346) (Y-4; Adams absent)	185265 AS AMENDED
Commissioner Randy Leonard Position No. 4 Water Bureau	
383 Authorize a contract with Gary Fiske & Associates to complete a Retail Rate Structure Review (Ordinance) 10 minutes requested	PASSED TO SECOND READING APRIL 18, 2012 AT 9:30 AM
384 Authorize marketing agreements for the Portland Loo (Second Reading Agenda 348) (Y-3; N-1 Saltzman; Adams absent)	185266 AS AMENDED

At 11:53 a.m., Council adjourned.

LAVONNE GRIFFIN-VALADE
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, 2:00 PM, APRIL 11, 2012

**DUE TO LACK OF AGENDA THERE WAS
NO REGULAR COUNCIL MEETING**

**NOTE: COUNCIL BUDGET WORK SESSION
WAS HELD 2:00-5:00 PM**

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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 and should not be considered a verbatim transcript.

Key: ***** means unidentified speaker.

APRIL 11, 2012 9:30 AM

Adams: We are glad you are here, we have a couple of special proclamations before we begin the decision-making part of our morning. I would like to recognize commissioner nick Fish.

Fish: Thank you, mayor Adams. Today we're going to celebrate fair housing month. And we have very special person with us. And before I read the proclamation, I am going to ask Cassiel Thom to come forward and to take her seat at the podium and bring her posters with her. And while you are sitting there, I am going to read the city's proclamation and the mayor is going to recognize you to say whatever you would like on this important day. Mayor and colleagues, it's an honor this morning to share this proclamation with you, recognizing fair housing month in Portland. And I would like to read the proclamation. Whereas our community is committed to equal opportunity and housing choice for all and whereas the theme of this year's national fair housing month is live free. And whereas the city of Portland and it's partners are making renewed effort to combat illegal discrimination and impediments to the housing choice and whereas the city council adopted Portland's first ever fair housing action plan, in september of 2011, and established a fair housing advocacy committee to oversee of the implementation and whereas we are working with tenant groups and landlords to improve the quality and the safety of rental apartments and whereas illegal housing discrimination prevents people from living in homes of their choosing because of their race, their color, religion, sex, disability, family status, national origin, marital status, sexual orientation, source of money and military status, gender identity or history as a victim of domestic violence and whereas under our federal fair housing laws, Oregon civil rights statutes and Portland city code, all of these forms of discrimination are illegal and whereas 2012 marks the 44th anniversary of the signing of title 8 of the federal civil rights' act, the federal fair housing act and the 24th anniversary of the fair housing act amendments, now therefore i, nick Fish, on behalf of our mayor, sam Adams, the city of Portland, do proclaim april 2012 to be fair housing month in the city of Portland and to encourage all residents to take increased notice of housing conditions in their communities and their and to join in the effort to promote fair housing for all. Mayor, can we have a round of applause. Mayor Adams we have a special guest with us today. Her name is Cassiel Thom, and she's here with her mom, cynthia, and her grandmother, margie. Have I embarrassed you both now? We are pleased that she is with us because she is the winner of this year's fair housing council of Oregon, fair housing poster contest. The theme of the contest this year was fair housing welcomes everyone home. There were 335 entries received from young people all around the state. Cassiel's beautiful artwork makes her and here's something to really note, a two-time winner. She also won it last year with the theme "won't you be my neighbor." she's a seventh grader at the metropolitan learning center in Portland. She loves photography and art. And comes from family full of artists. And she won a \$100 prize for her poster. Her work, along with other prize-winning posters will be on display at the beaverton city library from april 14-23. She brought some posters with her today, and she is here in part because her -- the nonprofit that provides the housing that she and her family lives in, which is one of our best partners, is reach and reach is currently building veteran's housing in south waterfront. Would you please join me in welcoming and congratulating Cassiel. [applause]

Fish: It's all yours.

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Cassiel Thom: Thank you. I'm not really sure what I should say.

Adams: Can you hold up your poster? Did you --

Fish: Did you bring an autographed poster for everybody member of the council?

Thom: I think so.

Adams: That is wonderful. You are very talented. Explain a bit about what you drew this and why you drew it.

Thom: Well, basically, when I took fair housing welcomes everyone home into consideration of the design, I was thinking people coming into home, but showing their back wasn't that friendly so I had them kind of drawn as a community, kind of playing outside and everyone is happy. So.

Adams: You are very talented.

Fish: Can she come forward and give us our copies?

Adams: That would be great.

Fish: Or maybe we should come to you. Or you come to us. [laughter]

Fish: While she's doing that, I want to acknowledge our great partners from the fair housing council of Oregon are here and I want to acknowledge Diane Hess, the director, Melissa Cudmore, the grant manager and did Peggy make it? Thank you all for joining us today.

*****: We have other copies of the poster on the desk so if anyone wants to take one.

Fish: Cassiel, thank you to you and your family for honoring us today and good luck next year. Thank you.

Adams: If I could have our earth week folks come forward. Would you like to say a few words, and then I will read the proclamation.

Kirk: Sure. Thanks for having us and hello, everyone. And it's kind of fitting that, that we are sharing this time discuss, know, with Casey and Fair Housing Month because for us, creating a week of events to celebrate the earth has been time of us exploring what it means to have good home. What it means to live on this planet, to live and know this country and, and the state and the city, and our university, so earth week at PSU is very much about living and like I said a good home. Do you guys want to say anything?

Inna Levin: I just wanted to add that, that we were here last year. And so this is an ongoing event that happens at PSU, it's one of the largest events that's held at the university and this is the, the fifth annual earth week celebration. And we're really proud of our work. Especially this year, as Kirk mentioned, because we were able to expand the one-day celebration into whole week of events. Where that enables us to partner with, with many student groups in departments on the campus, so it's basically, opened up the concept of sustainability and environmentalism to any group on campus. Not just the environmental clubs or, or the, the Sustainable Leaders Coalition, but really, gave any student group voice and an ability to show what environmentalism and caring for the earth means to them.

Kirk: And to share perspective and to have more, a more whole understanding of what community is.

Levin: Thank you for having us here today.

Adams: This is especially important as the largest university in the state. You have a big, that creates a bully pulpit for you, so the fact that you are in your fifth year doing this and just each year, gets, you know, better and better. Thank you on behalf of a grateful city. We appreciate it.

Fritz: Could you each tell your name?

*****: McKenzie.

*****: Steven.

*****: Kirk.

*****: Inna.

*****: Jessica.

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Adams: Let me read it, whereas earth day is a global event celebrated in more than 175 countries and by more 500 million people every year, which promotes environmental awareness and the appreciation of the earth's natural environment and whereas earth day was first established on april 22, 1970, joining together more than 20 million americans to shut one common cause. The preservation of our planet earth. And whereas Portland state university student-led annual festival in the fifth year endeavors to educate and empower and engage the community and environmental action and whereas in celebration of the important day, Portland state university and the environmental club are putting on a week of dialogues, lectures, films and workshops on topics of renewable technologies and ecological stewardship and social justice and whereas earth week will conclude with a community festival on friday, april 20, from 10:00 to 3:00, and in the psu park blocks. Hopefully it will be good weather, but rain is part of the earth. And, and whereas, rain or shine, whereas this free public event will feature booths from psu student groups and community nonprofits and local food and arts vendors, demonstrations of sustainable technology and full day of excellent live music and whereas Portland state university, the environmental club invite the Portland community to join them in the celebration now, and therefore I sam Adams mayor of the city of Portland, Oregon, the city of roses do hereby proclaim the week of april 16, 2012 to be Portland state university earth week. Congratulations. [applause]

Levin: Can we take a photo with our poster and the council members?

Adams: [gavel pounded] The Portland city council will come to order. Good morning, karla how are you?

Moore-Love: Well, thank you.

Adams: Good, can you call the roll. [roll]

Adams: Can read the title for 351?

Item 351.

Michael Krupp: Sorry commissioner Leonard couldn't be here once again. Good morning. Money is the collateral of the bullies of money, so it's the apathy, et model, if we do not look at our words we will have a grizzly future for ourselves. Capital means head, man means head, how did man become a hand for money machinations. Corporate means embody, corporate personhoods is the presence of masked hoods with money and guns. And hearts by general electric who bring good things to life like this. Somehow abortion manages to speak with no mouth, it's head flaming petro dollars. Like fire, it yells more growth, more and more, give me. Fire, like capitalism is the living spite of dead patriarchs, as and will never be content until no contents are left to burn. If we do not carefully examine the way that english is used as proxy slave master in the service of war, we will need the Rosetta sausage to decipher the cause of another dead planet. And english is the two cycle engine of the spokesperson word, the chipper shredder of world diplomacy, and with the help of the real 99%, we will replace the fallen trilateral umbrage of adams, Leonard and shrunk, currently the lou gehrig's disease of city administration. The people's peace party will be elevated to occupy thee seats on this council. They are of one mind, our mind. The 99%. Human priorities that serve all of us, safety for women and the vulnerable, shelter for the homeless. No longer will the rate republicans filibuster the demons they attempt to pretend to differ in pursuit of our better interest. I find it oddly refreshing to see a newer, shiner, sexier lady billionaire who sells overpriced edibles to the fancy free, promise to rescue us from the devastations of corporate money. I have been appointed by the intersolar family of living planets to be the emergency global manager. We have state of michael law. I will defeat goliath, parting the red tape to pull my people out of the sanguin sea in which they drown and they will no longer butcher babies for their tin can global hearts and chiefs of joint staff, I want to fight your best man, witness to your marriage to mars. Your pentagram or mine. Any time, punks. Now your capitalism has become capitulism.

Adams: Did you please read the title for 352. Good morning, and welcome back.

Item 352.

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Adams: Good morning. Thank you. Please begin.

Lisa Bates: Good morning, I'm here today to urge the council to fund the Portland housing bureau's request for \$500,000 for home ownership education.

Adams: For the record, can you please give us your name.

