



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **25TH DAY OF MARCH, 2015** AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fritz, Novick and Saltzman, 4.

Commissioner Fritz arrived at 9:39 a.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Ben Walters, Chief Deputy City Attorney; and John Paolazzi, Sergeant at Arms.

Item No. 304 was pulled for discussion and on a Y-4 roll call, the balance of the Consent Agenda was adopted.

| COMMUNICATIONS | | Disposition: |
|-----------------------|---|-----------------------|
| 289 | Request of Carl Wikman to address Council regarding Portland Bureau of Transportation maintenance of Cedar Crossings Bridge (Communication) | PLACED ON FILE |
| 290 | Request of Hector Lara Cervantes to address Council regarding illegal operation and charges of treason in the state (Communication) | PLACED ON FILE |
| 291 | Request of Neal Walker to address Council regarding interactions with Portland Police (Communication) | PLACED ON FILE |
| 292 | Request of Benjamin Barber to address Council regarding gender discrimination, segregation and the change to Oregon Constitution (Communication) | PLACED ON FILE |
| 293 | Request of Annie Neal to address Council regarding Multnomah County Family Violence Coordination Council request for continued support for Portland Police Family Services Division (Communication) | PLACED ON FILE |
| TIMES CERTAIN | | |
| 294 | TIME CERTAIN: 9:30 AM – Accept the City of Portland Comprehensive Annual Financial Report for FY Ended June 30, 2014 (Report introduced by Mayor Hales) 10 minutes requested Motion to accept the report: Moved by Novick and seconded by Saltzman. (Y-4) | ACCEPTED |

March 25, 2015

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| <p>295</p> | <p>TIME CERTAIN: 10:00 AM – Accept the audit of the City Comprehensive Annual Financial Report for FY 2013-2014 and the related Communications with Those Charged with Governance, and adopt the management response to correct the deficiency in financial reporting controls disclosed in the audit (Resolution introduced by Auditor Hull Caballero) 20 minutes requested Motion to accept the report: Moved by Fritz and seconded by Saltzman. (Y-4)</p> | <p>37116</p> |
| <p>*296</p> | <p>TIME CERTAIN: 10:15 AM – Approve Innovation Funding for 17 micro-grant proposals for FY 2014-15 (Ordinance introduced by Mayor Hales) 30 minutes requested (Y-4)</p> | <p>187056</p> |
| <p>297</p> | <p>TIME CERTAIN: 10:45 AM – Appeal of Northwest District Association against Design Commission’s decision to approve with conditions the Tess O’Brien Apartments at 1953 NW Overton and 1950 NW Pettygrove Streets (Previous Agenda 250; Adopt Findings; LU 14-220722 DZ AD) 5 minutes requested Motion to deny appeal of Northwest District Association and uphold the Design Commission’s conditional approval: Moved by Fritz and seconded by Novick. (Y-4)</p> | <p>FINDINGS ADOPTED</p> |
| <p>298</p> | <p>TIME CERTAIN: 11:00 AM – Approve the Eleventh Amendment to the Central Eastside Urban Renewal Plan to add plan area and projects, extend the duration of the Plan and increase the maximum indebtedness (Second Reading Agenda 268; Ordinance introduced by Mayor Hales) 1 hour requested for items 298-303</p> | <p>PASSED TO SECOND READING APRIL 1, 2015 AT 9:30 AM</p> |
| <p>299</p> | <p>Approve the termination of the Education Urban Renewal Area Plan (Second Reading Agenda 269; Ordinance introduced by Mayor Hales)</p> | <p>PASSED TO SECOND READING APRIL 1, 2015 AT 9:30 AM</p> |
| <p>300</p> | <p>Adopt the Fourth Amendment to the North Macadam Urban Renewal Plan to add to the plan area, add projects and extend the time frame of the Plan (Second Reading Agenda 270; Ordinance introduced by Mayor Hales)</p> | <p>PASSED TO SECOND READING APRIL 1, 2015 AT 9:30 AM</p> |
| <p>301</p> | <p>Approve the Eleventh Amendment to the Airport Way Urban Renewal Plan to reduce plan area by approximately 970.5 acres (Second Reading Agenda 271; Ordinance introduced by Mayor Hales)</p> | <p>PASSED TO SECOND READING APRIL 1, 2015 AT 9:30 AM</p> |
| <p>302</p> | <p>Approve the Second Amendment to the Willamette Industrial Urban Renewal Plan to cease collections of tax increment (Second Reading Agenda 272; Ordinance introduced by Mayor Hales)</p> | <p>PASSED TO SECOND READING APRIL 1, 2015 AT 9:30 AM</p> |
| <p>303</p> | <p>Approve the Fourth Amendment to the Amended and Restated River District Urban Renewal Plan to reduce plan area by approximately 36.4 acres (Second Reading Agenda 273; Ordinance introduced by Mayor Hales)</p> | <p>PASSED TO SECOND READING APRIL 1, 2015 AT 9:30 AM</p> |

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| CONSENT AGENDA – NO DISCUSSION | | |
| Commissioner Amanda Fritz Position No. 1 Portland Parks & Recreation | | |
| *304 | Authorize the acquisition of 2.92 acres of real property on N Crawford for \$880,000 to be used for Park purposes (Ordinance) Motion to replace directive e to comply with City financial procedures regarding operations and maintenance costs: Moved by Fritz and seconded by Saltzman. (Y-4) (Y-4) | 187057 AS AMENDED |
| *305 | Authorize an agreement with American Healthways Services, LLC to promote the use of Portland Parks and Recreation fitness facilities to seniors (Ordinance) (Y-4) | 187053 |
| Commissioner Nick Fish Position No. 2 Bureau of Environmental Services | | |
| *306 | Authorize a Joint Funding Agreement with the U.S. Geological Survey, U.S. Department of the Interior to update the 100-year floodplain for Crystal Springs Creek in the amount of \$19,800 (Ordinance) (Y-4) | 187054 |
| Commissioner Dan Saltzman Position No. 3 Portland Housing Bureau | | |
| 307 | Authorize Intergovernmental Agreement with Multnomah County for \$67,796 to share costs of a Home for Everyone Initiative Director (Ordinance) | PASSED TO SECOND READING APRIL 1, 2015 AT 9:30 AM |
| 308 | Amend subrecipient contract with Cascade AIDS Project to add \$5,000 to integrate health and housing data systems for People Living with HIV/AIDS (Second Reading 285; amend Contract No. 32000664) (Y-4) | 187055 |
| REGULAR AGENDA Mayor Charlie Hales Bureau of Police | | |

March 25, 2015

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| *309 | Extend contract with Xerox State and Local Solutions, Inc. for the Red Light Camera System and increase the not to exceed amount by \$1,000,000 (Ordinance; amend Contract No. 31000128) 10 minutes requested (Y-4) | 187058 |
| *310 | Extend contract with Xerox State and Local Solutions, Inc. for the Photo Radar System and increase the not to exceed amount by \$3,500,000 (Ordinance; amend Contract No. 31000129) 10 minutes requested (Y-4) | 187059 |
| Office of Management and Finance | | |
| *311 | Establish the authority of the Director of the Bureau of Internal Business Services regarding the Portland Oregon™ sign and correctly reflect the organizational structure of the Office of Management and Finance (Previous Agenda 286; amend Code Sections 3.15.010, 3.15.020, 3.15.040, 3.15.070, 3.15.080) (Y-4) | 187060 |
| 312 | Authorize third issuance of general obligation bonds for fire vehicles and emergency response infrastructure and general obligation refunding bonds (Second Reading Agenda 287) (Y-4) | 187061 |
| Commissioner Amanda Fritz Position No. 1 Portland Parks & Recreation | | |
| *313 | Approve findings and authorize exemptions to competitive bidding requirements, waive performance and payment bonds, authorize an agreement with Rose City Baseball, LLC and authorize Portland Parks and Recreation funding, all in connection with the Walker Stadium at Lents Park Project (Ordinance) 10 minutes requested (Y-4) | 187062 |
| Commissioner Nick Fish Position No. 2 Bureau of Environmental Services | | |
| 314 | Authorize a contract with the lowest responsible bidder for the construction of the Balch Consolidated Conduit Support Project No. E09017 for \$1,800,000 (Ordinance) 10 minutes requested | PASSED TO SECOND READING APRIL 1, 2015 AT 9:30 AM |
| Commissioner Dan Saltzman Position No. 3 Portland Housing Bureau | | |
| *315 | Authorize sale of land at 815 NW Naito Parkway to Union Station B, LLC for approximately \$8.8 million to be credited to the affordable housing set aside budget in the Downtown Waterfront Urban Renewal Area (Ordinance) (Y-4) | 187063 |

March 25, 2015

Commissioner Steve Novick

Position No. 4

Bureau of Transportation

***316**

Authorize grant applications to the Oregon Department of Transportation All Roads Transportation Safety Program for \$2.8 million for the transportation safety projects (Ordinance) 10 minutes requested
(Y-4)

187064

***317**

* Increase contract with Tice Electric, Inc. in the amount of \$85,251 to execute Change Order No. 1 for construction of a left turn signal from N Fremont St westbound to N Vancouver Ave southbound (Ordinance; amend Contract No. 30004358; C-10047) 10 minutes requested
Motion to clarify change order amount and total authorized contract amount as stated in Bureau of Transportation 3-23-15 memo: Moved by Novick and seconded by Fritz. (Y-4)
(Y-4)

187065
AS AMENDED

At 1:04 p.m., Council recessed.

March 25, 2015

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **25TH DAY OF MARCH, 2015** AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fritz, Novick and Saltzman, 4.

Commissioner Saltzman arrived at 2:04 p.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Lisa Gramp, Deputy City Attorney; and Mike Cohen, Sergeant at Arms.

The meeting recessed at 4:06 p.m. and reconvened at 4:09 p.m.

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| 318 TIME CERTAIN: 2:00 PM – Prohibit the use and purchase of neonicotinoid pesticides by the City of Portland; amend Integrated Pest Management strategies; and urge retailers operating within the City to label plants, seeds and products containing neonicotinoid pesticides (Ordinance introduced by Commissioner Fritz) 1 hour requested | Disposition: PASSED TO SECOND READING APRIL 1, 2015 AT 9:30 AM |
| 319 TIME CERTAIN: 3:00 PM – Add Code Removing Barriers to Employment to establish procedures for the use of criminal history information by employers within the City (Ordinance introduced by Mayor Hales; add Code Chapter 23.10) 2 hours requested | CONTINUED TO: DATE TO BE ANNOUNCED |

At 6:13 p.m., Council adjourned.

MARY HULL CABALLERO
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.

March 25, 2015
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.

MARCH 25, 2015 9:30 AM

Hales: Good morning, everyone. Welcome to the March 25th meeting of the Portland City Council. Will you please call the roll?

Saltzman: Here. **Novick:** Here. **Hales:** Here.

Hales: Commissioner Fish is away. I expect Commissioner Fritz will be joining us. So, we have some time certain items up fairly shortly, but first, we'll do communications and then we'll talk about the rest of the agenda.

Item 289.

Hales: Good morning, welcome.

Carl Wikman: Good morning, Mr. Mayor. Good morning, Commissioners. I'm going to switch to the PowerPoint.

This is Oregon's equivalent to the National Historic Register. Since opening, Cedar Crossings has been a gathering place. I met a woman who'd often go to the bridge with her grandpa for a science fair project -- they created a popsicle bridge model. Now that woman is a highway engineer. Tourists make it a must-stop on covered bridge tours.

Last week, Portland police advised me to be careful, as the bridge has become a battle turf for gangs. Drive-by shooting shootings are common. Bullet holes are now claim markers for gang turf areas. This is what the view looks like through a bullet hole.

Just two years ago, graffiti was chalk and sharpies. Today, you'll find a Nazi swastika and a target range. But the historic marker remains respected. Under the bridge is a no-go area by the Portland police, and here's some of the tools that the graffiti artists are using. Almost the entire 1930's WPA stonework is now covered with graffiti many layers deep.

A lack of regular street cleaning creates dangers. Where's the shoulder? Traffic goes into oncoming lanes to avoid it. Clogged bases create flooding. Even Portland's finest take evasive action. Potholes reveal the wood deck below. On the lower left is what the under-structure of the bridge looks like, on top of that is the asphalt covering.

Sidewalk flooding causes severe wood rot and mold. The interior walls are disappearing -- you can see that in the middle left. Railing disintegrating, failing abutment patches, and shattered guardrails. The footings in the water are scour critical and failing.

Since Mayor Clark's "whoop, whoop!" days and Mayor Hales' term as a Commissioner, many plans and promises have been kept. Goal five states programs shall be provided that will protect historic areas for future generations. I have not been able to find a plan for this area. Located at site 20, Cedar Crossings is a goal five designated resource. A citywide civic plan includes Cedar Crossing.

Mr. Mayor, with Cedar Crossings' proximity to three parks and Metro open spaces, please consider making Cedar Crossings a park area. Our 2015 plans include former Sheriff Don Clark's suggestion becoming a part of the policing conference. Today's presentation will be part of the video documentary. Awaiting word from Commissioner Novick on how to replace the wood rail. Chet Orloff suggests an interpretive display at Leach Gardens, and our 18th annual cleanup is the first weekend of May. Thank you for your time.

March 25, 2015

Hales: Thanks for the update. There's obviously some pretty serious problems to be addressed, so thanks for calling them to our attention.

Wikman: You're welcome.

Novick: Mr. Wikman, Laura Hanson -- my constituent services coordinator -- has been talking to PBOT about the issues you've raised, so feel free to drop in and talk with her about it.

