



CITY OF
PORTLAND, OREGON

OFFICIAL
 MINUTES

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

Temporary location: The Portland Building, 1120 SW 5th Ave, 2nd Floor Auditorium

THOSE PRESENT WERE: Mayor Adams, Presiding; Commissioners Fish, Fritz, Leonard and Saltzman, 5.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Roland Ippaguirre, Deputy City Attorney, Ben Walters, Chief Deputy City Attorney at 2:40 p.m.; and Steve Peterson, Sergeant at Arms, Harry Jackson, Sergeant at Arms at 1:12 p.m.

Items No. 586, 587, 588, 606 and 610 were pulled for discussion and on a Y-5 roll call, the balance of the Consent Agenda was adopted.

Council recessed at 12:18 p.m. and reconvened at 12:24 p.m.
 Council convened at 12:34 as the Portland Development Commission Budget Committee and recessed at 12:43 p.m. as PDC Budget Committee.
 Council reconvened at 1:12 p.m.

COMMUNICATIONS		Disposition:
576	Request of Bill Gentile to address Council regarding Elders in Action for the Portland Police Bureau Family Services Division (Communication)	PLACED ON FILE
577	Request of Michael Goff to address Council regarding compliment on a cleaner river/city and concern about gangs and drugs (Communication)	PLACED ON FILE
578	Request of Jyothi Pulla to address Council regarding Harriet Tubman Leadership Academy for Young Women (Communication)	PLACED ON FILE
579	Request of Grace Groom to address Council regarding support for continued funding of S.U.N. Schools (Communication)	PLACED ON FILE
580	Request of Randy Bonella to address Council regarding value and benefits of City sponsored promotions during major construction projects (Communication)	PLACED ON FILE
TIMES CERTAIN		

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581 TIME CERTAIN: 9:30 AM – Approval of the FY 2012-13 Budget for the City of Portland (Mayor convenes Budget Committee) 15 minutes requested

Motion to consider changes to the proposed budget presented in the OMF change memo: Moved by Commissioner Fish and seconded by Commissioner Fritz. (Y-5) Additional amendments were then taken.

Motion to increase Portland Housing Bureau’s FY 2012-13 appropriation by \$250,000 in General Fund discretionary resources to fund foreclosure prevention and homeownership programming. Funding for this increase will come from Citywide vacancy savings: Moved by Commissioner Fish and seconded by Commissioner Fritz. (Y-5)

Motion to add Budget Note: Council directs the Office of Management and Finance to add sustainable funding for the Safety Net to the FY 2013-14 5-year forecast. The Office of Management and Finance should increase the Portland Housing Bureau’s current appropriation level target by \$4,600,000, which will replace the bureau’s historic reliance on one-time funds: Moved by Commissioner Fish and seconded by Mayor Adams. (Y-5)

Motion to add Budget Note: Enterprise Bureaus vacancies and rates Unless the City Council approves otherwise as part of the budget or bump process, if necessary to make up a “shortfall” in revenues, monies budgeted for positions that are/become vacant shall be used to offset revenue “shortfalls” for any reason including lower than planned sales: Moved by Commissioner Saltzman and seconded by Commissioner Fritz. (Y-5)

Motion to add Budget Note: Ongoing Funding for Graffiti One-time funding in the FY 2012-13 budget dedicated to the Graffiti Abatement program in Office of Neighborhood Involvement shall become ongoing funding in the FY 2013-14 budget cycle. The Office of Management and Finance is directed to add \$447,232 to ONI’s current appropriation level target for FY 2013-14: Moved by Commissioner Fritz and seconded by Mayor Adams. (Y-5)

Motion to add Budget Note: Resolutions Northwest One-time funding in the FY 2012-13 budget dedicated to Resolutions Northwest as administered through the Office of Neighborhood Involvement shall become ongoing funding in the FY 2013-14 budget cycle. The Office of Management and Finance is directed to add \$104,692 to ONI’s current appropriation level target for FY 2013-14: Moved by Commissioner Fritz and seconded by Mayor Adams. (Y-5)

Motion to add Budget Note: Sobering Station & CHIERS Funding in the FY 2012-13 budget currently dedicated to the Sobering Station and CHIERS will be used to functionally keep the sobering station activities open at their current levels for a period of 1 year and CHIERS for a period of 4-6 months. Council will work on finding funding for and accessing services provided by CHIERS for the remainder of the fiscal year: Moved by Commissioner Fritz and seconded by Mayor Adams. (Y-5)

CONTINUED ON
NEXT PAGE

<p>Motion to add Budget Note: <u>Service Coordination Team</u> The FY 2012-13 Budget includes full funding for the Service Coordination Team (SCT) for six months. The Portland Police Bureau and the Office of Management and Finance are directed to work with our community partners to identify the balance of funding needed to keep the program fully operational for the entire fiscal year, and return to Council in the FY 2012-13 Fall Budget Monitoring Process with funding options: Moved by Commissioner Fish and seconded by Mayor Adams. (Y-5)</p> <p>Motion to consider budget adjustments in the OMF change memo and the above approved amendments: Moved by Commissioner Saltzman and seconded by Commissioner Fish. (Y-5)</p> <p>Motion to approve the budget as amended: Moved by Mayor Adams. (Y-5)</p> <p>Motion to approve the tax levies: Moved by Commissioner Leonard and seconded by Commissioner Fish. (Y-5)</p>	<p>PLACED ON FILE</p>
<p>582 TIME CERTAIN: 9:45 AM – Approval of the FY 2012-13 Portland Development Commission Budget (Mayor convenes Council as Portland Development Commission Budget Committee) 15 minutes requested (Y-5)</p>	<p>PLACED ON FILE</p>
<p>*583 TIME CERTAIN: 10:00 AM – Amend the City of Portland Health Plan and the City of Portland Cafeteria Plan to reflect necessary plan administrative and design changes as recommended by the Labor Management Benefits Committee and requested by Bureau of Human Resources for the City’s self-insured plans beginning July 1, 2012 (Ordinance introduced by Mayor Adams) 45 minutes requested (Y-5)</p>	<p>185368</p>
<p style="text-align: center;">CONSENT AGENDA – NO DISCUSSION</p> <p style="text-align: center;">Mayor Sam Adams</p>	
<p>*584 Authorize a grant providing Worksystems, Inc. \$200,000 to implement the SummerWorks youth employment program within City Bureaus (Ordinance)</p>	<p>185352</p>
<p>*585 Authorize a grant to provide the Portland Schools Foundation \$55,000 for support of the Cradle to Career Partnership (Ordinance)</p>	<p>185353</p>
<p>S-*586 Authorize an Intergovernmental Agreement with Mt. Hood Community College and a grant agreement with the Mt. Hood Community College Foundation providing \$156,000 to implement the Future Connect Scholarship program (Ordinance)</p> <p>Motion to accept substitute ordinance: Moved by Mayor Adams and seconded by Commissioner Fritz. (Y-5)</p> <p>(Y-5)</p>	<p>SUBSTITUTE 185375</p>

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<p>S-*587 Authorize grant agreements with the Asian Reporter Foundation, the Black United Fund of Oregon, Inc., the Hispanic Metropolitan Chamber and the Skanner Foundation to implement the Future Connection Scholarship Program in a total amount not to exceed \$40,000 (Ordinance) Motion to accept substitute ordinance: Moved by Mayor Adams and seconded by Commissioner Fritz. (Y-5) (Y-5)</p>	<p>SUBSTITUTE 185376</p>
<p>Bureau of Police</p>	
<p>*588 Authorize the City to execute contracts with Extreme Products, LLC (Ordinance; waive Code Section 5.33.070)</p>	<p>REFERRED TO COMMISSIONER OF FINANCE AND ADMINISTRATION</p>
<p>Bureau of Transportation</p>	
<p>*589 Accept a grant in the amount of \$2,500,000 from Oregon Department of Transportation and authorize an Intergovernmental Agreement for grading, drainage, paving, signing, signals and roadside development as part of the Division Street Reconstruction Project: SE 6th - Cesar Chavez Blvd / SE 39th Ave (Ordinance) (Y-5)</p>	<p>185354</p>
<p>Office of Management and Finance</p>	
<p>590 Accept bid of Moore Excavation, Inc. for the Carolina Pump Main Phase 1 for \$863,470 (Procurement Report - Bid No. 114079) (Y-5)</p>	<p>ACCEPTED PREPARE CONTRACT</p>
<p>591 Accept bid of Dirt & Aggregate Interchange, Inc. for the Portland Heights Pump Main for \$1,264,488 (Procurement Report - Bid No. 114159) (Y-5)</p>	<p>ACCEPTED PREPARE CONTRACT</p>
<p>592 Authorize price agreements with Fitz Enterprises, Inc., dba Star Oilco, and Bretthauer Oil Company to provide annual supply of fuel for a 5-year contractual total not to exceed \$20,000,000 and \$12,500,000, respectively (Procurement Report - RFP No. 113986) (Y-5)</p>	<p>ACCEPTED PREPARE CONTRACT</p>
<p>*593 Authorize a five-year contract, not-to-exceed \$475,000 with Prescient Information Systems in support of the IBM FileNet/P8 Enterprise Content Management System (Ordinance) (Y-5)</p>	<p>185355</p>
<p>*594 Pay claim of Keith Munn & Anita Munn involving Bureau of Environmental Services (Ordinance) (Y-5)</p>	<p>185356</p>
<p>*595 Create a new nonrepresented classification of Senior Water Resources Program Manger and establish a compensation rate for this classification (Ordinance) (Y-5)</p>	<p>185357</p>
<p>*596 Create a new nonrepresented classification of Parking Pay Station Analyst and establish a compensation rate for this classification (Ordinance) (Y-5)</p>	<p>185358</p>

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<p>*597 Ratify a Letter of Agreement with the American Federation of State, County and Municipal Employees Local 189 regarding reduced staffing needs during the Starlight Parade and the Grand Floral Parade (Ordinance) (Y-5)</p>	<p>185359</p>
<p>*598 Authorize a contract to purchase one full sized SUV for \$31,000 funded by Portland Bureau of Emergency Management (Ordinance) (Y-5)</p>	<p>185360</p>
<p style="text-align: center;">Commissioner Nick Fish Position No. 2</p> <p style="text-align: center;">Portland Parks & Recreation</p>	
<p>*599 Authorize an Intergovernmental Agreement with Portland Public School District related to sports field improvements (Ordinance) (Y-5)</p>	<p>185361</p>
<p style="text-align: center;">Commissioner Dan Saltzman Position No. 3</p> <p style="text-align: center;">Bureau of Environmental Services</p>	
<p>*600 Amend a grant from the Environmental Protection Agency to approve budget revisions and extend the budget period to 12/31/2014 for Innovative Wet Weather Projects (Ordinance; amend Ordinance No. 177010) (Y-5)</p>	<p>185362</p>
<p>*601 Accept tax-foreclosed property from Multnomah County for riparian and flood management purposes (Ordinance) (Y-5)</p>	<p>185363</p>
<p>602 Authorize a contract and provide payment for construction of the Multnomah Arts Center Lower Parking Lot Stormwater Improvements Project No. E10122 (Ordinance)</p>	<p>PASSED TO SECOND READING JUNE 13, 2012 AT 9:30 AM</p>
<p>603 Authorize a contract with Vigil-Agrimis, Inc. for design services to support the Underground Injection Control Project, Category 3, Planning Package 5 Project No. E10322 (Ordinance)</p>	<p>PASSED TO SECOND READING JUNE 6, 2012 AT 9:30 AM</p>
<p>604 Amend Intergovernmental Agreement with U.S. Fish and Wildlife Service to partner on salmon and lamprey monitoring program for Tryon Creek basin (Second Reading Agenda 560; amend Contract No. 30001882) (Y-5)</p>	<p>185365</p>
<p style="text-align: center;">Commissioner Randy Leonard Position No. 4</p> <p style="text-align: center;">Water Bureau</p>	

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<p>605 Accept contract with Stettler Supply and Construction for the construction of the Linnton Pump Station Improvements Project as complete, release retainage and authorize final payment (Report; Contract No. 30001341) (Y-5)</p>	<p>ACCEPTED</p>
<p>606 Amend contract with Xerox Corporation for continued maintenance and support of the Docutech 128 Highlight Color Printer System (Ordinance; amend Contract No. 41083)</p>	<p>PASSED TO SECOND READING JUNE 6, 2012 AT 9:30 AM</p>
<p>607 Amend the Regional Water Sales Agreement with the City of Sandy for the wholesale connection at Hudson's Intertie (Ordinance; amend Contract No. 30002666)</p>	<p>PASSED TO SECOND READING JUNE 6, 2012 AT 9:30 AM</p>
<p>608 Authorize an Intergovernmental Agreement with the City of Sandy to design and construct improvements required for the wholesale connection at Hudson's Intertie (Ordinance)</p>	<p>PASSED TO SECOND READING JUNE 6, 2012 AT 9:30 AM</p>
<p style="text-align: center;">Commissioner Amanda Fritz Position No. 1</p>	
<p style="text-align: center;">Office of Neighborhood Involvement</p>	
<p>*609 Authorize \$68,500 in grant agreements for the East Portland Neighborhood Office 2012-13 East Portland Action Plan Grants Program (Ordinance) (Y-5)</p>	<p>185366</p>
<p style="text-align: center;">City Auditor LaVonne Griffin-Valade</p>	
<p>610 Amend contract with Kenneth D. Helm for on-call land use hearings officer services for the Hearings Office (Second Reading Agenda 568; amend Contract No. 30001997) (Y-5)</p>	<p>185377</p>
<p style="text-align: center;">REGULAR AGENDA</p>	
<p>*611 Authorize a Memorandum of Understanding with Portland Public Schools and the Native American Youth and Family Center for long-term lease on former Foster Elementary School site for an intergenerational community and early childhood education center (Ordinance introduced by Mayor Adams and Commissioner Saltzman)</p>	<p>185367</p>
<p>612 Amend the Business License Law to eliminate the exemption for residential rentals (Ordinance introduced by Commissioners Fish and Saltzman; amend Code Section 7.02.400) 20 minutes requested</p>	<p>PASSED TO SECOND READING JUNE 6, 2012 AT 9:30 AM</p>

<p>Mayor Sam Adams</p> <p>Bureau of Police</p>		
<p>613 Authorize the Chief of Police or designee to execute Access and Indemnification Agreements with property owners for installation of surveillance equipment on their property (Previous Agenda 494) (Y-4; N-1 Fritz)</p> <p>Motion to reconsider: Moved by Commissioner Fritz and seconded by Mayor Adams. (Y-5)</p> <p>Motion to amend to remove emergency clause: Moved by Mayor Adams and seconded by Commissioner Leonard. (Y-5)</p>		<p>PASSED TO SECOND READING AS AMENDED JUNE 6, 2012 AT 9:30 AM</p>
<p>614 Accept a grant in the amount of \$100,000 from the Oregon Office of Emergency Management - Military Department FY 2011 State Homeland Security Grant Program for the implementation of state and local homeland security strategies (Previous Agenda 512)</p> <p>Motion to amend to remove emergency clause: Moved by Commissioner Fritz and seconded by Mayor Adams (Y-5)</p>		<p>PASSED TO SECOND READING AS AMENDED JUNE 6, 2012 AT 9:30 AM</p>
<p>Bureau of Transportation</p>		
<p>615 Amend Regulations of Safety and Conduct for the Portland Streetcar, City of Portland Property (Second Reading Agenda 569; add Code Chapter 14A.100 and Chapter 14A.110) (Y-5)</p>		<p>185369</p>
<p>Office of Management and Finance</p>		
<p>616 Accept Guaranteed Maximum Price of \$4,035,844 from James W. Fowler Co. for the construction of the South Waterfront Greenway Improvements Project (Procurement Report - RFP No. 112508) 20 minutes requested</p> <p>Motion to accept the report: Moved by Commissioner Fish and seconded by Commissioner Fritz. (Y-5)</p>		<p>ACCEPTED PREPARE CONTRACT</p>
<p>617 Authorize a borrowing in an amount sufficient to produce not more than \$25,211,000 in anticipation of the Fire and Police Disability and Retirement Fund levy for FY 2012-2013 (Second Reading Agenda 570) (Y-5)</p>		<p>185372</p>
<p>Commissioner Nick Fish</p> <p>Position No. 2</p> <p>Portland Parks & Recreation</p>		
<p>*618 Authorize commitment to fund operations and maintenance of the South Waterfront Greenway Central District improvements (Ordinance) 20 minutes requested for items 618 and 619 (Y-5)</p>		<p>185370</p>

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<p>*619 Amend contract with Walker Macy, LLC for design services for the South Waterfront Greenway Central District Phase One Project (Ordinance; amend Contract No. 37631) (Y-5)</p>	<p>185371</p>
<p>Commissioner Dan Saltzman Position No. 3</p> <p>Bureau of Development Services</p>	
<p>620 Amend fee schedules for building, electrical, mechanical, plumbing, facilities permit, field issuance remodel, land use services, neighborhood inspections, noise control, signs, site development, zoning and certain construction permits (Second Reading Agenda 547) (Y-5)</p>	<p>185373</p>
<p>Bureau of Environmental Services</p>	
<p>621 Amend various sections of the Public Works Improvement Code for consistency of definitions and general language and organization cleanup (Ordinance; replace Code Chapter 17.04, amend Code Chapters 3.13, 17.06, 17.24-17.26, 17.28, 17.32-17.39, 17.44, 17.76 and 17.80)</p>	<p>PASSED TO SECOND READING JUNE 6, 2012 AT 9:30 AM</p>
<p>622 Add new section to the Public Improvements Code to update and codify authority previously delegated to the Bureau of Transportation and the Bureau of Environmental Services with regard to real property interests and to delegate new authority (Ordinance; add Code Section 17.16.140 and repeal ordinances) Motion to amend exhibit to remove subsection E: Moved by Commissioner Fish and seconded by Commissioner Saltzman. (Y-5)</p>	<p>PASSED TO SECOND READING AS AMENDED JUNE 6, 2012 AT 9:30 AM</p>
<p>Commissioner Randy Leonard Position No. 4</p> <p>Water Bureau</p>	
<p>623 Authorize the rates and charges for water and water-related services during the FY beginning July 1, 2012 to June 30, 2013 and fix an effective date (Second Reading Agenda 574) (Y-4; N-1 Fritz)</p>	<p>185374 AS AMENDED</p>
<p>City Auditor LaVonne Griffin-Valade</p>	
<p>624 Assess property for sidewalk repair by the Bureau of Maintenance (Second Reading Agenda 571; Y1077) (Y-5)</p>	<p>185378</p>

At 3:05 p.m., Council adjourned.

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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.

May 30, 2012

WEDNESDAY, 2:00 PM, MAY 30, 2012

**DUE TO LACK OF AN AGENDA
THERE WAS NO MEETING**

May 30, 2012

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.

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9:30 AM

Adams: Good morning -- afternoon, everybody, how are you? [gavel pounded] the city council will come to order. Glad you are all here. We have, if I could have folks come up related to Silas Christofferson. Is there someone here for Silas Christofferson? He's here. Hi. There we are. Ok, great. Whereas the city of Portland was the site of an amazing feat in aviation history, in 1912, during the annual rose festival. And whereas in 1909, silas Christofferson was an inventor and pilot with many pioneering aviation achievements. And whereas in support of the 1912 Portland rose festival, silas Christofferson agreed to provide an aerial demonstration for the festivities. And whereas on tuesday, june 11, 1912, silas christofferson flew his curtis powered biplane off the roof of the Multnomah hotel in Portland, Oregon, and crossed the willamette river, and the columbia river, with a successful landing, 12 minutes later, in vancouver, Washington. And whereas, in 1995, silas Christofferson's historic flight was reenacted using a replica curtis pusher biplane off the Multnomah hotel, now the embassy suites, to commemorate the flight, and the reopening of the hotel, and whereas, the Portland rose festival foundation will recognize the 100th anniversary of silas Christofferson's historic flight by reenacting it. [laughter] I thought maybe you all drifted off.

By adding an aviation theme to its award-winning living history program and roses tour in 2012, and whereas the Portland rose festival will create a silas christofferson living history character, and whereas the Portland Rose Festival foundation's silas Christofferson will speak at schools and other public venues in Portland, vancouver, and, vancouver, Washington, and whereas the city of Portland desires to collaborate with the Portland rose festival foundation and the city of vancouver, Washington, in recognizing silas Christofferson's historic achievement on june 9, 2012. I, sam Adams, mayor of the city of Portland, Oregon, the city of roses, now therefore proclaim june 9, 2012, to be silas christofferson day. [applause] I think a recreation was really a hit. Just take one of those rides down along the waterfront. All right, good morning, Karla. How are you?

Moore-Love: Good morning, mayor. I am fine, how are you?

Adams: How do you like this new room?

Moore-Love: It's ok.

Adams: It's all right? That didn't sound sincere. Can you please call the roll?

Fish: Here. **Saltzman:** Here. **Leonard:** Here. **Fritz:** Here.

Adams: Here. A quorum is present we shall proceed beginning with communications. Can you please read the title for item number 576?

Item 576.

Moore-Love: Mr. Gentile called and he has resolved his issues.

Adams: Okay. Can you please read the title for item number 577?

Item 577.

Adams: Mr. Goff. Welcome. Please have a seat. The clock in front of you will help you count down your ten minutes, and for everyone testifying today, if you are a lobbyist under the local law you need to state that up front. Otherwise, just give us your name and we're glad you are here.

Michael Goff: Thank you. Michael goff. And no I am not a lobbyist.

Adams: Can you get closer to the mic, sir?

Goff: Does that sound about right?

Adams: Thank you.

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Goff: Ok. Greetings, and I would like to note that the return of good wet weather and your laudable prevention of overflow into the Willamette has not restored the quality of every day health and life here. May we be the first city that actually dredge to clean up the river to pristine salmon quality. The heavy metal strychnine pathogens, diesel oil, psycho active drugs carry in other sprays from the airplane, ground vehicles, and sometimes [inaudible] Etc. will possibly still be in the infrastructure a century from now. Observing the poisoning of the city infrastructure and citizenry is not a welcome event. At rush hour along southeast morrison, gang vehicles spray excruciatingly pain producing gases from their exhaust. These current drugs are taylor made for opiates as a cure and that is a cheap cover. I observe the exact same gang playing in ashland circling the bike path for hours to make it impossible to use from arsenic asphyxiation. Like a circling of the Jefferson high school fiend foot ball field for a day. I am also tired of the gang wearing my face signature. Particularly to youth infiltration, deprivation of freedom and free will, mitigation of decision-making and the integrity of youth groups, and/or handing them over to crotchete male chauvinists a predator sometimes appearing protection against the same. When that ten-year-old kidnapped mexican kid service project in the 1960s to cheap, legal, contrivance and frauds to this moment, and still continually penalized for their crimes. 15 houses and 17 cars stolen and a piece of forebrain at original Out Side In in the 1970s, have been made a permanent idiot for this presentation. Not to mention those associates and those stolen address books. That took valuable speaking time to protect myself here. Stiff image has to do with the brain damaging. Nothing like the poison, and you would have gotten the Portland relay here, had there been more diligence about the caging with the same gang, around and in Portland, city housing, and from that second shadow government for a half a century. The world used to be top down as communications structured, now bottom up, due to the internet. Indoctrinating drug to other people who fail to proceed the discrepancies, is something in which Portland should vociferously be antagonist. This claim on this poison and the psychobabble go undifferentiated from the propaganda add in refuse to have Portland airports used for salt basis, the sensitive detection of prisoners on mass transit and interior air spaces, and improve those cat hollow drugs fixatives from max and the rest. Thank you very much.

Adams: Thank you, sir. Can you please read the title for item 578.

Item 578.

*****: Thank you.

Adams: Welcome.

*****: Jyothi is out of the country and she asked me to speak for her.

Adams: I am sorry, we don't allow that. Sorry. You can submit her testimony but if we did that, we would have a whole bunch of folks -- there are lots of folks that sign up for this, for the spots, but you have to be here to provide the communications. Thank you. Sorry. Can you please read the title for item number 579.

Item 579.

Adams: Hi Welcome. Hi. I like your socks. They don't match, though, did you know that? Okay. That's the style. Oh. I'm old. I'm old. So I don't know these things.

Grace Groom: Thank you, mayor and commissioners for hearing our testimony today. I'm testifying again in support of sun schools, and first off I want to thank you, mayor Adams for preserving funding for sun schools in your proposed budget, and thank you, commissioner, Fritz, for your steadfast support of sun schools. We really appreciate it. I just want you to know how much we all at Roseway Heights appreciate your vote to preserve the funding for sun schools for next year, all of the commissioners. We know that sacrifices were made to save sun, and we appreciate the tough decisions you all had to make and the compromises that were made in the process. We want you to know that those sacrifices were made for a very important reason. Sun means so much to our families and students, and it's a vital part of the fabric that holds our

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neighborhood school together and keeps kids succeeding at Roseway heights. With me today is fifth grader Stella Fearborn, and she's here to speak about her experiences with the sun program.