Bates: Oh, yes. Lisa Bates. Thank you. As a member of the board of directors of the Portland housing center, I have been really privileged to hear many wonderful stories of families pride at putting kids to bed at their home, women gaining not only financial independence and self-confidence, and of older folks achieving the dream to be homeowner. These stories show the individual impact of the funding, but I want to talk about the larger effects about why the city should invest in these stories and these individuals. A thriving city is one that people will figuratively and literally buy into. Owning a home as a commitment to the community and an investment in the future. And owning a home gives people a tangible stake and an opportunity to benefit from economic development. And research shows that children of homeowners even low income children have better health, do better in school, and future employment. Through funding homeownership education and counseling the city can ensure access to home ownership, is available to broad spectrum of Portlanders. Making these opportunities real for first generation buyers, moderate income households, women and communities of color. The city has made commitments to insuring that benefits and burdens Portland's growth are fairly shared, articulated in the Portland plans, strategy if housing and neighborhoods and under a, under commissioner fish's leadership the housing bureau has articulated realizing fair housing goals and reducing racial disparities as a major commitment. And home ownership is big component of that equity framework. Achieving these goals requires the investment and partnerships with nonprofits who work with underserved communities to achieve home ownership. For example, Portland's racial gap for home ownership is on the order of 25 percentage points. Communities of color haven't been served by the market alone. And the consequences are real. Displacement from newly revitalizing neighborhoods without gaining from rising home values. However, even at a time when the housing and job market have been turbulent, Portland's home ownership organizations have been able to support new buyers of color and other underserved populations. For example, in the past five years, the Portland housing center has provided service to 671 new home buyers of color and 650 new female-head the household --

Adams: 650? That's great.

Bates: We have also heard a lot about the downsize of home ownership due to unsustainable and predatory practices. Obviously, foreclosures in bankruptcies hurt families, neighborhoods and cities. But buyers who work with home ownership, education and counseling have been assisted to getting good loans and maintaining their homes. The financial literacy and home buying education and counseling services offered by Portland's nonprofit are critical to promoting home ownership that's sustainable and allows families to build wealth. It serves as a first line in foreclosure prevention. It helps new buyers make the right choices at the right time. And likewise, I believe the right time for the city's investment and home buyer education is now, and I urge your support. Thank you.

Adams: Thank you. Appreciate it very much. Karla, can you read the item. 353.

Item 353.

Adams: Welcome.

Matt Callanan: My name is Matt Callanan, I am proudly a parent of a third grader and a kindergarten at Buckman elementary school. I am here to urge that this be no cuts to city pass-through funds to Sun for Buckman elementary school. It has many families in need and other families who struggle and other families of modest means. Sun does what it says it does, it uses the medium of school to unite neighborhoods by establishing relationships with all families as well as community business members to draw on the strength of some to serve the needs of others. So the

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support that is provided by you, commissioners, is not only appreciated by those families in need but matched by knows families and partners that have something to give. And what I want to underscore is that those families are not in a position to accept that support directly from other families. And due to the logistics or pride, that is not a reality, and those families that appreciate sun services and want to support sun by also support families in need, cannot do so without the coordination of sun. And sun brings together families suffering bouts of need with those families that are blessed with the ability to assist. And sun lives to the charter, it unites neighborhoods and families, whose families cannot unite themselves. It is important to understand the programs and services at sun provides or develops and you will see them listed on the sheet there. But what seems to be unappreciated here is the beneficial consequence of these services. Sometime ago I personally had established and administered a program such as sun and while delivering similar service was meaningful to the families, what was more impactful was what followed. Receiving the support provides the security to families, and that security has a direct correlation to a family's a family's ability to provide for themselves, and it is real and inarguable fact that concern for child's underserved, wealthy and perpetuates the poverty status. Parents concerned for the wellbeing of the child will concede their own income earning potential to address those family concerns themselves. And on the other hand, when patients feel their child's wellbeing is being addressed, and they can focus on their employment obligations, that impacts a very poverty statistics that you are using to weigh this decision. Sun has tipped the scales for these families, but without their funds, it will tip back in a matter of a few short months and the statistics will reveal such a few short years later. The statistics that you see today will not be sustained without the continued involvement of sun. Please do not mistake this as a habitat of humanity type house we're sun rallied community to provide shelter for a needy family and in that scenario sun could move on and the house will stand. This is not a house. Sun is a living coordination effort that took considerable time and resources to establish and nurture. While the school is an effective medium to access families who need and provide support, school also is an organic community of families that change, so these services are not sustainable without the ongoing coordination and direction from sun. What took years to build would cease to exist within a semester and would take years and considerable cost to reestablish when the need for the return is inarguable. Once the support is gone, so goes the wellbeing of the child, and may I finish?

Adams: Please.

Callanan: Once the support and coordination is gone, so does the wellbeing of the child and the income of the parent and the poverty statistics right back to the starting point we're they were years ago for buckman. Not to mention the lost pride and integrity of the affected families. I truly believe each of you is noble in your intentions, but do know that that is the decision that you are contemplating. By halting funding to sun at buckman, each of you would personally assign Buckman the very consequences and eventual statistics that leaves you believing that they are not presently in need of sun. This is an elementary school that already is only a half percentage point shy of being a title 1 school and where over third of the students are identified at risk. If these statistics do not justify the need for sun, then if you make the decision to not fund sun at buckman you will see the consequential statistics.

Adams: Thank you for your testimony. We're in the process of put to go -- i'm in the process of putting together the mayor's proposed so we appreciate the opportunity to hear from you. The commissioner reminds me that no particular program is, has yet been identified for cuts. Within the sun school system.

Callanan: Understood.

Adams: So thank you for your time.

Callanan: Appreciate it.

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Adams: All right, we'll consider the consent agenda, and I would like to pull item 360 and 367. Please read those items. Any other items.

Adams: All right, consideration of the remaining? I believe 360 is set over for two weeks. Sorry. You are right. That's been pulled and we'll just bring it back to the mayor's office. And resubmit it. So, unless there are objections, 360, sent back to the mayor's office, so any other items on the consent agenda worth noting? Call the vote on the consent agenda.

Fish: Aye. **Saltzman:** Aye. **Leonard:** Aye. **Fritz:** Aye.

Adams: Aye. Consent agenda is approved. And we have some time certain, please read the title for time certain report item 354.

Item 354.

Adams: Commissioner dan Saltzman.

Saltzman: Thank you, the city faced an unfunded police and fire pension liability that was projected to reach \$8 billion and literally, consume our city's general fund. We also faced heavy criticism about how the police and fire disability system, which was judged by many, including myself and to have little or no oversight, but in 2006, the city council forwarded sweeping changes to the fire and police disability and retirement system, to the voters and they overwhelmingly passed those reforms. I believe it was 82% approval. Linda jefferson took the helm of the fire police disability and retirement system, shortly after the reforms were enact and built a new and improved fpd&r literally from the ground up. Nancy hartine, fpd&r financial's manager has implemented an excellent system of financial controls and in the process, uncovered financial errors, which have resulted in savings for the taxpayers. Yvonne deckard has served as the chair of the board, enacting new administrative rules to guide the reforms and she also has graciously agreed to continue on the board as the mayor's designee even after she retires from the city at the end of this month, so I want to say, I am very grateful for your agreeing to continue to serve as chair. And you will sore be missed here in the city when you retire. And with that, I think I will turn it over first to yvonne. Ok.

Yvonne Deckard, Chair, FPD&R Board of Trustees: Thank you. Good morning, council. For the record, I am yvonne decker, and today I am here in my capacity as the chair for the board of trustees for the fpdr. In our January 24th trustee meeting, the fund manager, linda jefferson, and the fund financial manager, nancy hartline reported to the board of trustees on the state of the fpd&r. This covers the pictures made since the 2007 charter change implementation to date. And at the request of commissioner Saltzman, we are here today to share the accomplishments with you and at this time, I will turn it over to linda.

Linda Jefferson, FPD&R Fund Administrator: Thank you, chair deckard. I am linda jefferson, the fund administrator. I would like to thank you for allowing us to give you an update of our program post-the 2006 reforms and I will just begin by sharing with you probably the, the most significant change to the program, was that any new hires that, that were sworn members after january 1, 2007, went into the Oregon pers system for their retirement and those individuals are still eligible for the under the fpdr program or any disability benefits. And there were truly some significant changes in making those moves and it, actually, then moved from, an unfunded responsibility to prefunded system with the Oregon pers system. The fpdr levy does the pers contribution. The levy is increasing as it was expected to do at the time of the ballot measure. But, it will be decreasing in the future as fpdr pay as you go pension expenses start to decline. The board of trustees, the number of trustees and how the board was made up also changed as a result of the reforms. And this is a five-member board now, and that consists of the mayor or the mayor's designee. And this is an active fire member, the individual is elected by active fire members and the current member is lieutenant bob lemon and our active police member elected by the active police members is detective jeff nelson. And there are two Portland citizens with pension or disability experience that are nominated by the mayor and approved by city council. And both

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individuals are Justin Delaney and David Dougherty. The fund administrator is a disability expert and that was another provision of the 2006 reforms. That individual was appointed by the mayor, approved by the board of trustees and then, of course, confirmed by city council. The administrative position is also a bureau director position as a result of the reforms. Previously the, the FPDR program reported to the auditor's office, but now is a self-sustaining bureau. The administrator was given the authority to make the decisions on all disability claims, which was also a significant change from pre-reform practices where the board of trustees has the responsibility. And now, if this is any appeal of a decision that is made by the administrator, rather than going to the board of trustees, it goes before an independent hearings officer, and who must be a member of the Oregon state bar, and the individual must have disability experience. And any further appeal beyond the hearings officer is about an independent panel of three members, who also must be members of the Oregon state bar and have disability experience. One of the other features of the reforms was the provision for FPDR to subrogate or to recover from third parties who caused injury to our members and those injuries resulted in claims caused previously FPDR could only recover medical costs. Now, we can recover any disability costs that are associated with an individual who was injured on the job as a result of third party. There was another subsequent piece that was on the November 2007 ballot that provided additional benefit to all FPDR members prior to this change. Only members who went into retirement from disability were eligible to receive a continuation of their medical benefits post-retirement. Effective January 1, 2007, as a result of this ballot measure passing. Also, service retirement individuals who had approved, the connected disability claims, were eligible for a post-retirement medical benefit as long as the condition that they were being treated for was still related to their approved claim. I want to share that soon after starting my starting with FPDR, I recognized that it was a, a program in transition and that there were a number of temporary staff who were administering the program and some of those individuals found other employment before we were able to complete formal employment process. And once we went through that and it took several months to do so, one of the things that, that I felt was important to, to help in obtain the building process and also to communicate to, to all of the stakeholders, what we were about, was to go that you a process of developing what our mission statement was going forward, what our vision and our values were. So, I just wanted to share with you what our mission statement is. The bureau of fire and police disability and retirement administers disability, death, and retirement benefits to Portland firefighters, police officers and their survivors, and our vision statement is to provide the best possible service to members and other stakeholders in a competent, respectful, and equitable manner. There were several directives that resulted from the charter reform. One that was fairly significant that we are still in the process of completing, is to update our data records, so that we could be more capable of, of comparing our data with other occupational disability organizations. And as I mentioned, we are currently in the process of doing that. And in managing the disability program, we have contracted for managed health care services and through providers that are contracted with a network of medical managed health care services. And that has provided cost savings, we have also contracted with a bill audit firm for doing fee schedule reductions and provider discount. And the savings has been on average 33% a month. Administrative costs for those services, average about 3.5% of the savings. And this was been additional 5.5% savings for the use of one of the contracted health care providers, provider networks, I should say. As far as our accomplishments, with the pension program, we were able to implement a federal program that provides an additional benefit to our retiree and which is an income exclusion for retiree health insurance premium payments. And we make those payments directly to, to our retirees, supplemental health plans, Medicare supplemental plans, and on their behalf, and then at the end of the year, there is a maximum amount that is not taxable under the federal taxation program. We also identified and corrected pension benefit miscalculations that have resulted in an overpayment of benefits. And the annual savings is \$.7 million. And finally,

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the pension program was audited, both the pension and the disability program have been audited during the past five-year period. We also recently, it was last year, underwent an audit that was conducted by the city's audit services division. And they did note that there were improvements from the reform, but challenges remain. And most significant from their perspective, was the city's financial, the fiscal sustainability and suggested that any actions that can be taken now can reduce future problems. So, there was a recommendation that staff look at its procedures and administrative rules for opportunities at helping to contain cost and, and we do that on an ongoing basis and one of the other things that I wanted to share with you this morning is that our board of trustees is currently working on list of issues to be presented for your consideration of charter changes on the november 2012 ballot measure. So that information should be, should be coming to you in the near future. With that, I would like to turn it over to ms hartline. Thank you.