Wikman: Is that the lady I talked with last year?

Novick: I don't know.

Wikman: She was the lady that went to Hawaii to get married, right?

Novick: No, that was Erika.

Wikman: Thank you.

Item 290.

Hales: OK, Mr. Cervantes? Not here. Let's move onto the next one, please.

Item 291.

Hales: Good morning, welcome.

Neal Walker: Good morning, sir. Good morning, Mayor Hales, Commissioner Novick, and Commissioner Saltzman. My name is Neal Walker, and I appreciate you giving me a chance to share my experience. I've been struggling to come in somewhat formal, and Maya said that I could show up authentically.

So, I wanted to share my story with the emotional balance and housing. You had discussed a need to also hear affirmations for my interactions with the police force. So, I wanted to comment on or where I was, where I am, and where I'm going.

So, where I was -- February 9th had had an emotional dam break and went through a fairly unregulated emotional experience. Project Respond and Portland Police had discussed with me how I had been out in the NW 23rd and Burnside area for four hours and had showed concern that I was not fully present. So, I wanted to share that experience that Project Respond and Portland police have been very supportive in my sometimes emotional un-regulation.

Hales: Good.

Walker: So with that, I wanted to mention that Wendi Hamm -- Officer Wendi Hamm -- last spring had done an outstanding job with sensitivity, professionalism, and support, as well as Project Respond and the Portland Police as I discussed where I was.

Where I am today -- very humbly saying that I'm houseless. And as far as emotional regulation goes, I'm in counseling for complex PTSD with EMDR therapy in mind and trauma recovery exercises.

Where I'm going is I'm hoping to reduce my hypervigilance and inner critic to increase myself compassion. And housing -- I'm anticipating getting some acute employment in the food and beverage industry, and then Cascadia is sponsoring a housing opportunity and an apartment for one month's paid rent to the best of my knowledge.

And then I want to say that the town of Stevenson, Washington -- and specifically, a cashier named Charlie -- had been very supportive in my journey throughout the years, and so I thought that I would say thank you for the opportunity again. Commissioner Fritz.

Fritz: I apologize for being late, I was talking with Senator Betsy Johnson at the State level.

Walker: Dana had made a great quote about keeping your mouth [inaudible], so I'll finish with that. Thank you, appreciate it.

Hales: We're glad to hear you are doing well, and I'm glad to hear that folks like Project Respond and Cascadia and Officer Hamm have been reaching out and giving you a hand

March 25, 2015

when you need one. So, we appreciate both you sharing your progress and the folks that have been doing their jobs.

Walker: I think sometimes that the police and Project Response I think give me a lot more leeway sometimes than is necessary. However, because of that support time, I've been able to take an inventory of my growth.

Hales: Good to hear. Well, you take care, and we appreciate hearing from you. And whenever you do need help from those folks, you know how to reach help now, and that's good.

Walker: I'm coming back in May and wanting to share a possible link between PTSD and housing. [inaudible] community concerning housing which I hear is an aspiration of yours.

Hales: Thank you. As it happens, right now Commissioner Saltzman's staff and my staff are meeting upstairs with folks from Project Respond and Central City Concern, and looking at ways to provide more housing options for folks that have had mental health crises and need to get stabilized. So, your experience is informative to that good work.

Walker: Appreciate it. And also, I had a really grounding conversation with Mr. Mubarak from R2DToo, and I think that he struggles with that issue also. Thank you.

Hales: Thank you, you take care. Good to see you.

Walker: Thanks for not asking any questions.

Hales: [laughs] Thank you.

Item 282.

Hales: Good morning.

Benjamin Barber: Good morning. Thank you for giving me a little bit of your time.

Hales: Sure, thanks for coming.

Barber: So, I'm not sure if you know there was like an amendment to the Oregon Constitution that passed in November, and it basically says that there's not supposed to be any sort of discrimination, even for benevolent reasons. It's basically strict, right?

Well, the tech community and Portland in general seems to have a lot of this sort of extreme feminism, and it's even to the extent that they have fights against each other in public and on the internet, and it's really quite embarrassing. But I've noticed that it's gone to absurd extremes where people have been -- including myself -- retaliated against for simply questioning the scientific basis of their belief, and have actually started having segregated women-only events in the tech community. And you know, I see things like chick tech and Girls, Incorporated, and I say to some of the members in the community, you know, this is really sort of not fair to exclude maybe extremely poor Black children because they're not girls but they need access to services. And ultimately, it's about poverty and alleviating poverty, not targeting people because of their race, sex, gender or whatever.

And I generally find this whole identity politics to be toxic in its entirety for both parties -- both sides involved. And I've seen this kind of boil over in Portland, this town that I've grown up in.

And you know, I'm not going to waste a bunch of your time. I have basically some papers I'm just going to collate and turn into your office. I know that there's some laws in the City. I hope that this is an awakening to people that we shouldn't be discriminating, and we should just be providing equal opportunities to people regardless of their background.

Incidentally, I also talked to some people from the PDC who are doing some five-year plan -- I go to these plan meetings and talk to them and stuff. And nowhere in the list of metrics was the actual core performance statistics, like how many dollars are spent per jobs created, what's the average revenue of the businesses afterwards -- all of their metrics seem to touch on the emotional keel and the emotional levels and not so much on the core problem of like -- for instance, I would say providing the ability for people to

March 25, 2015

produce value and work even if they don't have a job. So, like that, for instance, would help members -- people of color and women who don't necessarily have years of experience to get apprenticeships or skills in an agnostic way. But PDC seems to think that is being more politically correct than scientifically correct is more important. I don't get it. Thanks for your time, I'll collate these and provide them to the clerk.

Hales: Thank you. Take care.

Item 293.

Hales: Good morning.

Annie Neal: Good morning, Mayor and Commissioners. Thank you for making the time for us today. My name is Annie Neal, and I'm here on behalf of the Multnomah County Family Violence Coordinating Council. I am joined by Haley Pursell, she's the program manager for Portland Women's Crisis Line, one of the victim service agencies that's a member of the Council.

One of the Council's key roles is to identify issues and provide input on policy and resource needs. Today, I want to talk to you about the need for the ongoing support for the Portland Police Bureau's Family Services Division.

This past fall, you approved the Mayor's supplemental budget. That included funding for two officers and a sergeant to focus on enforcing domestic violence restraining orders, including some gun dispossession orders. Thank you for that support -- and especially thank you, Commissioner Saltzman, for bringing that need forward. On behalf of the Council, we're asking you to make this a permanent ongoing investment in Family Services Division.

Domestic violence is the most prevalent form of violent crime in the city of Portland, it makes up more than 40% of all reported violent crime and more than one-third of all aggravated assaults. It's also unfortunately the cause of more than one in four homicides in Portland. National data also tells us that domestic violence is the most common type of repeat victimization, and that there are specific risk factors that we can recognize and address to reduce these incidents of repeat violence.

Two of the biggest risk factors for further violence and for potentially lethal domestic violence are violations of restraining orders and access to guns. In fact, when the domestic violence perpetrators have access to guns, the risk of domestic violence homicides goes up 600%. In communities where enforcement of restraining orders and gun dispossession laws are in place, domestic violence homicides decrease 12% to 13%.

This specific funding has allowed Family Service Division officers to provide additional intervention and follow-up investigation in the cases with these risk factors, in addition to the great work that they're already doing in other cases involving serious domestic violence crimes.

Since this project started this fall and through early March, the sergeant has reviewed 560 additional police reports for violations of restraining orders, and 112 restraining orders for noncompliance with gun dispossession requirements. At least 136 cases have been referred specifically for the gun dispossession noncompliance, and the officers were able to identify and work with other public safety partners. There were 24 cases where offenders were already under supervision with the probation department, and 29 other cases where charges were already pending in the District Attorney's Office. They have made at least 12 arrests and seized a handful of weapons. So, the work is really doing great stuff.

This funding supports a strategy to identify the cases that we really need to pay attention to. By identifying these specific cases and providing the resources needed to intervene as soon as possible, we are reducing repeat violence and preventing serious

March 25, 2015

violence and death. In fact, the Sheriff's Office has been really interested in this model and is making a program request to also fund a sheriff's deputy to do this same work.

The Family Services Division is a unit you should be really proud of. Over the past 20 years, they've learned a lot about high-risk domestic violence and they've been on the leading edge of developing expertise to recognize and respond to high-risk cases.

A couple of weeks ago, the U.S. Department of Justice office on violence against women was in town to celebrate our community's successes in reducing domestic violence, and they were especially interested in the work that Family Services has done and have requested some follow-up information. So, please continue to support them, please expand their capacity so they can continue to do this meaningful work, and thank you for your time.

Hales: It's timely to have you and Ms. Pursell here, because obviously we made that investment last year. I appreciate hearing the numbers. Obviously, Captain Rodrigues and others from the Police Bureau will be letting us know how it's working from their standpoint. I appreciate the kudos from the U.S. DOJ, but actually -- you know these numbers -- in terms of part one crimes, we're down in almost every category except for sexual assault and domestic violence.

Neal: Right.

Hales: And lately, gang violence incidents are way up as well, and those three tend to have some correlation with each other.

Neal: Yes, they do.

Hales: So, if you look at where the problems are in the public safety in the city, we've had 30 gang violence callouts, over 250 shots fired, we've had an unfortunate -- again, all the other part one crimes are declining, but not rape. And then domestic violence is still pretty serious, so I think that focusing on this -- as you urged us to do, Commissioner Saltzman -- turned out to be exactly where we ought to be putting extra effort.

Saltzman: I just want to thank you for being here and I also want to thank Captain Rodrigues for his tenure at Family Services Division. He's done some great things and he's moving onto the head of the Professional Standards office. So, we appreciate all your service, and thank you both for being here today, I appreciate it.

Neal: Thank you.

Hales: Are there other questions while we've got these two? Thank you both very much. Thank you.

OK, we're going to be moving onto the regular calendar. We have a crowded Council agenda today, both morning and afternoon. We have a series of time certain items this morning and a relatively brief consent calendar in which one item has already been pulled to regular, which is number 304. There's only one left, so anyone want to pull 305? If not, let's vote on the remainder of the consent calendar -- oh no, actually it's longer than that, it's five items. So, the remainder of the consent calendar. Unless there are any withdrawals, let's take a roll call on that, please.

Roll on consent agenda.

Fritz: Aye. **Saltzman:** Aye. **Novick:** Aye. **Hales:** Aye.

Hales: Now, let's move to item 294.

Item 294.

Hales: Mr. Rust. Good morning.

Ken Rust, Chief Financial Officer, Director, Bureau of Revenue and Financial

Services: Good morning, Mayor Hales and members of the City Council. For the record, I'm Ken Rust, I'm the City's Chief Financial Officer and I'm the Director of the Bureau of Revenue and Financial Services. Today, we're presenting to you for your acceptance the City's Comprehensive Annual Financial Report -- or CAFR -- for the fiscal year ended June

March 25, 2015

30, 2014. We've distributed copies of the printed CAFR to you, which looks like this. It's also available to citizens on our website for their review.

Before I get started with the presentation of the document, I'd like to acknowledge the fact that we now have a new City Controller and accounting division manager who is joining me this morning, Michelle Kirby. Michelle is a certified public accountant and has more than 25 years of governmental accounting, auditing, and financial management experience. Prior to coming to the City of Portland, Michelle worked for the City of Phoenix, Arizona in different capacities but the most recent being deputy finance director and city controller. So, we're really happy to have Michelle here to lead the accounting division team. We have lots of work for her, and she's very happy to be out of the sun, she tells us. [laughter]

In terms of other acknowledgments -- as you can imagine, putting together the City's CAFR is a pretty big undertaking each and every year, and it involves many different individuals. I want to recognize the hard work that goes into the publication and preparation of this document. Certainly, we have City bureaus that are involved, bringing in accounting information into the document. The City Auditor's Office is responsible for managing a lot of the work and the contract with Moss Adams -- our independent auditor -- and the work that they do, and that's a critical part of the preparation process. And of course, the accounting division staff within my bureau plays an integral role in putting the document together.

This most recent CAFR preparation was more challenging for a couple of reasons. First, this year, we actually implemented some new software called CaseWare, which will help in the publication of the document. And any time that you implement new software, it takes a little bit more of an effort. We also had some turnover in the leadership positions of the accounting division that made it further challenging.

So, this is a difficult year but we got the CAFR done sooner than expected and with great results, and I want to give some special accolades to the folks that really helped to make that happen. First, Satish Nath, the director of the City's enterprise business solution team, really helped in the management of this CaseWare project and the production of the CAFR itself. We got a lot of help from OMF's business operations group. Certainly, the accounting division's technical accounting team played an integral role in this. And I'd ask the Council to acknowledge the hard work of those individuals and we have folks here today that I would like to stand to be recognized.

Hales: Thank you very much, good work. [applause]

Rust: Thank you. So, what is the CAFR? The CAFR represents one of the two key financial reports that the Council either adopts or accepts. Right now, you're working on the budget process leading up to the adopted budget, and the budget tells the Council where we plan to go with the expenditure of public funds. The financial information in the document is primarily produced on a cash basis, or how much money that we have available in the bank to fund the different programs each and every year. The CAFR, to contrast, tells the citizens and the Council where we have been in terms of the expenditures that we've made and how those expenditures and funds work affect the City's financial condition.

The CAFR presents financial statements for the City's various funds using Generally Accepted Accounting Principles, or GAAP, that are promulgated by the Governmental Accounting Standards Board, or GASB. So, the information is often prepared on a modified accrual or full accrual basis, which is a little different view than the cash-basis of the budget document.