Stella Fearborn: Good morning, mayor Adams. My name is stella, and I am a fifth grader at roseway heights. I am here to thank you for putting sun school classes back in the budget for next year. I have participated in sun classes since second grade, and it has helped me have experiences like learning to unicycle, play chess, and run track and field. Not all at the same time. I have gained confidence and made new friends. Sun classes are important to me and lots of kids around Portland, thank you.

Adams: You are very welcome.

Groom: And before I close, I would like to look ahead for the future of sun. Every year it seems like sun is put on the chopping block, and in part it's due to the placement in the lower half of the Portland parks and recreations priorities, and I reviewed the Portland plan as well as the Portland parks and recreation 2020 vision plan, and I would submit that both these forward thinking plans call for putting sun higher in the priorities of pp and r or whichever bureau manages sun in the future. Specifically, the Portland plan calls for every school to become a sun school. And the 2020 vision plan for parks has two key goals that seem to call for preservation and expansion of sun schools, also. The first goal is to provide recreation services and opportunities for all. And the school puts specific emphasis on increasing recreation services for young people across the city, sun does just that. The second goal is to -- a key part is to promote the community, and sun does that in spades, by bringing in neighbors to take and teach classes, providing summer camps for all the children in the neighborhood, and evening activities for the families, and so much more. The objective under the school is to partner with schools and others to provide maximum public benefit.

And I just would like to close by saying the partnership between city, county, and the schools, and all of the stakeholders, just really continues to make SUN such an important and strong part of our city, and I would encourage that there be some realigning in the goals, i'm sorry, the priorities of Portland parks recreation to place sun higher on the list to match the goals that are stated in the Portland plan in the 2020 vision plan. Thank you.

Adams: Well thank you. And in fairness to parks they prioritize based on the bureau mission and the money allocated from council is sort of run through the parks bureau because it has to be, how do I say, parked somewhere. But, your points are well made, and this is a big day. Thank you for all your advocacy. You are funded.

Broom: All right. Thank you. Thank you all so much.

Fish: Can we acknowledge her two children? I think that they have come to four different hearings.

Broom: Alison has been with me, the two-year-old, and this is not my child but I would be proud to take her, for sure. [laughter]

Fish: We acknowledge the two young people, future voters who've been participating in the democratic process and today get to celebrate a big win.

Broom: Definitely. Thank you so much.

Adams: Good job. Thank you very much.

Fritz: And Stella I want you to know that my daughter always insisted on wearing un-matching socks, too, so, continue.

Adams: Yes, indeed. I have got to get hip with the kids. All right. So, we are at the consent agenda. Karla, what do we have pulled from the consent agenda?

Moore-Love: We have 580 still.

Adams: What was that?

Moore-Love: 580.

Adams: 580

Moore-Love: Our last communication still.

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Adams: I apologize. You are right. Sorry, mr. Bonella. Please read the title for item number 580.
Item 580.

Adams: Welcome back. Sorry I almost forgot you.

Randy Bonella: Good morning, mayor and commissioners. My name is Randy Bonella, and I am the executive director of Multnomah Village blocks initiative and a board member of Venture Portland, representing the Multnomah village business district. I am here today to thank you for your efforts to support small businesses and neighborhood business districts. I want to encourage you to continue this great work. It has made significant difference to 135 small businesses in our community. Nowhere was this more evident than with our 2011 holiday shopping season. Multnomah village joined with Hillsdale for a second year implementing the Golden Ticket Shop Local program. When you purchase something that met a minimum dollar requirement you received a golden ticket, you could then redeem that ticket for discounts and other, at another participating store. If you met the minimum purchase requirements of that store, you could then get another ticket, and on it goes, so you could go store-to-store. We successfully drove purchases to multiple locations keeping dollars local, we collected statistics on the program weekly, so that we had a way of knowing our success real-time. We set some audacious goals for the program. Increased ticket circulation by more than, to more than 10,000 tickets and increased ticket redemption to more than 3,300 tickets, representing 25 to 50% increases respectively. These are crazy, large numbers, yes. Doable, well, maybe. So, what happened? We make cash registers ring with significant increases in sales. We annihilated our distribution goal with a whopping 278% increase, and getting 23,000 tickets out the door. The average purchases of greater than \$50 per ticket we generated \$1.2 million in gross revenues for the district. Second and more important, objective was to keep people shopping local. We wanted those tickets redeemed. We blew through our redemption goals with an eye popping 241% increase of nearly 5400 tickets redeemed. The attributed an additional \$270,000 of revenue driven back to the merchants for total gross revenues of over \$1.4 million, attributable to this program. Amazing, yes, but consider our environment. 18 months of continuous construction on Multnomah boulevard. Full closure of a major arterial, just as the holiday shopping season is getting started. And we're still struggling with the down economy. So, amazing, phenomenal, and yes, totally unexpected. So how did we do it? It took a lot of help from you, city council, city bureaus, and various community advocates within your bureaus, and bureau supported agencies. Without Steven Sikes' Bes Community Wrap and your support of Enter Portland and our neighborhood coalition office meeting, we would not have been this successful. Mayor Adams, commissioner Fritz, commissioner Leonard, commissioner Saltzman, commissioner Fish, a heartfelt thank you from the Multnomah village. Your efforts supporting small businesses, and neighborhood business districts is not going unnoticed. I ask that you continue to fund strategic programs such as the small business development center, storefront improvement grants, neighborhood coalition offices, and Venture Portland. We are requesting you add to the strategic programs, marketing money for the business districts that are impacted by major capital improvement projects. And please make it standard practice by your bureaus. It helps ensure our success. As you know, last week was small business week and the mayor's proclamation reminds us how much you care. Small business represents 95% of all funds and employs 254,000 people with a payroll of approximately \$2.1 billion. Nearly three quarters of the net new jobs in Portland are created by small business, and of those, two-thirds are in business districts like Multnomah village. Our opportunity for growth is dependent on your support. Thank you for your time this morning.

Adams: Thank you very much. Congratulations. That's fantastic.

Bonella: Thank you.

Adams: We'll now consider the consent agenda item – Sue, which items have been pulled?

Moore-Love: We have 586. 587. 588. 606 and 610.

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Adams: Can you please read their titles?

Items 586, 587, 588.

Adams: Unless there is objections I am sending this back to the mayor's office. I don't support this. So done. [gavel pounded]

Adams: Keep going.

Item 606. Item 610.

Adams: All right. Any other pulls from the consent agenda? Karla, would you please call the vote on the remaining consent agenda?

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

Adams: Aye. [gavel pounded] Approved. If we could have the Portland public schools representatives. Are they here?

Fish: Are we doing the certainties first?

Adams: Nope. Hi. Welcome. Glad you are here. Your socks match? [laughter]

Item 611.

Zeke Smith: Fortunately my socks match but I know that my daughter's don't.

Adams: Your daughters do not.

Smith: but they are not here to show that.

Adams: I really am out of touch. So -- I wanted to give you a few minutes to discuss the work that you've been doing around your budget. A very, very difficult budget. More difficult than ours. And the difficulty has lasted many years in the past. Decades in the past. Longer than ours. And before you, this is all in part the partnership created by the city council, the teacher's union, parents, students, multnomah youth commission, youth planners, advocates. But before you do that, I also want to take a minute despite all that incredible hardship. Not because, but in spite of all of that incredible hardship. The amazing success that Portland public schools and the other school districts that were part of our announcement when we announced the funding for schools, that you made in improving the high school graduation rate. I don't think that it is fully appreciated. The fact that the high school graduation rate in the city that shamefully breaks along issues of race and on the issues of income and class and geography. But the high school graduation rate, when I entered office, was shamefully shamefully, low. Granted, the Portland public schools was the most honest, one of the most honest school districts in the united states. By doing it in a manner that didn't wallpaper over what, what years later now we find is a terribly low high school graduation rates across the country. But you were one of the first to be honest about it, to recognize it, and an amazing increase in high school graduation rate from the class of 2011. That was the first class to go through five, four or five years of the kinds of reforms that have been instituted. We have sought to be helpful through a number of partnerships, but in a time we're you have cut, during that time, by my estimates, almost \$80 million from your budget, a high school graduation rate improved remarkably, and I will let you, because I know the numbers have been scrubbed, and have actually gone up a little more. That's remarkable. And the sacrifices that you have made in the latest budget, that allowed us and the unions made in the latest budget and others, allowed us to make an investment in keeping a full school year. Which I think is vital, but I just want folks to know as we get into the challenging news, that you are not using it as an excuse. You have not used it as an excuse, and you have made some historic improvements in the high school graduation rate. That has been, basically, flat lined for decades. So thank you.

Smith: Thank you for that acknowledgment, mayor Adams, and commissioners. Appreciate being here today. I will respond to provide you with a bit of context in terms of what --

Saltzman: Could you give us your names?

Smith: Zeke smith, chief of staff to the superintendant. With --

Greg Belisle: Greg [inaudible], with Portland public schools.

Adams: Thanks for your service.

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Belisle: I will read mine and then you can give yours.

Smith: Great.

Belisle: Mayor Adams, commissioners, good morning, and thank you for having us here. I just wanted to extend Portland public school's appreciation for your support of students across the city. And recognize the city's sacrifice and services and staff. The \$5 million that you are contributing to partially reduce the district's deficit, makes clear that you understand a great city needs great schools, and that great schools are created with support from the entire community. We're fortunate to be in a city that has citizens actively engaged and elected officials like you who prioritize education and take swift action of support. We value our many partnerships with the city and want to highlight our best partnerships, are not born from crisis. But rather, from a mutual understanding of how the work is inextricably linked. Education is a community responsibility designed to pass along experiences, knowledge, and inspiration for a new generation. Students today deserve our best. While there is value in one-time short-term solutions we ask you join us in advocating and working for statewide solution to the funding issues, each of the school districts in our great city and our state are facing. Without meaningful revenue, and funding reform, we will continue to see cuts that negatively impact our students. It is to our peril that we link the quality of the students' education to the state's economy. Inscribed over an entrance to Cleveland High School is the phrase, the foundation of every state is the education of its youth. We are thankful our community and our city council understands that. Thank you for your support.

Adams: Thank you. And thank you for your service. Portland public schools, as all the school districts are overseen by an elected board, and the pay is very modest. Zero. So thanks for your volunteer service. Mr. Smith.

Zeke Smith: Thank you. First of all I want to acknowledge, appreciation for the call out of the graduation rate increases, which have gone from 57% graduation rate to 63%. And our best of times as a city I think we operate as a village, which is to say that we all kind of chip in and work together. And it goes without saying but I will say it anyway, that you all, and particularly, you, mayor Adams, have played a role in both highlighting the reality of our education system today, as well as focusing on what our students need and really focusing on making sure that we are getting students to that finish line, and moving them forward into success. So, as we continue to work on what will be a daunting process, to make sure that all our students are moving successfully, your efforts are really appreciated and I think that's a great way to start this topic because once again, the city has moved forward, and you are proposing to make a significant investment in students in the city through the \$5 million for Portland public schools and the additional money that would be afforded to other districts that also serve students in Portland. So, I really appreciate that. And as you alluded to, we had another difficult budget year this year. As an organization, Portland public schools faced a \$27.5 million budget deficit. We used a number of means to address that deficit in the superintendent's proposed budget. She proposed using \$7.2 million in reserves, which brings our reserves down to about 3.5%, which is a pretty low level to maintain. She proposed over \$9 million in central administration and non school-based reductions. Which looks like a salary freeze, again, for non represented employees, including our building administrators, principals, vice principals, assistant principals as well as a number of specific position and job reductions at the central level. I say that because I know that all of us have had to move in order to be able to come to an agreement that allows for us to really invest in schools. So we at Portland public schools have taken that seriously and have done that. And I know that you all, as a council, have had to consider that, as well, for the city. And the initial proposed budget, we had also -- there was also a proposal from the superintendent to take about \$10.4 million out of school staffing, which is the equivalent of 110 positions. We had worked for quite some time to try to mitigate that, and at the point at which we had to put forward a proposed budget, we did not see another option available to the district, given the ways that we had cut and reduced other areas. We began to kind of work through

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that process. I think parents across this district really saw what that meant. And it was difficult at every school, and in every classroom. And so I want to appreciate the effort that you put forward, mayor Adams, in your proposal, and the consideration that the council gives to the agreement that we came to between Portland public schools, the Portland association of teachers, and the city. I know you heard last week from the Portland association of teacher president, Gwen Sullivan, about what teachers have committed to in this agreement. We, at the district, agreed to some additional reductions in some key areas, one of those is that all of our non represented employees will be taking up to ten furlough days this year. And including building administrators, again, principals, vice principals. This is some principals taking three furlough days. And then we will be seeking additional reductions from central services to the tune of almost a million dollars on top of that, so the total from the central allocation is an additional \$2.65 million, in reductions. So, it's a significant set of reductions that occurred. I know that, or I believe that you all have a copy of a memo that I provided to the mayor's chief of staff, outlining some of the additional agreements that we articulated between the city and the district. I'm happy to answer any questions about that. I do want to say that I think that part of what this opportunity has afforded us is to really focus on how we, as public institutions, in the city, work together, to support students, work together to support families. I can say that as the chief of staff who was involved in this process and I can also say that as a parent of a sixth grader at Rigler and a seventh grader at Vernon elementary school, I know that this makes a difference, and it means a significant difference for my students, or for my children in that they will be receiving physical education, and arts in a way that they have not in quite some time. And so I appreciate that, and that the effort that the council has put forward. If you have any specific questions for me, I am happy to answer those at this time.

Adams: Just one, the foregone cost of living increases for administration, it was how many years you have foregone those?

Smith: This is my fifth budget that I have worked on at the school district. And in the time that I have worked on those budgets, our non represented employees have not received cost of living increases. They have also not received step increases, at the highest level of the organization are principals and vice principals and assistant principals, in one of those years, did receive a cost of living adjustment of 2%. But, it's been slim pickings, and that's appropriate, and makes sense given the times that we're in, as an organization and as a city. But, it's real, and I also know that the city employees have also looked at some similar situations as you've worked hard to put together this proposal.

Adams: That's great, and I need to free up one seat to segue over to the -- if I could have folks from NAYA come up.

Saltzman: And we also have the Lents neighborhood here.

Fritz: Thank you for your work and your volunteer efforts, and I think it's important to note that we're also allocating -- school money for the other schools, school districts, with students in Portland. So -- I appreciate the agreements that we're going to be talking about shortly. And most of the -- all of them are things that the school district has been working on with the city for some time. I am a little -- I am very disappointed that we're not able to keep Harriet Tubman, the women's leadership academy open. Thanks to Holly Hoe for coming in this morning. Her testimony notes that only 2% of girls in co-ed schools go to math and science careers whereas 13% of girls in single sex schools do. And it has been a very successful school. And I know that you both are disappointed that we don't have the funding to keep it open. So, I wanted to note your comment that we need to go to the state legislature. This is not sustainable. And I am proud to be on a council that has provided this stopgap measure, as -- when my children were in six, eighth, and tenth grades, and other grades throughout my time as a Portland public schools parent the city council has been a staunch supporter of our public schools and will continue to be. So, I am certainly grateful to mayor Adams for his leadership and our city employees as you mentioned in

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giving up their merit raises and cost of living increases in order to help fund this. We all need to go to salem and say enough is enough. It's every school district in the state. And it's not sustainable. I know that one of the reasons for not doing harriet tubman for one more year is that we don't see any light at the end of the tunnel. So, I am calling on the citizens of Portland, as well as the citizens of the state of Oregon, we need to have statewide reform, and not just the corporate kicker. Not just some of the bandaids that we have done over the past ten years, we really, really -- now is the time for us all to join together, and I would urge you, the school board to not leave the facilities bond measure at this point. We -- how big are the classrooms going to be that we're going to build new schools for if we have 38 kids in a class next year. How, how bad does it have to get before we all realize, this is way too much. So, I commend mayor Adams for stepping in and the teachers, the school board, this is what we have to do at this particular time, and I also commend the parents who have valiantly volunteered and advocated, and we all need to recognize this is -- we have to stop at this point. But thank you very much for your service.

Adams: So thank you. And mr. board member, thank you for your service as well, and mr. Smith if you would not mind staying. Nicole, nick, do you want to come forward? And I would like to recognize dan Saltzman who will talk about a new partnership between Portland public schools, NAYA, and the lents neighborhood.

Saltzman: Thank you, mayor, and as part of the previous discussion today, the city of Portland, Portland public schools, and the native american youth association family center joined together in a partnership to create an intergenerational community to provide permanent, loving, adoptive homes, for foster children, and also, a cutting edge early childhood learning center in the lents neighborhood, on the former foster elementary school site. Native children are willfully overrepresented in the foster care system in our county. More than six times the -- more than six times their population is their representation in foster care, so finding permanent loving homes for children in foster care will dramatically improve their outcomes in life and the intergenerational community model allows elders to have -- to live among these adopted families to help nurture and care for the children and the families. A new early childhood education center will ensure that more children arrive at kindergarten ready to learn and to thrive, helping teachers deal, unfortunately, with larger classroom loads. This unprecedented partnership allows both of these things to occur making happier, healthier kids, and so I am very pleased to have you recognize first nicolle Maher, and then nick christiansen, who is chair of the Lentz neighborhood association and zeke smith if you want to add.

Nicole Maher: Good morning. My name is Nicole Maher, and I am an enrolled member of the Tlingit Haida Central council from southeast alaska, and I have had the pleasure of serving as the NAYA family center executive director for the past 11 years. Four months ago, I had an opportunity to present in front of all of you with a coalition of 28 other native organizations, and share with you the native american report on Multnomah county, and it was a powerful day but it was a hard day because we talked about being one of the counties with the highest over representation of native children in foster care. We talked about being one of the communities with one of the largest percentages of poverty, but we also talked about some of the great strengths of our community. We talked about how involved our elders are, and their willingness to volunteer. We talked about how united our community is to find solutions, and we talked about how we want to create a different future for our young people. We also asked all of you to be a partner in that effort, and that in order to really change outcomes for native children in this community, we needed our local school districts to step up, we needed the city of Portland, and we needed everyone in this community to recognize that native children are really the children of this community. This partnership is a really wonderful example of jurisdictions coming together, finding creative solutions, and really, recognizing the success of our young people as a success of the whole community, so I want to thank all of you. I would like to thank Portland public schools, who has

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been an ongoing partner of the NAYA family center, and we are really excited, so thank you, and --

Saltzman: Thank you.

Nick Christianson: Thank you. Nick Christianson, chair of the Lents neighborhood association but I speak only for myself today. Mayor, commissioners, I don't want to repeat too much of what I e-mailed to you on Monday. But I want to emphasize this is a great project, and a great partnership, for the Lents community. It helps to build a sense of community, in this part of the neighborhood, in particular, by -- with a creative re-purposing of an underutilized site. This is a great idea. We are happy to see it happen on a facility that's been underutilized for quite some time. And I think this is an appropriate time for the commission to use its discretion with the urban renewal money in particular, to get this done and get this moving, and help the children of our community.

Adams: And I just note the Portland plan speaks to the fact that we have -- that this part of the city is underserved, especially in early childhood services, in addition to lack of service among Native American youth and overrepresentation in foster care, and this kind of approach is very unique. This is your second project commissioners, so thank you for your leadership. But, the reason that the Portland plan has a recognition of a lack of youth services, is because it is informed by the Portland public schools strategic plan, that really brought this to the attention of us, so thanks.

Smith: Thank you, yeah. I will just say, there was a good kind of nexus of opportunity here. We know that early learning makes a significant difference, particularly for students or for young people in poverty. And it not only makes a difference in terms of how they enter the K-12 system but it makes a difference in terms of their likelihood of succeeding on their way out of our high schools, on the back end. We know that the outer southeast Lents neighborhood is underserved in terms of opportunities for families in early learning, and we also know that we, as a city, under-serve our Native youth population in our early learning programs, so, at the same time, Portland public schools had in the Foster School site, a location that really isn't well suited, in the long run, for a larger elementary school or other school that we would need it for in the future. It's not currently being utilized in that fashion. And so, it was a great opportunity. Appreciate the commissioner's efforts in, kind of pulling these parts together and that it really gives us an opportunity to make visible the partnership we have with NAYA, and to do something that Lents community really deserves, and it's a great place for us to be able to really move forward with that community. Where I will acknowledge we have just recently in the last year closed Marshall High School, which was significant to that community. In terms of what it meant, and that does not go unnoticed by us, as a school district, and I know it doesn't by you, as a city council, either, so, this is really a great chance for us to move forward together on something that's vital and important for the city.

Adams: Congratulations. We're about to make it happen. Thank you.

Smith: Thank you.

Adams: All right. So --

Leonard: I would like to discuss one other provision.

Adams: Oh, I'm sorry.

Leonard: For the record, I just want to put emphasis on a provision that I worked with the school district on and Zeke and others, and I appreciate your cooperation in developing the language. And it's on the second page of the memorandum entitled Washington, Monroe, Southeast Corner. The site is what's known as the Washington High School site. There are, actually, three different pieces of property there. One is Washington High School proper, which the school district will continue to develop into condos.

Smith: We're in the process of selling that property to a developer. And it worked with the neighborhood association on that.

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Leonard: That's the building itself. There are two other parcels, one of which the city has control over that we plan to build a community center on, and then a third parcel that has been a point of some tension between the city and the school district since 2003, the school district wanting to develop that into more housing, the city of Portland, via the parks bureau – originally I should point out by commissioner francesconi, I think – [inaudible] commissioner Saltzman probably recalls that was back in 2003 when we were trying to acquire this third piece of property, that would serve as a soccer field, football field or any one of a number of recreational uses. During this process, that we are going to conclude with this vote today, giving the district \$5 million, I wanted to negotiate language that would allow the city the opportunity to acquire that property. It's something that we've been unable to do until this agreement comes into effect. What this agreement does is allow the city until June 30, 2017, to acquire the property from the school district at fair market value, on the condition that the city has in place funding to build a community center, and therein lies the rub.

What I would urge the next council as a top priority to do is even if we don't have the funding to build a community center on the scale of other ones that we have in the city, all of the various amenities, even if we could build the most basic of community centers that could be viewed to be first in a number of stages of various amenities that community centers have, in order that this language kick in, and we can acquire it -- this is in the long-term interest of the citizens of Portland that this property remain as open space as recreational property for not just buckman, but I would point out and sitting here, not imagining, but remembering where the community centers currently exist. This community center in the buckman neighborhood would serve neighborhoods from sullivan's gulch near lloyd center and even parts of irving and all the way to sellwood. It's a very, very important project, and it's one that I may have to have an exception to my promise never to come back and bother the council, but this is, this gives us this window of opportunity to acquire this property to that area and I hope that we can, we can notch this up and the future councils so that they recognize this unique opportunity to acquire this property.

Fish: Randy this may not be the right forum to make this announcement, but the mayor and I have been talking about this, and given all the things you've been advocating for, in the buckman neighborhood, we were actually thinking of putting a statue of you in front of that community center.

Leonard: I'm afraid people would do awful things to that statue. So I would appreciate if you would not do that. [laughter]

Fish: Mayor Adams, may I --

Leonard: The voices you hear here, would be first in line with the cans of paint.

Fish: I too want to add my voice of thanks to everybody who hammered out the mou. Zeke, you and your team, obviously, Gwen Sullivan, with the leadership of PAT, the mayor, commissioner Saltzman and others, the mayor played a unique role here brokering a series of meetings. Because we can never meet more than two at a time under a public records' laws, and I want to, in addition to what commissioner Leonard has called out, which I think is terribly important, I just want to also acknowledge a couple other pieces of the deal that was struck. Marshall high school, the field. The lents area is an area with an exploding interest in outdoor recreation and in organized sport. And the two fields in Lents park are overused, in fact the community as part of the master plan have asked us to relocate one of those fields so that the park has more non active recreation uses, quiet spaces, and the idea of activating the marshall high school field, turfing it with one of our partners, and then because it's lit, permitting it is an enormous win for that community and frankly for east Portland, because there is nothing that says it could not be a backup field for our sister school districts. So, we thank you for your willingness to do a pilot project, and mayor Adams for your brokering that, and on the community gardens, that we have discussed, we're very excited about the prospect of you imbedding all your planning around capitol improvements, the identification of a site at each school where we can put a community garden or water garden. And as we know, these

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are more than just places where people come together and grow healthy food. They actually are outdoor laboratories for our kids, and this will be music to nicole's ears, but the whitaker site, that we've talked about, is an enormous opportunity. And we view it as a chance to take the city and county commitment to urban agriculture to the next level. There is lots of reasons why it may not happen, so the agreement commits us to complete the due diligence, but there is a hunger issue and there is many other challenges in cully concordia, and if we're able to do gardening on a larger scale, on an interim basis, it's an enormous win for the community, and we envision partnering with trusted nonprofit partners, mercy corps and others to do this on a different scale. So, thank you for that, and thank you for the spirit in which you and your team entered into these negotiations.

Smith: Thank you for the encouragement.

Adams: Thank you all very much, we appreciate it. Now, you may sit down. Now, we will -- I am now convening the meeting of the Portland city council --

Saltzman: Are we going to vote on 611?

Adams: I have to convene us as the budget committee. Under Oregon law I convene the city of Portland budget committee. [gavel pounded]

Adams: Can you take the roll again?

Andrew Scott, Office of Management and Finance: Just to be clear, actually on the MOU you have, it has to be voted on as city council, not the budget committee.