Nancy Hartline: Good morning, I am nancy hartline, fpdr financial manager. Like all bureaus, we look to improve our customer service to our members and their survivors. We have sought feedback from the membership, first through a pair of informal conversations with members called the fpdr community conversations we're we talked about the services, we provide, and how we provide them, and how we can work with the membership to improve those services. We also have a number of customer service surveys. We have a biennial survey and point of service surveys associated with the retirement workshops and pension estimates provided to members, and also the retirement process, itself, when members retire, for the pension program we increase the frequency retirement workshops at the suggestion of the membership. And we have added some questions and documents to the website, and reason stated quarterly newsletters for retirees. Initially we sent the newsletters to all the members but the feedback we received from active members was that they did not read the newsletters, so at this point, we are sending them just to retirees and we continue to work on how best to communicate with the active members. With the disability program we added new service connected injury forms to the website and we provided our disability forms to our managed health care providers to place on their physician websites so that the physicians can access the forms if the members forget to bring them to their appointments. We have also developed a quick reference piece and a laminated business card on how to access fpdr services and distributed them to the fire and police bureaus. For the disability program, our program objective is to administer claims for disability benefits in a fair and equitable manner and in compliance with the charter and the fpdr administrative rules. Over the last five years, we have averaged about 340 claims year, 90% of the claims are approved. About 6% are denied. And the rest are withdrawn by the member after filing. For the last four years we have seen on average four members a year transfer from biweekly benefits to monthly benefits, which means that they have been on disability for a year at that point. This represents just over 1% of approved claims. The other almost 99% return to work. Most of them to their regular duties and some to short-term limited duty assignments until they fully recover. Some of our success in returning members to work is due to our partners in the fire and police bureaus and their facilitation of return to limited duty assignments. Here you see two measurements of the disability program comparing 2006 before charter reform and last fiscal year as the most recently completed year. The chart on the left represents the percent of work force on disability. This has declined 44% from our baseline year and in five years and in 2006, it was 9.5% and down to 5.3% last year. Much of the decline is due to members transitioning from disability benefits to pension benefits, but as you saw in the previous slide, very few members are staying on disability more than a year now. The chart on the right is a non medical expense as a percent of covered payroll. This has declined 41% from the baseline. It was almost 7% and is now just over 4%. In absolute terms, non medical disability expense has been decreased from 8.2 million to 5.2 million over the same period. To contain medical costs, which are more volatile than the disability time loss expense, we have contracted as linda mentioned with managed health care service providers, that offer provider network fee arrangements, are

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experienced in treating service connected and occupational disabilities, provide medical case management services, allow use of contracted fees with health care providers and offer us access to the Oregon fee schedule to reduce the medical costs. And we also have a health care and bill audit firm, as Linda mentioned. This reduction in medical costs due to contracted providers averages a savings of 33% of which the administrative costs are 3.5% savings and an additional 5.5% savings for use of one of the networks. The last slide shows the history and projection of the fpdr tax levy. The placement of new hires in pers is moving the sworn pension benefits to a prefunded system. In the long run this will serve to reduce pension expense and so the levy, but in the short run it increases expense. Pers contributions paid by fpdr were 2.9 million last year. This is the fastest growing component of fpdr's budget increasing 178% over the coming five-year plan. It will be almost 14 million dollars in fiscal year end 2017. Higher expenses mean a higher tax levy rate until the pay as you go pension benefits from the fpdr pension program begin to decline.

Leonard: Linda, can I ask you a question about that? Isn't the maximum levy \$2.80?

Jefferson: That's correct.

Leonard: So you are actually, projecting going beyond the, the --

Hartline: The top line is the assessed value rate. The \$2.80 limit is on real market value. That's the bottom line.

Leonard: Ok. So, we're still within the levy?

Hartline: Yes.

Leonard: Ok.

Hartline: So, in terms of the assessed value rate, the top line on the graph, we've been steady recently about \$2.63 per \$1,000. Meaning that our requirements have been growing about the same rate as the assessed value, which is 3% a year. But over the five-year plan, that's coming, we project an increase to \$2.96 at the end of the five-year plan. Real market rates, however, the bottom line, have been increasing as Portland's total real market value has declined in the last few years. This decline is what's causing the increased compression we're seeing on all of the tax levies. But our growing requirement is also a factor in increasing the depression. We project an increase from a current rate of \$1.41 to \$1.93 in fiscal year end 2016. And as we have mentioned, the levy limit is \$2.80 per 1,000 of real market value. We conduct a biennial levy adequacy analysis to assess the risk of reaching that limit. In the last analysis, conducted two years ago. We were approaching a 10% risk in 2029. The next analysis will be conducted later this year.

Leonard: 20% risk of breaking the levy?

Hartline: 10% risk of hitting the \$2.80 levy limit.

Saltzman: And 10% risk?

Hartline: Risk. In a monte carlo simulation of thousands of trials close to 10% out in 2029, showed us exceeding the \$2.80 limit.

Leonard: But there is no projection at any point in the future of the levy being exceeded?

Hartline: Well, it's a probabilistic evaluation.

Leonard: A probability.

Hartline: There is up to a 10% probability that we could.

Leonard: But nothing beyond 2029 that would indicate that?

Hartline: That's the limit of the analysis period at this point. So, it will go out to 2031, in the next analysis and that, we feel, is a five-year period were the levy will be at the peak.

Saltzman: The five-year period being --

Hartline: In the early 2030s.

Leonard: But we don't have any indication it would break the levy, all other things being equal? The chances are --

Hartline: The chances are. The probability is 90% that we will not reach that limit.

Leonard: Even beyond 2029?

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Hartline: As I said, the estimate, the evaluation has only gone out through 2029 and we'll see it through 2031, but the plan, or the expected path of our expenditures is in the early 2030s, will be the peak point of our expenditures and then because most of the, the current membership will be retired and those pension expenses will start declining.

Saltzman: They will start declining because --

Leonard: We die [laughter]

Hartline: Yes, thank you, commissioner.

Saltzman: Members under the 2006 reforms, will be retired by then is what you are saying?

Hartline: They will be retired and will have fewer pension payees for under that program.

Saltzman: And pers will cover the people hired since January 1st, 2007.

Jefferson: Yes. Any other questions?

Saltzman: Did you have anything additional?

Deckard: No, the board is working with the staff on looking at additional, you know, charter reform that may be needed. We are -- we do have a special committee we're put together to deal with the solvency issues to look at that and in order to be on top and divert reaching that peak, or what would we do if we did reach the peak. We're working on what the board should do and what we should, how we should move forward with that. And so this is a lot of work to be done. The staff has been very good in keeping the board really abreast on what the critical issues are. And you know, with the addition, of our new board member, who is a pension expert and he's brought a lot of knowledge to the table, that I think would be very helpful.

Saltzman: Any other questions? So we have one of the trustees in the audience, lieutenant Bob Lemon, did you want to, to say anything or come up here? I don't know, I don't see any other trustees.

Bob Lemon: Bob Lemon, the fire trustee. I would like to say that things are working pretty much the way that they were designed in 2007. There was going to be an increase due to funding the two systems at the same time. The problem now is even all of the, of the scenarios that we anticipated didn't cover what has happened. The collapse of the housing market and the financial markets, that puts a strain on the levy because the housing markets are not going up. And when funding the system through the opserve system, I don't believe that anybody anticipated them going back and requiring more money to make up their financial losses from 2000, before the hires. We're not only paying for the people that we did hire, we also have to pay for their financial losses prior to that. The combination of those two things is driving the levy up to its ceiling. We're still only having a 10% chance in 2029 of it reaching the levy, so that's a pretty good bet but in this scenario or this venue, it is significant that this is any possibility of it reaching the levy limit. I would say the other thing is that I have traveled around and in 2007, we undertook the associations and the council together undertook something that is being, going on throughout the country now where they are attempting to reconfigure the pensions away from defined benefits and contributions and combinations thereof, and it's a painful process and we accomplished that already in 2007. We were five years ahead of everybody else. And anywhere you go around, they are fighting tooth and nail to do what we have already done. So, we have done what needed to be done. And we have put, put the fund on a solid footing for the future by prefunding the pension and no one else has this same kind of system that we have an unfunded system, but as it turns out, it's pretty solid when you compare it to some of the things that have happened to other systems throughout the country where they lost all their money by investing in real estate. So, it's funny to talk to people, they are going through this now, and they are fighting in the courts about it. And we already have it. So, we were able to -- I've been able to kind of coach some people up and tell them, it's better to get along than to fight it out.

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Leonard: Bob, you are probably not familiar with this phenomenon, but sometimes elected officials distance themselves from failures and want no responsibility for it, but when something succeeds they want all the credit.

Lemon: I am very familiar with it.

Leonard: Oh, you are familiar with it. [laughter]

Lemon: Other cities of course.

Leonard: So, just to be year, you, representing the firefighters, participated fully, in the development of the charter changes. You endorsed them, and in fact, supported them passing.

Lemon: Yes. That's why it's passed 80% is because this was no opposition. The associations were full partners in the creation of the new system.