Included in the CAFR document itself is a discussion by management -- the management's discussion and analysis of the City's financial condition, which, if there's

March 25, 2015

one section of the CAFR to read, that probably gives you the best summary of all of the financial information, the changes year over year, and the key things that are going on with respect to the City's financial operations that help you to understand really what the document is telling you. It also includes statistical information and trends that are helpful for readers of the document to get a sense of where the City has been in the recent past.

So, let's talk about good news first. The City's external auditors, Moss Adams, have offered an unqualified opinion as to the fairness and accuracy of the City's financial statements that have been prepared in accordance with GAAP. And that unqualified opinion is integral to the City's AAA bond rating, and in fact for all the bond ratings of the City. The City's CAFR complies with state law. City fund balances continue to grow. In fact, for governmental funds, we've increased the fund balances by \$69 million, and the general fund itself year over year has increased about \$18 million.

The City's CAFR has received the GFOA's certificate of achievement for excellence in financial reporting, and we have received this award from the GFOA continuously for more than 30 years.

And the CAFR continues to feature beautiful photographic scenes of Portland, as seen through the camera lens of the accounting division's Lois Summers. And if you haven't looked at the CAFR, the pictures are beautiful.

The not so good news. Through the audit process, Moss Adams has identified several weaknesses and deficiencies in the City's accounting processes and practices that we will need to address going forward. There have been some compliance findings and there have been some best practice observations that we will be addressing, but none of these audit findings were significant enough to affect their ability to offer the unqualified opinion as to the fairness and accuracy of the financial information presented in our CAFR.

I would like to turn my attention and time to the more perplexing news -- and I know there was a discussion about this last year when the CAFR was presented. It really deals around the City's net position and what's going on with that particular measurement.

When you look at the City's net position -- which includes citywide view, governmental activities, and business type of activities like water and sewer and things like that -- our net position totals about \$2.3 billion or so. However, the City's net position for governmental activities -- which includes the general fund, the transportation operating fund and the grants fund -- continues to decline, and it's been declining for a number of years.

In the fiscal year ending 2014, the net position for governmental activities declined by \$142 million, and right now, the net position of the governmental activity view has decreased to \$212 million total. Next year at this time, I fully expect to tell you that the net position for the governmental-wide view has turned negative.

In simple terms, net position declines when expenses exceed revenues on a GAAP basis -- we mentioned how we measure and report our financial information. And this can be caused by several different factors, including increases in pension and other similar liabilities as measured under GAAP, increases in bonds payable with no offsetting increase in assets, and then recognition of non-cash expenses such as depreciation that contribute to expenses exceeding revenues on a GAAP basis.

So, I want to talk a bit about those three areas to give you some information about what's really driving that and to help you understand what you need to worry about versus what you just need to be watching. Let's first talk about the pension piece -- and I know that you understand and have heard quite a bit about the City's unique Fire and Police Disability and Retirement Fund program, which is funded on a cash basis. This is a program created by voters in 1948 and reformed under the leadership of Dan Saltzman in

March 25, 2015

2006. It's always been an interesting anomaly in terms of pension funding and pension plans in the United States.

Currently, the unfunded liability for FPD&R -- which is reported in the CAFR document -- is \$2.7 billion. The amount that we are actually placing on our balance sheet today is about \$1.4 billion. So, not all of it has been recognized and on our financial statements as of yet, but that will change. The value of the City's dedicated property tax levy that funds the liability -- because we have voter-approved property tax levy that pays pension and disability costs each year -- the value of that on our financial statements is shown as zero. So, we get zero credit for the receivable that we have to pay the liability of the pension fund under a GAAP GASB view.

Fritz: Why?

Rust: They don't recognize the future receivable and tax collection as an asset. And so, from an accounting point of view under GAAP GASB, that simply is not -- the revenues are recognized when we receive them, but the value of that over a period of time into the future is not recognized as an asset. That's something that maybe we would have a conversation with the GASB folks about, because this is clearly an outlier and I'll talk a little bit more about how that will affect us going forward.

I mentioned that we reformed fire and police pension system in 2006. And all new hires are in the Oregon PERS system and the officer program. We're funding their benefits when earned, as opposed to when they need to be paid. So, over a period of time -- a long period of time -- the system will convert to a fully-funded system, but it's going to take a long time until that happens, and it's -- I'm happy to report that the plan and the reforms are performing exactly as we expected that they would. In fact, the most recent levy capacity study -- which I think you've received -- shows that there's a near 100% probably over the period of time that they looked at that the FPD&R levy will always be sufficient to pay pension and disability benefits when due. So, we made some huge strides in reforming that system and making sure the cost of the FDP&R system does not bleed over into the general fund itself.

Hales: Yeah, Sam's here, and we were in this room a month ago getting that report as the pension board. And you know, you and I both have been around this issue a while, and it was the first time that we have heard that forecast that we're going to have sufficient resources under the levy almost with no risk -- that that scenario is the likely one to pay the responsibilities of the pension system. And what other city can say that? It was one of those technical reports that flow through here, but pretty significant given the risks in the past and the reason why you, Dan, mounted that effort to change some of the fundamentals of this pension system, but it's now really starting to pay dividends.

Rust: So, I really -- at this point in time, even though we don't get value for that receivable -- because if we were to measure the present value of that revenue stream going forward - - we have a \$2.7 billion liability. We probably have a \$3.5 billion asset in terms of the receivable, but we just don't get to book that. But that's why when people ask me, "what do you lose sleep at night over, Ken?" I don't lose sleep over FPD&R right now. In fact, I'm much more concerned about the PERS program than I am about FPD&R, because I believe it to be more volatile in terms of its reliance on investment earnings to stay funded, and also for some of the reforms that have been passed by the legislature -- whether in fact they will sustain a legal challenge. But there are issues that we have to continue to monitor about FPD&R, but right now, it's in about the best position that it has been in my lifetime here working at the City, and I'm very proud to be able to say that. I think that we're in a position now -- we're in a monitor mode and we're not in a worrying mode. So, that's one piece of the puzzle about the declining net position, and it's a very significant piece.

March 25, 2015

The other piece is dealing with when we issue bonds that are backed by the general fund and placed on our balance sheet where we don't have an offsetting asset that we receive with those bond proceeds. So, a really good example is how we fund the urban renewal program. For urban renewal and all the various tax increment districts, all we can do is incur debt. That's what we're required to do under state law in the constitution is incur indebtedness. The indebtedness can be as short as a day or it can be as long as 20 years, but when we create indebtedness, it sits on the City's balance sheet.

The bond proceeds that we receive are given to PDC, and PDC then runs the programs that are part of the adopted urban renewal districts. So, what do they do with the money? Spend it and investment on business development, in housing programs, in public infrastructure like parks and transaction and other public facilities, property redevelopment, and then administrative costs. I've talked with PDC about, "well, when we give you that money, how much of it might turn back to the City in the form of an asset on our books and records?" And they estimate that looking over the last 10 years or so that maybe 25% might come back to us in the form of an asset. So, we incur 100% of the liability, we get 25% of the value back on our books and records. It affects our net position in a negative way.

However, the creation of the urban renewal district also gives us access to tax increment revenues based on the value incremental -- of assessed value in those districts. So, we're creating a revenue stream that fully pays the debt service on those bonds. That does not impair our ability to have the general fund pay all the other at this times associated with it. So again, kind of an unusual situation. Not everybody -- not all urban renewal programs work the same way, but that's the way that ours work and it affects our net position.

The last piece of the puzzle is depreciation of capital assets. Depreciation is a non-cash expense that affects the calculation of the City's net position. For fiscal year ending 2013, on the governmental-wide view or governmental activity's piece of our CAFR presentation, depreciation totaled \$192 million. And transportation was about \$159 million of that. During that same time period, in terms of the new capital assets put onto the books and records of the City, it totaled \$110 million. So, we invested \$82 million less than what was depreciated off of our books and records. And if that was the only thing that happened, our net position would have declined by that \$82 million.

So, those are the three major things that are affecting this net position, and this net position trend.

So, what should we do about it? That's the most important thing that we can now start thinking about. How can we -- is this a problem? How concerned should we be and what should we be doing? Well, I think that we need to continue to monitor the City's financial condition and health and provide you more information about what this all means.

Part of my bureau's mission -- in fact, one of the reasons why Council I think reestablished the CFO position -- was to do exactly that, was to bring you financial information and to advise you about long-term fiscal health and sustainability. I plan on bringing back the future presentations to you to help you better understand and sort of dissect this net position conversation and what's in and out, and what the view really looks like if we were to take in account for some of the things that we don't get credit for.

Novick: Mr. Rust, it sounds to me from what you said in the last five minutes that the thing that should really keep all of us up at night is the transportation system is falling apart. Is that right?

Rust: You beat me to the punch line. But yes, I think our biggest challenge when you take apart these -- and that's really what's important, what's really the thing that we have to worry about? The thing that we have to worry about is the infrastructure funding.

March 25, 2015

We've had success in the past without geo bond measures both for public safety and for parks, and we have an episodic approach to funding those capital needs -- we kind wait for a few years and then we do a bond measure. And maybe we need to think about that strategy and how we perpetuate that so we have a more reliable access to that funding tool with the right kinds of projects.

We've had Council action recently that I think has been positive -- the dedication of 50% of one-time money to capital infrastructure. Very important. The Council budget -- the Budget Office during their presentation with the capital asset program mentioned that they would like to see a reinstatement of the capital set-aside, which we had -- I know Mayor Hales is aware of that -- as a way to help dedicate more funds to infrastructure.

But obviously, we need to develop and implement is a funding model for PBOT. That's where we are significantly underinvesting, and that's where if we don't solve that problem, we're really not going to get a handle on our ability to help address the declining of the position that's associated with the underinvestment in infrastructure.

The last part that I think that we need to pay attention to is how can we develop some sustainability metrics that will help you to understand how well we're doing or not? And how do we make sure that as we develop these programs and plans, that we pay attention to equity impacts? How we pay for capital does create impacts on current customers and users and citizens, and those in the future. And the one thing that we don't want to do is further exacerbate that if we can avoid it. I think it's that kind of information and thinking that I would like to share with you and spend more time with in the future to help us to figure out what our plans and strategies and policies should be around this particular issue.

Setting that aside, there are some other challenges I just want to make you aware of. One of the things that I have mentioned to Michelle and her team and also in working with Moss Adams is that I believe that we need to shorten the time it takes to publish our CAFR. Right now for the City of Portland, we typically publish the CAFR in mid-December or so -- sometimes it's been later than that. There's an increasing drum beating going on with the Securities and Exchange Commission with investors that buy municipal securities like what the City of Portland issues and that's way too long of a time period. The information is stale, we need more timely information. The private sector turns out a CAFR in 30 days or so. They put out quarterly financial reports. We don't look that way at all. And we know that at some point in time, we're going to be under an increased burden to bring back that publication date.

So, I've told our team for this next year -- the CAFR that we'll present to you next year -- I want to have a publication date of December 1. And in 2016, I want to see that date as November 1. That's still longer than what we see in the private sector, but I know that we have to move that direction and we have rethink how we go there because I know that that's where we are going to be headed, and it's very important for us and our borrowing programs to make sure that we're going to be in compliance before we have to get there. I like to do things on our terms, not on someone else's terms, and that's a goal and objective that's going to take an effort for us to get there that will involve all of the City accounting folks and the different bureaus as well.

We will also be implementing this year GASB 68, it's their latest pronouncement affecting pensions. I mentioned earlier that, for example on FPD&R, we have a \$2.7 billion liability, 1.4 of which is on our balance sheet now. Under GASB 68, all the liability will be placed on our balance sheet.

So, what does that mean? You can do the math. We have \$212 million surplus right now in the government-wide view. You add another billion three on top of it, we're going to be negative. So, we're going to have this interesting situation where we're a AAA-rated city

March 25, 2015

-- and have been since 1974 -- with a negative net position on a governmental-wide view of over a billion dollars. And it's all being driven by our implementation of GASB standards that don't really take into account very well the unique positive associated with this anomalous pension system. And that's a challenge for us to talk to about investors and make sure that they fully understand.

Hales: And that's not just the 64,000-dollar question -- a lot more than that. Do you believe and does our financial team believe that the bond market will continue to recognize our fiscal integrity despite that peculiar effect of following the GASB standards? Because we're fiscally sound, paying our bills, we have enough money coming in from the tax levy for the pension program to pay its obligations. We operate on a cash basis, our funds are in surplus -- you know, there are reasons for that AAA bond rating, and you've recounted them in this report. So, the question is, well, once that top line view goes negative in an accounting sense, do you believe that the bond market will continue to recognize that Portland is a sound financial organization?

Rust: Yes, I do. And the reason why I do is because we've had this discussion with them for many years. The FPD&R liability is not new. We knew exactly what it was, we explained it to them for years. They fully understand that we have a unique system. We also have a unique way to pay for it that does not impair our ability to fund governmental services. We have strong financial management policies and practices. We have decades of experience managing those liabilities. They know how we approach these kinds of problems. And when we implement GASB 68, nothing has changed other than what we present in the financial report about those things that underpin the credit rating. So, I think it's an education process, but these who grade our bonds fully understand that.

Hales: Good to know.

Rust: That concludes my remarks. If there's any questions, I'd be happy to try to answer them.

Hales: Commissioner Saltzman?

Saltzman: I was interested in your discussion about the urban renewal and assets. So, if urban renewal pays for a park or a paved road in East Portland, does that get booked as an asset?