Adams: Oh, then I'm wrong. Alright, so, then let's -- can you call, can you go ahead and read the title for item number 611?

Item 611.

Adams: And just a program note related to this, if you want to sign up to talk about any aspect of the budget, the sign-up sheet is right here, you can make comments about item number 611. If you have got comments about water bureau rates, or any other aspect of the budget. The signup sheet is right up front.

Leonard: If I could ask for a clarification. The title Karla just read, is that the may 29 memorandum we're looking at?

Adams: 611 is the part of the memorandum that is --

Leonard: So it's not the memorandum itself?

Adams: Right.

Fish 611 is the mou that the city made with NAYA and the school district, if i'm not mistaken.

Adams: So the memo -- thank you for that clarification, down front. [laughter]

Adams: The memo I would like to enter into the record as part of the legislative, full legislative intent, and item number 611 --

Fish: Mayor would you just entertain a friendly amendment to incorporate the memo as part of the memorandum agreement?

Adams: I was just about to do that.

Leonard: It's part of 611?

Adams: Yeah. As exhibit --

Leonard: So that's why I was going to ask if, that's true, I was hoping for future purposes, when people go to research this subject, we could somehow change the description so it's clear that the variety of issues that each of us have negotiated are in there.

Adams: I'm going to put it in as exhibit A to 611.

Saltzman: Oh okay.

Leonard: That's great but what I'm imagining is people in the future that aren't present here now, researching this subject, would go by the descriptions of the ordinance, and I wonder if we could change the description of the ordinance so that, it included these other, these references provisions, in the memorandum of agreement to make it clear it's more than just the native american youth and family center.

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Adams: I think that's a good point so I will table consideration of 611 and ask the city attorney to work, on the best place -- the best title, and/or another place in the record to put it. So we can amend the title on the floor, right? Mr. Attorney?

Roland Iparraguirre, Deputy City Attorney: Do you have a title in mind?

Leonard: Something that incorporates -- that makes it clear it's, incorporated --

Adams: Mutual agreements between pps and the city of Portland relating to the fy-2012, 2013 budget support.

Iparraguirre: I would do a substitute ordinance, if you are going to retitle it, vote on it and then proceed.

Adams: Ok, that's more complicated. Than we have right now. So i'm still going to table it. And we're going to convene as the budget committee. I think commissioner, because -- commissioner, why don't we file this for next week just so we have a clean -- your point is well made in terms of being able to researching it in the future. Let's just file it clean as an mou. Let's go ahead and vote on 611, so that one piece is also there.

Iparraguirre: Public testimony on 611?

Adams: I'm going to take testimony on 611. We're not going to vote on that right now. We'll take testimony -- a general testimony on budget, any budget item. So I think we have gotten through that, and I'm going to now convene the city of Portland budget committee, I am opening hearing to discuss possible uses of state revenue sharing. The hearing is being held by the city council of Portland, Oregon, in compliance with the provisions of state revenue-sharing regulations, ors-221.770. It is to allow citizens to comment on the possible use of state funds in conjunction with the annual budget process. As proposed for the city adoption, the fiscal year 2012, 2013 budget, anticipates receipts totaling \$12,882,863.00, from state revenue sharing, as has been the case in prior years. It is proposed that this revenue be allocated in equal parts to support fire prevention and police patrols. Is there anyone here today that wishes to be heard on the subject of the use of state revenue sharing? All right, I'm now closing the hearing to discuss possible uses of state revenue sharing. [gavel pounded]

Adams: All right. Now I do the a --

Andrew Scott: Do you want me to give you a quick run of show, sort of where we go from here? So, we held the hearing on state shared revenue. And what we're now going to do is the mayor is going to call for motions to consider changes to the proposed budget, as presented in the memo filed last thursday. This is the approved budget memo that you all should have in front of you. We'll walk through quickly sort of the changes in that filed memo. After that point, individual amendments to the memo, if there are any can be proposed by members of council. Each amendment should note the amount, the bureau, the purpose and the funding source. Each amendment will need to be moved and seconded in order to be discussed. It is generally easiest -- you can take each amendment in order and vote on it, it's generally easiest though when we're talking about budget, to put all the amendments on the table at once and then we would vote on each one individually as an amendment to the filed memo. Once all of the amendments have been dealt with, the mayor will then call for a motion and a vote to approve the budget adjustments that are in attachments b, c, and d including the amendments that were just added, so essentially what we're doing is --

Adams: And then we'll have public testimony?

Scott: And then we'll have public testimony. So we're taking the proposed budget, we've already put a number of changes there, listed in the approved budget memo, council will add any other changes they want to that. Council will then need to vote just to essentially, approve all those budget adjustments for then conversation and testimony. At that point, we'll take testimony and council will come back to approve the budget in its entirety.

Saltzman: Where do budget notes fit into all this?

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Scott: Budget notes would be an amendment you could make to the budget.

Adams: So everyone has the budget adjustment memo, because that's what's up for consideration and possible amendment? Why don't we just work from end to end, I'll start with commissioner --

Scott: Actually, so Mayor, we'll need a motion now to consider changes --

Fish: So moved.

Fritz: Seconded.

Adams: It's been moved and seconded to consider changes. Karla, can you please call the roll on the motion?

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

Adams: Aye. All right we're open to adjustments --

Scott: If you'd like, I can do a quick summary of what was filed last Thursday? And again, I'm going to focus mostly on the general fund side of things. What you will see in the approved budget memo is a table that lists every bureau and every change, both the general fund and the non general fund. And again, changes from the proposed budget to the approved budget that's in your packet. Very quickly, in terms of general funds, I'll talk about some of the ongoing and then the one-time changes. Ongoing funding for the police i.d. tax of \$393,000, was added back in. This is not the full amount. We are still looking to get a portion of that revenue from Multnomah county, but this represents all of the Portland share of the folks who are booked into the jail system. \$172,720 was added back on going to parks. This is -- restores the daily maintenance cuts and also restores funding for buckman pool. \$20,230 was added for resolutions northwest, ongoing funding in the Office of neighborhood involvement budget, and also, in the office of neighborhood involvement budget \$71,494 ongoing was added back for the crime prevention specialist. On the one-time side, \$97,000 was added to the Janice Youth program, special appropriation. \$40,000 was added for a southeast work special appropriation. \$100,000 was added for life works northwest to fully fund a new options for women program. \$450,000 one-time was added back for housing programs. \$50,000 was added back to help support outdoor school. And finally \$10,000 was added back to the planning bureau's budget for youth planners. So again, broad summary of the general fund changes.

Adams: And just so folks know, sort of, where the cuts came from, the money for schools was funded with savings from a delayed cost of living increase, and no merit pay increase for non represented city employees that make above \$45,000, that was \$2.6 million, from city-wide vacancy savings, of \$2 million, that's where it takes time to hire up, usually two to three months to fill a funded vacant position, and so, that's \$2 million in savings. Reserve reductions, we heard a lot in the early public testimony about, is the city reserved, over-reserved? We scrubbed those hard and reserve reductions were \$900,000. I propose that ongoing revenues from our tax amnesty, would go to reduce the tax burden, increase the owner's compensation deduction for Portland's very small businesses, the one-time savings for that, though, before it becomes ongoing, is \$400,000, and that was part of how we built the amount of money to go to schools, and the updated may forecast was another \$700,000. And \$500,000 for the portion related to Portland public schools, to the foster site, which we have just heard about. And also, the remaining \$15 million in one-time ads was funded with \$11.6 million, in available one-time resources. \$1.1 million from additional resources from the updated may forecast, savings, from vacancies, a \$1 million savings from fire, cuts to the fire budget on a one-time basis, reductions to contingency and carryover from the current budget year. So, now, turn, we'll just go from south to north, commissioner? Yep.

Saltzman: So, the tax amnesty revenues, the first year will be used as part of the school package, but then the ongoing amount is dedicated to increasing the owner's compensation?

Adams: I'm bringing that to council for their consideration.

Saltzman: Oh, I see.

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Adams: Yeah. I have to have an ordinance to do that, but that is what I proposed.

Saltzman: Yeah. Sounds great.

Adams: Ok. That's what I proposed.

Saltzman: Ok.

Adams: So I'm going to go south to north, Commissioner Fish, in terms of changes to the change memo.

Fish: Thank you, mayor. I am handing out two amendments. The first amendment -- the first amendment everyone should have both now. The first amendment is titled increased Portland housing bureau safety net budget, and it reads as follows. Increase Portland housing bureau's fy 2012, 2013 appropriation by \$250,000 in general fund discretionary resources. The fund foreclosure prevention and home ownership programming, funding for this increase will come from city-wide vacancy savings. This has been cleared with the mayor and the mayor's office.

Adams: So let's do them one at a time, if that's all right?

Fish: Ok.

Fritz: Second.

Adams: So it's been moved and seconded. We did have more vacancies due to increase in retirements, and this allows us to make this action. So we moved and seconded. Karla can you please call the vote on the motion?

Fish: This is the only chance I have to just provide a little context so if I may. This is the fourth year of difficult budget decisions where this mayor and this council have worked very hard to fully fund the safety net, which provides vital services for our most vulnerable residents of our community. It has been an extremely difficult thing to accomplish. I think it will be part of the legacy of the mayor's four years that we have achieved this, in each of the four years. And I want to thank the mayor and my colleagues for their steadfast support but I also want to call out the group of advocates who stepped up this year and let their voices be heard. Mark Jolen is here today, John miller from Oregon opportunity network, Israel Bear and our friends at street roots, alyssa Harrington, Jesse beeson and others, and they came to our hearings, they sent us emails, they started a face book campaign, they were indefatigable. And they knew what we knew, which was, going through this budget cycle, everything was on the table, and there was frankly, a likelihood that there would be significant cuts to the safety net. And these are programs short-term rent assistance, the number one priority of the housing bureau, shelters and emergency shelters in the wintertime, which prevent people from dying. And programs not only to help distressed homeowners but close the minority home ownership gap. I am extremely proud to support this amendment today, which bumps up the total appropriation to the full amount that was requested of \$4.8 million, and again, I offer my sincere thanks to my colleagues for their support. Aye.

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

Fritz: Well thanks to commissioner Fish for your leadership on this issue. And to our community partners who have been great advocates. It's been my honor to be a steadfast second on commissioner fish's agenda for housing safety net and I am very proud to vote aye.

Adams: I, too, want to thank commissioner Fish for his excellent leadership on issues of housing during very difficult times, where we not only had to claw and scrape our way to maintain this level of funding, but you created an entirely new bureau at the same time. Either one of those alone would be difficult enough, but to do both, and to do both so well, deserves recognition, and I am pleased to do so. Aye. [gavel pounded] approved.

Fish: Thank you Mayor. I have a second amendment on the table. It is a budget note, and it reads as follows; the Portland housing bureau sustainable funding. Council directs the office of management and finance to add sustainable funding for the safety net to the fy-2013-2014, five-year forecast. The office of management and finance should increase the Portland housing bureau's

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current appropriation level target by \$4,600,000, which will replace the bureau's historic reliance on one-time funds. If I can get a second, I will explain.

Adams: Second.

Fish: So, mayor and colleagues, what this budget note seeks to accomplish is to take the recommendation that we had in the last budget or this budget cycle from the office of management and finance that the council consider building the one-time funding for the housing bureau into the five-year forecast, so that it becomes more sustainable, and in effect, goes from one-time to ongoing. The history of this really dates back to 2008, when I was elected a special election. And inherited that budget note from the then completed process, which directed the former bureau of housing and community development to do a council presentation on budget sustainability. And it grew out of a concern that the council had, that there was an over-reliance on one-time funding to fund programs which the council had identified as being of significance. And this is the portion of our shadow budget, which we call serial one time where the council has said it is effectively of the significance for programs to get one-time funding but for historical reasons it has been funded with one-time dollars. There really is no way to close that gap without building it into the budget. And so, the office of management and finance has recommended that we do so over a two-year period. And my amendment would say not to exceed two years. It could happen sooner. And what this does is moves the one-time into the budget, so that it is protected in the future, and I urge my colleague's support.

Adams: Karla, can you please call the vote?

Fish: Aye.

Saltzman: Well I'm pleased to support this budget note. I do think that we also have to be mindful that if the Multnomah county proposes a library district and it does pass it will have overnight, or at least by the next fiscal year, at least a \$6 million reduction to the city's general fund. So, we have to -- I want to support this budget note. It has to be done in the spirit that, you know, many things may be on the table should the library district pass to deal with the shortfall of the city's general fund. Aye.

Leonard: Aye.

Fritz: I committed to moving money from the shadow budget ongoing serial one times into the ongoing budget and certainly the housing safety net is clearly one of our shared priorities. Aye.

Adams: Aye. [gavel pounded]

Adams: Any more, commissioner Fish?

Fish: Thank you Mayor.

Adams: Commissioner Saltzman?

Saltzman: Thank you Mayor. I have a proposed budget note, concerning the water bureau, vacancies and rates. So I'll start out by saying, you know, we had a pretty robust discussion last wednesday on the water bureau rates, and I think I sort of closed the meeting by expressing concern about some of the equity of the vacancies in the water bureau, which were high compared to other bureaus, which had really reduced vacancies, and to support -- although the water bureau is not general fund, I want to make sure I'm clear, but, you know, vacancies were reduced, to help support the mayor's proposed budget. But also, as a matter of equity I think vacancies were reduced in enterprise bureaus as well, BES, and water has reduced vacancies. They are down now to -- as of last week, 26, which was originally, I think, it was around 55. And I had a good discussion the day after with commissioner Leonard, and David Shaff, the bureau administrator, just to get more information on the vacancies, and I do agree of the remaining 26 vacancies, a certain number need to be reserved for pending retirements. The water bureau's retirement rate right now is twice what it was last year at this time. So people are retiring, and we need to bring in, you know, new people to do that. But I also, it also leaves a certain number of vacancies, and given the -- right now the revenue situation for the water bureau is declining. If those declines continue and we will get a

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better idea after summer, if the demand continues to slip then the water bureau is going to be forced to deal with issues of where do you find extra revenue? And my budget note simply directs the water bureau to look first at vacancies, in that situation. In other words, if revenues are short, look at vacancies to fill that shortfall, rather looking at raising rates the following year. So it's a -- I think it's taken the language of my budget note is taken directly out of a memo director Shaff provided to me, although he outlines other options too, among which is, you know, using vacancies to fund other bureau needs, and to me, that defies the whole purpose of the vacancies in my mind, and we should not be using the vacancies to fund other needs. And I'm not pointing just to the water bureau, that's been a recurring theme of mine throughout this budget process, is vacancies, if they are not being funded, if nobody is in that position, the money shouldn't just be at the bureau's disposal to use for whatever. So that's not a criticism at the water bureau, per se, so that's my budget note. I would be happy to read it. Water bureau vacancies and rates, if necessary to make up a shortfall in revenues, money is budgeted for positions that are / become vacant will be used to offset revenue shortfalls from lower than planned sales, thereby preventing or mitigating a higher than planned rate increase the following year. So, I guess I propose that I move that.

Adams: It's been moved.

Fritz: Seconded.

Adams: It's been moved and seconded.

Leonard: So let me make couple of points. We did meet with commissioner Saltzman the next day, and I am mystified why you would say, particularly after our briefing that the water bureau used the vacancies that weren't occupied, used the money for other projects. I think our briefing clearly demonstrated that we had vacancies. We left them vacant because we did not have the money, to fill the position -- so instead of coming back to council and raising rates, as positions became vacant and we saw a downward trend in revenue from lower than expected sales at our budget by not filling vacancies. So, I am curious why you would say the water bureau was using vacancies savings to fund other projects.

Saltzman: Well I would refer to the memo as provided the next day by david shaff. And it says, the moneys for positions that are -- become vacant may be used as follows, and the first one is a, offset overspending elsewhere in the bureau. And so, I think -- and the first point of our discussion last week, at the meeting we had was that the water bureau does fund its vacant positions.

Leonard: So let's have david come forward. He wrote the memo respond to that.

Saltzman: And I'm not saying the water bureau alone does that, other bureaus do too.

Adams: While Mr. Shaff's coming up, is there any reason not to just make this apply to enterprise bureaus in general?

Leonard: I'm actually ok -- because this is our practice, what he is suggesting that commissioner Saltzman is suggesting that we begin doing this. This, up to the comma, is exactly what we do now. And have been doing throughout the budget year, the problem is after the comma he suggests that if you have a revenue shortfall, and if you applied this to all bureaus, this would be bes's as well as the vacancies occur, you'd actually eliminate the position. So that the next year, you cannot fund the position, so as we demonstrated to commissioner Saltzman, most of these vacancies, are what most people would, it's not an accurate description, think of as ditch diggers. They're people who are front line employees these positions that are vacant are vital, and we have a main break in the middle of the night, they are the ones that respond in the middle of the night, and fix the main. What he's suggesting, that if we don't have the money in one year to fund the positions, that the next year we just eliminate the position. And that's irresponsible. We cannot do that. It certainly would agree, it's our practice not to use money [inaudible] when we don't have the money to hire into a position to leave it vacant until the next budget year when we come back to council and ask for a new budget, and have the rates that reflect the cost of maintaining the system. And at that time if the council doesn't want to fund the positions, great.

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Saltzman: Well, I am just relying on the discussion that we had last week and the ensuing meeting, the water bureau funds its vacancies, right now, you are down to 26 vacancies. And I acknowledge that probably ten of those need to be reserved for replacements of people that are retiring, but that still leaves 14, and I think rather than – I think a first priority if the water bureau's revenues are declining, the first priority to look to offset a potential rate increase is eliminating a majority of those vacancies.

Leonard: Again, if the idea is to reduce the water bureau budget, rate, they should be given the opportunity at a budget hearing to say well if you are telling us not to raise the rate above a certain percent, to decide where to make those cuts but to just --

Adams: So let me clarify this. It's only the city council that can, by action of the city council that you can eliminate an authorized position. We can un-authorize them or authorize them. So the true ups have to happen either in the bumps, the budget bumps, or they have to happen in the budget process. And I think that could be very useful to have it in either the budget bumps or budget process, and for council to consider that. So you might consider that as a friendly amendment. I also think it would be useful for both sewer and water, because sewer has less resources, I mean, sewer has less revenue, and there is less water use, so I think it might be a useful way to sort of keep track of actions on both sewer and water. You might consider that.

Saltzman: Fair enough, I will change it to say enterprise bureau's vacancies and rates.

Adams: Great.

Fish: Mayor can I ask a question of the sponsor?

Adams: Yep.

Fish: I appreciate the dialogue on this. Commissioner Saltzman, you said a moment ago that there might be a number of positions which are vacant that are waiting to be filled, and that would be different than positions that are held vacant. As I read this, though, it says money budget for positions that are or become vacant, shall be used for another purpose. And I think that the language here, would then handcuff water or sewer who may, because of a retirement, or a disability, or whatever have a vacancy in a position that they must fill because it's an important high level position, or front line position. It could be any position. And I don't think that you intended to preclude the bureau from filling vacancies that, in the ordinary course.

Saltzman: No, as I said in my opening statement, I recognize that there is a certain amount of flux. People retire and people have to be replaced. And I want to allow for that, but I do think that we need to end the practice of funding positions, and again, this is not directed solely to the water bureau, of funding vacancies, and then using that money for other purposes. I think the first priority to prevent higher rates next year, ought to be to eliminate as many vacancies as possible.

Adams: So let me – yeah but --

Saltzman: It's a budget note, you know, it's not a binding ordinance.

Adams: Right, so let me, let me try again –

Saltzman: It may not be perfectly worded but its --

Adams: Let me see if the author would --

Leonard: Could we hear from David first to clarify some of this --

Adams: Well I think that you captured it pretty well. Did the Commissioner capture it accurately, mr. Shaff?

David Shaff, Director, Bureau of Water: Yes, I would --

Adams: Ok [inaudible] what?

Shaff: It's a pretty severe restriction on my ability or any other bureau director's ability to adjust their spending in light of a reduced revenue. There are other options. I would like, and this says this shall be used. So I am going --

Adams: Alright, I'm going to get to that. I'm going to move us along. We have a long agenda we've got people here to testify. So, and we can make further polishing to it so what I heard is

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enterprise bureau vacancy and rates, unless the city council approves otherwise through the bump process. That is necessary, and then we go through all the rest. And that way, shall be used to offset revenues but the council can approve otherwise but then it's a conscious decision by the council, during the bump process that gives you three times year. To get before the city council, and not an annual, which I think would be hard, to go an entire year without having at least council consider the unique circumstances. And it would include not just, but it would include lower than planned sales.

Leonard: I'm a little – I'm just confused. I mean, i'm confused because what we have done this last year rather than coming at a bump and saying, our rates are too low because our sales are not what they were expected, we made a decision to contract the organization to reflect lower demands. We have done that. And I am a little confused about the money for other purposes that commissioner Saltzman [inaudible] Do you want to give an example of that, david?

Shaff: The efforts that we made in the variance, were all cobble together using vacancy savings. We did not have those positions, so all the people that we were using to do the monitoring, the collection of the samples, that sort of thing last year, were not regular budgeted positions. We just cobbled those together through vacancies and part-time dollars. This, at least, if i'm reading it correctly prevents me from doing that, I'm --

Adams: No, unless you get council, during a bump process, you make the case, I need more resources to pursue the variance, we did not know the timing, we didn't know we'd get it. Council can say during the bump process, which means that this issue would be before council, how many times in the fiscal year?

Shaff: Either two or three.

Adams: So, I think that there is many ways, this memorializes what you have already done in the water bureau, now applies it to the sewer bureau as well.

Leonard: So what would the exact language be?

Adams: So it would be enterprise bureau vacancies and rates, unless the city -- so it begins, I would suggest an amendment. Unless the city council approves otherwise as part of the budget or bump process, if it is necessary, da da da shall including, instead of not just lower planned sales but for any reason, including lower than planned sales. So the two amendments are enterprise, unless the city council approves otherwise, and the budget or bump process and substituting the word "including" instead of "from."

Saltzman: So I move that amended language.

Fritz: Second.

Leonard: I still don't understand, so unless the city council approves otherwise --

Adams: through the bump or budget process --

Leonard: and then all the language that is currently there?

Adams: Until you get to the words revenue shortfalls and then the word from. I would switch that out to, I think, hearing the conversation, including, lower than planned sales.

Fish: So it's been seconded. Just a question to --

Adams: Let me make sure that commissioner Leonard --

Leonard: Lower than planned sales thereby preventing or mitigating a higher than planned rating -
- I have a problem with that amendment.

Adams: And tell me your concern.

Leonard: Well because it suggests that the positions would just be eliminated.

Adams: Is that your legislative intent? I didn't hear that. Is that your legislative intent?

Saltzman: My intent, is that you know, I recognize accommodate a certain number of vacancies, but, you know, again, on the equity issue, the water bureau was carrying an unusually high number of funded vacancies. Money we're paying for, that aren't being used to employ people and that money should not just be used for other purposes, without council approval. I think the way David

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Shaff and the Mayor are discussing it is we should approve, if there's an LT2 variance a need for more funds, we should approve that through a bump, not simply by playing around with vacancy money.

Leonard: Well nobody is playing around with vacancy money.

Saltzman: I don't mean it.

Leonard: Well then so don't say it. So where the comma is, I'm not the only one who gets mad joe. [applause] [inaudible] [gavel pounded]

Leonard: Where the comma is put a period after sales, and i'm fine. That accomplishes what –

Adams: Say that again commissioner, what did you just say?

Leonard: Where the comma after sales is, if you replace that with a period. So I'm fine with the language that you have. It accomplishes what --

Saltzman: Ok, I'll go with that.

Adams: All right. And are you taking that as a friendly amendment?

Saltzman: Yeah.

Adams: And a second?

Fritz: Yes.

Adams: All right. Karla, please call the vote on the amended amendment.

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

Adams: Aye. Alright, anything else, commissioner Saltzman?

Saltzman: No. That's it.

Adams: Commissioner Fritz.

Fritz: Thank you. I have three proposed budget notes. The first two, you are in line with what commissioner Fritz was doing with housing. These are related to the office of neighborhood involvement. As the council will remember, in 2009 we did a zero-based budget for the office of Neighborhood Involvement in response to budget cuts and move to graffiti and resolutions northwest to one-time funding. The mayor has often alluded to the challenges of small bureaus and the need to make some corrections for small bureaus. And indeed commissioner Leonard has also been stalwart in his support for graffiti funding, and we have greatly improved our graffiti abatement services through the strategies that the council has funded. So my request on, I will move the first amendment, which is a proposed budget note on ongoing funding for graffiti.

Adams: Second.

Adams: Any discussion?

Leonard: Where is the – where does the \$447,000 come from?

Fritz: It's a -- Commissioner Fish directed it would be added into the forecast so that the -- it would be budgeted.

Adams: Alright, additional questions? Karla, can you please call the vote on the motion?

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

Adams: Aye. [gavel pounded]

Adams: Commissioner Fritz.

Fritz: The second budget note, which is a similar amendment for resolutions northwest, to move that back into ongoing funding.

Adams: Second.

Adams: Any discussion? Karla, would you please call the vote on the motion?

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

Adams: Aye. [gavel pounded]

Adams: Commissioner Fritz.