Leonard: And it wasn't any one person's proposal, it was combination of compromises and hard work and give and take, and the result is you sit in here now telling us that we are going to other cities and helping them.

Lemon: Are you saying that I was taking credit for it?

Leonard: No, i'm not.

Lemon: Actually, they did call it plan b because I did come up with the new configuration of that board at the time.

Leonard: Right.

Lemon: It took seven months and rooms full of people.

Leonard: Right. I knew that but I wanted to make sure that everybody understood this was not something that was forced on you.

Lemon: And mr. king and I agonized over this for a long time, but it was we decided it was the right thing to do.

Leonard: Yeah. Robert King, then president of the police union. Thank you.

Fritz: Thank you very much.

Adams: Good work. Karla, anyone signed up?

Moore-Love: No one else signed up.

Adams: Anyone wish to testify on this matter? I will entertain a motion to accept.

Fish: So move.

Fritz: Second.

Adams: Moved and seconded to accept this report. Karla, can you please call the vote on the motion to accept the report.

Fish: Thank you for your good work and the outstanding report, and to all those making this work and commissioner Saltzman, you have our thanks. Aye.

Saltzman: The results we are seeing today creating a more professional disability system and a more financially sound pension system would not be possible were not for the thee women who presented this report. And, and as commissioner Leonard and trustee lemon are pointing out, it would not have been possible if it hadn't been for the arduous work of a committee, of stakeholders and including the city club. And who worked for seven months to come up with the charter reforms. And I wanted to single out Shannon callahan, of my own staff, who really participated actively in that committee and in drafting the reforms and making everything fit in the ballot measures because as everybody can tell, just from the briefing, it's a very complicated area and so, I just want to thank shannon callahan for her work. Aye.

Leonard: And i, too, want to acknowledge the work of all of the folks that commissioner Saltzman has identified, but especially, the men and women of the Portland police bureau and Portland fire bureau, who had they not participated fully and been empowered to participate and been heard when they raised objections, none of the changes would have been possible, so I want to greatly acknowledge their involvement and appreciate everybody's work on this. Aye.

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Fritz: This is a great example of participatory democracy with a lot of people at the table, figuring out the best outcomes for the benefit and for the pension earners and also, for the taxpayers. I especially thank yvonne deckard for her work and agreeing to continue to serve on the committee. Your leadership is greatly needed and ongoing and I thank you for your work, and commissioner Saltzman you have been a champion on the council to continue to look over this and I am looking forward to the additional charter changes that might be forth coming and I appreciate everybody's willingness to work together on this. Aye.

Adams: Thank you to everyone involved. All the stakeholders, police, fire, the staff. We had outside consultants, as well and thank you, commissioner Saltzman, for your leadership and commissioner Leonard for your leadership, as well, and partnership on this issue. 44% reduction in police and fire disability cases. Who would have imagined. Congratulations. Aye. [gavel pounded]

Adams: Motion is approved. Can you please read the title for a report. Item 355.

Item 355 and 356.

Adams: Will the staff please come forward. And then also read 356.

Adams: I am very pleased to bring back to council the report from our, our climate action strategy. That's a partnership between, between the city of Portland, Multnomah county and other, other private, public, and nonprofit and advocacy organizations. The city council, through the collective work of the city council, and the bureaus that they oversee, we've been able to accomplish something that few other cities have been able to accomplish. We have seen a significant reduction in real, in actual terms. Of greenhouse gas emissions. And at the same time, while adding jobs, and seeing the recovering economy. It is exciting. It is incredibly fulfilling. It should inspire us to do more because we have not begun to reach our collective potential. To be a successful and resilient city, prosperous, healthy and educated and equitable. And also, very sustainable. So, I am mediums to introduce director anderson, who will work with the director of sustainable, sustainability and Michael armstrong, to take us through the report.

Susan Anderson, Director, Bureau of Planning and Sustainability: Thank you, the director of bureau of planning and sustainability. So this is our second year reporting on of the climate action plan and I am going to provide brief overview of how we have done meeting our goals, and michael will talk you through some of the actions that, that the city and the county and businesses and residents have taken to get us there so, the big news, as mayor Adams mentioned, is that carbon emissions per person are down 26%. And that, just a little fact out there, it doesn't seem like much but no other place is doing this work. And has been this successful. Total emissions are down by 6%. The base year we use for comparison is 1990 and that's sort of the international standard, so total emissions in Portland, while our population has been increasing, are down 6%. The u.s. is up about 12% on average. So, we're heading into the different direction. The plan, as you could see, the, from the perspective of our total goals, however, we have a long way to go. And our goal is to cut emissions by 80% by 2050 with an interim goal of 40%. So, we're heading in the right direction but we have long way to go. And one of the things that we did this time was to break down the emissions by sector, to really try to understand where did the savings come from because that's the first question that people often ask us, especially in the business sector we're people are saying, well, the economy has been kind of down, and so that's why emissions have gone down. The first couple of bars there, are focused on the residential sector. It shows the population has increased 26% between 1990 and 2010. And energy use is, has declined by 9%. Per person. That's from energy efficiency in homes, in lighting, in the refrigerators, the windows and what's interesting from the perspective, at least from my perspective, is that very few people who took these measures in their homes did it because they cared about climate change, because of the global warming. They did it because it saved them money and it was a good value, or made their home more comfortable or more valuable. And so, we need to remember that we're not going to get to this goal through

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altruism, but by using common sense in terms of how much things cost, and also important is, is the bar that says, that talks about carbon intensity, and that's the last bar on the right. It fell by 18%. Carbon intensity is a term that means that the amount of carbon that is emitted by the fuels that we use to generate the power that we burn to heat our homes, for example and so, this is a list of the intensity, you would have coal up at the top, going down to wind and solar at the bottom so how much actual carbon emissions come out of the fuel, so this is shifted as we have shifted to more of a renewable fuel and natural gas. So savings in the business sector is the next, the next set of graphs and we compared job growth alongside energy use. And since 1990, the number of jobs in Portland has increased by 12%. But energy use per job has decreased by 13%. Now, a small part of that is due to the shift from industrial businesses to commercial jobs and overall, this is, from companies who have been investing in energy efficiency, energy efficient buildings, lighting, heating, pumping, processing, all of the things, again, not because necessarily, the company has had a huge goal to stop global warming, but they did this because it made sense for their company from financial point of view. And the next slide shows transportation energy use, also down and we're walking, transit, bikes, more efficient, cars and the final set of bars talks about waste disposal. We tripled our recycle rate here in Portland and also, when the, the trash that does go to the landfill, goes there, it generates methane. That's a potent greenhouse gas but much of that methane, most of it is captured either burnt or it is used to generate electricity. And final, the total amount, the 6%, you could see half of this came from the business sector, about 20% from the residents and the rest from transportation. And solid waste. So, this slide pulls it all together. This is one that I show when I talk about what we're doing in Portland. And to other cities and the bar, the line, it's yellow, is in the grass there and you could see it's heading down. It's going in a different direction than the rest of the u.s. And this is really our story. We've been able to do this at the same time, growing jobs and at the same time, helping our environment and really creating a whole new industry. Finally, although that first one --

Fritz: Go back to the previous slide, please. I am assuming in that the overall united states dip from seven to nine is with the recession? And people not going to work so not driving?

Anderson: Well, it's a bit of that, but predominantly, it's about industry. So, if we're not manufacturing, we are not using a lot of, you know, a lot of fuel.

Fritz: And then it goes back up again?

Anderson: Right, as we manufacture more goods as we then generate and use more power.

Fritz: Thank you.

Anderson: So, if you look at the short part, it looks really good, if you look at the long run we have long way to go. And the most interesting things is that because we developed a demand for the sustainable products and technologies and services, over the past couple of decades, we have grown a clean tech industry here. Companies that are selling, really, the services and the technologies to the rest of the world, and so by doing the right thing here, we have provided a huge amount of demand for companies to grow, so we're heading in the right direction. We have a long way to go. Other cities in the world look to us for leadership and they look to see how we have done this and that at the same time, grown jobs. I had one more thought while I was listening to the last presentation, about fpdr and that's that this is a huge pile of money sitting there that we invest somewhere. And so, I just would like to, as we come back in the next year with the next round of actions, we want to take in the climate action plan, we're looking for how do we fund the upfront costs of these things that pay back over time. We may want to look at a part of that fund as a potential loan fund for public facilities, to improve their energy efficiency or improve renewable resources so I thought I would throw that out. Michael will talk about some of the things that have been going on by individual residents and businesses in the community.

Michael Armstrong, Bureau of Planning and Sustainability: Thanks. I'm michael armstrong, I work for the bureau of planning and sustainability. There are two, there are two important pieces to

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this. One is the numbers and what are we learning from the trends over time. And that's how we'll end the goals. The second is the actions that the city and the county have, have laid out for themselves and holding ourselves accountable for how we're doing and what is working and we're we still need the effort. So, I want to talk quickly through some of the highlights from the action areas. And I want to start with the staff assessment and how things are going. There are, on the order of 100 actions in the climate plan. We feel really good about two-thirds of them. So about 70%, they are completed or we believe that they are on track to be done by the, by the third year of the three-year period. And another quarter are running into obstacles in one way or another. And we'll see how we can work and then there is a smaller handful that we have not started. And we'll see what we can do later on the balance. A lot of work is underway, and much of it is going well and there is more that we need to be doing. There are a couple of the highlights, buildings and energy, this is the source of, you know, 40% of all of our greenhouse gas emissions and this was been an enormous amount of work that has gone on and brian detman from clean energy works oregon will join us in a few minutes and tell you a little more about clean energy works, which is a pioneering program nationally in getting individual single family homes retrofit making them more comfortable and affordable. It's great success that builds momentum. And we have seen a lot of success around solar energy. The climate plan set a goal of 10 mega-watts by the end of three years and after two years, we're at about 15 mega-watts. So we fareclipsed that goal and this is a wonderful set of efforts that include neighborhood initiatives, like solarized. It includes big solar installations by, by businesses and it includes installations by the city bureaus and the water bureau and it includes work by the county, so this is a collective effort that's exceeding our goals, and we have also done a lot of work around district systems and there is, a district energy system coming together in the rose quarter that is really exciting. Again, it's pioneering for Portland and it's helping us to bring new technologies and new players to the table to get benefit, both economic and environmental out of this. We have done quite a bit of work around commercial buildings and there is more to be done and that's something that we have more this current year, so we hope to be back with a proposal before long on that. In terms of the urban form and mobility, we need to get our intersection of land use planning and transportation right. So much of this success in the long run is about having thriving, walkable, communities that are connected to one another by lots of transportation options. A lot of this is coming through the Portland plan process. Lots of community involvement. Lots of business districts see this as a key solution. It's fundamental to our success on climate change, and there is a lot of risks in place. On a policy front we need to get that carried out through the comprehensive plan through the neighborhood efforts. One of the biggest challenges as you all know that we continue to face is around transportation funding. This is an issue for the new investments that we need to make, as well as for ongoing maintenance. And we have increasing things like electric vehicles, which are really promising from a carbon emissions perspective. They do not help the way that we currently fund our transportation system. And we need to wrestle with that and get through that. They are now, I think, 300 nissan leafs on the road in the Portland area and we're on track by the end of this year to have 1,000 charging stations. Electric vehicles are here. And they are growing and that's exciting and we need to engage and get ahead of that.