Rust: If it's ultimately transferred back to the City, it's a City asset, yes, that portion does come back to us. And that's the approximate 25% of the estimated bond proceeds that we send to PDC -- that's what we get back, but it does not match one-to-one. That's correct.

Hales: But if PDC invests in a commercial project, it's privately owned and that goes off our books and onto a private property owner's. And if the 30% set-aside goes out into a housing project, that's privately owned and doesn't show up on the books, either. Now, we collect tax revenue for the rest of time from that property, but it isn't book as an asset to the City, right? It's owned by this housing provider or that employer or developer, but it's not owned by the City. Have I got that right?

Rust: That's correct, Mayor Hales. And I think that when we stand back from the CAFR view, it sounds kind of odd and maybe we shouldn't be doing that. But why do we create the urban renewal districts? We create urban renewal districts to deal with blight and issues associated with parts of the city that we would like to see changed, with the promise being by making those investment and changes that growth and value in terms of the property values, jobs, and other indicators of wealth are going to be greater than they would have otherwise been. And in fact, I believe the Auditor's Office has done that kind of analysis and has shown that to be precisely the case, and that's the reason that we do that. It's an example of where we're going to use our balance sheet to do right, smart things, even if it doesn't necessarily give us the best view from is a financial reporting point

March 25, 2015

of view because those are the things that create value for us today and tomorrow and grow this community and make Portland a better place to live.

Hales: Right. Other questions?

Fritz: I'm interested in which assets are considered saleable and which are not. I noticed that Forest Park is not considered a saleable asset because we're not going to sell it. That seems appropriate. How do you -- how does the CAFR decide which things are assets that have value because they could potentially be sold and which ones are not?

Rust: I don't know if I can answer the question specific, I'll talk in general. I don't know whether Michelle has a specific response, but if we can't, we'll get back to you on that.

We typically assume that we're not going to be selling and monetizing our assets because they provide particular service to us now and going forward. If we decide that an asset is no longer needed, then we have a Council practice and policy of how we dispose of what we call surplus property. At first it has to be concluded that in fact, the property is surplus and can be sold, and that takes Council action to do that. And then, we go through the process of selling the property.

So, generally speaking, you know, we're operating under the assumption the assets on our books and records aren't going to be sold unless we determine that they are no longer needed and it follows a Council decision that it is in fact a surplus property.

Fritz: What about some of the assets like police cars, for example? That we know we're going to be selling it in a few years and we get a certain amount of money for that. Does that go into the books to factor against the cost of a new police car?

Rust: On the fleet side, for example -- and we've been doing this probably for 25 years -- we take the cost of the fleet vehicles like police cars, and bureaus like the Police Bureau are charged for the placement of the vehicles each and every year. And a fund is established to make sure that when the police car is worn out -- as we have determined it to be based on how much maintenance it takes or the useful life of the vehicle -- that vehicle is surplus out, it's sold for whatever value we can, that money comes back into the fund. But during that time period, the Police Bureau is receiving an inner agency agreement with OMF to pay into a fund to replenish and buy new police vehicles when needed. So, we've been doing that for a long period of time. It's a very routine kind of business operation with respect to fleet vehicles.

Fritz: Why don't we do that for all of our capital assets -- for example, roofs on community centers? We don't have a fund that we pay into that then can replace it.

Rust: That's a very good question. It's one of those things -- what more can we do to address the timely replacement of our capital infrastructure? We do have reserves on certain buildings -- they're probably not where they need to be -- and having more money in the reserves would be a benefit. It would help us make sure that when needed, we have the ability to do that.

It gets more complicated when we start taking larger projects and go, wouldn't it be nice if we say, we just spent a billion four on the Big Pipe, and we borrowed a lot of money to pay for that and we are going to pay those bonds off over a period of time. That helped us to lower the cost of the project and make sure that the people who used the project are actually paying for it through our rates and charges. Well, wouldn't it be nice -- you could argue -- let's take that billion four and divide it into 20-year segments and every year put \$70 million aside so coming in, we have money to replace it. That would have a significant increase in sewer rates to do that. It may avoid the need to borrow, but it would have a tremendous equity impact at the same time for those people who are currently using the water and sewer system -- particularly the lowest income people -- to be asked to pay twice for the same system. So, there's a balancing act between how much money we should put away, the prudence of putting it away, the equity impacts associated with that.

March 25, 2015

There's not an easy answer in reaching a conclusion. I do know one thing -- we need to do more.

Fritz: You said some facilities have reserves and some don't. What's the rule for which ones do and which ones don't?

Rust: I don't know that it's a rule, per se, I think that we have some financial management policies that lay out what we would like to do and it's always kind of aspirational. I think on a lot of facilities that are managed by OMF we've tried to establish reserves, and we do have reserves to some degree. Some bureaus have chosen that that's not where they have the resources to be able to do that, so we have inconsistent practice in terms of setting moneys aside for that. And it really becomes a resource question, Commissioner, for folks.

Fritz: I think that we had that discussion with OMF in a work session last year that may be the answer is to transfer all facilities to OMF and then they would all have reserves, but it seems like we should have a consistent policy. In Parks, for example, it's not that we don't want to have is a reserve to replace the roofs on the community centers, we just don't have the money. We can't provide the same level of service with the people that take up the majority of the Parks budget and put aside money, whereas OMF has that authority to charge overhead that then can be put into a reserve.

Is there any discussion of having a committee or something to continue the work of those discussions and look at the how could we -- it doesn't really matter to the public whether the Portland Building is owned by OMF or managed by OMF versus the Charles Jordan Community Center being managed by Portland Parks, they're City assets to the public. Is there work being done to propose a more consistent policy?

Rust: I'm not sure what the status of those discussions are, Commissioner, but I can certainly find that out. I know that we continue to do a lot of work with the capital assets management group and if this is part of that discussion about how we might make some headway, I think it dovetails nicely into the need to do more on infrastructure funding -- taking care of the civic assets and the other kinds of things. That's part of the discussion that I think is worth having as we move forward about what work should we be doing, what might that look like, and what are the consequences of doing that.

Fritz: Thank you.

Hales: Other questions for Mr. Rust or Ms. Kirby? Great report, thank you very much. Is there anyone else signed up to speak on this item?

Moore-Love: Mr. Walsh requested to speak.

Hales: OK, come on up. Good morning.

Joe Walsh: Good morning. My name is Joe Walsh, I represent individuals for justice. Commissioner Fritz took a lot of steam out of my sails on questioning and I appreciate that, I really do. I like Commissioners that question reports.

I want to give you an evaluation from a citizen's position. Listening to this report, I don't think that your staff understands that there are people watching this on TV that do not have the report in front of them, that cannot flip through and try to figure out exactly what they're talking about. And that's unfortunate.

I'll give you an example. When I left this morning, my wife borrowed \$7 from me. When I go home tonight, she will return that \$7. That's a financial transaction. It's very simple. I know where we are. My wife, patty, knows where she is. Everybody understands what's involved. Listening to that report, I asked a few people in the audience if they understood what was going on, and they agree with me -- they didn't understand this because there is so much that the report is putting out.

And I'm always suspicious. If you want to hide stuff, you just send out all kinds of information, and people just glass over and then it's over and you guys vote on it and then

March 25, 2015

it's finished. You need to figure out a way so that person watching it on TV that doesn't have access to what you have -- the briefings, the report, all of that -- you have that, they don't. We're sitting here listening to this verbatim and we're trying to figure out where a couple of billion dollars is going. That report did not fulfill that from a citizen's point of view. Because if I walked out this door right now, I could not explain what that man just said. And that's a problem because I'm an activist. I've been here for a while. I'm a little bit more knowledgeable than most people watching this on TV. And if I can't do it, that means that they can't do it either, and that's the way that I evaluate this stuff. If I don't understand it -- and that's a little arrogant, I know -- if I don't understand it, I assume that a lot of other people don't.

You need to have reports that are simple, that say this is what we're doing and this is our credit rating, this is where we are, this is how we fund this, this is how we fund that, and it's got to be very easy, and easy to understand because we're not accountants.

Thank you very much for your time and patience.

Hales: Thank you. Good morning.

Lightning: Good morning. My name is Lightning, I represent Lightning Watchdog X. As I've stated in the past, I've had concerns on the retirement funds. And I understand, Commissioner Saltzman, you did a reform in 2006, but there was still a large outstanding debt -- my understanding, over a billion dollars -- and that was always my concern on how that was being looked at. It appears though that debt will come back, and maybe have an effect on the bond rating, but it's been stated it won't. I do question that at this time.

One of the issues that I have is also on the surplus properties. I would like to have a moratorium on any surplus properties pertaining to any real estate until we begin to buy down the debt and have ample funding for transportation, which has been neglected over the last 10 years.

In my opinion, when people were doing special allotments of that funding and neglecting the transportation maintenance, there were certain laws in place that they should have not been doing that, and I think that needs to be looked at very close. You need to maintain the current assets and the infrastructure. That should be a top priority, and that was neglected in transportation and Commissioner Novick unfortunately has this on top of his shoulders on trying to create a way to solve that -- and also Mayor Hales. That is a big concern to me.

Again on the real estate being sold, I do not want to see any real estate assets of the City donated to any nonprofits. I want to have a moratorium set on that, that we have full appraisal values on these properties and we get the full appraisal value for these properties. And if the nonprofit wants to acquire these properties, they go to a foundation and submit applications and try to receive a grant -- not from the City of Portland.

We have too much debt on the books this time. We cannot be giving these assets away at low values under the current market appraisals -- not estimate of values and not appraisals that are seven years old and not certain people thinking that they understand the values without having an independent, qualified appraiser doing that, which a bank will look at that appraisal and say yes, we would even loan money on that based upon that value.

We are giving too much money away and we need to stop that on the surplus properties, and the surplus properties needs to be reformed. It needs to be reformed and have an understanding and have the right information on where this money is going to, especially on the fleet. We want to know how these cars are being sold after the fact, and we want to know how much money is being brought in and where that money is going. I want to follow this very close and plan on doing that in the future. Thank you.

Hales: Thank you. Anyone else? Come on up.

March 25, 2015

Barry Sutton: Thank you very much, sir.

Hales: Just put your name in the record.

Sutton: Barry Sutton, and I'm almost myself -- I guess that doesn't matter. I guess that there are people -- a couple looking at me and a couple looking down. But I know that I brought up the area in the back of Washington High School --

Hales: That's not what we're about today.

Sutton: Yes, but it's a possibility then that that is being sold to someone to build houses on.

Hales: Not at the moment.

Sutton: This was my understanding, possibly it's wrong. And if you want to tell me, that's fine.

Hales: We can give you some information about that.

Sutton: Yes -- but here is the place to talk about this. It should be you -- it should be -- could be used as an encampment for homeless people and take care of all the people that are living on the sidewalks and stuff like that. And when it isn't and there's that much land available, that makes me feel bad about my city -- the city I live in.

Hales: We appreciate you bringing that point. We'll make sure you get information about that property.

Sutton: Yes -- this happened before with Dignity Village there, but the people that owned that land were not the City of Portland. It was a transportation department, and they had the people moved off of it.

Here is a place -- three blocks for all of the homeless people in Portland, and please don't turn that down. That's a wonderful opportunity. Josh Alpert was a part of an article last week about homelessness. He said he looked all over Portland and he couldn't find a place to move the homeless people into. Well, that is right in our face, you see. It's right in front of us, it's right in the city of Portland that all these homeless people can be moved to.

And I'm very sorry -- I can't do anything myself -- jump up and down or something -- but the last time I spoke before the City Council, nobody, nobody -- Commissioner Fish isn't here, including Commissioner Fish -- asked me questions about this, or said, oh, no, we cannot do that because -- please, will you talk with me, converse in this moment? In this moment right now.

Hales: We've got to adopt this report, Barry, so we can get you information about that property at another time but not today.

Sutton: If I could talk with Josh Alpert --

Hales: You call my office --

Sutton: But that is a valid place for all the homeless --

Hales: We hear you --

Sutton: I understand that that is until I am explained different.

Hales: We appreciate your point. Thank you.

Sutton: Please don't overlook that, you mustn't.

Hales: We won't, thank you very much.

Sutton: OK, I hope so.

Hales: You take care.

Sutton: Alright.

Hales: Anyone else on this item then? Then I believe the motion -- Barry, we've got to move on. We know where you're talking about. OK. Any further Council discussion before we take a motion to approve the report? A motion to approve the report, please.

Novick: So moved.

Saltzman: Second.

Hales: Roll call.

March 25, 2015

Item 294 Roll.

Fritz: Welcome to Ms. Kirby and welcome back Mr. Rust. It's good to know you both are here, and I certainly appreciate all the work of the staff because this is tremendously complex. I remember making a speech very much like Mr. Walsh's when I was a citizen activist, and I'm really -- now that I'm a part of the Council, I especially appreciate all of the diligence and all the people who worked so hard to work with -- to get the CAFR out. I also appreciate former Controller Jane Kingston for her work on this. Aye.

Saltzman: Thank you for this report. It certainly is dense stuff, but it's important, and it has a lot of ramifications on how we continue to operate as a City -- and on a sound basis, despite some of the numbers. So, thank you. Aye.

Novick: I really appreciate the clarity of the report and your spelling out, you know, what numbers look bad and what we should really be worried about and shouldn't. And I say that not only because you confirmed my view that all we should be worrying about is the state of our transportation system. Aye.

Hales: Thank you all for an important piece of work, and we have more to discuss on this subject this morning but the fact that we have this kind of bill of health in terms of our financial condition as a City is amazing and wonderful, and sometimes we take it for granted.