Fritz: Thank you. Thank you, colleagues. I really appreciate those two budget notes. And the third one is with respect to the sobering station in Chiers in the mayor's proposed budget for the adopted budget. This amendment specifies that the money for the sobering station is intended to be

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for a year, but similar to the service coordination team money that the money for Chiers is for a period of four to six months, which will allow us to have some more discussions about ongoing funding for Chiers and potentially additional services, that might be potentially funded through the coordinated care organizations through the health care system, that won't be enacted until August.

Adams: Second. Discussion? Karla can you please call the vote on the motion?

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

Adams: Aye. [gavel pounded] Any more?

Fritz: Thank you that's it.

Adams: Commissioner Leonard any more motions? Okay. So that gets us to amended amendment memo, right?

Scott: Yes,

Adams: Okay. And a -- what else?

Scott: So at this point, yeah we need a motion and a vote to approve all of --

Adams: Oh yeah, one more. The mayor has one, sorry. This is the service coordination team. This proposed budget includes full funding for the service coordination team for six months, similar to the motion that commissioner Fritz just made. This budget now calls for us to work with community partners to identify the balance of funding. And I too -- working with commissioner Fritz and others will be looking for the new healthcare reform to help us with the cost.

Fish: So moved.

Adams: Second. Any discussion? Karla, can you please call the vote on the motion?

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

Fritz: This service coordination team does such good work, and thank you Mayor for this amendment. Aye.

Adams: So now we vote on the amendments to the proposed, then we take public testimony? Oh I have to vote? Aye. [gavel pounded] so approved.

Scott: Yeah, now we need a motion and a vote to approve essentially the change memo and all the amendments that you've just -- so this essentially puts everything on the table for public testimony.

Adams: All right. Is there a motion?

Saltzman: So moved.

Fish: Second.

Adams: It's been moved and seconded, any additional council discussion? Karla could you please call the vote?

Fish: So just so I'm clear --

Scott: this is not the vote on the final approval.

Fish: Thank you, Aye.

Adams: This is to the changes to it.

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

Fritz: Andrew Scott and your team you've done an amazing job of working us through the process and I really appreciate it. Aye.

Adams: Aye. [gavel pounded] Alright we have an amended draft approved budget that we will now take public testimony on. Alright, how many people have signed up?

Moore-Love: About 13.

Adams: Thirteen, alright. Let's go. Again, just your name, if you're a lobbyist, if you're well-known associated with a group, it's helpful to let us know whether you're speaking on behalf of yourself or others. The clock in front of you will help you countdown your three minutes. If you're seated in the middle of the chairs, you can make your way to an aisle, and we can get through this pretty quickly. Go ahead, sir.

Michael Meo: I'm michael meo, and I am here not only as a person interested in the water bureau budget but i'm here representing the cascadia chapter of the pacific green party which at our

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meeting last week unanimously chose to oppose the proceedings of the water bureau lately. You can see from mr. Saltzman's recent efforts that there is some feeling of lack of transparency in the doings of the budget. Excuse me. Water bureau works. There's a series of projects. Specifically we are concerned about the covering of the reservoirs. We are upset at the failure to take into account just common sense. A reservoir that is open to the air is open to the oxygenation, the death of toxic bacteria from oxygen, and it's killing by the radiation of sunlight. That's a normal way that water becomes purer. And that's what we would recommend. So that's all I have to say. It is our feedback to the council.

Adams: Thank you. Sir, welcome.

Herschel Soles: Herschel soles. I'd like to comment the same thing on the covering of the reservoir and this moving of money for the covering of the reservoirs. It seems to me there is three things here in covering the reservoirs. It's an expense applied to the consumer. It's an elimination of a very helpful attribute of the open reservoirs. He just mentioned the healthful effects of the sun. And we heard last week about the open reservoirs allow some gases, some radon to escape. And the third thing i'd like to mention is we are approaching global warming, and so I think we don't want to do any unnecessary projects in this thing. Seems like politicians are the last ones to recognize this global warming problem. So far I really haven't seen all that much recognition of you folks at the present system that's delivered clean water for over 100 years. What i'd like from you is more than just a no vote. I mean, you're talking about millions of dollars. Join our struggle to save the open reservoirs. Just do not cover these things. We are a society that is not being driven by common sense. I mean, some of these projects around the world are being driven by profit. Total insanity. I think of the canadian tarsans drilling in the caribbean. We've got to somehow come to some common sense. Do your part and try and stop the global warming and stop the unnecessary projects. Thank you.

Adams: Thank you sir.

Fritz: If I may just clarify, and commissioner Leonard can correct me if i'm wrong. We're going to be having a work session to look at the issues regarding covering the reservoirs. There's no money in the current rate forecast for that purpose. There is an adjustment in the memo that was handed out of \$24 million, but that's for bonding, and it's not going to be -- that's not going to happen immediately either. So we are going to be having a discussion with the work session on what are the options, and this budget doesn't preclude that or allocate the funding for it.

Adams: Mr. Walsh. It hasn't been scheduled yet, but it will be.

Joe Walsh: My name is joe walsh, and i'm representing individuals for justice and also the Oregon progressive party. Commissioner Fritz just talked about the allocation of \$24,000,828 and about \$256. Anyway, it's about \$30 million that you guys are allocating in some sense to a bond to cover the reservoirs. That's what you're doing. You are moving that money, whether it's theoretical or not. It's in the budget, page 9. Why is it in there if it doesn't mean anything? Why are you covering those reservoirs when everybody that has spoken to you that has a brain in their head is saying no, don't do it? We want the waiver we don't want you to screw around with the state anymore. We want you to go to Washington D. C. and kick some ass. Go to the epa like chuck schumer did and say no, we're not going to do it. What are you going to do? You don't have an army. Take us to court. Let us fight it out. That \$24 million is only the beginning. We know it's going to cost -- what, commissioner Leonard? 500 million? And if you do a 30-year bond, it will go to a billion, just like your house. Think about your house. You buy it for \$200,000. By the time you pay for it, it is \$400,000 after 30 years. That's what will happen with this money. We will be paying for this. My grandchildren will be paying for this. Stop it. That's what were saying to you. Stop it. Thank you.

Leonard: Let me respond to that.

Walsh: Yes.

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Leonard: I don't normally, but I will as long as I can talk.

Walsh: As long as I can respond to your response.

Leonard: You're welcome to.

Walsh: Thank you.

Leonard: So in 2006, mayor Adams and I did fly to Washington, d.c. I met with the entire congressional delegation, I was pretty much run out of, Mayor Adams was there, Senator Smith's office. Insisting that we get some consideration from EPA on two things, having to cover the reservoirs and building a treatment plant. Senator Wyden --

Adams: If I can interject.

Leonard: go ahead.

Walsh: I would like to respond to you. if your going to respond, I'd like to respond to you.

Adams: You will show some decorum today. You'll get a chance to talk --

Walsh: You are going to show some parliamentary procedure it is my time to speak.

Adams: No. You had your three minutes uninterrupted.

Walsh: You interrupted me.

Leonard: Joe, I will ask you a question. Listen --

Adams: He's going to let you have a chance to respond. You've got to let other conversations happen. You'll get a chance, but you can't shout people down. This is a conversation. I was in that meeting, and I can tell you it was one of the most contentious meetings because commissioner Leonard not just asked but demanded, Senator Smith who was in a position of great influence there, he would not take no for an answer. Commissioner Leonard repeated that and is going to go into some detail, but I will tell you i've seen forceful lobbying, and i've seen very forceful lobbying. His was not only based on the facts but it was also appropriately passionate on behalf of Portlanders.

Leonard: Thank you. So I asked senator wyden's office, having had absolutely no cooperation, and even some hostility from Senator Smith's office in Washington, to please facilitate a meeting with the epa for me before I left Washington. Senator wyden called the epa, got the person that was in charge of enforcement in the United States of America for the LT2 rule to meet with commissioner Adams and I. He was the city commissioner at the time. I went. I made all the arguments that you have made and others based on a number of factors as to why I thought the order directing bull run water to cover its reservoirs and have a treatment plant were unfair. That, you'll recall, was during the republican administration. They listened politely, nodded. We left and came back. I brought together the advocates, some of whom testified here and may testify today for friends of the reservoirs. Specifically scott fernandez, specifically floy jones. The current head of the water users coalition Kent crayford and others. We said, we're getting no cooperation from the epa. Our congressional delegation is having very little influence. I think we need to file a lawsuit. So what I didn't do was decide who the lawyers were going to be, because I anticipated that, if we filed the lawsuit and lost and I picked the lawyers or the water bureau picked the lawyers, it would be debunked as us trying to sabotage the process. So I gave floy jones, Kent crayford, scott fernandez, and david Shaff the unfettered ability to interview any law firm they wanted in the united states, wherever they existed, to file a lawsuit, and my only request was they get the best law firm possible and we will file a lawsuit. They picked unanimously, that group, floy jones, Kent crayford, scott fernandez, and the water bureau. we picked a law firm in boston, massachusetts. We filed a lawsuit in the Washington, d.c., circuit. We offered to send back, at the water bureau's cost, floy jones and scott fernandez to watch the hearing, because I anticipated that, if we lost, they would say somehow we told the law firm to do something to cause us to lose. They didn't accept our offer, but they found their own way back. Anyway, watch the proceedings. The judges in that circuit unanimously and forcefully by all accounts, dismissed our lawsuit and said we had no basis upon which to challenge the lt-2 rule, we needed to comply. But it didn't stop there. I didn't stop there. But what happened at that point -- and I want you to hear this very clearly -- is that when I met with

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scott fernandez and floy jones and kent crayford, and I think regna merrit was at that meeting as well, David Shaff and myself said we've lost the lawsuit. We had been told clearly here is the timeline that we have to come up with a plan to treat the water and bury the reservoirs. On treating the water the epa tells us and I'm leaving out a lot of meetings here that involve floy jones and the activist that including bringing in the regional director of the epa here in portland, us going out there having them included in the meeting. I'm not boring you with all those details, we had numerous meetings with local epa officials to figure out what our options were to get a variance or a waiver or whatever to have to do it. The upshot of that was they said we could apply for a variance for treating the water, but there was no variance or waiver available for covering the reservoirs. We got that in writing. That's all been shared with the advocates. So I sat in this meeting after we lost the lawsuit and said, we now have to take a different track. We don't have judicial relief, we don't have executive relief through the epa or white house. Our only option now is to get the united states congress to amend the law. Legislative relief is our only option and I am obliged to now go forward to come up with a time plan to accomplish both of those projects treatment and covering the reservoir. Where we parted ways was the advocates. That group said, we want you just not to comply with the law. Just don't comply with the law. And I looked at them and I said, this reminds me of when I grew up on 8th and siskiyou and there was a bully in the neighborhood and somebody said, randy, we'll hold your coat and you go fight that guy. I was not willing to, representing the city and the ratepayers and defy federal law and just say were not going to do it. What I did say is we'll use every option available. We applied for the variance. You've heard probably that discussed, but I want to be clear to you what that meant. No city in the united states of america has ever been given a variance from the lt-2 requirement. No city. And other cities have applied and tried, including new york. New york didn't get a variance. We applied and through spending hundreds of thousands if not millions of dollars actually were granted a variance from having to treat the water. We do not have to treat the water now nor do I believe we have to treat the water even though its for a 10 year period. The source of our water is too pristine, and there is no cryptosporidium that exists that will ever be found in an amount that will cause us to have to treat the water. I believe that. Covering the reservoirs, we had no options other than to do what the feds said, because they said there was no waiver. But I called senator merkley after he beat gordon smith. I said, I cannot get a member of the delegation to introduce legislation that will basically exempt us from having to cover the reservoirs. Will you do that? Senator merkley went and met with the chair of the committee in the united states senate. That bill would have to go through barbara boxer. Senator merkley called me back. Senator merkley said, I met with barbara boxer. Barbara boxer said she would not give that bill a hearing. That bill will not have a hearing in the united states senate. We were at that point running up to time lines the epa gave us. So we agreed to a schedule that requires us, and this is a conscious discussion. I told the advocates and I told others we're not going to cover the reservoirs. What we're going to do is do replacement storage facilities such as powell butte and kelly butte so that, if ever there is an opportunity to use the reservoirs again, they're there. We can maintain them. They can be filled as decorative fountains and still be used if there ever is an opportunity to use the reservoirs again. So that is a long explanation to things that have been said over here many times that are not accurate, unfair. In fact many of the people that you are working with aren't telling you about that they were involved in helping me try to advocate to get the exemption, and I just think it needs to be clear on the record what we've done.

Walsh: are we going to have equal time?

Leonard: please go ahead.

Walsh: First of all, senator merkley has just contacted me. This is my area. The congress of the united states is where I usually operate. I don't normally operate with you guys. Senator merkley is basically saying this, folks. This council is kind of wishy-washy on this issue. This council is not

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strong. This council is saying to me and everybody here that you're doing everything you can, and that is a lie -- a straight-out lie. The other part is new york did get a waiver.

Leonard: It did not.

Walsh: It did not get a waiver for covering their reservoirs but got a waiver from the epa about testing. So it is possible to get a waiver. The other thing that I would say to you all is take this item out of your budget, because you're telling me we're going to put some money aside. How much money is in this budget? This is \$24 million, a one-time payment. How much is in that fund now? And why are you raising the rates when you're moving millions of dollars around? That's the issue. You are saying to the people of Portland you will pay 7% more on top of a 50% raise that happened in the last few years. Well, we're doing everything we can. We're working our asses off. I said in senator smith's office, he's not there anymore. Who cares about senator smith? We want merkley. We want wyden. And I would rather see you spend \$50 million flying back and forth in their office, sifting down, getting your asses arrested if they don't give you what you want. That's what I want. I don't want bullshit there, sir, and what you said is bullshit. It sounds good. I'm really fighting. But it's nonsense, because the very people you're talking about, our delegation in Washington, d.c., is saying you guys are wimps. You don't fight, so why should they fight?

Leonard: Let me just give you that much more. We had I can't tell you how many work sessions on this subject since I arrived on the council in 2002. There have been people picketing city hall since 2002. I have initiated a public hearing at mount tabor that filled a grade school there and a balcony myself on this subject, invited the congressional delegation. I've given a list to commissioner Fritz in the past --

Walsh: Can I interrupt for just a moment?

Leonard: No. I didn't interrupt you. I've had hearings in council sessions that I can't even begin to count. Here is the bottom line. You don't like the decision. I don't like the decision. You can question whether I worked hard enough or not. I worked as hard as I knew how. I've used the process as well as I known how. That's how I got the variation from the treatment. That's how we've been given the timeline we have. What i'll tell you is this. It's clear there are certain segment of the community that doesn't want us to comply with the law. We are obligated to comply with the law or the feds come in, take over the project. They'll charge us for the cost of the project plus -- plus fines, over a million dollars a day. Maybe somebody else will sit here January 1st joe that you can convince to go cool we'll pay the million dollars a day and let the feds do it. I'm not going to do it.

Walsh: The problem here is that the very people you're talking about, our delegation in the state of Oregon, is saying the same thing about you. They're saying, hey, look. They're moving \$24 million to start the cover and they're already doing construction work.

Leonard: It's to pay for the kelly butte tank, yes.

Walsh: Yes, your building a tank to ship over the process comes from bull run down here into a tank, and scientist after scientist after scientist is telling you, don't do it, because, number 1, it doesn't work. It's going to cause other problems. Number 2, the cost factor is about a billion dollars. So why would you do that? You represent us.

Fritz: Mayor adams I need to correct a statement I made earlier. Thank you for your testimony. You're correct that the \$24 million is in this year's budget, and it would be allocated in march of next year, so there will be more of this. There will be a work session to continue discussing this, and there will be more opportunities for folks to suggest other avenues than we've gone through.

Adams: Thank you all very much. We'll call the next three.

Moriah McSharry McGrath: Good morning. I'm a research analyst at the Multnomah county health department. The health department is one of several housing and health stakeholders who participated in a health impact assessment or hia of rental housing inspections in Portland. The hia was led by Oregon public health institute and was designed to examine the relative health impacts

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of the two housing inspection models currently used by the city. The hia found that the enhanced inspection program is more effective at assuring community health than the standard complaint-based model and the effectiveness of either model would increase if it were paired with education for both tenants and landlords. We also found that the enhanced model is a powerful tool for health equity, because the benefits are focused on vulnerable renters. It's because of these findings that we recognize the leadership of mayor Adams and Portland city council in your commitment to maintain current service levels through funding neighborhood inspectors in the 2013 budget. Housing inspections not only preserve our housing stock and protect property owners' investments but they keep our community healthy. The inspections program is a lifeline for families suffering from asthma, injuries, and mental health problems that are connected to substandard housing, because some property owners are unwilling or unable to improve their property without city intervention. Maintaining current services is a vital first step. But to achieve the Portland plan's health and equity goals, we need an even more robust inspections program. We urge you to allocate the resources to support such a program which would include strategic expansion of the enhanced inspections model to parts of the city that have higher rates of cost-burdened households, adoption of strategies developed by the quality rental board housing group, and timely implementation of the information technology advancement project. Thank you.

Adams: Thanks for your testimony. I have to say through the Portland plan process, I was incredibly impressed with your unit and your department and the public health-based approach to identification and solving. Thank you for your participation.

McSharry McGrath: I'm glad to be a part. Thanks to all of you. Hi welcome back.

Remi: I may need a little bit more time to get through this, because I wanted to address something that commissioner Leonard said a moment ago -- a go-to joe, first being thank you for the hard work you've put in. My name is Remi I'm part of Occupy Portland, one of the medics, part of the medical team. I want to thank you for the hard work you spoke about going to Washington, D.C. I know how much of a daunting task that can be. I'm curious how much work you put in towards getting lobbyists and corporate interests out of our delegation, out of our -- sorry. I just finished getting over pneumonia, so I'm trying to get the medications out of my system. One of the things we've been talking about is corporate lobbying inside of our delegation our representation which kind of kills the political process in the United States. What you were talking about where people were stonewalling you, that's a big issue, because I've been looking at a lot of the track records of these lobbyists. The agricultural chairman and all these positions are bought out before you even get there. So I just wanted to make a note of that and I wonder if you'd be willing to partner with people to help get rid of that.

Adams: The city council earlier this year passed a resolution --

Remi: a non-binding resolution.

Adams: passed a resolution, we don't control the federal government sir. Passed a resolution changes to a person generally known as corporate personhood. This council took a position on that, and we also have taken that issue to the U.S. conference of mayors. Please get to your testimony.

Remi: Looking through the budget, I noticed EMS specifically that there were two notes, one of which was to charge for lift-assist EMS calls, also bill for emergency medical services. I was a volunteer EMT for almost four years in New York State. No charge ever to anybody that we picked up. I feel like charging people for lift assists especially for chronic calls kind of punishes people who have chronic illnesses.

Adams: This is what Bend does. We have a budget note to pursue the study of this. We're not counting on any of the resources. So it really is a pursuit it is at my request it is what Bend does. There is a concern that large for-profit housing assistance facilities call upon the fire bureau to do work that they should be doing themselves. It's not actually emergency calls. It has to do with people that they can't necessarily lift themselves. So this is when folks, after a lot of warnings,

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continue to abuse the services of the fire department. This would allow the fire department to deal with that. But it is something to study.

Remi: My question on that would be just to change the wording so it doesn't make it seem as if you're going to charge people in general but will be going after systems that are abusing that process.

Adams: We'll take a look at that.

Remi: Item 614, which was a \$100,000 grant from the Oregon office of emergency management from the military department, homeland security for a security grant program, implementation of state and local homeland security strategies. What is this that i'm seeing in the budget, and what is it being used for?

Adams: I'll have to get back to you.

Remi: My question is if were receiving \$100,000 for state and local implementation security strategies, is this for militarization of our police force?

Adams: Generally speaking, the federal government issues a variety of grants and funds for emergency preparation or response through a variety of federal departments, including the department of homeland security. They used to come through different departments, but homeland security was an amalgamation of a bunch of departments. We'll get back to you on this.

Remi: The federal government doesn't really part with money unless they have very specific reasons forgiving it to you.

Adams: It's not for militarization of the police department.

Malcolm Cheddock: My name is malcolm Cheddock. I live in sellwood. I am currently a member of veterans for peace, individuals for justice, founding member of Oregonians against the war. I worked with cindy sheehan on piece of the action, and I have been to d.c., a few times. I have a slight understanding of what you're talking about as far as facing these processes, but i'm here representing myself just as a citizen. I have been watching this process for several months now, something that came to my attention. It was a surprise to find out that what's happening is really unnecessary and even damaging to our resources, is not in the best interest of our city. But I hear repeatedly that you're being shoved into a corner on this and that you're going as far as you can. Well, there are other steps to be taken I hear, and we're going to be taking them. I think knowing what you folks are dedicate the Portlanders, that you really do care about this city, and having heard what you said about how hard you fought this that you would go an extra step and declare a moratorium until the working group has presented its recommendations. And that would be my request and my testimony today. The next three?

Jessie Sponberg: My name is jessie sponberg, and I had one set of things I was going to spend my three minutes on a little bit ago. But then, after listening to your explanation of the process, what really occurred to me that there's some really common sensical things that we could apply to this. I don't think many people trust you, mr. Leonard. From listening to people in the audience and really even seeing how you interact with your fellow city council members, I don't think you get a lot of respect politically. I thought that before I came in here, and it's grown. Then, as I listen to you tell me about your adventure to Washington, d.c., which was six years ago, that's awesome six years ago you went to Washington, d.c. right? You're getting stonewalled. But I think that it might be more you than at process, and I wasn't sure about that until I heard you tell me that when you grew up on 8th and siskiyou you didn't have the courage to take off your coat and fight that bully. I'm recommending we put a moratorium on any spending until somebody sits in that chair that has the courage to take off his god damn coat. Ok? Because leadership is a leader. Leadership is a leader. Do you know what? I would have taken off my coat and got the crap kicked out of me to save this water. I googled Beautification spending by the water bureau, the rose festival, the bike lanes, the college scholarships, the beautification of dodge park, the benson bubblers, the hydroparks, the bull run lake cabin, and then you're going and crying poor mouth to us and say everybody's picking on

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mr. Leonard? I just wish we'd put a stop on the spending. Because i've seen the overhead photos. I've seen that construction is going on at bull run right now. You can't have construction right next to our pristine water and call it pristine water. I saw the water levels are low. There's spots expose inside the middle of that river that you've never seen before through overhead pictures. I'm just going to start swearing. I'm just going to stop.

Nancy Newell: I'm nancy, I'm with citizens representing portland's water. I came in late mr Leonard but it doesn't mean that I'm not aware. I joined you on fighting enron, and I felt that there was a quit and run kind of response by the city at some point in falling through with enron, and I think that's also happening with our water bureau unfortunately. New york got it through economics. They got a delay. Our president was desperate to get elected because of the situation we were in because of war costs. Every city is in deep trouble. I understand your working very hard with a limited revenue and its going to shrink more. This is not fantasy world. People are telling you we don't have the pocket money. Our staff puts up graphs and its comparison to a commodity and doesn't include the fact that water affects every penny we spend, every avenue of food, transport, fuel. I mean, get with the program. The public understands it. You talk about a bump. Yeah. You're bumping every single freaking small business. The little bagel shop down my street. You're bumping them right out of the city. I've talked to 20 people this past week. They can't afford this anymore. And here you are. You've got a president lined up to say, epa, you formed regulations that at this present economic atmosphere, you will not be required to follow through with these rules. The rule is formed on science which we've already proven, like you've already said. What happened to the economics? Here you're fighting amongst yourself to skinny up some money saying there's no revenue because people won't conserve. You don't save any costs. You've got people in the streets because they don't have water. They don't have housing. Where is your loophole shut? You go to president obama and you say, we honor your respect for the conditions that the city is operating under. We are going to delay these projects right now, put a moratorium on these projects. We're saving salmon at our headworks and we're creating more global warming that kills off the salmon by the back-up system that requires so much electricity and coal operation to function. You don't make any sense. This council is not making any sense. You all voted for this project that mr. Leonard requested, and we're putting our water amount available in the summer at risk, and we're going to have to drink toxic water, and I don't think anybody in this room thinks that the columbia water that you are offering as back-up is healthy water. So let's get a program here, and let's get this thing stopped, and let's get a visit with the president. He needs votes. Everybody needs votes. I don't understand the confusion. I don't understand the frustration. I think you'd be heroes.