Saltzman: Stations in Multnomah County?

Armstrong: In the region. One of the other efforts going on is metro's work around climate smart communities or the legislature, essentially, asked them to develop scenarios to hit some greenhouse gas goals from the transportation. So, you know, big complex policy initiatives. The city is participating actively as the, as are other jurisdictions, and that will be an important piece. We cannot do this alone. The county is a great partner, we need to establish that same level of partnership with the surrounding jurisdictions. In terms of consumption, recycling, public recycling along the transit mall, we're collecting 1,000 pounds recyclables every a week. More than that we

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know get harvested. Pulled out, which is helpful. We have had the residential food scrap collection program in place for five months. And numbers continue to come in terms of the tonnage. We collected 30,000 tons of yard waste and food scraps combined, and we are still evaluating and we'll come back to you with more details on that as we get additional information. But so far, the results are really consistent with what we saw on the pilot project, which is encouraging. We think it's working well. We already have about 900 businesses with commercial composting. And we want to expand to make sure we're getting the biggest sources out of the landfill and into beneficial use. That's one of the efforts we'll be working on later. And in terms of the urban forestry and natural systems, here's we're across the city, the water bureau, parks, and they are really good efforts that are implementing all manners of programs around watersheds, stewardship, around tree planting, and making sure that we're doing our best on invasive species to keep the urban forest healthy. Harmonizing and streamlining efforts around trees through the tree code project and likewise, a lot of the lands in the healthy connected city strategy, and we need to make sure that these lead into the other plans and we tie them together effectively. So, this is really important for the work around climate adaptation. A lot of work, as well, around food and agriculture and later this month, we'll have a food zoning code project to the planning and sustainability commission, and then we'll bring that to the city council for your consideration, trying to identify and address any barriers in the zoning code to food distribution and production in the city. There's also been good work that parks has done in partnership with others around adding urban community garden plots. Some of them through the parks program, and some of them in partnership with other agencies, which is a really powerful way of getting it done. And the county has done good work over the last couple years, the Multnomah county food action plan is, you know, a powerful thing putting together partners around us, so we continue to work with them. Later this year, and we also bring to you for your consideration, goals around the food system for Portland, so that we can measure our production over time. Able to address it with the zoning code project and purchasing guidelines. We have a number of efforts here around community engagement. Susan makes a good point. Earlier and consistently that a lot of people do the kinds of things that reduce carbon emissions for other reasons. Motivated by a number of things from finances to community livability to having trees in the neighborhood. Some people are looking for information about climate change, so we try to offer it to those who do want that. And by way of example, the city's climate action website, had 40,000 hits, so there is an appetite for getting information about this and we want to serve those who do likewise. It works with community organizations, that want to bring their members together to engage around the information, tap into resources and do community projects that help to reduce carbon emissions while meeting their goals. And climate adaptation earlier. One piece of the plan directs the city and county to put together a climate change preparation plan. The climate is already changing and they will be more and broader, so a lot of work has happened over the last year to begin to dive into the technical side of this. We have working groups organized around, hard infrastructure and around natural resources and green systems and also, around health and human services, so this is spanning the city and county, so we are corralling all of this and beginning to assemble it, and that's something that we'll have back to you later this calendar year for your consideration. It's satisfying to have so many different perspectives engaged on this project, and it's in some ways, we are not as vulnerable as a lot of places and we are incredibly fortunate for that. There are things that we need to be sure in that we're doing, so we think this had position us to understand our vulnerabilities and what we need to do about it. The companion resolution, I think it's 356, is an illustration of this regional collaboration around climate adaptation. The willamette valley compact, which is an effort that's been initiated by the university of Oregon. They are looking for jurisdictions throughout the willamette valley and essentially, to partner and recognize the way in which climate change is going to result in changes that affect all of us and we're going to be a lot more successful if we respond to

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those and are informed than if we do it individually. So we can talk more about that if it's helpful, a, it's a good, a good opportunity to work with our jurisdictions around the issues. In terms of the government operations, the man identifies a number of specifics. It's really satisfying to look back at the long list of energy efficiency projects that have happened across the city over many years now, and increasing in recent years. So, efficiency projects but renewable energy, wastewater treatment plant and at the water bureau and efficiency projects at community centers in other city owned buildings and those, together, total over 5 million in annual savings that we are not paying in utility bills. They deliver benefits from a carbon perspective. Deliver good financial benefits, as well. We are digging in on the waste recovery side, as well, and but the numbers you see are for city operations, and it's complicated to figure out what to count if you count everything that the city does, the recycle rate is about 70% and we certainly still have the opportunities in many of our operations, especially the ones that engage with the public. It's hard to set up system for people who only participate in it in passing, and we'll continue to work on that. So, at this point, we are happy to take questions, and we have two speakers from Portland general electric and clean energy works of Oregon that we would like to bring up.

Fish: I occasionally take the morrison bridge to get to work and I approach it from the west. And I have noticed that there's been a lot of changes in the area around the access point from the east. And included in that is the bioswales areas with grass and trees and a complete makeover of the built environment this and I wonder, is that, is that -- I guess that is an example of how our green infrastructure has become institutionalized. But you have the streetcar, the new bridge, and the streets, so is that an example of different pots of money being available to drive green infrastructure? Because both visually it's beautiful, but it looks like it's doing something important with storm water runoff. I am just curious how that came about.

Adams: Yes and yes is the short answer. Our requirements for construction over certain value in the right-of-way, includes the, the treatment of storm water. And the east side, commissioner Saltzman, knows the details better than i, the east side of the river is a priority for us. The streetcar, goes through a portion of the tabor to the river project. And really, this is to try to save money by not trying to, to dig out perfectly good but undersized pipes to avoid that by getting more of the storm water in this combined part of the sewer system. To get more of the storm water go directly into the ground and it has the benefit of bringing cool, cold water up from below for the willamette river.

Fish: It has created a mini park, and an attractive green space, and then embedded in it the green infrastructure to route the water to maintain it and take things off the street. Three, four, five goals at once it's hitting, and it's also beautiful. And it's like we have a new park this.

Anderson: I think one of the things that will happen more and more is that as sustainability is not just some office over in the corner, it's really kind of an, really integrated so every one of the bureaus has people in it thinking about this all the time. About how to say money, about how to create jobs at the same time. I think we're going to see a whole lot more because it's become everybody's job and instead of just one department kind of in the corner.

Fish: Congratulations.

Armstrong: If we could bring up dean from Portland general electric and brian from clean energy works Oregon.

Adams: Welcome back.

Dean Funk: Good morning, mayor Adams and commissioners, dean funk, manager for local government affairs at p.g.e. The second paragraph, the overview, from the plan jumped out at me and reads, no single action or single entity public, private, nonprofit, or individual, is responsible for these accomplishments, instead, they are the result of many people, businesses, organizations taking action every day. I think it's very good summary of the plan. And that's the place that we live in. That's tribute to the people that we serve, both p.g.e. And the city and at p.g.e. We take

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pride in our perennial ranking as the first or second highest penetration of renewable power in the united states. With Portland, 5% higher than the others areas that we serve, and that's really, in a way, more of a reflection of our customers. We just provide a program for them to take action. That's the purpose of the local climate action plan. It's no surprise that 20 years down the road, Portland is nationally, if not internationally, lauded for the reduction you just heard about before in the carbon emissions since we took measure in the 1990. It took leadership to set a course that led us to the, to this spot in 2012. And on behalf of p.g.e., I want to congratulate the city and the previous councils who moved that plan into action. A special tribute to the relentless susan anderson and the irrepressible michael armstrong, who it seems to me, since i've been at p.g.e. For more than 20 years, was shepherding the, the project since the onset. I don't know if that's accurate but I bet it's close. And I also want to thank them and mary Adams, in particular, for their support on the boardman 2020 closure plan. It will be a huge step forward to close ahead of schedule what is probably the largest greenhouse gas emitter and you saw that on carbon intensity so that comes clear. And I want to make a point here. Pge made an economic, social and environmental decision to close boardman. It was not a decision to reduce carbon emissions, although that was a contributing factor. And that's what's exciting about the thinking in the climate action plan. And the great challenge going forward. I was noting how the precipitous drop from now to 50 years later, and that implies a challenge. The action plan makes explicit reference to the importance of growing jobs and strengthening the economy while working to reduce carbon emissions. The gentleman next to me, I understand, works for the clean energy works program, and it's a fine example of utilities working together and with the city, to help homeowners be more energy efficient and while creating jobs and reducing emissions. And one thing that's happening today, is I was, actually, the junior varsity, they actually wanted jim or dave robertson to speak and they are out with ibw local 48 doing some, some sort of ribbon-cutting on fast charging stations for the fast charging electric vehicles. And that creates a lot of jobs for our local 48 and that's why there is a big event out on our airport way as we speak right now. The relationship between the city and pge, this is the best I have seen in 20 years at pge, and I have seen some real lows, believe me. Each of the organizations brings great expertise and technology and discipline and economics to the table. The opportunity to learn from each other, going forward is the asset that we bring together. On some of the finer points and actions going forward, I would expect we are going to have some disagreements, but we should remember that we are both going in the same direction. That we can be sure, our mutual customers expect that from us. Certainly, our focus is on buildings and, and energy section of the plan, but it was notable to me how many areas pge touches, sometimes intentionally and sometimes not. From urban forestry and encouraging alternative transportation, severe weather preparations, which we are working on intensively ourselves and health and wellness, pge, this is a program for employees and supports organizations that focus on healthy communities and promotes community engagement that you, through our communications channels and our sponsorships. The progress on the climate action man is remarkable and on behalf of pge I salute the work done by this generation for future generations. Thank you.

Adams: I want to thank you and personally, for your continuous involvement in making sure that pge is well represented in all our, not only our partnership projects, but the charitable work that the company does in the community, helping us and public private partnerships, on a variety of fronts. Thank you for your personal involvement in that and thanks to the, to the company, a great Portland-based company. That has helped us to get everything from clean energy works off the ground. And in fact, it would not have happened without the participation of your company, to all the other conservation efforts that we heard about as part of the climate a-goal. And one of the very few, if not the only utility in the united states in recent times that has voluntarily closed down a coal plant. You did not have to. You chose to. And I want you to know how much I appreciate you.