I think it's also great that the Council engages -- as we have here today and otherwise -- with our financial staff. Not just about the important details, like what is our asset management approach to police vehicles or parks -- those are important details -- but also in the big picture of how are we dealing with these big trends of assessed value growth or the change in the accounting procedures that affects how our pension system is treated?

And on the effect of Council policy changes that have been turned out to have pretty significant improvements in our financial positions. So again, Commissioner Saltzman, the work you did on the pension system is paying dividends not just at the pension board itself but now to the City's overall financial position.

So, I appreciate both the quality of the work and the quality of the discussion that it engenders here. It's always difficult to translate government accounting into English, and I think that Mr. Rust and his team do well given the difficulty of the subject and the rules that we operate under. But I think that if you look at this report and if you hear the summary that we've heard this morning, I think it does give our citizens a good picture of how the City is being managed and what our opportunities, assets, threats actually are. Thank you for good work. Aye. Let's move onto 295.

Item 295.

Hales: Auditor Caballero, good morning.

Mary Hull Caballero, City Auditor: Good morning, Mayor and Commissioners. I am City Auditor Mary Hull Caballero. It is my pleasure today to introduce Jim Lanzarotta, a partner in the accounting firm of Moss Adams which conducted the audit of the City's fiscal year 2014 financial statements.

The City's financial statements are important resources for community members, taxpayers, investors, and decision-makers to understand what fiscal shape the City is in at a moment in time. Once management has prepared the statements, Oregon law and City Charter require an independent audit be conducted to determine if the public can reasonably be assured that they fairly represent the financial position of the City.

The City entered into a contract with Moss Adams, a licensed municipal firm, to conduct this assessment, and my office oversees that contract. This arrangement ensures that the outside auditors have an extra measure of independence from the managers whose work is being audited.

March 25, 2015

I'd like to acknowledge the Director of Audit Services Drummond Kahn and Principal Auditor Fiona Earl for administering the contract and acting as liaisons between the bureaus and Moss Adams. I will now turn it over to Mr. Lanzarotta to walk you through the results.

Hales: Good morning.

Jim Lanzarotta: Good morning, Mayor Hales and Commissioners. Thanks for the opportunity to come before you. This kind of completes the audit process, so it allows us to follow through with the applicable audit standards that were to apply, which is hey, we better report to those that are required to govern this fine cit. So, this enables me to do that. I'll talk about what it was that you hired Moss Adams to do and then obviously, what were the results.

So, when we think of an audit, I like to put it in about five phases to it. The first phase I think you really have a great understanding of. So, we're required to come in and kind of verify whether these numbers are accurate and the disclosures are accurate, so you look at source documents, we talk to third parties, the bank that holds the funds, verify -- so that's pretty commonly understood.

A second phase is to look at the internal controls or those checks and balances that management uses to make sure that they can put this document together accurately. So, we have an obligation to look at those controls and tell you if there are significant deficiencies in those.

Mary mentioned that since you are an Oregon municipal corporation, you're required to follow quite a few state laws that are unique to cities and governmental entities. And as your auditor, I'm required by state law to then test your compliance with about seven or eight specific areas, like legal and budget -- your whole budget process and how you do that, public purchasing, and the types of accounts that you put cash and investments in -- those kinds of things. And I have an obligation to report to you if there were any findings of noncompliance. So, that's a third phase.

A fourth phase -- since you get federal grants -- you do very well at obtaining federal dollars to help you provide services here at the City. So, that's a big part of your operating budget. When you get federal grants, you also are saying that you have to comply -- you agree to comply with certain requirements. And as your auditor, I have to test whether in fact you're meeting some of those additional compliance requirements that are unique to those grants and report that to you.

And then the last area -- as Ken mentioned, you're able to produce this document. It's pretty surprising -- there's probably between 80,000 and 90,000 entities that are required to follow these standards and put this document together, and a majority of them are unable to produce this document with the expertise that they have in-house. So, you're very fortunate that you've got quite a cadre of individuals in accounting and finance that have the skills and knowledge to do this. So, our job can really be focused on the audit work behind it -- verifying that it's accurate, and not in the preparation or production of it. So, that technical review and assistance to your staff and meeting those requirements.

Ken also mentioned the certificate of excellence that you submit under the Government Finance Officers Association. There's additional bells and whistles that are pretty significant that you have to incorporate in your financials to achieve that award. So, it's a great honor to now be 30 plus years -- I think Ken mentioned -- in achieving that award. Our review in addition to GAAP requirements looks to make sure you are meeting the additional GFOA requirements. But your staff does a phenomenal job in meeting the basics, plus the additional requirements.

So, that's what we do kind in a way of looking at it. So, what were the results? And Ken already took the punch line out. I mean, the best news is, on page 21 of this document

March 25, 2015

is our opinion on the financial statements, and Ken mentioned it's an unmodified position. We did not have to modify it for any exceptions to Generally Accepted Accounting Principles. So, that's a great achievement. You probably take it for granted here now because you've achieved that milestone for many years in a row now, but that's not an easy milestone to maintain and so very appreciative of the expertise that you have in house and the policies that you've set and the controls you have in place that enable you to put together this document accurately year in and year out. So, that's that piece.

I mentioned that we have to look at your internal controls and were there any deficiencies. And you might remember that we have had a number of deficiencies we brought to your attention in prior years. Most of the time, it seems to be entered around capital assets -- that's a very tricky area with our governmental clients. And again this year, we had just one significant deficiency regarding the Bureau of Transportation. It really has to do with a timing issue of when they recognize a project in process -- a project that takes time to complete. So, they start a project, and they are incurring costs. When the project is done, it needs to be transferred to a final capital asset position. In the meantime, it's in a special account where costs get accumulated.

And we identified that there are times when there is a lack of communication between the folks that manage these projects and those that have to do the accounting for your financial reporting to know when a project is done, and all the costs need to come out of this holding account and into a final capital asset account. So, it's a matter of just getting it recognized, and then it's placed in the service and you begin recording the depreciation or the wear and tear through depreciation deductions. So, it's important to know when an asset is in fact placed in service so you can begin recognizing the cost of its use in your operations.

And then there were a few projects where you get started but for whatever reason, they don't get completed, and those costs need to come out of the construction and progress account. And there were a few instances where for whatever reason, projects were not completed but the costs remained in there as if they were still ongoing projects. So, there's just some communication and some work that might be done in that area. So, that was this year's control finding.

All issues we brought to your attention in the past have been resolved, and so, that was -- that's the only one. So again, I think that shows improvement, and so that's good news.

I mentioned the state laws that we're required to test the compliance with. And this year, we had no findings. This may be the first year. Probably one of the most common types of findings that we have with budgets specifically is over expenditures. It's very hard with all the funds that you manage -- invariably there's somewhere where you overspend the appropriated budget for a particular line item within one of your funds. And this year, you didn't have any of those.

It's also common to trip up in certain other areas of budget law amongst our governmental clients here in Oregon, and there were none there for you. So, really good news on a number of fronts. The deposit of public money -- you have met all the requirements there. Public purchasing -- we didn't find any noncompliance there. The budget, as I mentioned; insurance elements.

And then finally the grants area was the other, and this year -- again, probably maybe the first time in many years -- we had absolutely no findings with your compliance with grant programs. So, great news there. The administration of the federal grants is done very well. As you know, you're decentralized, you have many bureaus, there's many individuals involved in the administration of your federal grants. To have compliance throughout the City for the various programs that we test idea is a great milestone for you

March 25, 2015

to achieve, especially after prior years where we have had a few findings relative to your compliance requirements.

Finally, we did issue a letter to you which I think is in your packet -- we call it a communication to those charged with governance. I'm not going to go over all of it. Most of that has the elements in it, and hopefully you've had a chance to read it. There are just a couple of areas that I might highlight in there.

Most of our governing boards want to know maybe a couple of things. One is, jeez, did we have any audit adjustments? Were there any particular issues? And we did not propose any audit adjustments. So, any corrections that were determined to be necessary in closing the books and preparing this document your staff identified already through their fiscal year end processes. So, we had no audit adjustments.

There were a few errors that were immaterial or minor to your financial statements which were not corrected, and those are listed in the letter to you. And again, they relate primarily to capital assets. You might remember that in prior years, we noted a deficiency in controls over certain capital assets the City owns that were not recognized in your books. And in the past, that generally stemmed from properties that were donated to you, and they just didn't get picked up. So, Parks, for example, has a number of properties that they've received over the years that sometimes don't get picked up and reflected in your financial statements. So, they still have a few properties that they're working on getting recorded, but that's what's noted in there. There's a few more properties that they know that they own and they are not yet booked, and I believe hopefully the rest of that will get on the books in this fiscal year that you're in right now.

We don't note that as a control deficiency -- we have in the past -- because they changed their processes, and the process is working. So, that will correct itself.

Another area that governing boards like to know is, jeez, did we have any difficulties if working with management or others in the performance of our work? We are very pleased to tell you that we did not have any of that. If for example, we are asking questions and we're not getting the responses or if it feels like, you know, we're being directed or misdirected -- you know, you would want to know that. And we've never experienced that. Your accounting staff -- to me, they are very anxious to kind of learn best practices or to work well with us. It's a nice team environment to get through the audit process, and very much appreciate the dedication and the effort that they put into that. We've never had difficulties there.

We also like to tell you if we had any disagreements. Are there disagreements over the application of accounting standards or any of that? And again, we're happy to tell you that we had no such disagreements working with your staff.

The last item I had mentioned is over this -- Ken did a phenomenal job I think of talking with you about the declining net position, and you'll remember that we brought that issue up and included it in this letter last year. And this year, it's in there but primarily for the purpose to tell you what actions management has taken. And Ken probably did a good job of that. I think with the pension issue, your biggest weapon is to go out and look at the sufficiency of that property tax on a periodic basis. So, it's really good news that the latest round of evaluating that shows a very slim chance that your property tax revenue would be insufficient to cover the benefit payments in the future. So, that's phenomenal. And doing that monitoring work is exactly the kind of thing that seems like would address that risk, so appreciative of management's effort to monitor that and look for that.

The capital assets is the other piece. As Ken mentioned and you know, it looks like you are on your way. I know you've been working on a dedicated revenue stream for this infrastructure, and just being aware of the issue and being supportive of management as they work with you to address -- continue to address that issue is a great start on that

March 25, 2015

problem. So, the particular issues there -- I think you've got some good direction, and it looks like you're well on our way to trying to address that problem.

So, really, those are my remarks. I guess that the one last piece that I would say -- again, it talks to Ken's comment about the timeliness of getting the financial statement prepared. For various reasons, when we were out in September talking to management, I think that at that time they were probably about four weeks behind where they wanted to be to be able to issue the financials by mid-December, which was the plan. And they implemented that new CaseWare software that Ken mentioned and they made up those four weeks, and we were still able to issue by December 19 or somewhere around there. So, your crew did a phenomenal job of kind of re-engineering the financial close process and producing this document and making up all of that time. It's a testament to the level of dedication of your accounting staff to get there, and so we certainly acknowledge their efforts. Just wanted to report that to you. With that, I guess that I'd be open to whatever questions you might have.

Hales: Questions? Dan, please.

Saltzman: You talk about risk to the financial position of the City and you talk about the provision of discounts of the City's accounts receivable. What --

Lanzarotta: I'm sorry, was document are you looking at?

Saltzman: It's on page three of the letter. It talks about the most sensitive estimates affecting the financial statements, the provision for discounts and allowances on the City's accounts and loans receivable.

Lanzarotta: Sure. So, you're commenting on this letter -- the communication of those charged with governance -- and the various topics here that we are required to cover with you. One of them is the financial statement closures. So, we're telling you here, these are some of the more sensitive financial statement closures that you may want to look at, and one of those is just to remind you, you do have estimates. There are estimates in the financial statements. And in the area of your accounts receivable, one of the estimates is, what is the portion that you won't collect? The appropriate accounting principles are that you may be owed a certain amount but history tells you not everyone will pay the bill. So, the amount you reflect in the financials needs to be net of that estimate of that amount you won't collect. So, this is just telling you, hey, there are estimates in there that receivable and the uncollectible portion is an estimate. And so, we're just pointing out that.

And then there are other things we're pointing out, like the long-term debt. That's an area that is sometimes a very significant disclosure in the financials. The pension, and the OPEB programs are significant disclosures. There's nothing positive or negative about this other than telling you where there might be some significant disclosures that you might want to look at in the financials.

Saltzman: OK, thank you.

Hales: Other questions?

Fritz: I wondered if either Auditor Caballero or Drummond Kahn has further comments?

Hull Caballero: No, I do not have further comments. Drummond, do you have any? OK.

Fritz: And is the final "be it resolved" where the City adopts and endorses the City's management response that's referencing exhibit d -- it says, that singular issue with transportation, and that's corrected with --

Lanzarotta: I should have mentioned that. I think that is the intent, for you look at PBOT's response. So, any time that we have a findings generally -- and it might be actually in the City's Code, that you put together a management response to that. What's the plan? So PBOT has done that, and I think that City staff is looking for your approval of the plan that they've put in place.

March 25, 2015

Hales: My reaction to that would be that the PBOT Director has done what's required, the rest is up to us. Thank you. Any other questions? Thank you all. Anyone want to testify on this report? OK. Thanks very much.