Beth Giansiracusa: Hi my name is beth giansiracusa. I usually come in representing we, the people. Uh listened to the reframing of using the lt-2 as a weapon of going in and getting it changed, but really it was six years ago they were going up against the clean drinking water act. Let's be honest about that. Even though the lt-2 is in the clean drinking water act, the lt-2, the two was added, and that's the problem because we were grandfathered in, and our reservoirs were all grandfathered in. Being in a pristine bull run area where it was federally protected until the land swap deal, and now the city can get onto the bull run when they need to, because they swapped land. But you all know that. What i'm saying is, at this time when I look at running parallel programs, you're running a parallel program. From lets cover it to let's see what we can do long the line of getting it stopped but, in the meantime, you're going full bore. I know this because I read a lawyer's letter that said, well, we have a 10-year variance that we can probably get yanked at anytime, and we will be running full-blown into that u.v. Plant during that 10 years, so it's not going to really bother us having that variance up there. Randy told me that everything they were doing was taken in-house. I'm assuming that the payroll that you're holding on to is engineers at a buck 50 or more that and you're saving so that you don't have to revote later on so you can still keep

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everything in the water bureau instead of doing what you did before you got here, which was basically go out and bid for all this work. At least that way we would know what was all this work. Like everyone had said prior to this, there's a lot of things that, because of the way the bonds are set up and because of the way that the water bureau is controlled and because of the way the payroll is set up, then the budget gets to be set up that way. Now that you have the budget that's being set up to allow those payroll funds that are being set aside for those big engineer payrolls for his u.v. Plant energy over here -- and in the meantime, we've got our emergency. Two, three years ago, I think there was an emergency to buy the container for the water. Well, it's been sitting up there. And all the different things that go on every time there's an emergency, I feel like I come in here and get hit between the eyes with emergencies. It's hard. It's really hard. It's hard for me to come up and say, look, guys. These are the things that can be taken care of if you want. If you want the It-2, all you have to do is run something parallel to it. That and doesn't work for me.

Adams: Thank you. Next three. Welcome back. Would you like to begin, ma'am?

Rose Marie Opp: All right. That I can even manage a little smile today is beyond me, because I can hardly sleep at night wondering what's going to happen to our drinking water and our water rights. Commissioner Leonard, I used to like you. I don't know what happened to you, but I guess I have to really think that I believe you believe what you said, that you did everything you could. My viewpoint on that is that, in your mind, that's what you had to do, have to do in order to be able to continue this debt swamping that you're doing on our community, in order to continue doing what you're doing. I've heard that story. It sounds like a parrot already about barbara boxer. God, that was 2006, I guess. It's now 2012. We had senator schumer from new york luckily give us a gift when he went to epa and they said, we're going to look at this. Now, that review, that It-2, is going to be six years. In my view of looking at this, there's no reason we need to stop. We need to have a moratorium on this kelly butte project. Six years from now we're going to hear from epa, well, gee, we didn't need to do it? Half the community is going to probably have to leave. I'm really concerned about this 24 million. I don't know when that work committee is going to happen. I tell you what. And then we have radon. I believe that, in years from now, we do have a radon problem here. It comes in from the misoula floods especially from the Northridge. And that radon dissipates with open reservoirs. It comes up in people's showers. Commissioner Saltzman, you say you're for the children. Think about the water they're going to be drinking. I mean, we're talking about seriously degrading our drinking water here. Financial corruption, I don't know what's going on or who's pulling strings here on our water that wants this changed. But, I am really very passionate about this, because I feel the line has been crossed when we're supposed to be swallowing this yet. Please stop this. For heaven's sakes. You've crossed the line. I'm very -- so disappointed, it's difficult to even come up here. I'm glad i'm nearsighted right now. I don't even have to look in your eyes.

Adams: Thank you for your testimony. Mame.

Cherie Lambert Holenstein: Cherie lambert-holenstein. Our precious bull run that you folks need to protect. As has been mentioned many times, senator schumer in new york didn't get a waiver, but he got a delay until 2028, and he's working trying to get it till 2034. We need a waiver. It's that simple. In the past, you tried to get a variance. You need to keep going as I said to you last week and three or four years ago when david shaff said, well, he could be arrested and sent to jail. I said then and last week, if any of our public servants went to jail for the people, in the interest of the people, we'd be baking you cakes with files. We'd be genuflecting to you. You need to work as hard for this as you do when you're all running for office, because you really do work hard then, and you get a lot of people to help you run for office. So please work for this waiver. That's what we need. That's what we insist on. That's what we have to have. The Portland public school board was thanking you. 63% graduation, I guess, is seen as good. While you're giving them 5 million with one hand with the Portland development commission, you're taking away tens of millions from

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them. Why don't you declare a moratorium on the Portland development commission. Portland state is not a blighted area. Go out to southeast. You should know, randy. When commissioner francesconi was first elected, 15 or more years ago he said that I was not a wear of southeast area. Go out there on powell and 122nd and further. You'll see blighted areas. They don't have people. There's litter all over because you don't pick it up like you do at the psu area. It's not that they litter more out there. Also on economics, potholes to fix are complaint driven. I have an initiative her and it says just say no to studded tires except for emergency vehicles, fire, police, school buses. You want to sign it, i'll stand in the back of the room and you can come see me. Say no to the waiver. Say no to the Portland development commission. Say no to studded tires. Say yes to the waiver. [laughter]

Adams: Thank you hi welcome.

David Potter: I'm david potter. I live in north portland. I believe you should continue to work for change the lt-2 program that would mean that we don't have to filter or u.v. treat our wonderful bull run water, some of the best in the world, this is clearly some kind of a boondoggle. I don't know it it makes sense for some other cities, but it clearly doesn't here. Sure, somebody's going to make a lot of money, that's not a good reason. Covering the reservoirs, there's no gain and possible dire consequences from the radon and from the disinfection that we'd be using. When did all this start in of course when did anything start, but let's begin with the theft of the election in 2000 followed by a fraudulent false flag attack concocted apparently by the bush administration. Oh gosh, terrorist are coming to get us we have to have these wars we have to have all this anti-terrorism. Bullshit, that was a coup. We had a coup in this country, a very slick coup and elements of it that tie together are oh we've got to cover all our reservoirs because the terrorist. Anther thing that happened is we got to surveill everybody to death we have to become an Orwellian state and that's what really brought me here tonight. Originally, although I decided to join in on the water issue, you want to put in the cameras on our streets to watch people walking around their daily lives, and I don't think there's been a proper process to discuss that. I think it's very orwellian. If you told anybody in 1980 hey in a few years were going to have cameras all over the streets and cops will be able to dial up the images and the police will be able to edit the images and save the ones they want after 24 hours and get rid of everything else, that's orwellian. We have to talk about this, and you shouldn't proceed without a real discussion, a discussion I think would properly lead to are we going to let these orwellian fascists who had a coup like nazi germany or are we going to maintain a free country where people are not spied upon, where the police don't get to edit the story and where we don't push boondoggles to cover reservoirs apparently to benefit construction companies, which of course are one of the biggest boondoggle-generating entities along the military industrial complex which included the anti-terrorism complex. That's a big boondoggle that's been going on for 12 years. I invite you to stand up and fight it. Fighting a coups sometimes takes going to jail. If any of you or anybody else on this issue went to jail, it would be the end of the issue, because it would focus attention. It would embarrass the whole --

Adams: Your time is up. Thank you all very much. Last two.

Scott Fernandez: My name is scott fernandez. Please say yes to the waiver. The science clearly drives the ultimate decision as we've seen through the clean water drinking act. We can fight it and the lt-2. A decade ago, I as a member of the portland utility board, the community and the stakeholders in the community said, let's have a waiver. We've looked at the variation. We've looked at the other options. They aren't good enough. We want the waiver. It has been that way ever since. We've been told time and time again as a community, well, scott, nobody else wants a waiver. This is just you talking. This is just the purb or the friends of the reservoir or Portland citizens for water. Nobody else wants a waiver. Well, that changed last spring when a group of over 100 people on earth day came to city hall and said, we want the waiver. At that time, new york was paying attention in more ways than one. Ultimately they have asked for a waiver for their open

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reservoirs. I've got the letter here from their congressional delegation from the city of new york to the congressional delegation. The delegation adopted it and sent it to the epa. So we do have another ally in this fight for a waiver for our open reservoirs, and so i'm going a give you a copy of it, and I want you to interpret that as a sign that this is not only Portland that is wanting this. As I testified in epa several weeks ago for the open reservoirs, there are other utilities there who also support open reservoirs. I went back to Washington, d.c., to do that, as I did through the legal council that we did several years ago, 2007 with the district court. The point being is that we need to move very quickly and very forcefully to get our delegation involved with this to get the waiver. We cannot afford to continue spending for a public health problem that doesn't exist. One more thing is that I want to say that in regards to the legal defense of city of Portland, I want to put on for the record that the city of Portland withheld critical information of the science aspect of it in our defense, and so that was very important part of why we did not prevail, and I want to make sure that that's on the record. Thank you.

Dan Handelman: I'm dan handleman with Portland copwatch, and i'm not here to talk about the water. I'm here because, in the mayor's revised budget that got released a few days ago, there's a proposal to cut a position from iternal affairs. Just a few weeks ago, I came before council and was interrupted by the mayor to note that the internal affairs and ipr had gone out in the hall during a citizen review committee and decided together that they were not due for their investigation on a case even though the citizen review committee had asked them to do that. They're often told one of the reasons the citizen review committee can't get more done is that the internal affairs investigators are too busy particularly with doing complicated shooting investigations. There are two solutions. One is to stop shooting people, and the other is to make sure that there's enough investigators to investigate all complaints of police misconduct to their fullest. Now, you're willing to spend money on the horse patrol. You're willing to spend money on bicycle officers who hit people with their bicycles and jam the bicycles into their legs, which happened on mayday and several times during occupy Portland protests. You're willing to spend money on police officers gathering information on video cameras which I hope we'll be talking about later even though there's not a sign-up sheet for it. But you're not willing to spend money on investigating misconduct that comes along with all these other aspects of the police bureau. Of course we'd like to see the money spent on civilian investigators for the ipr, our so-called police review board, instead of the police-run internal affairs. In any case, it just seems wrong, with all the shootings and other investigations going on, to cut an internal affairs position. While i'm on that topic, this has gone under the radar, but in april there were three people who died basically in police custody that I don't think are being investigated by internal affairs or ipr, two incidents where sert teams surrounded people and they allegedly committed suicide. One had a sage round fired into his window. I don't know it is was investigated if that sage round hit him in the head as happened with a woman in boston that killed her. The third jumped off a building after being chased by the police. While they all may have their own reasons - - maybe they were committing suicide -- we're hoping those will be investigated just as though they were in police involved deaths in custody. You can't do that if you cut internal affairs.

Joe Meyer: Joe meyer. I ask the council to vote against the water rate increase and continue to work on stretching out the timeline as far as possible. I believe the timeline was originally set by emergency measure back in 2009, and it didn't really have complete council oversight. It was set by the water bureau. I would like to see the council work together, maybe a work session as commissioner Fritz is talking about, and continue to lobby the state for a stretched-out timeline. There's no limit to the number of applications you can have. Be creative with your reasons, and come up with a timeline that serves as the city of Portland before large multinational corporations. Thank you.

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Adams: Thank you all very much. I'll take another look at that request to cut the investigator between now and when they're adopted. Any other council questions? Questions for staff? Karla, please call the vote on the approved budget. It has another vote in January.

Leonard: June.

Fish: This has been a long process. We've been guided expertly by OMF, in particular Andrew and his team, and I want to thank you for all the time you've spent organizing the process. We're a city with a \$3.6 billion budget, which is extremely complicated, and I think each year we try to make this process more understandable, more transparent. This is the fourth year we've had to make tough budget cuts, but this is also the fourth year that we have crafted the budget that has at its core job creation and investments in creating good family-wage jobs, public safety, and supporting the safety net. Obviously this budget contains a lot of other council priorities, but I think those are the three consistent themes that have run through all the Mayor's budgets. No budget is perfect, and each of us could quibble with this choice or that choice. The question is can you get five to come around together? That's hard to accomplish. I want to thank the staff and Mayor Adams for the process. This is a budget that supports the values that brought me into public life, and I am particularly proud today that we fully funded the safety net that shows we'll stand up for our most vulnerable at a tough time. As far as the funding of education, there is no reference to education in our charter, and that's not because we are indifferent to education. It's because it's not historically been a core function, but I think we would all agree that one of the key components of a healthy community in a community that's just and fair is a thriving system of public education. I don't think any of us in this budget year were willing to stand idly by as our children were shortchanged. As classes got bigger and teachers got laid off, we continued to see the steady long-term erosion of a public school system that is the pride and joy of this community but is at risk, like many things we care about of being chronically underfunded and shortchanging the very people we are committed to supporting. So I support the one-time funding in this year's budget for all of our school districts, but let's get out of this habit and find something we can all unite around in this room which is fixing our tax system in Salem and having sustainable funding for education through life so we don't have to keep going through this exercise, because we cannot keep relying on the city or other entities to put a band-aid on the problem. It's a problem which needs to be fixed in Salem once and for all. I want to thank my colleagues for what has been a lively process to get to this point, but again the core themes of this budget of job creation, public safety, and the safety net are consistent with my values, and I'm pleased to vote aye.

Saltzman: I want to return to the budget notes, because there is a budget note that we all approved, and this was actually suggested by Don Wood. That we begin to track our special appropriations by asking the organizations who get special appropriations from us to document what they do with the money, how it's used, et cetera, et cetera. Without objection, I'd like to incorporate our reference, a form we used in consultation with Don Wood. If there's no objection, this can be submitted to OMF as a form. I think it's important budget note. I thank Don Wood for that. On to the final budget, I do want to thank Mayor Adams and my colleagues. This has been a good process. I think the Mayor has done an excellent job in making some tough decisions and coming up with help for our schools at a very critical time. It's not without pain to city employees. There are city employees who are being laid off, city employees who are foregoing cost of living adjustments and merit increases. It's not all magic and waving hands. There is some real pain. I want to thank the Mayor for his tough work and coming up with this proposed budget. It does a lot for critical public safety, for critical things that the city is all about and, at the same time, responding to a very important need of our public education system in the city of Portland limits. Thank you, and I'm pleased to vote aye.

Leonard: Aye.

Fritz: First, thanks to our team from the office of management and finance. This has been a very complicated process, and your diligence has been very helpful to me and my employees and my

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staff. Second thanks to the taxpayers, rate payers and fee payers of Portland. This is your money, and we are attempting and have done a good job of prioritizing the services that citizens need especially at this time. With Commissioner Fish I'm very proud of funding the safety net and I appreciate all of the good work that has gone into making these tough decisions. Thanks to the citizens of Portland, the passion that was evident here today is merely the icing on the cake perhaps or the evidence today of the diligence of our citizens who look into every line of the budget who find those small or large items that need to be questioned. Particularly thank you to the bureau advisory committee, the budget advisory committees, the Portland review board, and citizens who year-round spend a lot of time helping the council make our decisions and informing our decisions.

Community engagement is an important part of this budget, and I thank mayor Adams and my colleagues for funding the office of neighborhood involvement and recognizing the value of community engagement in all of its glorious forms. Thanks to the city employees who are taking significant cuts and who do a really great job for the citizens of this city. I have been so impressed in the three and half years I've been on the council at the level of commitment to public service that we have in our public employees in the city of Portland and our community partners in the school districts and the county. It's part of again what makes Portland a very special place. Thanks to Tom Bizeau my chief of staff and Tim Crail by budget analyst for all their work. And thanks to Amalia Alacon de Morris, Lisa Turley, my bureau directors and my partners in this work that we do together.

I'm happy that we've been able to fund some of the things that the community has said they wanted, but our beloved community centers at Fullman Park and Buckman Pool, and indeed this is a council that listens. We can't fund everything the way that folks want us to, and I think many Portlanders understand that. As long as we recognize that we have indeed considered and tried our best. I have been honored to have the trust of citizens in making these different difficult decisions. So with that, I'm very proud to vote aye.

Adams: Well, thanks to my colleagues who helped put this budget together and who helped with final polishing. I'm very grateful. I'd like to thank the office of management and finance, the bureau of financial planning, and all of its members. We worked some very long hours for five weeks on weekends, and I appreciate it very much. This is a very, very difficult budget to put together, and I know at times you didn't think we would make it. But thank you for persevering. I am very grateful to each and every one of you: Rich, Jack, Jeremy, Andrew Scott. I'd also like to thank Jennifer Yocum and Amy Ruiz on my staff who had to work just as long hours as I did to come up with this. To the commissioners and the bureau budget advisory committees and the bureau managers as well, I appreciate you working with me. I understand there are huge changes between requested budgets and the mayor's proposed. And I took very seriously the bureau of budget advisory committee's recommendations even if I respectfully disagreed with them. They served the foundation on which I was able to propose my budget. And just to echo a few things, the reason why there are no cuts to sworn police officers or firefighters is we have a terrible and tragic public safety problem with gang violence, violence in general, and now is not the time to cut our efforts -- holistic efforts -- but our part in terms of crime prevention and law enforcement. This gang violence disproportionately impacts Portlanders of color, and so it is also not well recognized but in fact on the ground is definitely an issue of equity. In terms of why protect sworn firefighter positions, I don't think, until this budget process, the community fully understood or appreciated the fact that the firefighters respond to 52,000 rescue calls a year, a lot of those rescue calls are house calls. Emergency rooms struggle with keeping up with the demand of the uninsured or underinsured, and more and more folks are turning to the fire bureau, and so now is not the time, while we await state and federal healthcare reform -- now is not the time to cut this underappreciated service in the community, and that's why I felt that was important. The social safety net that Commissioner Fish has done so well to knit together as part of a new bureau, he and I both know, as does the rest of the council, that our efforts to maintain funding are in the context of

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severe cuts to the safety net at the state and federal level. So we're doing what we can. We're doing our best. I've never seen a more creative effort at leveraging our resources, and that's why I think the budget note is important. But folks need to know in Portland that, when you cut federal and state services like are likely to be cut, that is going to show up in the bigger cities. On funding for the social safety net, we need more local governments in the four county area to spend more of their own local resources to add to our services in their own cities for those that are experiencing tough times. In terms of equity, we've got a long ways to go as a city. We're a great city but our greatness isn't accessible to everyone in this budget. This budget puts in place strong equity efforts. We've done it for other seemingly impossible issues in the past, and we can become the city that indeed is the place for the most equal opportunity. The equity diagnostics will be before city council for consideration before the adopted budget. That hasn't been forgotten. We've just been busy doing the numbers. I want to thank everybody forgetting us to this point, and now we go to the TSCC committee right. Aye. Can we take up 611?

Scott: So you need one more, tax -- The last part of your script today, a motion to -- you need to read the text to approve the tax levies.

Adams: Are you saying the mayor is scripted? Did that already. Did that already. Oh. We have to do this. Thank you. The city shall levy its full permanent rate of 4.5 770 per 1000 of assessed value and the 10,649,346 for the payment of voter-approved general obligation bond principle and interest and the 123,564,952 for the obligations for the fire and police disability and retirement fund and .4,026 per 1000 of assessed value for the children's levy. Furthermore, the city shall levy the amounts listed in the attachment e for urban renewal collections.

Saltzman: So moved.

Adams: I'll entertain a motion to approve the tax levied. It's been moved.

Fish: Seconded.

Adams: Please call the vote on the motion.

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

Adams: Aye. So approved.

Scott: Now you want to adjourn budget committee?

Adams: I here by adjourn budget committee. Please read the title of -- we'll do this quickly, have a quick break, and then we'll get to Portland development commission, item number 611. Read the title, call the vote.

Item 611.

Fish: It's my understanding, point of order, that this matter was going to be set over until next week and retitled.

Adams: No. What I decided to do -- and you can do it a couple different ways -- we're going to go ahead and vote on this. People came to testify. Next week we'll have a separate item that will be the umbrella item so that that's memorialized as well.

Fish: So the matter before us now is the mou between Portland public schools, NAYA family center, and the city of Portland laying out an agreement to develop so-called intergenerational housing in the lents community using former portland public schools property which we obtain through a lease agreement. I'm an enthusiastic supporter of this concept, and i've had conversations with commissioner Saltzman about it as well as agreed that this is an issue we should address in negotiations with the school district. The agreement before us identifies, I believe, if i'm reading the right one, a half million dollars from nongovernment sources as part of the deal. The source of that funding is not currently before us, so the matter before us is simply do we support this concept, and I do. I'm also looking forward, as the housing commissioner, to play my part in helping to see this come to fruition with the caveat that, in future funding requests by NAYA or any coalition, we have a competitive funding process that all comers must go through. We would hope that this project would be successful, but we have a set of ground rules we've established for how we spend

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30% money for housing in every urban renewal district. We'll have applications for competitive funding. Dan, thank you for taking the lead on this. This wouldn't be before us right now if you hadn't made the commitment to build on the success of a similar model in -- success of a similar model in north Portland, and i'm pleased to support this aye.

Saltzman: I want to thank mayor adams and his chief of staff Jennifer yocum for their commitment to this special project in providing adoptive homes for foster children, particularly native-american children. I thank all my colleagues for their support. I thank also from the school district bob alexander and tony. I'm sorry I forgot your last name, the facilities director. Megliani, Zeke smith and carole smith and greg belisle who spoke earlier and nick christiansen from the lents neighborhood association and Shannon Callahan also my office. I'd also like to acknowledge that the team at guardian real estate services, who worked to create the first intergenerational community in north portland, bridge meadows. They are on this team with NAYA and they will be making NAYA meadows, which is a working title, NAYA Meadows a reality. I'm very happy and thank my colleagues for all the support. Aye.

Leonard: Aye.

Fritz: I visited bridge meadows a few months ago and was very impressed at the intergenerational model that is envisioned for this new facility, the foster grandparents as well as foster parents and foster children. It was hard to say who was more delighted, some formerly lonely single grandparents or the children and the parents who were raising the children with significant needs. So that is a model which commissioner Saltzman championed in the past, and it's obviously a good example of what this new project can do in a community that certainly deserves good projects with investments of city money. Aye.

Adams: Well, again, congratulations, commissioner Saltzman. I think this is going to do a world of good for foster kids. But for the youth -- in addition to that for the youth of lents and east Portland. I think this is fantastic. Aye. We're going to take up, because they're waiting, 582 before we have a compassion break. Can you please read the title for 582?

Moore-Love: We need to change out clerks and attorneys.

Adams: Ok. We're going to take a four-minute break now.

Council recessed at 12:18 p.m.

Council reconvened at 12:24 p.m.

Adams: unless there are objections, i'm going to continue the city council hearing for just a few minutes to hear some citizen testimony. You're ok. You don't have to do anything, I promise. Would you please introduce yourselves? And you'll each have up to three minutes.

Tobi Rates: Thank you so much for takes us out of turn. We all have children to pick up. My name is tobi rates. Thank you, mayor Adams and the council, for hearing us. I'm here as a resident of the city of Portland as the mother of two children on the autism spectrum and also as the executive director of the autism society of Oregon. The autism society of Oregon is the largest autism advocacy organization in Oregon. I am delighted that the city will be officially confirming health insurance coverage for medically necessary autism treatments through it's self-insured plan, and our special thanks to commissioners Fritz and saltzman for championing this. They really heard what the city employees were saying and addressed the concerns. The occurrence of autism has grown dramatically over the last several years. According to the latest cdc reports, one in 88 children are affected by autism. For boys, the numbers are even more startling with one in 54 being affected by autism. Along with the increase in numbers, there's also been a plethora of solid evidence to show that early intensive behavior intervention can be extremely effective in improving the long-term outlook for a significant percentage of these children. It's not a cure, but it can provide our kids with the tools they need to function in schools and in society and eventually

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participate as tax-paying citizens. With this therapy, especially at young ages, the cost for special education can be significantly reduced, there by reducing the total cost of educating our children. However, the therapies we've been discussing are beyond the means of most families to pay for. As a parent, having your child diagnosed with autism is devastating. But what no parent should ever have to hear is that, although there are autism treatments available that are medically necessary and shown to be effective, your child is not going to be able to access that treatment because your health insurer won't approve it. That leaves us parents with the option of either bankrupting ourselves to pay for this treatment for foregoing effective treatment for our children. Neither of these options is tenable. So thanks to the council and particularly to commissioners Fritz and Saltzman. Our children will be able to get the medically necessary evidence-based therapies that they need. We are going to continue to be involved to make sure this coverage is implemented as the council intends, and we hope that the council will be watching carefully also. We also hope to see this coverage extended beyond the city's self-insured plan to the other care providers. Thank you again for your actions today in approving health insurance coverage for medically necessary autism treatments.

Anastasia Puha: My name is anastasia puha. My husband Daniel puha works for the bureau of maintenance. I just wanted to come today and thank in particular amanda Fritz and dan Saltzman for listening to our concerns when we came and spoke with you about our issue of getting our daughter -- we have an almost 4-year-old daughter with autism. Getting her the medical treatment that she needs and listening to our concerns about any families out there that struggle with the same issues. I appreciate your willingness to listen and help us and move this through. I'm just really excited about the ripple effect it's going to have not only for the children but their families and the schools and our community when these children grow up and have really great lives. Thank you very much.