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Brian Detman: Thank you. Members of council, mayor Adams, I am brian detman, director of partnerships with the clean energy works and the j.v. squad, with our team with the department of energy. I want to thank the mayor for his leadership and the council for their support in creating clean energy works. In securing the federal funds. To help us to create jobs and produce carbon. Clean energy works is, as you know is a nonprofit organization that helps citizens make energy efficient improvements to their homes and we connect them with qualified contractors, provide quality assurance and also, throughout the project, hook them up with local lenders like umpqua bank and more than 1,000 Portland homeowners are enjoying more comfortable homes, lower energy bills and reduced carbon foot prints. Most homes are saving 30% and energy savings and we have 95% customer satisfaction rate in our service to customers. And the citizens, as they sign up for these upgrades, jobs are created. We have created more than 140 direct construction jobs, since the pilot started in late 2009 and that was based on your authorization. These jobs cover multiple trades. Offer career pathways and enable pathways for disadvantaged populations in economically challenged populations. People of color, women and the commitment to creating an inclusive economy is direct result of the leadership represented here. 55% of the work hours have been performed by women and minorities and one, one worker that I would like to share a bit about is albert and is person who is formally homeless and began working for a contractor a couple of years ago, and now, he's fully employed and he's also been awarded the scholarship through a partnership that we have with work systems, to help to enable him to get additional certification and become a crew lead and he's making contributions to the community. He's also African American which is important because he represents a changing face in this industry, more inclusive workplace. There are many other stories like his people making a difference in the community and a difference for their families and, and excited to talk to many of them, and we're excited to continue working with them. We created \$17 million in economic activity and mostly revenue to small business contractors and 18%, or 3 million of that, is to women in the minority owned firms. And we have a pipeline of more than \$8 million of business in economic activity to be generated in 2012 alone. We also create multiplier effects throughout the local economy. We're promoting the sales of Oregon based products like indo-windows, a company based at interstate avenue in north Portland. We've also enjoyed the support of pdc and we appreciate that. We're beginning to see the real estate industry recognizing the value of energy efficiency improvements. In fact, one of your predecessors, Mike Lindberg, recently completed his clean energy works project.

Adams: It's about time. Mr. co2. [laughter] I'm teasing. Congratulations.

Fish: That frees up staff to move to commissioner leonard's spot.

Adams: We're gearing up for that mansion. Who.

Saltzman: He has to find a house.

Adams: To be fair to mike, I have not done the clean energy works. I've done the audit, so I know what I have to do, but I haven't done the actual, pulled the trigger on the actual retrofit yet. Can you imagine what a disaster that would be?

Saltzman: Still have to get the permits, though.

Adams: Oh. Permits. [laughter]

Detman: In Mike Lindberg's case his appraiser took pictures of his clean energy works invoice and raised the value of his home accordingly so were starting to see examples like that on the real estate front. Looking forward this sector will continue to grow as recognition of the value of these improvements increases. Were proud to be a partner to the city and multiple stakeholders in the region and look forward to continuing to prove that smart public investments do create jobs, spur economic activity, and help to minimize climate impacts. Thank you.

Adams: Thank you both very much really appreciate it. I'll entertain a motion.

Fish: So moved.

Fritz: Seconded.

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Adams: Accept the report. Please call the vote on the motion.

Fish: Thank you, susan and michael, for your outstanding presentation. Outside of this more formal setting, thank you for the partnership that we enjoy in all my bureaus and other city bureaus with your team. I think susan said what we've done is institutionalized some of these sustainable practices and values in everything we do, and I want to just celebrate a few of the things that are in your report that I think reflect that. You highlight the value of greenways. From north Portland greenway to sullivan's gulch to planning for the south waterfront and expanding the 40-mile loop, all around the city neighborhoods are planning new or extended greenways. We're going to be a better city for it. There's a section about the tree code that council is going to be taking up sometime, the implementation phase. I love the fact, in the report, that in 2011 7,000 trees were planted, and those were largely planted by our nonprofit partners with volunteers. So friends of trees and groups like that that do community tree plantings and leave little signs to remind us that they were there is fabulous. There was reference to removing invasive species and the various organizations that do that, including no ivy league. Again, nonprofit partners and lots of volunteers helping us do this work, a great community effort. I'm very proud of the fact that this council last year voted to support the acquisition of the river view natural area, adding another historic piece of the west side jewels that help us have clean air and clean water. I think that was an historic investment. In outer southeast, the continued focus on zenger farm and leech botanical and all the infrastructure that's going in there is bringing these values to parts of the community that have been underserved. In the built-in environment, it's now just a matter of course. I can almost anticipate commissioner Saltzman's question anytime we bring any housing proposal forward. It's what will be the leed designation? We set the bar very high with bud clark commons at leed platinum, but we are incorporating the highest leed standards in everything we do. This fall we'll open gray's landing in south waterfront that also meets high secretary of defenses. This work has been embedded in everything we do across bureaus, and it happens because of very intentional work that you do and the leadership of the mayor and the fact that there's buy-in on the council and all the directors. And we have a community that supports our work. Thank you for your update and congratulations for the work, and we look forward for the many years ahead to be your partners in this very important enterprise. Aye.

Saltzman: Thank you for the very impressive report. It's good to see a lot of things happening and some tangible results associated with that. The reduction of carbon emissions per capita, that's very impressive. Keep up the good work. Appreciate all the partners, too. I wanted to acknowledge Multnomah county as a partner. I know their sustainability director was here earlier and apparently had to leave. Appreciate the partnership. Aye.

Leonard: Thank you. Aye.

Fritz: Thank you for all your good work. Obviously we still need to do more, so I very much appreciate your ongoing efforts. Aye.

Adams: Great work. To the planning and sustainability commissioner, our thanks as well. We have the best planning and sustainability local department in the entire united states, and we have a fantastic city council who's dedicated to making sometimes risky but smart risks that pay off in innovation and keep us at the cutting edge of innovation. I want to thank the city council for their efforts and my team in the mayor's office, lisa libby, Raihana Ansary, Jonna Papaefthimiou for all their great work as well, Aye. So approved. All right. If the council would allow me, I just want to deal with the item I pulled, 'cause I have to leave. Emergency ordinance to amend outside legal services.

Moore-Love: There's the resolution.

Adams: Call the vote.

Fish: Aye. **Saltzman:** Aye. **Leonard:** Aye. **Fritz:** Aye.

Adams: Aye. So approved. Please again read the title for item 367.

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Item 367.

Adams: I wanted to pull this from the consent agenda just to note that we still have, I believe, three additional grievances that are coming before an arbitrator, so this allows us to continue with the same legal services that we did before on the Frashour item. It all stems from the same police interaction. That's what this is but I wanted to pull it from the consent agenda so people knew what it was. Jim VanDyke is here to answer any questions. Does anybody wish to testify on this matter? Please call the vote on the emergency ordinance.

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

Fritz: Thank you for taking the time to explain it. Aye.

Adams: Aye. So approved. I'll turn it over to president Fish.

Fish: Please read the next time certain.

Item 357.

Fish: Thank you, Mayor Adams and colleagues. I'd like to invite portland housing bureau director traci manning, neighborhood house executive director rick nitti, and executive director of home forward steve rudman forward. Today we are seeking your approval to make a \$1.8 million investment in the revitalization of public housing in hillsdale, formally known as hillsdale terrace and now known as stephens creek crossing. In 2009, the council authorized up to \$5 million of investment in this exciting development as part of an application which home forward, then known as the housing authority, submitted to the federal department of housing and urban development for what would be their third, I believe steve, hope 6 revitalization grant. Hope 6 is a competitive program, and we compete against cities across the country. The fact that we have been successful three times I think says a lot about the ability of home forward to deliver on the promise of revitalizing aging stock of public housing. What makes this for me, as the housing commissioner, especially exciting is, because of the success home forward has had identifying other funding sources for this project, we're only asking for authority to invest \$1.8 million so substantially less than the authority that council previously granted us. Second, it is yet another example of where our partnership with another community organization and modest investment helps leverage something great. Steve will talk to us a little bit about the full amount of the grant and what it allows home forward to do. But the third element here that I think needs to be acknowledged is that it is our conviction as a council and as a community that struggling of families, families that are priced out of our housing market, should have choices about where they live. They should have the choice of living in safe housing -- safe and decent housing -- in cully. That's one of the reasons we invest in our trusted partner, hacienda. They should be able to experience the dream of home ownership in lents, which is why we invest and support our partner, habitat for humanity. They should be able to be in the downtown corridor accessible to great parks and Portland public school's newest school, and that's the ramona on the edge of the river district. And they should be able to live in hillside, which is one of the great neighborhoods and communities in our city that has a robust and rich level of services and amenities, high-performing schools, parks, and the kinds of things that any family would want when making a decision where to live. It is our conviction that families priced out of our market should have choice, whether that's the river district, cully, lents or hillside--

Leonard: Hillsdale.

Fish: Excuse me, hillsdale. Are we in portland here. [laughter]

Fish: Of course with two commissioners from southwest Portland, perhaps you could later take me on a drive and show me the sights. Who wrote these talking points? In hillsdale. And our belief is that, regardless of your income, families should have those choices. And so today i'm very pleased to come back before you to ask for your authority to make this investment, and I would like to introduce our distinguished director, traci manning.

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Traci Manning, Director, Portland Housing Bureau: Thanks for having us. I'll be brief and turn it over to our partners. This is a little bit of a sneak preview of our presentation later. Talking about how City of Portland partners with other jurisdictions to get the good work done that everybody needs done. Sort of regardless of what color the money is. Phb is proud to partner in Stephens Creek Crossing. We'll be requesting your permission to invest 1.8 million to support 122 new family homes in the Hillsdale neighborhood of Portland.

Fish: Thank you for getting that right. [laughter]

Manning: We should just stop with all geographic references.

Fritz: If you look at the map in here the current Hillsdale Terrace is in Hillsdale but the new location is Multnomah.

Leonard: It's in walking distance to the Willamette River.

Fish: We just confirmed it is actually still located in the Pacific Northwest.

Manning: Levity is welcome.

Leonard: Thank you.

Manning: So working together to make great things happen in this neighborhood. So the other thing I'd note is that this investment reflects our number 1 strategic priority, which is investing in long-term affordability for our hard-working families. So we're fortunate to have a strong partner in Home Forward. I'd also like to acknowledge my hard-working staff and assistant housing director, Jacob Fox, who has helped us shepherd this through.