Joe Walsh: For the record, my name is Joe Walsh, I represent individuals for justice. That's the kind of report that I was speaking about when I was doing item 294. That report was a conversation. It's very difficult to have a one-way conversation, but when they gave the report, it was a conversation that we all -- at least I understood. I could explain that to you when I was outside this door. So, that's what I was trying to point out in 294. And although we criticize, we also have to acknowledge -- that was an excellent report. And I think that the people watching it at home -- without the benefit of all the stuff that you have in front of you -- could sit there and say, you know what? The auditor's report, seems to indicate -- whether you believe the report or not is another question -- but it seems to indicate that we are doing pretty good. We've got some minor issues that we have to tweak. That's the kind of report that I think that the citizens would like to have, instead of all of that other stuff that 294 gave you that just confused the issue. So, it's a conversation. It's very difficult to have it one-way when you are given a report, but that's the way that it should be. And people should be able to understand that, Mayor. You have a lot more stuff in front of you than somebody sitting home having coffee trying to figure out what everybody is saying. And I indicate a lot of times, I quote Patty. But when I go home, I ask her, did you understand 294? Do you understand what they were saying? And I'll bet you is a mocha, that she would say, I don't know, I don't have a clue what they were talking about. And that -- your transparency record is not good. That's one of the reasons, because you sit there and say this is a good report but I have all this stuff in front of me, so I understand it -- who cares about the other people? If that's your attitude, Mayor, you're in trouble. Thank you. But again, that's the kind of report that we would like to see. I congratulate that auditor.

Hales: Good morning.

Lightning: My name is Lightning, I represent Lightning Watchdog X. One of the concerns that I have on these reports and on the auditing process is that when we're talking the assets of the City and we're allowing certain assets to accrue.

Deferred maintenance -- that's an interesting area to look at on just how much do we have to come up with to cover those costs, because that's an area that can have this happen and then we have to come up with this dollar amount. Talking about, say, the Portland Building, and coming up with, say, 50 to 100 million to do some 00 what I would consider deferred maintenance or maintenance that needs to be done. And I've always questioned that on these assets that we have within the City.

Have the auditors or the accountants ever looked at is there an advantage to take such projects like this and maybe do a sale lease back to where we receive a tremendous amount of money up front from say large private investors with also a buy-back clause where we can buy it back in 20 years at say fair market value? Is there any advantage on looking at that on a lot of the assets that we have within the City? We have no debt, obviously, on a lot of the assets, and is there any advantage to do a sale lease back to private investors?

As we know, the real estate market right now is very good. There tends to be a lot of money out there looking for investments. So, I do question that when we -- and this is past administration, I want to make this very clear so that when we run up deferred maintenance on a lot of these assets, is there a way that we can correct the problems that were created in the past through a sale lease back on some of these properties and have the potential new private investors covering a lot of this deferred maintenance within the purchase or the sale lease back agreements? So, I would like to maybe have that looked

March 25, 2015

at a bit closer and have your opinions on that, and maybe that might be an opportunity again.

My concern always is to cut the debt down. Do not give away things when you have a tremendous amount of debt in front of you and let the outside foundations pick up the slack with individuals that want to come back to the City and pay fair market value for these properties. The City has too much debt to give anything away. Thank you.

Hales: Thank you. Anyone else want to speak? So, we'll need a motion to accept the auditor's report.

Fritz: So moved.

Saltzman: Second.

Hales: Further discussion? Roll call, please.

Item 295 Roll.

Fritz: Thank you. It's very nice to have both these together, and I appreciate the outside audit as well as our own City Auditor's oversight of this whole process. Aye.

Saltzman: Thank you very much. Aye.

Novick: Thank you very much. Aye.

Hales: Well, I want to appreciate the good work of the Auditor and her team and our outside reviewers have done. Again, for me seeing three reports in a row -- first the outside audit of our pension system; then the CAFR, comprehensive annual financial review; and now, this audit by an independent firm hired by our independent Auditor, all saying essentially the same thing, which is that the City of Portland is in a sound financial basis and that without exception, our managers are managing an accounting for public funds correctly. There are not very many places in the United States of America where you can say all those things. So, we should celebrate this good work.

And in fact, I was thinking as Jim was talking that a lot of the credit for the fact that there were no over expenditures and that there were no compliance issues really does need to be -- we need to note that as chief executives of our portfolios of bureaus, that our bureau managers and their staffs have been doing an excellent job of following complex procedures. You know, I wish we could make state law and GASB simpler but we can't, we have to follow these arcane requirements. And it proves that we're doing that.

Finally, I just want to appreciate especially that the letter from Moss Adams noted the change that you led, Commissioner Fritz, to dedicate a larger percentage of our one-time ending fund balance revenues to capital expenditure, and that that was called our as improvement in our position from last year to this. So, some progress that I think we should celebrate as good Council policy as well. So, bravo all around. Thank you for great work, and we look forward to having three similarly tame reports in the future. Aye. Thank you all.

Item 296.

Hales: This is our innovation fund at work trying to find new ways to do things, trying out experiments that might or might not work. Again, you know, rubber sidewalks are not the normal way to deal with the provision of sidewalks, but we're going to try it and see if it works. Trying to make our Summer Free for All program more culturally responsive -- we know we want to do it, we're not sure if the ways we're selecting here will actually work, but the whole point of the innovation fund is for public managers to be able to try things and to prototype things and to understand there's risk and to accept the probability that some of them will fail, and that no one will be punished for innovating and failing. So, we've sequestered a little bit of money in the City's budget to do just that, and our team is here to report on some of those projects that are now here before us. Good morning.

Jane Braaten, Business Operations, Office of Management and Finance: Thank you, Mayor and members of Council. Jane Braaten, I manage the OMF Business Operations

March 25, 2015

division and I'm here this morning on behalf of Fred Miller. We're here to ask you to approve this ordinance authorizing funding for 17 micro-grants through the City innovation fund. I'm sorry that Fred is on a rare day off out of the office, because I think that the micro-grant process was actually one of his favorites both because we heard when we met with small bureaus "please streamline processes to make them easier for us and more accessible" and because he really liked the idea of building a culture innovation. He said often, "we don't have to wait a year to come up with a good idea, let's figure out a way we can have a rolling process." So, I'm pleased to represent him today.

We're now in the second year, and so the City innovation fund continues to support innovative ideas with an emphasis on equity, opportunity, and again promoting that culture innovation. On behalf of our proposers and the review panel, we want to thank the Mayor and the Council for supporting this effort. Even in tough economic times and budget crunch, you supported this concept that people could make things better and we could do this through small investments to make those improvements. Many of our proposers have commented that they could not have moved their project forward if it hadn't had been for the support. So, please let us convey thanks to you.

We also want to thank our proposers and our review panel, and I'm going to ask them to wave from the audience so you know who they are. Our proposers are the people in the bureaus who've worked with community members and other bureaus to make things happen. Our review panel -- we had community members Warren Chan and Emily Rice; and City representatives Sam Hutchinson -- and I know he's here today as well -- and Robert Walker. They volunteered their time to help make this process a good one and a meaningful one in providing feedback.

I want to give a brief introduction and then really turn this over to the main focus, which is the people who brought these projects forward and are really making things happen. And I'll come up at the end to answer any questions.

Just to let you know a little background, the innovation micro-grants as we're calling them are for those projects. Under \$10,000 was the general guideline, although we said they could go up to \$20,000 to be considered. We started in February with a call for ideas and we got 46 proposals from 13 bureaus. You may recall when we were back here in January when we did the big fall call for ideas for both large and micro-grants, we got 45 proposals from 16 bureaus. So all in all, we've generated almost 100 interesting ideas on how to improve City services and make them work better, and we've received these ideas from almost every bureau. So, that's part of our marketing and outreach challenge in the future.

Our review panel had a tough job because they had to look at all of these good ideas and really look at those that promoted equity and opportunity, improved customer service, made our processes more efficient or more effective. We invited all of our proposers into a facilitated meeting with our review panel where they could answer questions and receive feedback firsthand. The review panel narrowed down that list to 17 micro-grant proposals that they're recommending to you today.

I'd now like to introduce Janet Storm from OMF Business Operations. She has served as the primary contact for proposers and the review panel, and she'll be bringing up -- we have a sampling of five of them to share with you today, and we're really pleased this gives them an avenue to get recognized for taking that risk to bring forward a new idea and asking for your support. And then I'll be back around for any questions. So, Janet.

Janet Storm, Business Operations, Office of Management and Finance: Good morning. My name is Janet Storm, I'm a management analyst with OMF Business Operations and I coordinate the grant proposal process. We wanted to share a little bit with you about that process.

March 25, 2015

On February 11th, OMF Business Operations put out a call for micro-grant ideas Citywide. All City employees were notified that the City was looking for creative micro-grant proposals that accomplished one or more of the following. Promote equity and opportunity in City government and our community; improve customer service to the community and/or City customers; create more effective and efficient City process; and make things better in general. Interested employees submitted one-page micro-grant proposals, and the one-page proposals were then sent to all bureau directors so that they could provide input on proposals from their own bureaus, as well as possibly identify cross-bureau partnership opportunities.

We then forwarded 46 micro-grant proposals submitted by 13 bureaus to the innovation review panel. The panel was asked to evaluate the proposals based on their ability to pass the following five filters. Number one: do you think the proposal is innovative? Is it original and does it show strategic creativity? Number two: taking other funding sources into consideration, such as the sponsor bureau's operating budget. Is it the innovation fund the most logical funding source for this particular proposal? Number three: can this project actually be carried out? Do you believe that the proposed project can be achieved within the estimated budget provided? Four: are all of the key partners confirmed to be on board with this effort? And five: are there benefits to the proposed project? Does it advance equity? Does it provide opportunity, and is there a potential for greater benefits with broader applications?

On March 9th, our panel met and through an interactive facilitated discussion with the project proposers, they agreed upon funding recommendations for the 17 project proposals that you have before you. And now, we've invited six proposers to share a minute or two with you today about five of the recommended proposals in a little more detail. First, I'd like to introduce Laura Niemi, who is from Portland Parks and Recreation. Laura?

Hales: Come on up, Laura. Good morning.

Laura Niemi, Portland Parks and Recreation: Good morning. My name is Laura Niemi, I am the program manager for Portland Parks and Recreation's community gardens program. We operate 50 gardens covering 21 acres throughout the city, provide land to people who want to grow their own food, and over the past few years, we've seen an increased demand from people who are living in poverty and people who are from immigrant and refugee communities. We currently have 16 languages represented in our program.

We've discovered that some of our policies unfortunately inadvertently prohibit practices that are widely used by different cultures. We've also realized that there are certain policies that don't take into account the resources available to people that are living with limited incomes. So with this micro-grant, we propose to conduct a culturally-inclusive policy review process. This will involve the Office of Equity and Human Rights' senior policy analyst and Parks' equity and inclusion manager to assist me and community garden staff with designing an inclusive process. Then, community garden and Parks' public involvement staff will implement this over a series of community meetings with representatives from our diverse gardeners.

The grant we're seeking is \$14,000 which will be used for interpretation and translation, child care, and food for these community meetings. And we hope the end result is that we'll have culturally-inclusive policies and procedure and that will reduce barriers and increase participation for people that are historically underserved by our program. We're also hoping to through this process cultivate cultural leaders who can help be managers at their gardens and advocate for gardeners in their community and help us

March 25, 2015

to understand the needs of the community and be responsive to that and lastly further Parks' equity and inclusion goals. Thank you for your time and consideration.

Hales: Thank you.

Storm: Next up, we have Antoinette Pietka and Uma Krishnan from the Portland Housing Bureau.

Hales: Good morning.

Uma Krishnan, Bureau of Planning and Sustainability: Good morning. It's a tag team today. Honorable Commissioners, Mayor Hales, good morning. I'm Uma Krishnan, analyst and demographer with the City's Bureau of Planning and Sustainability. And in this valuable minute that I have, I just want to provide the context for the project funded -- \$5000 -- our gratitude for the same.

As you may know, we the Planning Bureau and the Housing Bureau are constantly looking at public real estate websites like the Zillow or the Redfin to truly understand what's going on currently in the market. And this is partly to understand what's going on in the market and also to be able to evaluate our planning programs, our housing programs -- how well are they working? Do we need to do anything more? Can we see an impact?

This is a really time-intensive process and during one of our meetings with my colleagues at the Housing Bureau, I was simply lamenting. I said, "you know, I'm constantly looking at these free websites to understand what's going on in the market" -- and Antoinette picks up the story from there.

Antoinette Pietka, Portland Housing Bureau: Good morning, I'm Antoinette Pietka from the Portland Housing Bureau. Our innovation fund proposal would fund the development of a housing data web scraper, or basically a software robot that would be used by both bureaus to collect information from the web, to download it, and transform it into a structured data that we can then analyze over time.

The scraper would be automated to visit sites and collect information such as real estate listings, vacancies, unit types -- all of the data that's out there right now. It would save staff in both bureaus a considerable amount of time.

Hales: Question about that -- would it ultimately, like Portland Maps, be able to be turned around and revealed to the public, folks that wanted to see that collected data?

Krishnan: We could, that's one of the intents.

Hales: Yeah, good -- next year's proposal!

Krishnan: Yes. Thank you.

Storm: Next, we have John Holtrop from the Bureau of Environmental Services.

John Holtrop, Bureau of Environmental Services: Hello. I'm John Holtrop with BES. I'm the manager of the extra strength sewer charge program. My proposal is -- or our proposal, I should say -- is essentially to do multilingual educational videos for food service facilities. Our Cut Through the FOG program impacts about 3000 or more food facilities, restaurants, and there's a financial impact to those businesses, both through potential compliance issues and for the sewer rates. We want to make sure they're cleaning the grease traps, maintaining grease traps in the adequate fashion, and the rates themselves have best management components to them -- so, there are rate discounts depending on what things they do. So, we want to get that information out to those customers.