Tatiana Terdal: My name is tatiana terdal. I want to thank mayor Adams and the city council for officially confirming coverage for medically necessary treatments of autism. A special thanks to commissioner Fritz and commissioner Saltzman for meeting with the employees, listening to their concerns, and acting upon them. That's very important. City of Portland would be the first public employer in Oregon to provide this coverage. There are already private employers like intel that offer that coverage but not many others. Unfortunately Oregon is behind the rest of the u.s. 30 other states already offer that coverage to all of their residents. So Oregon is very far behind. It is my understanding that the policy that you will be voting on will affect only Portland's self-insured plan. Many Portland city employees are insured through kaiser permanente. I'm also insured through Kaiser permanente. It's important the City of Portland as an employer and as a payer of Kaiser services also enforces its current contract with Kaiser. Specifically as it relates to ABA which is applied behavior analysis. ABA is currently one of the best available, the best established and researched treatments of autism. One of City of Portland employees went through a lengthy external review process overseen by insurance division regarding ABA for her child. In a legally binding decision, independent review organization ordered Kaiser to pay for this child in the already existing city contract. In fact out of seven cases that went through review, all seven of them required Kaiser to pay for an ABA. Again it's already a covered benefit. I believe the City of Portland HR currently proposes to help Kaiser families file appeals and go through external review to get ABA coverage for their kids. This is not acting in the best interest of the families. If a child is diagnosed with diabetes for example, the treatment starts immediately. You don't have to wait months to get approvals for external review. Autism should not be treated differently. All research indicates that early treatment brings most resolve. Close to 50% of kids who get early intensive treatment enter kindergarten without special supports. 80% make significant progress. Its very effective treatment. Once a child is diagnosed with autism and ABA is found to be medically necessary, this child's treatment should start immediately. If a child wants to go through external review, they can be doing it while the treatment is ongoing. To do otherwise is to penalize families

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that cannot spend several thousand dollars per month on treatment. Families that can afford treatment start immediately and then go through external review and get refunds because timing is essential. This is a big question of equity. Since its already established that the city's current contract already covers ABA, its important that the city enforces its contract and gets the services its already paying for. Doing that would benefit the city through increased employee moral and activity. It would significantly improve the lives of employees and their families and also benefit pps and other public schools. Kids could receive early intensive treatment usually require fewer services than the kids who never had medical intervention. Thank you.

Adams: Thank you all very much.

Fritz: Thank you all for sitting through the budget hearing in order to make your comments. I appreciate mayor adams for taking you out of turn. I know you have to get to your children. Thank you so much.

Saltzman: Were not going to vote yet but I do want to thank you for your advocacy and its my pleasure to have been working with commissioner Fritz who really took a leadership role on making this coverage issue. But there's also another person to thank and that's Cathy Bless who is our benefits manager. She made this seem a lot easier then it probably should be when your dealing with insurance companies. And we still have some work to do on Kaiser and I know Cathy's up for the challenge as am I and commissioner Fritz. We will make it not so onerous to get Kaiser coverage for applied behavior verbal therapy. Most of all thank you as parents, we don't know how you feel, we can't say that but we do know, we do respect your commitment to raising your children and make sure they have the full benefits of all citizens in our city so thank you.

Adams: all right if we could have the PDC team come back up. Emily how are you?

Emily Swenson: Good thank you how are you?

Adams: Good thank you. I would like to convene the Portland City Council as the Portland Development Commission Budget Committee and Emily would you please call the role.
[roll taken]

Adams: the budget committee has received copies of the recommended budget appropriations including a change memo that describes changes from the proposed budget. That was received on May 16th. I will entertain a motion to consider changes to the proposed PDC budget as described in the change memo, exhibit a.

Fish: So moved.

Fritz: Second.

Adams: It's been moved and seconded. Karla can you please call the vote on the motion.

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

Adams: Thank you Emily, it's been a long day. Aye.

Scott Andrews, Chair, Portland Development Committee: I'm scott andews chair of the Portland Development Committee. I'm here today with Patrick Quinton, executive director and tony barnes our budget officer. There are two minor changes that you have just looked at in terms of the budget that we presented to you a week ago and I think you are thoroughly briefed and its been a long morning and we'll just take questions if you'd like.

Adams: Any questions? There will be one more vote on this budget right, no you do the final vote.

Patrick Quinton, Executive Director, Portland Development Commission: You vote then our board meets.

Adams: Anyone wish to testify on this matter? Come on up, come on up, ok.

Joe Walsh (speaking from audience): The development at PSU, was there any money that was diverted from education funding that could have gone to K-12?

Adams: Thank you sir, you can sit down. We'll give you an answer. So the bigger picture is that the in the state, then I'll have you answer the precise question, it's been so long that people forget that during the so called property tax reform, the limitations, portland public school tax payers for

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example had voluntarily chosen to tax themselves more to pay for a higher level of service than some other school districts in Oregon. Ballot measure 5, all of that was capped and then sliced and in terms of portland public school property tax payers, I think the last number I saw was that we had about \$66 million in property taxes to the rest of the state that we pay, that we don't get and if it wasn't for ballot measure 5, pps would have upwards of \$60 million more than they have right now. As it relates specifically to this measure, do you want to answer that or do you want me to answer that?

Quinton: I think the analysis that we had looked at in addition to the impact to the state school fund, there was a \$5 million impact to the public schools over the life of the district. So do the math it's a small amount of annual basis. And we have set aside \$10 million of tax increment financing from the district to help with the school district's plan at the Lincoln site. The life of the district we actually think there's a net benefit to the school district.

Adams: So one reason that the portland public schools came in in support of this.

Quinton: Right.

Adams: All right can you please call the vote Emily.

Fish: Gentlemen I want to thank you again for all your great work. And I mentioned it before scott but the restoring the funding that was previously in the forecast for the leach botanical garden was really cheered in the greater lens community and east portland. It would not have happened if you'd not taken a personal interest in going out visiting, engaging them and challenging them to make a business case that was more compelling. And you do that on top of all the other work you do plus hanging around here all day. I understand you have another job. Thanks for all your good work and Patrick your team for the excellent briefings that we get and the responsiveness to our questions we really appreciate it. Aye.

Fritz: Thank you for your diligent work and I'm looking forward to later this afternoon talking about veteran's memorial coliseum which has made this budget particularly challenging and I recognize that. I did vote against the portland state university education district URA. I was in the minority party so I'm pleased to support this budget because it does reflect the intent of the council, the intent of the portland development commission and a responsible use of taxpayer's money. Aye.

Leonard: I was heartened to read the editorial the other day certainly Patrick but especially Scott. The leadership and the accountability that it brought PDC. Memories are short in the city but let me remind you of one time when it was not safe for me to go by the PDC building at night. An outspoken critic of the budgeting process [inaudible] a lot of people make baseless claims about the favoritism of the private sector. They weren't baseless except to PDC and it was disappointing to me. That led to me bringing forward a proposed charter amendment. What were doing right now is required by charter that didn't use to be. I think it's worked better than anybody imagined and its made the process more transparent. I think you have more political support at the city council [inaudible] the next generation I think its not because of the language but because the organization has embraced the change and made a cultural shift which reflected, I think really not a lot of controversy around what the mission now is and what your focus is on doing. I'm happy for the change but I'm also happy it's been acknowledged publically. That to me is important. That's important to hold people accountable when things are happening correctly. But it's important to praise people when they are doing the right thing and compliment them publically. So I appreciate that longer term change that the PDC has gone through and I appreciate the work that you have done. Aye.

Saltzman: I also want to echo the remarks of commissioner Leonard. I do think that PDC is very well run and has a good board of directors now and a whole new working relationship with city hall. I want to say I appreciate the budget we just passed a few minutes ago providing strong general fund support for the economic development job creation strategies of the PDC. Particularly focusing on our clusters, the four rays of hope we think will produce the most job creation, venture

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-- what are the is it software, clean technology, footwear, apparel and advance manufacturing. I think until proven otherwise, those are are best, greatest hopes for creating more jobs in this city and we need to continue to focus like a laser on them. Aye.

Adams: thank you mr chair for your absolutely stellar leadership. It's been great to work with you. To Patrick and the entire team of portland development commission. Phenomenal work and a lot more work to do. I'm especially pleased that we actually this year the city council created seven new urban renewal districts. Six of them are in the poorest main streets in north and northeast portland, really acting on the geographic equity. You've embraced it through strategy and accountability measures just beyond that so it's really the expression of a lot of changes noted by council. So thank you for that. I'd like to thank my economic development team Peter Parisot, Atha Mansoor, Kimberly before that who now works for the PDC. Its great to be able to vote aye. [gavel pounding] Congratulations. Were going to do a compassion break get some lunch and --

Fish: How long Mayor?

Adams: How long do you want? 15 minutes, 20 minutes? 20 minutes.

At 12:43 p.m., Portland Development Commission Budget Committee recessed.

At 1:12 p.m., Portland City Council reconvened.

Adams: Can you please read the title for item 583.

Item 583.

Adams: Hi. Director Kanwit.

Anna Kanwit, Director, Bureau of Human Resources: Anna Kanwit, BHR. Mayor and commissioners were here to present the ordinance to amend the city health plan and recommendations from LMBC and Cathy Bless, the benefits manager is going to present that ordinance.

Cathy Bless, Benefits Manager: Good afternoon mayor and commissioners. I am cathy bless benefits and wellness manager for the city. As part of the upcoming annual enrollment process, the ordinance before you establishes the 2012-13 city of Portland health plan and cafeteria plan to reflect necessary administrative and plan design for the upcoming fiscal year. I will review these changes with you and will take a few minutes to provide an update on our health plan experience and our wellness program. The cafeteria plan identifies the provisions of the premium payment plan allowing for pretax deductions of healthcare benefits and flexible spending accounts. This year the changes reflect the new medical expense reimbursement plan limit of \$2500 per plan year as required under the Federal Health Care and Education and affordability reconciliation act of 2010 federal health care reform. The plan document identifies the provision and the plan design of the self-insured plan and includes administrative changes also required by healthcare reform. The plan document also contains the self-insured benefit plan and design changes recommended by the labor management benefits committee effective for July 1, 2012. As you are all aware, the lmbc is a dedicated group of labor leaders and managers who meet monthly to review the cost of health care, upcoming trends and discuss plan design options. The lmbc recommended changes from very important support to families that we heard about earlier today. To network changes and rebalancing of prescription medications to ensure value to the plan and therapeutic effectiveness to the member. The first change is in support for families with children who have autism, aspergers or children diagnosed with pervasive developmental disorder. The enhancement to the city core plan include broader support for speech, occupational and other therapy and the inclusion of the applied behavioral analysis. For young children who would most benefit from early intervention. The committee began looking at this benefit as early as September and was committed to the discussion through out the process. Thank you all. Commissioner Saltzman and commissioner fritz for your ongoing support of this issue and your commitment to city employees and their families who are

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dealing with these conditions everyday. Important changes were also made to temporomandibular joint disease, TMJ. Citycore plans will now have up to \$3,000 in benefits to assist them in nonsurgical support to assist them that often results in chronic pain. Orthognathics has been added for those individuals who have significant skeletal disease that cause chronic dysfunction and pain. Typical participants are born with the deformities cannot have surgery or corrections until the individual is an adult and has stopped growing. The citycore plan will change in network provider options by moving to a single network, the ODS plus network. This change will eliminate the OHS network the citycore plan. All plan participants will be under the ODS Plus network and have access to all local providers, laboratories, hospital systems within the portland metropolitan area. Changes to prescription medications are to balance choice, clinical effectiveness and cost between plan members and the city. The change that will be most noticeable to participants is the dispense within the class called statens. Statens include Lipitor and other similar medications. There will be a significant drop in price at the beginning of the plan year because Lipitor will be widely available within the generic market. To ensure appropriate movement to the newer price points the plan will only pay for medications equivalent to the generic costs. We will also be doing this for the class of medications called proton pump inhibitors which is nexium. These changes will add considerable value to the plan while ensuring that all plan participants have access to therapeutically equivalent medications. The plan will no longer cover non sedating antihistamine as there are a wide range of equivalent medications over the counter. And lastly as it pertains to the plan design changes, the opportunities for participants to get very low cost maintenance medications through \$4 prescription pharmacies. A \$5 generic minimum would be reinstated for participants who seek those medications outside of a \$4 program. The plan has also eliminated some lifetime maximums related to hospice, self inflicted injuries, sleep apnea, and smoking cessation. These limits were eliminated as part of health care reform. The changes recommended today are supportive of the wellness strategic plan and continue to move the city forward by offering competitive benefit package to a diverse city population. We continued to see our utilization and experience trend below the local and national increases. The increase in costs for city bureaus self insured plan and citycore participants was less than 1% for the current fiscal year and is about 5.5% moving forward to july 1st. we will continue to look for ways to effectively provide meaningful healthcare and solutions in a cost efficient manner. We are also within the third year of the employee wellness strategic plan and I want to take a few minutes to update you on the successes and challenges within this program. As you remember the strategic plan had three main goals. To create a culture of wellness throughout the city, increase participation within wellness activities and show improvements in health benchmarks related to obesity, cardiovascular disease, structural health, cancer prevention and stress and depression. The 2011 wellness survey indicated that 52% of respondents' felt that they had seen noticeable improvements within the wellness program. 61% of respondents felt that their bureau supported wellness program offerings. Across all age brackets time was the primary road block to making healthy decisions. For younger respondents money was the second road block and for those 40 and over it was motivation. Stress was the primary challenge regardless of age. For respondents between the ages of 50 and 59 nearly 88% felt that their health status was good to excellent. However this does not correlate with the claims experience because the age 50 to 59 group is twice the cost of any other age bracket within the city. More on this when we get to challenges. I will start with the success related to a culture of wellness and increasing participation citywide. We have seen a 50% improvement of the onsite fitness and stretching classes available both downtown and at offsite locations. We are averaging 70 participants at the benefits essentials third Thursday educational days that provide employees an opportunity to learn about topics ranging from advance directives and wills, elder care and work life family balance. To ensure all employees have access to these presentations we tape them and load them onto the benefits webpage. We implemented a widely popular program this year related to thinking about retirement,

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healthcare insurance and costs, Medicare and social security. The Friday did you know emails are gaining in popularity and we are excited about the positive feedback and questions we get from employees. It has evolved into a good communication tool citywide. The fitness center in the portland building is expanding to move some of the exercise equipment into neighboring conference room space that the water bureau let us take over. This will provide a large class room so that all fitness classes offered can take place within the center. It has appropriate flooring and room for the classes. We have appreciated the support of facilities by allowing us to continually reserve large conference room space over the past few years. And we are looking forward to moving that ahead. We are also partnering with parks for the second year in a row providing all city employee families with a scavenger hunt opportunity to have fun together and learn about all the free park activities available over the summer. Nicole continues to have a high level of success in her partnerships with outer facilities by providing monthly talks, wellness fairs, education related to sleep apnea, cardiovascular disease and diabetes. We had our first benefit and wellness fair in October 2011 and we are looking forward to this annual event on the third Thursday of October 2012. We will again provide access to healthcare benefits partners and partner with other bureaus and have educational sessions available to employees. even though we were not able to offer the worksite wellness screening this year we have been creative and found other solutions. We have partnered with Kaiser to offer citywide blood pressure and BMI calculations. The first offering was at the portland building last week and we will be at different locations around the city every other month. We will also partner with kroeger, our prescription drug vendor to offer glucose screening at bigger wellness fair events at water, Kirby and the downtown core. Of course we will continue to promote preventive care through each participants primary care physician. I also want to take a moment and publicly thank the members of the citywide wellness committee. They are a group that is diverse in their interest and provide important feedback to the program. I have enjoyed watching this group take special interest in healthy food, stress, the wellness survey, fitness classes and sustainability. These are all positive steps and I'm proud of the success and shift we have made citywide but we still have things to work on, specifically around health benchmarks. While the average member seeking preventive care services has increased slightly, we are not making any significant headway in any of the health benchmark areas. On both the national and state level, the discussion about obesity are critical within the city equally critical. Our overweight and obese population is consistent with the Oregon average of 60% and ours is a bit higher. Obesity is why there is a prevalence of type 2 diabetes. It continues to be why we have so much bad back pain and joint replacements. It's why we have trouble with cardiovascular disease and ultimately plays a role within the cycle of stress and depression. Over the last 3 plan years 38% of the annual dollars each year are spent on less than 3% of the participant population. Working with these folks is a priority as well as ensuring that participants who are at risk of falling into this group are taken care of. Healthcare costs for participants who are at the highest risk have increased 43% from plan year ending 2010 to plan year ending 2011. In taking a closer look at the data it also shows that these high risk participants are using their primary care physicians less, 10% less in 2010 than in 2009. it also shows they are using the emergency room more. In plan year 2010 the highest -- population had 163 visits to the ER. In plan year ending 2011, they had 241 a 48% increase. Changing this type of behavior is critical. Currently, we are working with ODS to develop intensive chronic care programs that will specifically address our high risk population and provide them with goal oriented care and support to improve their quality of life, motivation and self responsibility as well as the opportunity to lower their risk factors to lower the overall cost of care to the plan. These are difficult issues and everyone is looking for an opportunity to make a difference and so are we. I look forward to the challenges ahead and am always grateful to share the experiences with each of you and know we have your continued support. Thank you for your time today and do you have any questions?

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Adams: Commissioner Fish.

Fish: Just a comment because you mentioned portland parks and rec and the scavenger hunt. In the last 3 or 4 months I've been working on, with some guidance from people in the city, working on my diet, exercise regime. I think it started with Randy Leonard who I noticed lost some weight. I asked him what his secret was. He said exercise and changing some basic dietary things like not drinking soda and not grazing which we do a lot of in our work. Being disciplined about what you eat and when, not drinking soda and then working out. My friend mark joland who's probably lost more weight than Randy was doing the same thing. So I've taken a page out of that and lost 20 lbs in three months.

Bless: Congratulations.

Adams: That's great.

Fish: What I didn't fully appreciate was it extends to things like diet sodas. I thought I was getting a pass with diet sodas and Randy also admonished me on this one, that your lulled into a false sense of security --

Leonard: I did that?

Fish: You did. And some of the artificial sweeteners --

Leonard: Orange juice too.

Fish: Some of the artificial sweeteners aren't that much better. Since I'm 53 and proof that even after that many years you can learn a new trick and learn something about diet. Most of what I've learned from your wellness programs and from friends who are implementing these strategies I never really thought about. I think a lot of us feel that were always going to be 21 and can just fake it and then you learn about what your mother said about eating vegetables really means something and avoiding sweets and things. I appreciate all the work your doing and I want to put a plug in for parks since you mention them. When I got elected and was assigned parks, one of the first things I noticed was when I went to the rec center with my then 4 year old son was it looked like the movie theatre. At the children's eye level was junk food. We brought nancy becker on board who's done great work with the school districts and kicked all the junk food out. And now we serve healthy food and it turns out we don't loose any revenue because it's a captive audience. If you give kids a healthy choice they'll eat it just as much as the junk. Tomorrow were going to do an event at university park community center where were officially kicking out soda and replacing it with water and fruit juices and low calorie beverages. There's massive resistance on that front, I know that the beverage industry has lots of cards they can play. Thank you for raising our consciousness about these things and reflecting it in our healthcare plans because ultimately the way out of this mess is really through prevention and educating people about healthy choices. I'm proof that even someone who hasn't been making those healthy choices for 50 years can learn later in life so I appreciate your good work.

Adams: Commissioner Saltzman.

Saltzman: Thank you for this great report it's very insightful. How do you define the highest risk population in this city.

Bless: We rely on ODS. When we run the data for the citycore group there are calculations that access enough numbers to each individuals, I don't know what they are that's completely confidential. They've identified that there are 800 participants under the citycore plan who have very risk scores for continued chronic health issues either now or into the future. 692 of those have been continually on our plan for the last three years so we've identified them as a cohort group. One that we can rely on based upon their experience and that's where most of the data related to the health plan comes from. It looks at what their experience has been in the past what it presently is and it predicts it into the future.

Saltzman: So do we not get similar information from Kaiser or other?

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Bless: We do have some information like that from Kaiser and they do a really good wellness report. Our experience under the Kaiser plan is not dissimilar but because its an insured plan and has a premium cost to it the change that is effected underneath that group is less than the dollars that we control.

Saltzman: So these 825 high risk individuals are assuming 38% of our healthcare?

Bless: No. their actually assuming a great deal more than that. The 3% is less than 100 people.

Saltzman: Okay. Consuming 38% of our healthcare, wow.

Bless: Yes sir.

Adams: So less than 300 people -- I'm sorry.

Bless: Less then 100 people.

Adams: Less then 100 people consume how much of our healthcare?

Bless: 38%

Adams: 38% of all the healthcare?

Bless: It's critically important that we be again to address the chronic needs of those participants.

Adams: And are those active employees are those retirees?

Bless: They can be any and they can also be family members. It's any participant that's under the plan.

Adams: And do you have any idea how many of our employees vs dependants?

Bless: I do not and I wouldn't want to. I just want to make sure there are programs in place that assist these individuals to ensure that they have the necessary support to make changes not only for themselves but for their families and to ensure that they have the proper support in making primary care decisions to when to go to the emergency room, all of those things need to be addressed in that population. It is critical.

Saltzman: My last question. I know the police have their own healthcare plan.

Bless: Yes.

Saltzman: So do these statistics reflect the police bureau?

Bless: They do not. This is solely related to the citycore plan.

Saltzman: But police basically.

Bless: No. No Kaiser participants.

Saltzman: No Kaiser.

Bless: Right.

Fritz: Thank you for all your good work and thank you mayor for assigning me the wellness program within the bureau of human resources. First Yvonne Deckard's willingness to work with me as an alternate commissioner and now Director Kanwit. It's truly an honor and its challenging as cathy said, we don't want to and cannot through hipa regulations identify by particular employees.

That's why it's particular important for all of us on the council to emphasize wellness with all of our employees. We cannot and should not discriminate against people with disabilities including people with physical and mental challenges so that's why we are doing the wellness program citywide. I have a question do you happen to know off the top of your head what the percentage increase in our healthcare costs has been compared with the general population healthcare costs?

Bless: Not off the top of my head. I know we have had particularly excellent experience under the citycore plan. If you look back to the last 8 to 9 years, the highest increase and it was one time and it was 12% and it ended up to be way too high and we've been able to keep the rates low using some of those dollars. That was why we didn't take any increase last year in medical claim costs because of that. Other than that one blip, we have kept it below 6%.

Fritz: That was my recollection too which is really a testament both to or employees and to your program for being diligent about looking after their health and being conscious of it. So thank you very much for your work.

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Adams: Additional council discussion? Does anyone wish to testify on 583? Karla please call the vote?

Fish: Thank you. Aye.

Saltzman: Thank you for this great report. It certainly gives some cause for alarms. I do want to thank you once again thank you for all the work on families with children with autism and getting the applied behavioral analysis covered under our citycore plan and on to Kaiser. We will not relent on making it easier for them to get their coverage under Kaiser too. Thanks for all your work. You made it look easy. Aye.

Leonard: Thank you. Aye.

Fritz: Thanks to Cathy Bless and Nicole it's a small but mighty team within the wellness program. Sara Hussein who's on my staff has been the liaison to the citywide wellness committee. I see we have Dawn Hottenroth here who's one of our great champions for wellness. We need the champions within all of our bureaus. It does take some encouragement. I know within ONI we've had some great leaders who have encouraged others to do the fitness, the walking at lunchtime, the healthy diet and all those things we know we should do as commissioner Fish would say. Particular the management benefits committee. I was very involved in that in 2009 and came away knowing that they do a magnificent job. It was fortunate and also confidential perhaps the family experiencing autism came to commissioner Saltzman and me at the time it was just before the labor management benefits committee was making its decisions for this year. So we eagerly leapt on the opportunity to get it done as fast as possible. I do thank the Terdal and Puha families who were very constructive in their approach to us and will continue to be because on autism coverage we need to go together to the state to make sure that were not the only jurisdiction in Oregon that's offering this very needed service. The point of the wellness program and the citywide benefits program is its more cost effective to look after people. Particularly for autism its much more cost effective to pay for the treatment early then to not pay for it then have all kinds of catch up later as well as being the right thing to do. So for all those reasons I very much appreciate all the work that you do. Aye.

Adams: Thank you commissioner Fritz for leading the efforts at my request on wellness. The results are spectacular. Thank you both for your great work and your entire teams. Aye. [gavel pounding] so approved. Can you please read the title for item 612.

Item 612.

Adams: Commissioner Nick Fish.

Fish: Thank you Mayor Adams. In July of 2007 the city council created the quality rental housing work group to address issues of substandard housing, habitability concerns and environmental health hazards in Portland rental housing. For about a year a group of landlords, tenants and public health advocates and community organizations review daily surveyed stakeholders and subject matter experts on the connection between health and housing. The work group successfully build consensus around a package of recommendations to strengthen the public private partnerships that promotes safe and healthy rental housing, cornerstone of family stability and neighborhood livability. The workgroups final recommendations were unanimously adopted by the council in September of 2008. One of those recommendations was the creation of an enhanced system of inspections. This enhanced system was launched in January 2010 and anecdotal evidence from community partners indicates that it's helped reach more vulnerable renters. Additionally a new draft report from the Oregon public health institute finds that substandard housing contributes to poor health and medically vulnerable people are more likely to live in substandard housing. Housing inspections and subsequent improvements reduce the occurrence and severity of a variety of health problems. Changes are most effective when they include a strong component of landlords and tenants and the current system does not include education. The enhanced model benefits burdened renters who refrain from making complaints to the bureau of development services because of the fear of retaliation. The enhanced model is more effective in improving health

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conditions and works to improve health equity in portland. The workgroup also recommended that we eliminate the business license exemption for owners of nine or fewer rental units. Their recommendation acknowledges that small landlords are our partners in this effort in the same way that large landlords are. Landlords who gross less than \$50,000 will still be exempt from the business license fee. The revenue generated by removing this exemption will support fully the enhanced inspection model. The resources are currently identified as one time in the coming budget. I want to acknowledge and specifically thank my colleague dan Saltzman for his leadership and partnership in this effort. I pledge to join with commissioner Saltzman to continue advocating for this funding to support efforts to ensure healthy homes for all Portlanders, dan.