Fish: Before I introduce Steve Ruddman, I'd like to acknowledge that Harriet Cormack, the new chair of Home Forward is with us. Harriet played an absolutely essential role in the development and success of Bud Clark Commons. We thank you for all the good work you did there as well.

Steve Rudman, Executive Director, Stephens Creek Crossing: It's actually the Multnomah neighborhood. It's very close to the border of Hillsdale so both neighborhoods we've been working with, and it is in southwest Portland. Just a couple of things. Nick just introduced Harriet who also co-chaired the community advisory committee for this redevelopment, and Rick Nitti from Neighborhood House was on that as well. And Mike Andrews who was our development community revitalization director has really been stewarding this development this year also to answer questions. A couple quick things. When Nick actually was a housing authority of Portland then commissioner in late 1999, 2000, the housing authority of Portland identified three properties, family properties, that had the greatest capital need and in great need of revitalization. They were isolated physically and also socially and economically from the surrounding community. They of course were Columbia Villa we started with and were successful with a Hope 6 redevelopment grant in 2001, its now new Columbia. Irish Court in 2005, which is now Humboldt Gardens. And we were really fortunate to see Hillsdale Terrace become very soon Stephens Creek Crossing. Indeed this is the last year. The Hope 6 program is eliminated from the federal budget. We were very fortunate to be successful in the last round of grants. No small part to the commitment the city made in our application. Sincere thanks. The financial support in all these endeavors from the city has been great as well as the staff support from numerous city bureaus. Just to be clear, this is more than a housing development. All the Hope Sixes really are an opportunity to kind of look at improving the lives of residents who live there, connecting better to the surrounding neighborhoods and increasing self-sufficiency for work-focused households. We have a very huge focus on children and their well-being. We are on schedule. Everyone who did live in formerly Hillsdale Terrace has been successfully relocated. In February we finished. Our design and construction folks have been busy finalizing plans, working with the city. We're now looking at permitting. We anticipate the demolition to be complete by August of this year and framing to begin in September, and we believe that families will move back no later than February of 2014. The other piece, though, is in terms of this community in particular in southwest Portland. As we look at needs of lower-income families, households throughout the city and region, it is a great neighborhood, inner southwest. It's very

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close to downtown, to transportation, great educational opportunities at all levels. It's just tremendous that we're able to provide opportunities for folks throughout the entire city. With a strong focus on economic self-sufficiency and youth success and family wellness is a big piece working with the county. We will see dramatically improved living conditions. If you ever could find hillsdale terrace, it was basically suffering from the way it was built in kind of a gully, and we did have to face mold. The living conditions were not good.

Fish: He reminds me of a discussion we had years ago about former columbia villa when commissioner Leonard, then a firefighter, talked about the challenges of how you got rigs into a community so isolated and so disconnected. There was one entrance and one exit. Just the simple fact that we integrated the street grid, connected the new columbia to that area was both a substantive and sort of a philosophical change of bringing public housing into the mainstream.

Rudman: Absolutely. This is challenging but indeed we are going to connect better to the surrounding area and rick and the children's center is going to front capitol highway. We actually are able to have much better access for pedestrians as well as vehicles, I think, that connect to the surrounding neighborhood. There will also be an increase in affordable housing opportunities for families, and the development will be very sustainable. We will achieve significant improvements in terms of the green aspects. Also it's a big opportunity for us. We work with partners, too. Habitat for humanity we've worked with many times. It's going to build seven home ownership nearby. The hillsdale community church, right next to the property, is a great neighbor, and we are working with them to actually provide a second community garden that will serve not just the residents of stevens crossing but also the rest of the community. We've seen community gardens be very successful in our developments to provide healthy food, physical activities, and really be a great community building adventures for people from all walks of life. The key part is neighborhood house. A very highly respected social service provider is providing support particularly in the so-called hidden pockets of poverty in southwest Portland. There are a lot of people with needs in southwest Portland. Neighborhood house is going to provide a state-of-the-art facility working with us. Other partners are for head start, early childhood education programs. And we believe that this facility, which will be the gateway to our community, will also be a great symbol of hope to the next generation to move out of poverty as the Stephens creek crossing comes to reality.

Fish: Remind us the value of the federal grant you secured.

Rudman: It was \$18 and a half million was the hope 6 grant and low income tax credits providing a significant piece of the budget, both 4% and 9%. And we're putting some \$8 million of our own equity into the development.

Fish: We as a council, are working on ways to strengthen our mwesb programs, trying to move beyond just creating opportunities for subcontractors but looking for contractor opportunities. I think theres a good story here as well.

Rudman: Yes, we share the city's commitment in terms of what we call a target business or business equity, and have made clear the federal requirement called section 3. The idea is to reinvest in the opportunity, provide opportunities for residents, for people that usually are shut out of the economic market. We have strong goals both for contracting and for workforce. I think you know we have an innovative partnership with R&H and Colas construction being a general contractor on this project. It's working out really well. Thank you.

Fish: Rick nitti is executive director of neighborhood house. We know him for all the programs that he does now. He's got some new ideas he shared with us about new areas, particularly addressing hunger around the community. Pleasure to have you here today.

Saltzman: This was left over from -- did you want this back? [laughter]

Rick Nitti: I'm executive director of neighbor house. I'm a resident of hillsdale. I work in Multnomah village so i'm very tied to the community. Neighborhood house was established in

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1905 to meet the needs of the increasing immigrant population that was settling into the south Portland area, a few blocks down the road, I believe. Today we're a \$6 million organization with a staff of 94 regular and an additional 50 or so instructors in our sun schools. We use around 600 volunteers annually. We serve between 16,000, 18,000 individuals each year with early childhood youth development, senior services, and anti-poverty services. Our core service area runs along i-5 and west. So basically the west side and north Portland. Traditionally we are west organization, but we've become one of the largest providers of social services up in north Portland. If you ask any neighborhood house staff person what's special about neighborhood house, it would be the passion for mission and the people that we serve. We also are expert at working in multi cultural environments and have been recognized for our work by organizations in the muslim and east african communities as well as Multnomah county and the state of Oregon. We're a longtime supporter of hillsdale terrace hope 6 process. We have worked with families in hillsdale terrace since it got there. Our board has made a very strong commitment to affordable and low-income housing. We believe one of the best ways to alleviate the intense poverty that's growing in mid county is by placing housing along throughout the community, throughout the city to draw low-income people into other areas. Because of that, we work very hard on the sears project and also work very hard advocating with community members, educating our donors about the importance of the hillsdale terrace hope 6 application. One of the other things i'd like to highlight is that neighborhood house is also the sun provider at Robert gray middle school and the community is making this huge investment in creating stephens creek crossing. That will double or triple the amount of low-income kids that will be feeding into hayhurst elementary school and Robert gray middle school. I think its important that the city continue its commitment to providing sun services at Robert gray in light of this development. Now that i'm done with my little editorializing, I won't ask to say it later on in the month.

Fritz: You can say it again. [laughter]

Nitti: Ok. I will. During the past few years, Neighborhood house like most social service agencies in the community, has seen an incredible increase in the number of southwest residents coming to neighborhood house for help with emergency services, including food and shelter and energy assistance. Southwest Portland is home to pockets of poverty that create a much greater diversity than most people realize. The importance of this project in my mind is extreme, providing affordable and low-income housing to those residents and other people in the community. We are excited to be partnering with home forward with stephens creek crossing with the implementation of our very exciting opportunity to have a children's center right on capitol highway. Serving as the gateway to stephens creek crossing. It will no longer be isolated and hidden. It will be a vital, active entrance into the community, so people will be aware. We will be providing headstart services and other early childhood services in the children's center. We are about to initiate a capital campaign to raise money to bring improvements to it. So our board has made a strong commitment to the project to help create a state-of-the-art, quality setting to put our children into. One of the things i'm most excited about is the green aspect of the building as well as the playground which the architects have done an incredible job at designing. It is going to be incredible. As i've been meeting with our staff and telling them what they have to look forward to when this project is done, their eyes just light up. The design is beautiful. It utilizes head start recommendations and best practice for early childhood environments, and I think we will be putting forward one of the best early childhood education opportunities not only in the City of Portland but in the state of Oregon.

Fish: Thank you very much. Council questions?

Fritz: Just one, and that's the question about -- you mentioned the mold problem. How are you going to be dealing with that?

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Rudman: My sense is that the way it was built was all concrete, masonry. And also we are changing the shoring up of the property the actual site plan. So were not going to have the same kind of effect that we had before. But also building materials is going to make a difference.

Saltzman: First question on the money. So it mentions in the write-up that 1.5 million was budgeted in this current fiscal year and then 300,000 for the 12/13 fiscal year. Is that cdbg money?

Manning: That's correct.

Saltzman: Tell us about the greenness.

Mike Andrews: Our target for the community building is leed gold and our target for the residential buildings is the gold earth advantage criteria. Part of the goes to your question about mold. The buildings at hillsdale terrace were cement block, which would wick water up into the building, and then the buildings were not very well ventilated. So new buildings will have different foundations wood frames and a much better ventilation system which goes to energy efficiency so there's a very practical application in some of our sustainable features.

Fish: Any other questions? Karla please call the roll.

Saltzman: Thank you for this great exciting new project in what I thought was my neighborhood, but it's in the Multnomah neighborhood. It's still a great project regardless. Anyone who's seen the old hillsdale terrace knows what we're talking about is a great improvement. And having the children's center facing capitol highway will really, I think, help draw people's attention to what's actually there, because hillsdale terrace is pretty much invisible right now. The children's center sounds great. I'm pleased to support this. Aye.

Leonard: It does sound like a great project. Congratulations, aye.

Fritz: I appreciate commissioner Fish's comment that we want people of all incomes to live in all areas of our city. I appreciate the partnerships that have been put together on this. It's good to see that it's much less than the \$5 million we approved several years ago so we have the money, the \$3.2 million, to put to other services. I appreciate the thoughtfulness. Aye.