A pretty big percentage of food facilities have English as a second language, and so want to make sure they are getting that information so they can get the full rate discounts they are entitled to and that they are in compliance at all times.

Hales: So if this works, then the customers will void extra charges, right?

Holtrop: It potentially could lower their sewer charges and hopefully avoid compliance issues. And we have clusters of restaurants, and some of them are demographically related, so we want to make sure we're not getting grease blockages in those areas. If

March 25, 2015

we're not getting information out to people about what's desired, required, and beneficial, then that could be a negative effect to the sewer system.

Hales: Great, thank you.

Storm: Next, we have Julia Thompson from the Bureau of Planning and Sustainability.

Julie Thompson, Bureau of Planning and Sustainability: Thank you. Hi, my name's Julia Thompson and I'm from the Bureau of Planning and Sustainability. I want to tell you about the neighborhood anti-litter campaign toolkit that we've applied for a micro-grant for.

As we've all experienced, Portland is experiencing a growth spurt with thousands of new residents moving here every month. Lots of new construction is filling in our neighborhoods and business districts and making them even more walkable and vibrant. This pace of change and growth is exciting, but it also adds wear and tear on our neighborhoods and business districts.

Increased litter, like cigarettes and fast food containers, pollute the urban environment and affect livability. BPS is looking at ways to improve access to garbage and recycling containers in our business districts. However, we believe that garbage cans alone are not enough to create the behavior change to keep our districts clean.

The neighborhood pride anti-litter campaign toolkit will provide a practical and efficient way to reduce litter throughout the City. Through a collaboration with Venture Portland, we aim to make the anti-litter campaign toolkit available to the approximately 50 business districts. And this low-cost, customizable resource for them will be developed with input from business district and neighborhood association leaders and participants, and will include templates for outdoor ads and store front signage, as well as a social media component that districts could promote.

We believe this free customizable resource will empower businesses and neighborhood leaders to do something about the litter in front of businesses and their neighborhoods. It will benefit longtime residents and newcomers, shoppers, and diners in districts throughout the city by building neighborhood pride and drawing attention to garbage cans that make it easier to keep walkable districts litter-free. And it will provide an equitable resource, allowing all business districts to implement the campaign toolkit easily with minimal costs. So, thank you for considering this innovation micro-grant.

Hales Thank you.

Janet Storm: Our final presenter today is Jody Yates from the Portland Bureau of Transportation.

Hales: Speaking of rubber sidewalks. [laughs] Good morning.

Jody Yates, Portland Bureau of Transportation: Good morning, Commissioners and Mayor. My name is Jody Yates, I'm here representing the Bureau of Transportation. I work in the maintenance operations group.

One of my programs administers the sidewalk repair program. As a reminder, City Charter requires that property owners maintain their sidewalks in the city, and my program is the one that tells them when their sidewalk needs repair. To put it in context, in 2014, the program required 1900 repairs and the average cost per repair is \$1200. So, that equates to two million annually. We estimate that 90% of those repairs are a result of mature tree roots pushing on the sidewalk, creating a tripping hazard.

PBOT engineers have researched materials for several years and are recommending a product for testing. The product is called Rubberway. It is a pervious flexible surface system made from recycled tire rubber. The literature is suggesting that this will allow tree roots to expand into the sidewalk without creating a tripping hazard.

The micro-grant request is to install a pilot project and to monitor it for several years. The pilot project is sidewalk that is currently maintained by PBOT and it has mature

March 25, 2015

tree roots requiring the sidewalk repair. The sidewalk was last repaired seven years ago for the same reason.

If the product is successful, PBOT will either install other test sites and/or write specifications allowing the product to be used throughout the city. This could result in a savings to citizens of the city of Portland of two million dollars annually. Thank you for considering the project.

Novick: Jody, I have to say, that's a very exciting project. The idea that we could use a new product and an innovation to save many people money each year would be terrific.

Hales: Thank you.

Storm: Many thanks to all of our presenters today. I'd like to invite Jane Braaten back up for questions.

Hales: Questions for Jane or Janet?

Fritz: I have a couple of questions. You read the criteria that they were evaluated for -- and by the way, thank you to all the committee members and thanks to all the staff who proposed great projects. It's good to be able to encourage innovation among staff. The criteria for evaluation didn't include saving money. And I'm wondering about that, because initially it was set up with a view of investing now to make savings later.

Braaten: Our criteria I believe from the 13-14 ordinance had a series of criteria that they wanted them all met. This time around, after some discussions, we sort of broadened that to include efficiencies. Because when the bureau customers heard "saving money," I think they were equating that with potentially a budget cut that would come later, and it was a little bit harder to assess where those savings might occur.

So, last time around in January you heard from Leslie Goodlow about sharing information with the faith-based community and the Housing Bureau. And the tool they wanted to implement would save a lot of time in data entry, but it would save it some on the City side and also some on the nonprofit side. So, the City is getting a better investment in helping their housing programs meet the homeless community needs, but there isn't necessarily -- we could do an estimate of that efficiency, but it wouldn't necessarily relate to a cost savings that would be as great just within the Housing Bureau just within the City. But happy to explore that with you further so we can be sure that that meets your needs about how we best express that overall. We think this idea from the Housing Bureau would make a really good investment and saves a lot of time in working with the problem, and maybe broaden that to say it could reflect something that's not just City savings.

Fritz: I agree. The rubber sidewalk is a great example. That could save property owners a lot of money, too, as well as there's not all that much sidewalk we maintain, but some. I'd like to see a return to that in future iterations.

The way many of these projects are now -- I appreciate seeing the emphasis on equity. And it's fitting that the Mayor is leading the Office of Equity and Human Rights that they've been involved in many of these grants as partners and such.

I understand there's going to be another funding round in May, is that correct?

Braaten: We will be asking to take some of the funds not spent this year. You will see a spring BMP request to move funds into the innovation fund for next year, and that would help fund a May call for ideas in terms of our small grants.

Fritz: And that would come with the spring BMP?

Braaten: Mm-hmm.

Fritz: Because there's still money left from this year, right?

Braaten: There is about 10,000 that's left from this year's allocation. In addition, OMF is asking to return some funds that we did not use for program management and ask the

March 25, 2015

Council -- we just briefed the Mayor's Office on this this week -- and so we're asking if that could be applied for the innovation fund that would help do a May call for ideas.

Fritz: So, there's an issue, Mayor, that I just want to flag for you. I think the top-rated suggestion is not part of this package and it was partly because of a glitch email communication with Parks. It's a great project, it's just that -- so I have a suggestion that in the future you ask for an affirmative response from bureaus to "is this project fine with you?" Because we all get so many hundreds of emails a week that even the most diligent director -- and I would say that Mike Abbate is one of the most diligent directors -- sometimes things just get missed. That I think would be a process improvement. But I would hate for the project that didn't get funded, which is the kiosks in community centers to help people apply for employment -- there's some issues we need to work out between Parks and HR -- Human Resources -- that I know Mike Abbate and Anna Kanwit are working on. I just want to make sure we don't miss out on the opportunity of funding that project in this fiscal year.

Braaten: Thank you.

Hales: Thank you.

Fritz: Thank you very much.

Hales: Other questions for our team? Thank you both very much, and to all the presenters, thank you. Does anybody want to speak on this item?

Moore: We have Joe Walsh and Lightning.

Hales: Come on up.

Joe Walsh: For the record, my name is Joe Walsh, I represent individuals for justice. We love this. Thank you.

Hales: Thank you. Good morning.

Lightning: Good morning. My name is Lightning, I represent Lightning Watchdog X. Of a lot of things I've seen in the Council chambers on different ordinances, this is to me the most impressive in my opinion. I highly recommend and applaud the bureaus for coming up with these great innovative ideas.

One of the things I like about this is that a lot of these ideas will be built upon and used in other areas and even other states, possibly. So, this is the forefront of some really great things to happen and that's what I look at this as. You cannot teach or be taught what is yet to be created, and that's what I like about this whole micro-grant proposal.

We're seeing a lot of this innovation coming in from Silicon Valley at a much higher level on some of the thinking but what's interesting is a lot of these things can grow into some great areas, and other people are going notice this. This is really positive, because to show this type of creativity and come forward with these ideas and be presented these grants I think is really a great thing to build upon.

Now, getting back to my watchdog issue, I have a few concerns. It's nothing against Commissioner Fritz, but when you look at this on the grants that have been received, nine grants went to Parks and Recreation. And then every -- a few of these other ones got two or one. So, out of the total grants received you received 59.27%. Now, that's a concern to me. I'd almost like to have maybe a cap put on the different bureaus like maybe two grants to each bureau and make sure we don't have one bureau receiving a tremendous amount of grants.

If we're going talk equity and being equitable, we have to also look at that too on this type of grant funding process. That there's a lot of other bureaus that need these types of grants such as transportation and to have that innovation and the opportunity to step forward and present ideas to the public. Thank you.

Hales: Thank you. Come on up, please.

March 25, 2015

Benjamin Barber: Hello, this is Benjamin Barber. I think a small grant to build these smart bike locks from the open bike initiative would do a lot to kind of bring Uber-like services to bicycles with could be done with the remaining amount of budget that's left over.

Hales: Thanks very much. Anyone else want to speak on this item? We'll have to wait for a moment for Commissioner Saltzman to come back, because this is an emergency ordinance. We might need to set this over for a little while.

Fritz: Or talk for a while. [laughter]

Hales: Or one of us could make a speech, or Rachel could see if he's available. So, give us a moment and then we'll decide whether we need to move on and come back to this act. We can certainly make some comments, and I want to make some -- we don't have to wait until we vote.

First of all, I think the work being done -- Fred, Jane, Janet -- those that are leading this effort -- is right on track with encouraging a pretty broad variety. Granted, maybe a bunch of them came from one bureau, but a variety is even more impressive than I expected, frankly. The creativity seems to me to be bubbling up in the way that one would hope would happen.

In my private sector career very early in that chapter of my life, I went to my boss and I had an idea. I said, "we should try this." And he said, "OK. Charlie's got a good idea, let's go for it." And I'll tell you, that was so empowering. And I hope -- it seems to me that's what's happening in our bureaus, that people are coming up with good ideas, the leadership in the bureaus is encouraging that, OMF managing this fund is supplying the resources to make this happen, and we're getting exactly what I think all of us hoped for in terms of not just creative and not just the opportunity to save money or be more effective as an organization, but to empower people in the bureaus that know what they're doing to come forward with things that will work -- or not. And that we all understand some of them will not work and we'll try something else.

Again, I want to keep repeating that -- failure is an option in this case. It's not the one anyone seeks, but it's OK for some of these experiments not to work. That's why we've measured the amount of funds that we're setting aside for this and keep reiterating the expectation that people should be creative and that creativity is going to be supported by us as a Council and by the bureau the managers and by our finance and administration team that oversees this effort.

I'm really happy with the way this is going and I appreciate particularly hearing some of the project leadership come forward today with both the ideas and the enthusiasm. With that, maybe I'll move to a roll call vote and allow my colleagues to comment as well.

Item 296 Roll.

Fritz: I was going to celebrate the fact that nine of the 17 are from Parks and I don't apologize for having the most innovative staff in the City. For a small fee, I will allow them to come and teach your staff. [laughter] Really, there's such a broad range of services that Portland Parks and Recreation provides, and as such, dismal funding for a lot of them. It's not surprising many of these are from Parks. And as I said, there's one more coming forward hopefully in May.

Thank you for all of the staff and citizen volunteers who evaluated these grants and who are going to be working diligently on them. I know my own first start it was getting a \$3500 Bureau of Environmental Services education grant as a mom at Markham Elementary School. And I thought it was so cool that the City of Portland was investing in my concept. It ended up being a boatload of work, so I would caution staff to make sure things are vetted thoroughly through the system as you're developing the concept because

March 25, 2015

we want to make sure as many projects as possible are successful because that then does empower and you keep going. Thank you all for doing this great work. Aye.

Saltzman: I appreciate the Mayor creating this innovation fund a couple of years ago, and looks like there's been a lot of good creative thinking going on here. And hopefully, a lot of these projects will prove to be successful. Although as the Mayor said, failure is an option too. That's what innovation is all about. Aye.

Novick: I think Commissioner Fritz has an unfair advantage because her folks are out there communing with nature, and we all know that's conducive to creativity. So, I think they should have a handicap.

I think this is a tremendous initiative, I really appreciate Fred and Jane and Janet's work and all of the bureaus' work. And one thing I think people should be aware of is that -- I mean, people might be asking, "why do we need to set aside specific pots of money for this stuff? Why can't bureaus just do innovative things whenever they see an innovative thing to do?" And the truth is that government budgets tend to be pretty proscriptive, and the bureaus generally don't have big pots of money set aside for just doing cool stuff. So, that's one of the reasons it was important to create a pot of money that's specifically designated for cool stuff. And gosh darn it, we're seeing some cool stuff. Thank you all so much. Aye.

Hales: One more anecdote. Early in my term as Mayor, I went to my first U.S. Conference of Mayors meeting, and one of the people I met I value as a mentor is Greg Fischer, who's the Mayor of Louisville. He had a very successful private sector career and came back into government. I was sort of agonizing out loud, I'm not sure how much time to spend in extracurricular activities as a Mayor. I have to be in Council and present and helping to lead the City, but I also value this kind of learning, and I'm trying to strike that balance for how much time. Do I get involved in the C40 organization? Do I get involved in the U.S. Conference of Mayors or National League of Cities? And each of us that do some of that kind of work outside of the formal boundaries of our responsibilities here have to kind of weigh that allocation of our time. Again, remember, this is a private sector person. And he looked at me and said, "well, how many people are working for the City of Portland?" "Oh, about 5500, 5600." And he said, "how many of them are charged with cross-pollinating ideas in research and development?" And I said, "oh, I guess not that many of us. Thank you, I understand that I should be here now."