Saltzman: thank you commissioner fish. I think you pretty much said everything. If I can be less tactful I think there are too many apartment dwellers living in pond scum environments and we need inspectors to be able to respond and provide those enhanced inspections. We heard from the county health department earlier this morning how improved inspections contribute to more healthy and productive citizens. Without the lifeline of having quality rental inspectors available to do those inspections, too many people are going to be exposed to mold and other life threatening pests. Not to mention rats. This is great I think closing this exemption will generate close to \$195,000 a year. It's my hope that this will become a dedicated ongoing source to continuously make sure these inspectors are funded without having to resort to one time or loss of federal funds. We can permanently fund these inspectors as they do contribute to the well being of so many of our citizens. We have Mike Greenfield of BDS, Traci Manning of the portland housing bureau and Terri Williams of the revenue bureau to answer questions.

Fish: Traci you want to key it up.

Mike Greenfield, Bureau of Development Services: Thank you commissioner's fish and Saltzman. Good afternoon other commissioners. You did a great job highlighting the issue and talking about the scope of quality rental housing and workgroup recommendations that were adopted and accepted by city council back in 2008. A key component here in reviewing some of the cases that BDS has responded to has highlighted to that we are responding to complaints in rental properties where the owners own nine or fewer units. This directly correlates to some of the cases were being asked to respond. Approximately 72 ½ % of the residential rental housing cases that BDS has responded to in fiscal year 2011-12 were in properties and of owners of nine or fewer units. This exemption directly ties to the work and service request that BDS is receiving. This request is in the budget that was approved earlier today. In the proposed budget it's meant to conserve the current levels. BDS was fortunate to receive one time additional general fund support in fiscal year 11-12 to hire three housing inspectors. They were able to respond to 567 housing cases. And without that support and ability to respond to those cases we would not have been able to inspect over 1,000 units. On behalf of the director we want to thank the mayor and city council for including the continuation of this funding which is so important to the work to ensure that renters are living in safe and healthy environments. You wrapped up the issue very well. this is one of the elements, the quality rental housing workgroup recommendations that were brought to city council in 2008 included three broad components. One was looking at funding mechanisms financial aspects for the report. The other was looking at inspection methodology which is the enhanced inspection model. The other was landlord tenant outreach and education. With those three tiers that is what the report is looking at. BDS, the portland housing bureau and the stakeholders are continuing to work and investigate feasible and timely implementation of other measures of the report but at this time were bringing this component of the report forward as a necessary element to continue the current service levels from a funding element, it does directly correlate with service levels that BDS is responding to for residential rentals.

Fish: I appreciate you underscoring the collaborative nature of this. This was a process in which landlords were at the table with advocates and others. This was the product of a consensus. No one

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wants to pay more taxes but with the exemption being eliminated and those dollars going into something which helps the whole industry as a whole, I think that made it more powerful so we appreciate it. Traci.

Traci Manning, Director, Portland Housing Bureau: Thank you Mike, commissioner. Briefly, to reiterate, clearly all of us believe that portlander's all deserve safe, decent and affordable housing. At the portland housing bureau we can work with funding partners to fund affordable housing but we rely heavily on community partners, BDS and landlords to make that housing safe and healthy. We want to acknowledge that collaborative role as commissioner fish mentioned in making his a reality and the community partners that have volunteered their time. The rental housing work group a bunch of smart, committed professionals really dug into the issue and understand given our limited means can really be effective in keeping people in safe environments. I really want to recognize that and move forward on their recommendations. Its been a pleasure to work with director scarlett and mike and BDS. And thank you commissioner Saltzman and commissioner for bringing this forward in these really challenging financial times. I would feel remiss sitting at the podium today not acknowledge the vote of the council today in support of the safety net so thank you very much.

Adams: Hi terri. How are you?

Terri Williams, Revenue Bureau: Just real quick. I just want to say that the revenue bureau is very supportive of this change to the business tax law. I think it's a good balance in that the small landlords will a safety net or not have a payment requirement under the business license tax law because of the gross receipts exemption. Very small ones will be seeing an exemption, it will just be a different one. This ordinance makes this exemption go away effective for the tax year that begins on or after January 1, 2012. That's the tax year that folks are currently in right now. I'll be happy to answer any questions.

Adams: Discussion from council? Does anyone wish to testify on 612?

Justin Buri: My name is Justin Buri. I'm the deputy director Community Alliance of Tenants which was on the quality rental housing work group. We have supported funding for the inspections program because it has been vulnerable for the last 3 years and this is a great opportunity to have some dedicated funding towards this vital program that supports most of our membership. We have over 2,000 tenant members in the portland area and many of them are cost burdened and experience issues such as repairs have negative effects on their health. My colleague maria talked earlier about hia and the negative health impacts of mold and pests in these. I want to reiterate that 72% of the cases handled by the inspections team are properties of owners of nine or fewer. So this represents an equity issue where the majority of the landlords who are incurring the services may not necessarily be paying the fair share. Thank you and the council for the support of funding ways of this vital program. I'm excited to see it in the mayor's proposed budget. This is a strong start to protecting the program. We do urge you not to stop here in supporting making this a permanent revenue source allocation. And thank you again for your earlier support of the safety net.

Adams: Thanks for all your advocacy. Unless there's anything it moves to a second reading. Please read item 613. previous agenda was 494.

Item 613 and 614.

Adams: Welcome back also read 614. just a program note I intend to add as an exhibit that which we handed out and posted on our website for public comment. There's an exhibit I'll add to both of these before we vote. One is titled portland police air support unit sop. Just so folks in the future know what the sop is or was at the time that we approved it. Another exhibit titled - that we'll attach to item 615 and we'll go over today. What is the title?

Chief Mike Reese, Portland Police Bureau: that's the electronic video surveillance directive.

Adams: I must have left mine on my desk.

Saltzman: I don't have copies of either one of those.

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Adams: Let's start with indemnification. What are we looking at chief?

Reese: Mayor thank you and members of council for this opportunity. This is to allow us to indemnify property owners who want to partner with the police bureau and public safety in our community. Areas where we have hot spots, where crime is occurring, properties owners have allowed us in the past to put cameras up monitoring those hot spots. Sometimes property owners ask for indemnification so in the event a city employee was hurt or something of that nature installing a camera they would be indemnified by the city and we would be responsible. I think this has been a wonderful opportunity to have a good debate about cameras in public spaces. And certainly we've learned that cameras are iniquitous in our community in terms of public safety. Whether were talking about tri-met or max platforms, trains or busses or government buildings like city hall and the portland building that have cameras out facing in public spaces, the reality is we have cameras everywhere and we have used them effectively for over decade to help us in our public safety endeavors. Again this is to allow us to indemnify property owners that want to work with us in public places. Before you you have as requested an electronic video surveillance directive in its draft form and also the air support unit. Once we started this discussion we discovered that there are lots of doors that we opened. We have an air support unit that we use frequently on tactical events as well as natural disasters or large scale crowd management events. Some of the equipment that comes with the camera are cameras that film so we wanted to include the sop on that as well.

Adams: Can I ask questions of the attorney david woboril? So use of electronic video surveillance, the portland police bureau is required to follow federal and state laws as it relates to 181 and 575 or anything else. The fact that its videotaped surveillance doesn't make a difference, they still have to follow federal and state laws.

Woboril: Yes, theirs no exemption for electronic recording or record keeping. The fourth amendment applies, the Oregon constitution article 1 section 9 applies. Portland police bureau must abide by federal and state decisions regarding those constitutions as well as the statute that you mentioned. The bureau in fact in this electronic video surveillance has proposed is establishing a line that is more restrictive than the court decision.

Adams: Can you describe and how its more restrictive. Maybe walk us through the draft.

Woboril: The principal electronic information gathering that the portland police bureau is not intending to engage in and can't engage in under the proposed directive under federal and state law is monitoring of public spaces that are not hot spots. Many cities have cameras up taking footage, recording footage of areas that are not particularly crime ridden in which police officers sit and watch citizens go about their daily lives. That's allowed under the state constitution at least. There is some question whether its allowed under our statues. But certainly allowed under federal statutory and case decisional law. The proposal here authorizes electronic surveillance in a limited number of circumstances, disasters, emergencies, event management, when there is a predicated investigation, meaning that the police have reasonable suspicion that someone or some people have engaged in crime or are about to engage in crime. It also allows public space observation through electronic means when there is concern about future criminal activity non specific to an individual but only in what I'm calling hot spots. And we have to tune up exactly how we say that. But the idea is if an area is crime ridden and needs police attention for the police to be able to respond to crime at the location and to enforce the law, the camera, and surveillance and recording is authorized at that combination of place and problem only. The rest of the directive goes on to enforce the state and federal restrictions on information gathering and maintenance. The state statute 181575 on information gathering and maintenance is repeated in two places in the proposed directive. There's a considerable burden placed on the employees of the portland police to behave and conduct themselves in an ethical and professional manner. I in discipline proceedings the burden would be on them to establish that they did in fact do that. the directive also addresses

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retention of records. Inadvertently and collaterally, these efforts even in the predicated criminal investigations, the bureau puts onto some recording device social activities of people that are inadvertently captured the bureau cannot maintain those. In fact it must destroy, get rid of all recordings within 30 days unless they contain information having to do with ongoing criminal investigation or prosecution. And we address the crowd control, crowd management situation by requiring, and unless they have criminal activity or ongoing criminal investigation or prostitution in a crowd management or crowd scene situation they have to transfer that out of the police bureau all together to the city attorney's office.

Adams: How long do you keep them?

Woboril: Six years.

Adams: That's in case of lawsuits unrelated to criminal activity?

Woboril: Lawsuits, accountability. People, everybody has mixed feelings about the purge parameter we call it for these records. Many people at the same time would not want the record to exist. But if it does exist you keep it for a long time so there can be accountability down the road.

Adams: So we can use that up to six years for discipline of our own employees?

Woboril: Discipline of city employees certainly, yes. Defense of lawsuits, whatever purpose the city may need to put it to yes.

Adams: It has to be a legitimate purpose?

Woboril: Yes.

Adams: Questions?

Saltzman: Yeah, the last time this was before us I did have some questions about potential abuse, i.e. the potential of a camera on a joy stick to invade peoples privacy, looking in their windows or whatever. So now in this policy it does say that members will not invade the privacy of individuals or look into private areas or areas where reasonable expectations of privacy exists and also access to information to satisfy personal curiosity is prohibited. So those are both part of this proposed policy and members violating this policy are subject to the discipline process.

Reese: Correct.

Woboril: we also put in a need to know requirement. Video or any electronic evidence recorded by the police bureau is not generally available to all bureau members. Bureau members must have an investigative or administrative or management purpose in accessing the recordings.

Saltzman: Ok. The other question I asked the last time was are these systems hack proof? People hack into these. I met with the chief and I guess nothing is hack proof anymore so --

Reese: Certainly these are secure systems but the management at BTS says they can't ensure any thing is full proof.

Adams: Certainly it is our intent.

Saltzman: This policy is a dramatic improvement, I appreciate it.

Reese: Thank you.

Adams: So that approach sounds very similar to the rules and the laws around data bases. LED's what do they call them?

Woboril: LEDS.

Adams: Just so the public knows, police officers can't just go freelancing in LEDS and looking up without a reason to look up the information. That would also apply in terms of videotape/videotaping.

Woboril: Technology is difficult to keep up with and there's been discussion about how you audit to make sure access hasn't been obtained by someone who shouldn't have it. Whether these processes are working well enough and we'll continue to talk about that. Everyone has an interest in this system having integrity. At this point the police bureau has asked the city attorney whether the city attorney will help oversea the practices that evolve. Jim Van Dyke has agreed, the city attorney's office can take on that role. We can't be very precise auditors of all this electronic goings

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on but we can at least determine for the city whether or not practices are consistent with the principles laid out in this directive.

Adams: I have found this to be very useful when it comes to trying to provide adequate civilian oversight in large crowd management. For example, there's -- I remember there was a videotape that someone posted on youtube, I don't think it was ours that showed a crowd surging into a line of police officers. But because of where the videotape was coming from what you also saw was a fella from behind this group of people pushing the crowd into the police line. I thought that was very useful to understand what really happened. The police didn't know necessarily why the crowd was surging and the crowd didn't -- one person away from the person pushing them wouldn't necessarily know why they were being pushed forward. He had a very grief filled look on his face not exactly someone that had the best of intentions I guess. Another example, it is very hard for us to always make a case -- the case for sex trafficking. It is just a hard thing to be able to document. I have found your work, when you're able to use videotape, has made -- helped us make cases we otherwise wouldn't have been able to make, and that that's true to a degree also then with drug dealing. And also in determining whether we -- with the best of intentions are engaging in systemic -- to be able to look at drug dealing and are we treating everyone in the public realm in terms of enforcement in a fair and equitable manner.

Woboril: That footage is very valuable to the city. We should handle it properly, but should use it properly as well.

Adams: Very, very concerned that we -- that we show the best possible practices in maintaining people's civil liberties in an open community, but also being able to bring to justice some pretty bad actors out there. With that we'll take public testimony, unless there's -- all right.

Fritz: I have a proposed amendment. That is to add to the ordinance that the council directs there will be an annual reporting of the costs usefulness when evidence has been used in a court of law, changes to sops and policies and any legal issues that have occurred due to the use of surveillance cameras. Given the level of concern that we've heard I think it would be helpful to have our report next year to find out how often the cameras have been used.

Adams: Tell me more what you mean.

Fritz: This is a high level of concern, as we've all seen from our emails and questions and establishing the draft policy, the proposed policy, I think it would be helpful at this time next year to have a report come back as to how much the cameras have been used, whether they are useful in criminal investigations and give the public an opportunity to air their concerns as to whether the policies have been followed.

Adams: Is there a second? All right the proposal dies due to lack of a second. We'll take testimony now. Thank you, gentlemen. Are there those that wish to testify?

Roland Iparraguirre, Deputy City Attorney, Office of the City Attorney: This might be a good time to interject, city law is ver clear that public testimony is limited, shall be limited to the first reading of any ordinance, and I understand there has already been a first reading, so you are in fact not authorized to take public testimony.

Adams: Thank you, sir. Up less there's council -- i'll take public testimony unless there's council objection. Have a seat. If you want to testify take a chair. And then i'm going to -- as a matter of legislative record we'll have both of these items as we will the testimony attached to these council items. Hi. Welcome back. Mr. Handleman, do you want to go first? Go ahead.

Dan Handelman, Portland Copwatch: Ok. I'm dan handelman with Portland cop watch. Once again thanks for bringing this back to the agenda with more items to discuss. Unfortunately the proposed directive and the sop were only posted online yesterday, so there's not a lot of time for public discussion. We feel both policies are too vague and allow too much wiggle room for the cops to collect information they should not. Even though language from the ors 181 law is repeated in the Proposed directive, it doesn't define what criminal activity is that -- and it allows police to

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collect information on people if the intention of the police is to collect it for another reason such as training, protection from liability, or, quote, debriefing the efficacy of crowd control techniques. So is criminal activity jaywalking, is criminal activity doing something major, like violent crime, or is it something incredibly minor that's not very clearly defined. When we're talking about these so-called hot spots the city attorney is talking about, how long does that last? How long can you keep a camera up in a place after criminal activity happens? Is that one person jaywalked there so you have a camera up there forever? It's not clear. The airplane cameras, which is also on the agenda but you didn't talk too much about, it was talked about at the last council session that they would be able to transmit to a secure internet site which other agencies would be able to access. And the ppd said they wouldn't be taping the information that came off those sites, but would the other agencies be able to, particularly if it's a homeland security grant, does that mean people from the federal government who are not limited by the 181 laws are going to be recording information being transmitted by the airplanes for use -- for nefarious purposes? Our organization has been spied on twice by the Portland police. Once in 1992, and once in 1988 and both times it was found -- one time was found to be wrong and the second time we didn't get to court on a technicality. So I for one do not trust the Portland police to do the right thing with these -- with this directive and I hope there will be more work before you approve them putting up more cameras around town. There's also a discussion about videotapes and pushing a button to stop recording. That's old technology in the airplane sop. And here in terms of the -- there's questions still about whether or not there's going to be audio on these cameras, which we haven't heard the answer to, there are questions about -- just things that a judge should decide whether or not these directives are lawful and whether police taking video that collects information, that's what the statute prohibits, is collecting. Even maintaining it for 30 days is against the statute. So I think this should be run by a judge before the city council tries to approve this directive and this -- these two ordinances.

Adams: Thank you, sir. Welcome back.

Becky Strauss, ACLU: Mayor Adams and commissioners, becky strauss on behalf of the american civil liberties union of Oregon. Thank you for the opportunity to testify on this. I'm here to request the council once again delay the vote on this access agreement until the public can be assured that the bureau will be using video surveillance, technology going forward in a way that protects their privacy. As you know I testified at the first hearing when the item I believe on may 2nd was first pulled from the consent agenda and heard at council. I included in my testimony along -- a long list of questions about some of the issues that this access agreement would raise in terms of the implications on privacy rights of increased use of surveillance cameras, the intended use of the cameras, the implications on the privacy rights, etc., we talked about all of that. I was pleased that members of council shared some of those concerns. So I bring that up because I was under the impression at that hearing that there were three specific things coming back before the council would be ready to vote on the access agreement issue. At that time commissioner Fish suggested the amendment about the reporting, and so I am a little confused procedurally about what happened to that amendment at that time, and if commissioner Fritz has proposed one now, which one leads and which one -- do we have the old amendment or don't we? So I would advocate or question what the status is of the report back requirement. The second one from that hearing was requested from commissioner Saltzman about the risk of breach. I'm hearing a little bit about that today and for the first time seems to be the answer that it's not foolproof, just like any other collection of data is not 100% protected. If that's the case and that seems to make sense, the risk of security breach is not 100% sure. I might request that the council consider protocol for breach, when that happens, what might happen to the use of cameras if a security breach has been detected or how we might detect if there is a breach. Some protocol to address those issues. And the third one of course is the privacy policy that the bureau has been working on. I do really appreciate the discussion we're having and the work that's been done to draft the policy like everyone else I didn't

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see the draft until late yesterday, so I requested more time to respond in more detail to the city attorney to the council, to the chief, and my understanding is that is -- they are all open to that and will be open to our comments and make revisions as we go forward. We do continue to be concerned about the effect on civil liberties when people are subjected to video surveillance as they come and go from things like aa meetings, religious or political gatherings, other legal and protected activities that might have a desire of a person to be anonymous in public. I also continue to be concerned about the chilling effect on free speech, free association, and free expression.

Adams: Your time is up. Would you like to summarize? You talked about things that are -- you heard from the city attorney are clearly prohibited under our protocols. There has to be a criminal -- there has to be a reason, a legitimate reason. Mr. Walsh, welcome back.

Joe Walsh: Good afternoon mayor and members of the council. I already also testified on this and testified as a representative of the Oregon progressive party and individuals for justice. We take the position that this is dumb. Just dumb. First of all, it doesn't work. The aclu that I sent you, it studied -- looked at london, looked at new orleans, looked at new york, looked at new jersey, and it doesn't work. It doesn't decrease crime. And that's what your argument is. You want to peek at what's going on in the alleys and then prosecute. But the aclu have found it doesn't work. And these are just some of the reasons. And I know that you watch television about the dumbest criminals. What i'm suggesting is that it will study from the aclu that says the cameras are defective in the sense that if it rains, you can't see anything. If it gets cold, it freezes over. If somebody is going to do a drug deal, what I said the last time I was here, I don't believe they'll hold the drug up to the Camera and say take my picture. They're smarter than that. These are drug dealers. These are people that have managed to stay out of jail. You can shake your head all you want, however, we are against this, we think it's a violation of civil rights, I have a right to walk in this city without being -- my picture being taken. Is that possible? No. I just don't want more pictures taken. Can we stop you? I doubt it. We can raise the objections, since you didn't entertaining the amendment of one of your own members, you're going to do this. But understand this -- japan, tokyo, has more cameras than anybody, they spent millions of dollars and they found they're useless. And they also found a lot of abuse. People are peeking into windows, commissioner Saltzman. They are. And we have a long way to go before we trust our police in Portland. We want to do that. Why would you go on this one that just exposes them to more criticism? Let's get the people of Portland to really support our police department and then move on. You got a long way to go.

Adams: Thank you, sir. Anybody else? Wish to testify? Come on up. Anybody else? All right. Welcome back.

Nancy Newell: i'm nancy newell and i'm here on my own behalf. I have a history of being on many lists throughout my activist career, and I strongly object to this suggestion that we need more cameras in order to solve the problems you're referring to. I don't think it's a purposeful use of city funds and I also think it's a violation of people's human rights. There's a lot of biases within police departments throughout this country, and i've been in a position in the antinuclear movement and the antiwar movement where I found out even in the city of Portland my name was on a police list as a proposed harm to the city in some fashion. I don't know if you remember all those documents discovered in the police records. Now we have this six-year program that you're instituting that they have all these records, and if they're unhappy with my activities, which are essential to preserving people's very right to exist at this point, our water being potentially taken over by debt of the city, I mean, these are critical issues the citizens should be able to act on, and this is not helpful to protecting those rights. And we've got a homeland security kind of mentality created by a fellow who's a criminal. A war criminal. Our own president. So why do we keep maintaining this fear factor when we can solve social issues? I don't see this as a valuable Use.

Adams: Thank you.

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Remi: I want to say thank you amanda fritz for attempting the amendment. If possible i'd like a to ask a question of the police chief, which is -- if I can find it -- what system is being purchased? I'm being a veteran of the military, i'm wondering are we purchasing a system similar to the drone system in terms of microwave downlink, which is a real time system that gets linked to not the police department but to langley, quantico, department of homeland security, the joint terrorism task force, all these entities will have access to this. If its the same system. But pretty much the way i'm looking at it, we're using military tactics on united states citizens is a clear violation of civil rights. These are not -- we're talking about crime as dan said, are we talking about jaywalking, illegal parking, it's vague. There's not enough language that clearly defines what reasonable suspicion, reasonable usage of this technology will be. I feel it's a step shy of potential use of some potential misuse, the potential is high. We don't live in a society where I can trust regrettably police officers and I have a lot of friends who are friends with police officers with the Portland police bureau, I don't -- I can't trust them to do the right thing. So if i'm the public and you're asking me to trust you, and I don't, why are you going to go forward with this? And on that note, I just want to say I read -- I barely had time to read through this, but the back page it asked was public involvement included in the development of this council item and it was checked no -- if you're going to put 100,000 grant to use from a military -- from a military agency, you need to have public involvement. You need public discourse and discussion, the ability to dissent. Saying no, it doesn't matter, here we are.

Adams: Thank you. All right. Karla, please call the vote.

Saltzman: Question. So we're voting on technically an indemnification agreement. So what is the process for this policy directive to become final policy? Is the chief going to sign it.

Adams: It becomes sops and the police bureaus it becomes general order, they're called sops, they're part of this record, so it includes legislative intent of the council as well.

Saltzman: So this will become effective relatively immediately.

Adams: Immediately. The general orders -- sops become effective immediately.

Saltzman: Thanks.

Adams: Please call the vote.

Moore: On 613 --

Fish: I appreciate the work done on the sop and the description of the legal parameters of this program which I think address a number of the concerns that we've heard during this debate. Aye.

Saltzman: I will give credit to dan handleman and becky strauss for flagging this back on may 2nd, because it was on the consent agenda and technically it's not -- it's Indemnification agreement, it did raise a larger issue about video surveillance and abuse of those technologies by members of the bureau. And I think what we have in front of us now is a policy directive that's a dramatic improvement. Where there was one, there now is a policy directive that I think has pretty strong language that says members are subject to discipline if they use this for personal joy, voyeuristic tendencies, and whatever. And that was my main concern, and we can debate about the proper use of cameras and drug impact zones or not, but I do think one of the things that really we haven't been able to test is the ability to use these cameras to find people who are not supposed to be in the drug impact areas, they've been excluded, and this way they will be subject to criminal prosecution. And I think from everybody i've talked to who lives in old town or works in old town, we've got to do a better job, and this is a tool to do a better job with also providing I think adequate protections for individual privacy. Aye.

Leonard: Aye.

Fritz: I appreciate the improvements in the policy and having this policy i'm concerned that some of the express reasons for allowing videotaping of assemblies seems to contradict the state law regarding the videotaping of assemblies. I was prepared to vote for this if we had the amendment

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with the reporting, because it's been stated, we do need increase our trust and transparency of our police officers unfortunately without the reporting requirement, I can't support it. No.