Fish: I'm tempted to say this is a classic example of the city thinking regionally, supporting our friends in hillsboro and Washington county by making these strategic investments, but I think we'll let that one go. This is my chance to say "thank you." there are some people who aren't here I want to thank. These hope 6 grants are intensely competitive. We've had a congressional delegation that's fought for us every step of the way, particularly our two senators. They have been actively involved. I want to thank the team at the new Portland housing bureau, traci and jacob and all the people who work so hard every day to stretch and leverage our dollars. We're looking at federal cuts of 25%. So we're going to have fewer dollars, to me a rising tide of need. It's important that we use our limited dollars to leverage bigger projects. I want to thank harriet and the board of home forward and steve and mike and the talented team there. You are very valued partners, and the success we've had in the new columbia, success we've had at bud clark commons, and the success we will have here is really a testament to the quality and value you bring all your projects. Thank you. To rick nitti, I wanted to say one of the reasons that I love the Multnomah Village is not just because we use mjcc go to annie bloom's books or we have friends, like my friend, john bishop, who lives around the corner -- someday, you may even have a guy named Leonard -- it's because every time there's an opportunity to partner, the community that you represent steps forward and says to the city, how can we help? I think we know that's not the natural response in every neighborhood of the city. Fortunately more often than not. It's just a sense that when people want to do something good and government says, let's work together, you're always there, rick. You and mike roach, just the honor roll of people in hillsdale and Multnomah village and all the activists. Thank you very much for all you do. To my colleagues who have been stalwart supporters of our work during the worst economic downturn in my lifetime, thank you for your continued confidence in what we're doing a build a more just city where people have real choice to

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live in quality and decent homes. Thank you, and i'm pleased to vote aye. That makes us to the regular agenda. Please read 373.

Item 373.

Christine Moody, Procurement Services: Christine moody. The bid is 26% below the engineer's estimate. The city identified 10 divisions of work for subcontracting opportunities also resulting in \$3,186,500 awarded to subcontractors. Minority women and emerging small business subcontracting participation at the bid time was at 6.8%. Since then, stellar j. has initiated an additional subcontract with an esb for \$536,000 structural metal. With this addition, the mwesb subcontracting participation is now at 16.8% on this project. I'll turn this back over to council if there are any questions about the bidding process.

Fish: Council, questions? Do I have to motion to accept the report?

Leonard: So moved.

Fritz: Seconded.

Fish: Please call the roll.

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

Fritz: I really appreciate how you keep going back and getting more minority, women, small businesses after the bid's been accepted. Aye.

Fish: Aye. The matter passes. Thank you. Please read council item 374.

Item 374.

Jonas Biery, City Debt Manager: My name is jonas biery, the city's debt manager. The emergency ordinance authorizes issuance of urban renewal revenue bonds in the amount of approximately \$40 million for projects authorized by the urban renewal plan for the Oregon convention center urban renewal area. These bonding will convert approximately 30.1 million in existing short-term debt to long-term fixed rate urban renewal bonds already authorized by a prior ordinance. Upon issuance of these bonds the occura will have reached its final maximum indebtedness as defined in the guiding urban renewal plan, and no additional debt may be issued by the occura. These bonds will be secured solely by tax increment revenues in the occ urban renewal area and will have no claim upon the general fund or other resources of the city. These bonds are being structured to mature within a timeframe that's as brief as possible, given the projected increment revenues. Under current market conditions, we estimate the bonds will mature in about 13 years. Bonds are expected to be sold at the negotiated sale in May 2012. We're requesting the ordinance be approved as emergency in order to accommodate the timing and secure the benefit of the current market conditions.

Fish: What's the interaction between this action you're asking us to take and the conversation of a year or so ago about zero coupon bonds as a financing tool?

Biery: So I was not here for that conversation, was not here in this room. Previously the financing plan -- the final date to issue debt is actually june, 2013. Previous plans to market the debt had to look at more unique structures to accommodate getting to that full maximum indebtedness number. The current market, because interest rates much lower, allow us to issue the bonds in a way that doesn't require those more unique structures. Essentially this structure is going to be interest only for a few years to accommodate some outstanding debt. As that debt matures, we squeeze this all in as quick as possible within the available revenue stream and end that district effectively sooner than we previously projected we'd be able to do it.

Fish: Other questions?

Fritz: The reason we can do it as an emergency ordinance is because this is implementing what was previously authorized in terms of indebtedness?

Biery: There's two components to the financing. The 30 million has already been authorized under the original ordinance authorizing short-term debt and the fixing out of that as long-term debt. This

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ordinance is in a new authorization for 40 million. The emergency is connected to our desire to do it as quickly as possible while we can capture the current market conditions.

Fritz: That's allowable, city attorney? He's nodding yes.

Fish: Thanks very much. Please call the roll. Sorry. Did anybody sign up to testify?

Moore-Love: I did not have a sign-up sheet.

Fish: Does anyone seek to testify? Please call the roll.

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

Fritz: I am hopeful to put this money to good use because I know this plan to revitalize the area can generate the maximum amount of taxes in the future. Aye.

Fish: Aye. We now have looks like six second readings on a matter we took up last week. Let's just breeze through these. Please call the roll on item 375.

Item 375.

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

Fish: Aye. The matter passes. 376, please.

Item 376.

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

Fish: Aye. The ordinance passes. 377.

Item 377.

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

Fish: Aye. 378, please.

Item 378.

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

Fish: Aye. The matter passes. 379, please.

Item 379.

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

Fish: Aye. The matter passes. 380, please.

Item 380.

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

Fish: Aye. All six ordinances pass. Thank you. Would you please read item number 381, second reading, vote only.

Item 381.

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

Fritz: Just to clarify for those watching at home, this is what we discussed extensively last week, and this is a different kind of urban renewal district because they're not going to be issuing debt or borrowing money. They're investing money in the neighborhood business district which is a pilot project which I hope will be very successful. Aye.

Fish: Aye. The ordinance passes. Please read council item 382, second reading, vote only.

Item 382.

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

Fish: Aye. The matter passes. Please read council item 383.

Item 383.

Leonard: We have our able finance expert, david hasson, with his presentation. Welcome.

Dave Hasson, Finance Director, Water Bureau: Dave hasson, finance director of the water bureau. In fiscal year 2006/7, the city discontinued its use of an inclining block rate structure, a rate structure in which successive increments of use are priced at successively higher rates. This was done at the request of office of management and finance which at the time was implementing the new sewer and water billing system. They asked we do so in order to enhance the probability that the new system would be successfully implemented and to minimize risks with that implementation. In 2010, we submitted to the Oregon water resources department a water conservation management

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plan that we were required to submit. And during the development of that plan, the state indicated concerns that the change in rate structure in 2007 might not comply with their requirements for a conservation encouraging rate structure. In order to get their concurrence and approval of a required plan, we committed to undertaking a rate structure review to evaluate the conservation effectiveness of our current rate structure and compare it with alternatives, which is what this contract is proposing to do. So the work that would be undertaken would be to look at the current rate structure compared to alternative rate structures, evaluate the conservation effectiveness of what we have versus alternatives that might be implemented. This study does not commit the council or city to changing the current rate structure. It's merely a review. Any change that might be recommended would be brought before the council at a subsequent date and only after what I would imagine is considerable public input. The contractor in this case is a state-certified emerging small business and would receive approximately 48.5% of the contract amount.

Fish: Council, questions?

Saltzman: So yesterday at the water bureau budget session, I know at least the mayor and I -- and I know this flies in the face of the state's conservation mandate, but the mayor and I are interested in a look at discounted water rates for high-volume water users that create a lot of jobs. Portland bottling plant is a great example. I'm sure they conserve water, but water is probably 90% of the product they sell. I know you guys will look at this and get back to us. Is there any possibility this contract or contractor could also look at that issue? Because i'm assuming they have some expertise in this matter or wouldn't be getting the contract.

Hasson: Absolutely. The rate structure, proposing discounts of some sort for high-volume users, is one of the elements that would be examined.

Leonard: One of the issues that has to be fleshed out by a future Council is there's a fixed cost to running the water system. If you reduce the cost to one group, you shift it to another, which means that homeowners would be subsidizing large commercial entities in delivery of water to them. So there's no free ride, and in fact that kind of a structure is counterintuitive to some of our conservation efforts as well. It has been stated recently by some along with some other misrepresentations -- and I think david just sent a memo out yesterday to this point to expand on that. There has been some statements made that our water usage has gone down, and that's not accurate. If you want to clarify that, david, i'd like to expand on that a little bit as well.

Hasson: Our water usage in recent years, since 1992, has trended down, but assertions that were made to the council in written communication by the water users coalition suggested that for 26 consecutive years water use has declined, and that's not accurate.

Saltzman: I realize we had the discussion yesterday and there are fixed costs that need to be covered, and it's something that may need to be considered. I think we're losing half of siltronic, our largest water customer. I don't know if water is the reason. It's not the stated reason. I think of that. I think of Portland bottling companies that use water as their product, and it's a policy choice, I agree, but I think it's something we should at least have a look at through the study and know what we're talking about.

Hasson: We certainly can look at that. I can't say how the state might view it. It's up to them.

Fritz: Will you return to council with the findings of this report?

Hasson: Yes. Part of the contract requirement is that the consultant make a final report to the council and that such a report would occur prior to any recommendations for a change in the rate structure.

Fritz: Do we know when that might be?

Hasson: Approximately six months is the schedule.

Leonard: Could you stretch it out to eight months and two weeks by chance? [laughter]

Saltzman: As long as we don't have to increase the amount of the contract.

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Fritz: If the study determines that the new rate structure doesn't meet the state's requirement for conservation, that would then be policy decision that the council would make on what to do about that?

Hasson: That is correct. The council would decide that and probably with some interaction with the state water resources department. I'm not sure how that would work out.

Fish: By the way, I was tempted to hold commissioner Leonard out of order, rule him out of order when, in his opening remarks, he said we're going to flush out this issue. I believe he was anticipating 384, not 383, but we let it go. This matter goes to a second reading. Thank you very much. Please read 384, second reading, vote only.

Item 384.

Saltzman: No.

Leonard: Aye.

Fritz: This contract doesn't cost us any money and allows us to reap the benefits of the investment regardless of where the investment came from in terms of general fund and water utility rates. Commissioner Leonard stated last week that the investment in the loo have been done through the general fund. Leaving that aside, this contract makes sure that the benefits come back to the city and that we get some financial reward for the investment, so it's a very good thing. Aye.

Fish: I have confirmed with staff that there's no rate money involved with this proposal. Thank you for that exchange, commissioner Leonard, with your staff, actually your new liaison. The loo design has provided 24-hour restrooms downtown for both visitors and Portlanders who, many of whom, don't have a place to call home. My parks bureau was so impressed with the loo that we have substituted it for a more expensive restroom in the design of the river district's newest park which we call the fields. If we can find a cost effective way to market the loos, share this technology with other cities and make a little money, too, then this is a real win for Portland. Thank you, commissioner Leonard, for being a champion of those who have to go. [laughter] the matter passes. Any other items that the council wishes to discuss? Hearing none, we're adjourned until the afternoon budget session.

At 11:53 a.m., Council adjourned.