Adams: So I think what we did a year and a half ago, we polled Portlanders on a couple of important issues we knew would be controversial, and related to budget issues as well. And if I recall correctly, seven of 10 of those responding to the survey supported our use of taped surveillance cameras in crime hot spots. And part of what I want to reiterate is we -- this is not London, this is not Tokyo and I don't want it to be as it relates to surveillance. And that is not useful. But using videotaped surveillance in hot spots has been shown in our own efforts to be useful. Criminal activity is not jaywalking, criminal activity is not overstaying your parking -- the time that you have paid for in an on-street parking, criminal activity is drug dealing, criminal activity is sex trafficking, there are very serious problems that help fund and fuel the gang violence in this city. Sex trafficking of women and minors, drug dealing, selling and distribution of illegal firearms. And these are very, very difficult crimes to prosecute. I also support this because the best evidence we have, if it exists, of any sort of wrongdoing on behalf of our officers is videotape. Time and time again it is what has either instead of one person saying one thing and another, another thing, videotaped evidence helps to often times helps us to make informed and fair decisions. So I'm supportive of this, this is an indemnification, but I also want to give credit to the ACLU and to cop watch and members of the city council that raised issues and allowed us to clarify our approach. So this -- having failed, that's an emergency. [gavel pounded] I vote to remove the emergency and we'll vote on it next week. Is there a second?

Leonard: I think we have to reconsider.

Iparraguirre: If it fails a prevailing side gets to make a motion to remove, to strip the emergency.

Leonard: I change my vote from --

Fritz: I move to reconsider.

Adams: Ok. Move to reconsider as a non emergency item, which means we'll be voting on it next week.

Leonard: We have to vote on the reconsideration.

Adams: So it's been moved to reconsider. I'll second it. Can you call the vote on the motion to reconsider.

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

Adams: Aye. [gavel pounded]

Leonard: Now we have to move to pull the emergency.

Adams: I move to pull the emergency.

Leonard: Second.

Adams: Call the vote on the motion to pull the emergency for council consideration next week.

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

Adams: Aye. Motion is approved we'll consider it next week. [gavel pounded] can you please call the vote on item 616.

Fritz: I move to remove the emergency clause.

Adams: I'll second it. Can you please call the vote on the motion to remove the emergency clause from 616.

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

Adams: Aye. [gavel pounded] 616 will be -- I'm sorry, 614. That gets us to, can you please read the title --

Saltzman: Did we vote on 614?

Leonard: I am curious whether any time line issues for 614 in terms of grants -- no? Ok.

Adams: Please read the title and call the vote for 615.

Item 615.

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

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Adams: Aye. [gavel pounded] 615 is approved. Please read the title item number 616.

Fish: Could we read 616, 618, and 619 together, please?

Adams: Yes.

Item 616, 618 and 619.

Adams: Commissioner Fish.

Fish: Thank you mayor Adams. This matter has been discussed with all my colleagues, so we're going to give you the skinny version of the presentation. Just to tee this up, in January of 2011, council got a full briefing on the south waterfront greenway. And we went through all of the various issues. Since then, the intergovernmental team has been working to cobble together the funding to proceed with this greenway, which is a cornerstone commitment which we made to the south waterfront community of long-standing duration. As the council knows, with constrained budgets and fewer resources, we were faced with a fork in the road. And not long ago we had to make an adjustment, do we postpone a number of years moving forward, or do we scale it back? And because of some of the moving pieces including the mitigation money that we were going to get from tri-met and other funding sources, the consensus emerged we would phase the project and we would do the in-water portion first and then as funds become available, complete the project. I'm going to turn it over to Liz Moorehead to give a very brief overview. One of the things that probably sticks out of this is that until the further development of other properties along south waterfront, this is technically a greenway, it's not connected to the system. So while -- in a perfect world we would do both the in water and above water components, it's something we've committed to the neighborhood we would do, and it's something the city strongly supports doing. Given the financial constraints we feel it's the responsible thing to do to phase it. So Liz Moorehead is going to give you a quick update on that, and then Christine is going to present the bid that we got.

Christine Moody, Purchasing Manager, Bureau of Purchasing: Thank you commissioner for Christine Moody, for bringing us back to January of 2011 when city council authorized the use of a CMGC process for the south waterfront greenway improvements project. Through this process an RFP was issued and one response was received. The response from J.W. Fowler was evaluated by a nine-person selection committee which included representatives from Portland Parks, Environmental Services, Portland Development Commission, and the minority evaluator program. The city entered into contract negotiations and now you have before you the procurement report recommended a contract award for phase one partial construction of the greenway at a guaranteed maximum price of \$4,035,843.62. The project is partially being funded by tri-met, therefore a federal disadvantaged business enterprise program applies. And because of the specific beach and water construction work on this phase, J.W. Fowler has made a 6% DBE subcontracting goal. Most of the work they will be self-performing as very little subcontracting. J.W. Fowler will comply with the work force requirement and all project work meeting the 20% apprenticeship work hours and a work force diversity of 15% women and 20% minority on the project. So I will turn it over to Liz for more information about the project.

Liz Moorehead, Portland Parks & Recreation: Thank you Christine, Commissioner Fish and good afternoon mayor and council members. I'm Liz Moorehead, the Portland Park and Recreation Capital Improvement Program Manager. I'm here to talk about the south waterfront greenway project. It's an important project not only to the south waterfront district to the entire community of the river and the habitat, this 1200 linear feet of improvements are along the west side of the Willamette River from Southwest Gains to Southwest Lane. It includes trails, open space, amenities, shallow water beach habitat and riparian vegetation. I did bring a board if you haven't seen it before, but I know you have. This project is primarily funded by Portland Development Commission tax increment financing as well as Portland Parks System development charges. Additionally some funding comes from tri-met, the previous property owners, and the Bureau of Environmental Services. There is no general fund contributing to the design and construction of this

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project. In January 2011, Parks gave you an update on the greenway project. At that time we requested from Council and received an exemption to the low bid process. J. W. Fowler was hired to perform preconstruction services on the greenway project in June of 2011, and this included value engineering of the project. As the design permitting and value engineering on the project continued, it became apparent that because of constructionability and agency and permitting requirements, the cost of the project could not be reduced. In addition, construction costs increased due to environmental clean-up, the need to retain additional contingencies for unforeseen conditions, and the need to satisfy permitting requirements. The cost to build the entire greenway project is \$2 million more than we have. Due to the funding issue, Parks has to phase the south waterfront greenway project. Phase one will consist of habitat restoration, in-water work along the bank. If the water level cooperates the contract will begin to move his equipment and materials to the site in June and construction will begin in July and continue until December. The landscaping will be completed in Spring of 2013. Phase two, the upland improvements which include the trails, the plantings, the lawn and the amenities will be completed when funds become available. Parks is looking at all available funds options. Including transportation enhancement fees and bike and pedestrian sources of funding. We've come a long way and we're about to put a shovel on the ground and begin construction of the south waterfront greenway project. The Council should be aware there are risks in this project that are outside of our control. These may impact the schedule and the budget. Number one is the river level. It may not get low enough for us to complete in the water work within the in-water work window which is typically July 1st to October 31st. Secondly, over the years the site has been used for the ship building industry. Huge quantities of material have been placed there as fill. It is possible we may encounter conditions or contaminants that would require additional costs. These costs may become so high the project becomes cost prohibitive. Also, if power walls are blocked, additional construction costs may be incurred. Thirdly, the greenway federal joint permit application was submitted in October of 2010. As of today we still do not have that permit. So the project is dependent on federal permits and also our building permits from the Bureau of Development Services. The GMP, guaranteed maximum price, does not include cost for change orders due to unforeseen conditions. The cost will most likely be more than the guaranteed maximum price. At this time we are here to ask Council for three things. The first is to accept the chief procurement officer's report recommending the acceptance of the guaranteed maximum price. The second is to appropriate funding for Portland Parks ongoing operation and maintenance of the greenway once it is built. And to amend the design consult and contract to compensate them for design work they've done to phase the project. Thank you for your time and I can answer any questions you have.

Adams: Is anyone signed up to testify?

Moore: No one else signed up.

Adams: Does anyone wish to testify on this matter? These matters? All right.

Fritz: Just a quick question. Guaranteed maximum price, you mentioned is of moderate confidence because of all the unknowns. What would be the process for coming back to Council to either is the guaranteed maximum, does it have the 25% --

Moorehead: If it's over 25% we would come back to Council.

Fritz: You could ask up to a million more and then --

Moody: The guaranteed maximum price is just for the phase one.

Fritz: And then beyond that you would come back to Council to either reauthorize or declare it's cost prohibitive?

Moorehead: So if we go beyond the 25%, so if we spend more than another million, we'd have to come back to Council to approve that change order. If we cannot get the work done because of one of the four risks we identified we'll have to circle back with you folks and let you know why and what the backup plan is.

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Fritz: Thank you.

Adams: Ok. I'll entertain a motion to accept the procurement report.

Fish: So moved.

Fritz: Second.

Adams: Can you please call the vote.

Fish: I'm going to make my -- all my comments on this vote if I may. First I want to thank a stellar team that's brought us to this point. Obviously christine and liz, liz, terrific work, and I particularly appreciate the focus on project risks and that was highlighted quite dramatically in your earlier presentation. This is a risky project. You've identified one of the things we can't control is mother nature, but we're going to try to quantify it and operate within known risks. Thank you for your work, brett horner, thank you for your work. Mike Abbate, our new director, mike was on the job about two weeks when we won the gold medal as the best parks system in the country. I've been asking what's the second act? For people who live and work in south waterfront, this is good news. Not long ago we opened their first park, elizabeth caruthers park, which is really beautiful and is developing and growing into the neighborhood. This winter will open grays landing, the first affordable housing development with dedicated housing for veterans named for john gray, in part because mr. Gray carries the bronze star and we wanted to honor someone who was both associated with the built environment and who had a conspicuous military record. So this is good news. This is another piece of a commitment we made and to those who criticize us for the pace of our work, I would just say that it is nothing short of a miracle over these past four years with the economic downturn and all of the collateral damage that we've been able to actually move these projects forward at all. And so I would say while we regret some of the delays, the bottom line is we're delivering, and I think that's what people should focus on. In this particular project we're demonstrating once again leadership and riverbank restoration, and enhancing habitat. The project as I noted is proceeding cautiously, staying within the available budget, and by this decision, to phase the work. We at parks appreciate the close partnerships we have with the Portland development commission, with tri-met, with the office of healthy working rivers and with the bureau of environmental services. And with that, I am pleased to vote aye.

Saltzman: Good work. Aye.

Leonard: Aye.

Fritz: Very much appreciate doing this in a piece by piece manner that way you can do what you can do and eventually you get the whole thing. When I was on the planning commission approving some of the conceptual designs I wondered whether we were ever going to get any greenway built at all because of the preference for funding the other infrastructure. So I very much appreciate your diligent work on this. It does look like a great project and I hope it does come to fruition as you've planned. Aye.

Adams: Thank you for your good work on this. Commissioner Fish, thank you for your great staff work, and procurement beyond compare. Aye. [gavel pounded] please call the vote, call the vote for 618.

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

Adams: Aye. [gavel pounded] can you please call the vote for 619.

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

Adams: Aye. [gavel pounded] 619 is approved. Please read the title and call the vote for 617.

Item 617.

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

Adams: Aye. [gavel pounded] so approved. Please read the title and call the vote for 620?

Item 620:

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

Adams: Aye. [gavel pounded] so approved. Please read the title for item number 621.

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Item 621 and 622.

Adams: And also I think it's related to 622.

Adams: Commissioner Saltzman.

Saltzman: Thank you, mayor. These two items were both put together jointly by environmental service and transportation. With the intent of cleaning up various definitions under title 17, all the council offices have been briefed. Nevertheless we thought you'd welcome a 90-minute in depth discussion. [laughter] just kidding.

Dawn Hottenroth, Bureau of Environmental Services: Because of the late hour we'll just basically here to just answer questions you may have about the package. It's generally as commissioner Saltzman mentioned, a clean-up. This was a fourth portion of a title 17 clean-up that we started between bes and transportation. I think about four years ago. So hopefully this is one of the last steps you'll see from us.

Fritz: I have some questions about 622 regarding allowing the transportation director to sell surplus property. Does that assume that the council would have to declare the property surplus first?

Dave McEldowney, Bureau of Transportation: What we're looking for is this ordinance will allow that authority to be delegated to the director, and to basically declare it surplus. So we would go through the same surplus process we typically do, which is within our own bureau first to make sure there's no use for it within our own bureau, and we would go out to the other bureaus to see if there's any use to the other bureaus. Once we've declared it surplus, typically then we get council to have you declare it surplus. And go through the sale. This would allow the directors to declare it surplus then for -- with the sale at that time.

Fritz: Why would we do that differently than what we did with water where they have to come first to declare property surplus?

McEldowney: I'm not sure if water does or not.

Fritz: We've recently had one, so the premise of this clean-up seems to be to make things equal between bureaus but this is different from what we do with water. I'm concerned about giving the transportation director or any director the capacity to declare city property surplus and sell it without the council's ascent.

McEldowney: I don't have the answer to that, other than I think that's what the authority that we were looking for -- it's certainly something we can do. We can bring it back, one of the objectives, we're just trying to streamline the process, make it more efficient for our time and your time.

Leonard: I have to say I share the concern. [inaudible]

Saltzman: This is the first reading.

Fritz: Right. We can bring it back for further discussion, given the late hour. I'm interested in what kinds of rights of way public right of way you would like the bureau of transportation to be able to rent or lease without council's ascent.

McEldowney: An example would be last week on your agenda we had some skybridges that you approved, so that's one -- we have parking facilities recently you did a tunnel lease for Portland state university, for mechanical equipment, utilities underground, those were the other uses. We sometimes have remnant parcels that we lease to abutting property owners for parking. Things like that.

Fritz: Some of those sound reasonable. The air space peice has been traditionally controversial, so I would like to have some additional discussion about the details of this particular piece of proposal. Most of the title 17 changes seem routine, but --

McEldowney: I might add too that at least for air space for skybridge or parking garage require a major encroachment permit. So council would still hear the major encroachment permit the way we have it here. And you would be able to vote whether or not to allow that major encroachment if you

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voted to allow that, it would just allow us to move forward with the lease. If you denied that, we could not move forward with the lease.

Fritz: How do you envision this working with street vacations? Does it apply to street vacations?

McEldowney: No. Street vacations are operated under ors 271, and so the only way to dispose of those property interests is through a street vacation. That would remain the same.

Fritz: Thank you.

Adams: So if we take up the commissioner Fish's suggestion to take up the part about the administrative delegation of surplus property, shall we do that? And then we can amend it now and vote on it next week and you can come back any time to fight for that if you want.

Fish: I make that motion.

Adams: It's been seconded.

Saltzman: Second.

Fritz: Clarify, please, what are you proposing?

Adams: Taking away the administrative authority of granted that you are raising granted to the -- could you have a citation?

Hottenroth: What they're proposing is to drop 1716140e and we would reorder those.

Fritz: 1716e.

Hottenroth: Yes, regarding the sale of property but leaving the easement still in place.

Adams: Good. Is that ok?

Fritz: Leaving the renting and leasing --

Hottenroth: Right. Leaving the renting and the leasing and the easement and acceptance of easements.

McEldowney: Can I make one other suggestion, possible change? We have a lot of small remnant parcels that are maybe 10, 20, \$30,000, they're not a significant piece of land, lots that are left over next to somebody's yard, they're using it as their yard and they would like to include that into their property. And it's very expensive to go through the whole process for such a low valued piece of property. If it would --

Adams: What --

McEldowney: If you could put a dollar amount in there, not to exceed, say, \$50,000 or something like that.

Fritz: I think there's a public purpose to bringing these things to council. If selling public land, it means everybody has the opportunity to purchase that plot rather than just the adjacent property owner if that's the only person who knows about it.

Fish: I think the virtue of the amendment, I want to learn more about your argument because it sounds reasonable, but the virtue of the amendment is we can brief council offices on how you want to handle that piece and bring it back rather than do the sausage making, and this would go to a second reading.

Adams: Having been with transportation all this time, I don't think there's a public purpose to the really small stuff. And you do want to -- I think is it by law or it should be by continue the tradition we offer it to the adjacent property owner. So small parcels the city moves the road for the last 160-some years, a tiny piece, it gives them all kinds of problems when it comes to sell it, and it's in whatever you call it, escrow, I do think the smaller stuff would -- and it is very expensive to take will at the way through council, and it's time consuming and makes us look very bureaucratic. I would say the small remnants under \$50,000 probably is a good call. I don't think you want to offer that to just anybody but the adjacent property owner.

Fritz: Sometimes the community would like a community garden or something, if it's in public right of way and they're going to convert it to private, you could have a community garden or a place that -- somebody that would be communally owned rather than just the adjacent property owner taking it all.

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Adams: So -- but this is not right of way vacation. This is not right of way vacation.

Fritz: But we've had several occasions where it's been undeveloped right of way but this is a tax lot, so there's an adjacent piece --

Adams: But it's not been under \$50,000. Those have been -- the ones i've seen have been bigger.

McEldowney: These would be fee-owned parcels owned by the city and not right of way, which would fall under the street vacation. Typically the remnants with which we had to purchase a property, an entire take of a property for a project, might have a narrow strip left over that the adjacent property owner would find desirable and typically they're not standalone parcels, that's not what we're talking about. These can only be purchased by the adjoining property owner, because they can't be developed in any other manner. So they are just remnant parcels. That's really what we're trying to get, as the mayor said, get the process down. Sometimes they're not even worth our time to take them through to council because we many lose more money than gain in the sale.

Fritz: Maybe we could remove that clause that dawn just pointed out and have more discussion before the second reading. Thank you.

Adams: So let's vote on the motion.

Walters: Just for clarification, the motion is to in exhibit a modify the proposed code language to remove subsection e, the sale of real property? Is that the motion?

Adams: Right. And we'll consider whether we want to put a floor or ceiling on it for next time. All right. Call the vote.

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

Adams: Aye. [gavel pounded] anything else we need to know? Anyone wish to testify on either one of these? They both move to second reading next week. [gavel pounded] that gets us to 623.

Item 623.

Fish: Aye.

Saltzman: I think we had a discussion last week and actually this morning seems like a week ago now, but pretty good discussion about the budget concerning vacancies, and so I met with the water bureau administrator, commissioner Leonard last thursday, and was told the current vacancy in the water bureau's 26, of those about 12 are needed for anticipated retirements, for utility workers, and one to two additional in customer service, so that brings us down to the 14 vacancies, I think that is consistent with sort of a normal amount of vacancies that a bureau should have. And therefore I will support this rate ordinance. I do vote aye.

Leonard: Aye. **Fritz:** No.

Adams: Aye. [gavel pounded] so approved. Please read title and call the vote for 624.

Item 624.

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

Adams: Aye. [gavel pounded] please read the first consent agenda item pulled.

Item 586.

Adams: Who pulled it?

Moore: Your office did for a substitute ordinances.

Adams: I move the substitute ordinances.

Fritz: Second.

Adams: Moved and seconded. Please call the vote.

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

Adams: Aye. [gavel pounded] so substituted. So they go on the vote for next week. It's an emergency. Does anyone wish to testify on these matters? Karla, please call the vote on the substituted ordinance item.

Moore: Roll on 586.

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

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Fritz: The future connects scholarship are one of the best things we've done on this council and i'm grateful to the mayor for your leadership on this. Aye.

Adams: Thank you. Aye. [gavel pounded] so approved. Next item.

Moore: Roll on --

Adams: Is there a substitute?

Moore: Roll on 587.

Adams: Move the substitute. Is there a second?

Fritz: Second.

Adams: Moved and seconded. Please call the vote on the substitute.

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

Adams: Aye. [gavel pounded] so substituted. Anyone wish to testify on this matter? Can you please call the vote on the substituted emergency ordinance.

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

Adams: Aye. [gavel pounded] so approved. What's next?

Leonard: 606. 588, actually.

Adams: Is your name Karla?

Leonard: I feel like Karla. It feels really comfortable right now.

Adams: You're not that smart.

Fritz: 588 goes back to his office --

Moore: We have 606 and 610.

Adams: When I was younger I could work all day on the budget and it wouldn't bug me like this. But i'm old now. 606.

Item 606.

Adams: Thanks for your perseverance. Who pulled this?

Fritz: I did. And I have questions on which I could pose between this week and next week. You'd like to take it today?

David Shaff, Administrator, Water Bureau: We'd just as soon answer your questions today and if we have to do further research we can do that.

Fritz: My questions are, this is a printer contract. And it's being extended for five years. But according to the documentation of the -- you may be buying a new color printer within a couple years?

Shaff: no. We intend to use this printer we bought in 2007 for another five years. And this is the maintenance agreement for maintenance and supplies for this particular printer. When this printer is due to be replaced, we will be talking to p&d to find out whether or not we should replace that printer by ourselves, or whether or not p&d can do our bill printing for us.

Fritz: So the emails you forwarded to me from cathy, said that you were thinking you were going to be replacing it in 2014-15. Is that not the case?

Kathy Koch, Water Bureau: No. When I was talking to ron I just didn't look. I knew it was coming up in a couple of years, I didn't realize it was five years.

Fritz: I do have a question about why are you using a color printer for bills?

Koch: We do our regular bills in blue, our reminder bills in green, and our pre-shut off bills in red. It's to help the customer have a significance of what bill they're looking at at that time.

Fritz: Why don't you just do different color envelopes? I know when you do shut-off you put it in a yellow envelope.

Koch: I'm not sure why we don't do different envelopes.

Fritz: Color printing is really expensive, so to be routinely doing it in color, I question why that would be especially when you already do a different color envelope for the shut-off notice, which is to my mind more compelling than a different color ink inside the envelope.

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Shaff: Frankly, I think I don't think we would have any objections to looking at that when it's time to -- when this printer has run its course in the next five years. When we're done with this piece of equipment, that's probably something we should be looking at. But it's -- they're not cheap pieces of equipment, it costs \$165,000 five years ago, and we want to get that \$165,000 out of it.

Fritz: This ordinance says it's \$100,000 a year to keep it up.

Shaff: The maintenance and the supplies. So the maintenance last year I had somebody pull that because I knew you had questions. Last year we spent \$18,000 on the maintenance part, and \$32,000 for paper and ink. So most of that is for the paper and ink. But the overall -- you have to maintain, you have to maintain this piece of equipment. It generates 6,000 bills, notices, and letters a day. So when it goes down, we have a contract with xerox to come in and fix it. If they can't fix it within two days, we default over to p&d, who can pick up our -- the period of time we're down, but we try and get our machine back up and running immediately. Because we have so much that we're generating every single day.

Fritz: If it's only about \$50,000 a year for supplies and maintenance, why is the contract for \$100,000?

Shaff: Because it anticipates -- it anticipates bad experience, but it's not for \$100,000, it's up to \$100,000. We pay them for the work they do and for the supplies they consume if we consume less or if the printer runs fine for the next 12 months, then we won't spend anything. But we've been spending about \$1500 a month on maintenance for the last year. And this is the sort of thing p&d does with their equipment too, their critical equipment. They have maintenance agreements with different companies to make sure that if something goes down, even in the middle of the night, they'll come and respond and fix it.

Fritz: So that's my last question. Why isn't printing and distribution for the rest of the city doing this rather than the bureau water?

Shaff: We looked at it it back in 2007 when we bought this piece of equipment, and they weren't able to meet our needs. They have talked to us, and that was one of the exchanges we've provided you. They've talked to us every couple years saying what about now? And our response was, we would love to talk to you about taking over the printing of our bills, when this piece of equipment is due to be replaced. Because we want to get that full 165,000 dollar investment out of the equipment. As soon as that printer is on its last legs, and due to be replaced, we'll be talking to p&d and find out whether they can do it more cheaply then we can do it by buying a new printer.

Fritz: My last question, how quickly can you look into doing different color envelopes rather than the different color print something.

Shaff: We could probably do it right away. We print them, do we print them by the 500,000?

Koch: I'm not sure.

Shaff: yeah, we print them in blocks of 500,000 so when we use them up we buy -- we purchase new ones. We can look at that.

Fritz: Thank you.

Adams: Where does that leave us?

Fish: It goes to a second reading.

Adams: Please read the title for -- what's the next one?

Moore: 610.

Item 610.

Moore: Amend contract for kenneth d helm for on-call land use hearings officer services for the hearings officer.

Adams: This is a second reading, who pulled this?

Moore: A citizen, nancy newell.

Adams: You can't -- it's a second reading.

Nancy Newell: I was told by the city clerk I could pull it.

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Walters: It can be pulled from consent because -- any item on the consent agenda can be pulled by any member of the public.

Adams: We would just vote on it separately.

Walters: You can vote on this separately. There's no obligation to take testimony.

Adams: Why did you pull it?

Newell: Tomorrow is oral arguments by [inaudible]

Adams: All right, all right, all right.

Walters: My understanding is that ms. Newell is adverse to the City in a land use proceeding and -
-

Adams: This isn't appropriate.

Walters: This is the hearings officer.

Adams: This is inappropriate. So please call the vote on item number 610.

Newell: Why is it inappropriate?

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

Fritz: This is a separate legal proceeding which is going forward, and this is a nonemergency ordinance so it wouldn't go into effect for 30 days. Aye.

Adams: If you have a potentially adverse case against this person, using this venue to pursue your case in my opinion isn't appropriate. Aye. All right. Anything else?

Moore: I think that's it.

Adams: All right. We are adjourned.

At 3:05 p.m., Council adjourned.