But actually, I would be happy to report back to Greg or any other mayor that now there are a lot of people involved in research and development and cross-pollinating ideas and that that was the hope of this program. I'm very happy to see that hope being realized. Keep up the good work, keep producing wild new ideas -- some of which will work -- and keep competing against each other for creativity. Very well done, thank you. Aye. Good work. Let's hear it for our bureaus. [applause] Alright. Item 297 is the adoption of findings.

Item 297.

Hales: The findings are before us. Any reasons having concerns about adopting them today? If not, I'd like to hear a motion for the adoption of findings.

Fritz: Move to adopt the findings.

Novick: Second.

Hales: Further discussion? Anyone want to speak -- we don't take testimony on adopting the findings, right? Never mind. Blame the cold for that. Roll call, please.

Item 297 Roll.

Fritz: Thanks very much to BDS staff and to the citizens and the developers on this project. Once again, it was a very constructive and illuminating hearing. Aye.

Saltzman: Aye. **Novick:** Aye. **Hales:** Aye.

Item 298.

March 25, 2015

Item 299.

Item 300.

Item 301.

Item 302.

Item 303.

Hales: Let me make some opening comments in terms of how we're going to proceed, and then I'll turn it over to Patrick. Two weeks ago, we had two proposed amendments. Commissioner Novick requested that we collapse the infrastructure open space and targeted industry line items in the estimated expenditures for the North Macadam Urban Renewal Area. Commissioner Fritz suggested to Commissioner Saltzman that he memorialize his intent requiring housing on the property owned by the Fire Bureau through an amendment should it be offered for redevelopment.

So now, today PDC will present how they incorporated those amendments into the respective URA reports in front of us. We will take testimony because we're required to do so on the amendments -- only on the amendments, because we've closed the hearing on the remainder of these reports.

In the last two weeks, PDC, Housing Bureau, Commissioner Saltzman's Office, Commissioner Fritz's Office, and my office have continued to develop -- to prepare a development solicitation for Parcel 3. PDC is preparing a resolution that reflects that work. And I think Commissioner Fish would like to be here and has filed that resolution for consideration next week. So, for all those reasons -- because we're going to take testimony on the amendments today, because Commissioner Fish wants to be here and he had a resolution to back up the Council's discussion and intent on affordable housing in that district, I want to continue all these items for final adoption, second reading and roll call next week. But again, we'll hear from Patrick and take testimony on the amendments today. Patrick?

Patrick Quinton, Executive Director, Portland Development Commission: Thank you, Mayor Hales. Good morning, Commissioners. As Mayor Hales mentioned, I just wanted to quickly do an overview of the two amendments and then I can move on and then we can take testimony on those amendments. I just want to make sure we're all on the same page.

Those two amendments -- one, as the Mayor mentioned, was to update the table that appears -- there's two tables actually, tables 10 and 10B in the report to the North Macadam URA plan. And then the second update is actually once again a change to language in the report to the Central Eastside Urban Renewal Area plan that refers to a desire for affordable housing in the Clinton Triangle. So, I'll just quickly run through those so everybody has the same information, and then we can take testimony.

The first one. As we talked about last week, we wanted to update this table. Table 10A is the summary table, 10B has the detail behind it. Basically, this was collapsing three different categories of expenditures into one line. So, it takes -- it adds the commercial redevelopment loans and grants and target industry work and moves that into one kind of super category of infrastructure, open space, and redevelopment. The number ends up being about \$13.5 million in that line. And you can see on the slide the lines that have been impacted by that. So, we've eliminated the commercial redevelopment loans and grants line that was up in the top section that was \$4.5 million, we've removed the target industry line that was \$2 million, and added the sums to the industry and open space and line. That's now infrastructure, open space, and redevelopment.

Once again, this table refers to the current resource projections for the expansion of the urban renewal area, it does not assume any development agreements or whatnot. It's simply the current projections as we have them. With the ZRZ development agreement, we

March 25, 2015

could revisit the projections at a later date, but these are the projections we are using for the purpose of the URA amendment. Commissioner Fritz is studying it, I just want to make sure we --

Fritz: I don't know that I have paper copies of this.

Quinton: Of the updated reports?

Fritz: Right, of the new table.

Quinton: These are pages 32 and 33.

Fritz: OK, yes. Thank you.

Quinton: And then the next one -- this is the paragraph that appears in page 26 of the report that relates to the update to the Central Eastside urban renewal plan and it relates specifically to bringing affordable housing to the Clinton Triangle.

The language in red is the language that we've added. I mean, I can read it out loud and then I'll just give a little context. Should the Fire Bureau dispose of its property in the area, it shall include a requirement for affordable housing or shall be included in a larger development site that will be developed for affordable housing. This requirement may be implemented through a covenant to the need requiring affordable housing upon the sale or transfer of the City property.

This simply allows for two different scenarios. One is that the development will occur on the Fire Bureau site and therefore we meet the requirement there, but it also accounts for what I think is the more likely scenario, which is when the parcels -- because it's not just the Fire Bureau parcel, there's a Water Bureau parcel, there's other parcels -- when they are sold to private or maybe not-for-profit development interests depending on the scenario, it may be that projects cut across existing property lines and we want to account for affordable housing being built in that triangle as opposed to making it required just within a somewhat arbitrary boundary of the Fire Bureau property. And we shared this with the Commissioner in advance, and he was fine that.

So, that's what I have. If you have questions, I can take them now or I'll step away and we can allow for testimony.

Hales: Questions at the moment? OK, stand by for more, and I'll see who wants to speak on the amendments.

Moore-Love: I have five people signed up. The first three, please come on up.

Hales: OK, come on up. Good morning.

Kathy Orton: Good morning. I'm Kathy Orton of Brooklyn neighborhood. Thank you for allowing some additional testimony today on the amendments.

Brooklyn obviously has a range of affordable housing currently and encourages that concept, but Clinton Triangle should not be the only place affordable housing is specified. Council should be enforcing its affordable housing quotas in the Pearl District and in all the URAs.

Also asking the Council consider additional amendments which would be adding portions to Central Eastside -- a Brooklyn portion, SE 17th and McLaughlin. If you're serious about development against the PMLR line -- because there are many vacant lots there already -- or adding south of Powell if you desire continuity in development along both sides of Powell.

If look at some of the acreages in question, SE 17th is roughly 36 acres, public and private, and has two of the light-rail stations. And south of Powell is a very small area with some private industry that would allow a continuity in planned development and the light rail line.

We still have a problem in Brooklyn with the Clinton Triangle, feeling there is some sort of quote "insider trading" in knowledge and ownership of that lot beyond the Fire Bureau. Thank you.

March 25, 2015

Hales: Thank you. Mr. Walsh?

Joe Walsh: My name is Joe Walsh, I represent individuals for justice. We request that we would send in written submissions for you on this. We would like to study the amendment a little bit longer on this. Are you going vote on this today?

Hales: No.

Walsh: I didn't think so. So, it's an unusual request. Usually, we run our mouths and tell you what our opinions are but we would like some more time to look at this amendment. We're a little confused on this and we would just request that. I'll sending something in writing one two or three days. That is reasonable?

Hales: You bet. Thank you. Anyone else? You had some others signed up. Good morning.

Debbie Aiona: I'm Debbie Aiona representing the League of Women Voters of Portland. The League supports the amendment that relates to South Waterfront open space. Parks are critical to the district's livability. The West Quadrant Plan anticipates close to 6000 residential units in south waterfront. Families living in those homes will not have backyards where they can recreate. OHSU students will want some place to shoot baskets or kick around a soccer ball. Children living there will need playgrounds. They should not have to leave the neighborhood to find these facilities.

Recreation standards for a community of this size recommend facilities such as tennis and basketball courts, playgrounds, and picnic areas. In addition to the existing Caruthers Park which does not accommodate these types of activities, the Council-adopted South Waterfront plan calls for a 4.5 acre Ross island Bridge Park. This park is planned as the district's largest, with space for active recreational facilities. The City should stay firm on its requirements and Zidell must commit to making land available for the bridge park and to greenway improvements in exchange for urban renewal dollars.

Recently, a more complete summary of the Block 33 transactions between PDC and OHSU became available. The \$6 million committed to the now-abandoned Block 33 affordable housing development came from City housing resources. OHSU still owes the City \$2 million. It appears that if they do not sell the land by 2017, the housing funds will never be paid back. This simply is not acceptable.

Should a sale not take place, OHSU should transfer ownership of at least half of the site to the City in lieu of the \$2 million repayment. This would provide OHSU the opportunity to contribute to the vision of the district by making land available for housing affordable to OHSU nurses, aides, and janitors -- not to mention returning the two million of City housing money that OHSU owes.

The River District has been held up as a textbook example of urban renewal done right. In that case, the development agreement and urban renewal plan were approved simultaneously. All of the planned parks and most of the affordable housing have been successfully developed. This Council should take a page from that experience and make adoption of the North Macadam amendment contingent upon agreements with Zidell and OHSU for parks and affordable housing sites. Short of that, will you commit to the public that as the City negotiates development agreements, these items will be required in exchange for the millions of dollars that will be invested in the district to the benefit of these property owners? Thank you.

Hales: Thank you.

Fritz: I just have a question for you, Debbie. I know -- and it's evident that this process has been a little iterative. So, the amendment that's on the table from Commissioner Novick actually could reduce the amount of money for parks. There was previously that money in the line item and it was specified for parks and now it's specified for parks and generally for infrastructure, including transportation. Does that alter your comments?

March 25, 2015

Aiona: Then it does alter -- I'll change my first sentence. We do not support. And you understand all the reasons are still the same about the parks being important to this district, and we need the money.

I guess I took away from that -- when the discussion came up at I guess it was the last one -- that this would sort of allow parks and infrastructure to tap into some of the resources that were in the commercial redevelopment line.

Fritz: That's part of it, too -- [speaking simultaneously] -- that's transportation and parks.

Aiona: Yeah, I thought it might open up more resources possibly for parks -- but it's a gamble, I also realize. Yeah. We wanted to make sure there's parks, how about that? [applause]

Hales: Good morning.

Susan Pearce: I'm Susan Pearce, chair of the Hosford-Abernethy Neighborhood Association which houses the Clinton Triangle. We haven't really discussed this amendment among the board members, I can't speak for the board as a whole, but I can say that I've had multiple conversations recently with board members and with other residents within the neighborhood who expressed concern about the loss of affordable housing in our neighborhood. It seems to be really popular, we're already seeing \$700,000 homes. So, we would very much support an opportunity to regain some of that affordable housing.

Obviously, there are many advantages to affordable housing in a place that is at the nexus of multiple modes of transit and transportation. One of the often-stated disadvantages is the presence of heavy rail right along the district, but some of the noise has been recently resolved with a quiet zone -- our neighbors are happy about that.

There's a concern I've heard recently about, what does affordable housing mean? Does it mean those people zero to 60% of MFI as opposed to young people needing to find housing on their way up within their careers? I would hope this is intended for the latter, from my experience on the urban renewal area advisory committees -- that's my understanding.

We actually have the option for a park or an open space in that area that I mentioned during my last meeting with you from the money that came to PDC from the sale of property back to OMSI.

I would say that many of us within HAND would want to see something that is mixed income housing, not just affordable or low-income housing, because we think it's better to everybody concerned. I think that's everything I wanted to say.

Fritz: Could I just clarify from Commissioner Saltzman -- I know that Commissioner Fish has also been working on this -- but the intent is affordable housing at 60% and less, is that correct?

Saltzman: Yes.

Hales: But that wouldn't --

Saltzman: That wouldn't preclude --

Hales: That wouldn't preclude having a mixed income project.

Saltzman: No, it wouldn't preclude by any means mixed income.

Pearce: But it doesn't mean providing affordable housing necessarily for someone who's a recent college graduate and going to be moving up.

Hales: They might very well be at 60%.

Saltzman: Yeah, we can't select certain kinds of people that otherwise might meet income guidelines and say they can't be eligible.

Fritz: And is the intent of the amendment to say that it will just be affordable housing on that site? And if not, how much of any potential housing on that site would have to be affordable in order to comply with the proposed amendment?

March 25, 2015

Saltzman: That's a very good question. I don't think we have fully assessed what the opportunities are with this site, but we do think there is a substantial opportunity with the property itself. We also think with the pending height bonuses for affordable housing that will further incent development of affordable housing, but we don't have a specific project in front of us that we're scoping out at this point.

Fritz: I appreciate Ms. Pearce bringing this issue up. And perhaps between now and next week, there could be a little more specificity added to the amendment. Because the way it reads now it just affordable housing, and it doesn't specify -- is that all of it, half of it, does that mean there are two units that's affordable and the rest is market rate?

Saltzman: I don't think we're going know --

Hales: Patrick may want to comment on that, too. Again remember, this is an you are want renewal plan and projected revenues and expenditures, not a budget, not a project plan. And we have so many milestones to pass. Right now, this is a Fire Bureau maintenance facility.

Fritz: Right, but --

Hales: That's what it is, you can go there today. We have a long way to go from that being a Fire Bureau maintenance facility to having it be a housing project of any character. And what has happened here is the Commissioner in charge of the Housing Bureau has laid down a marker and said there's going to be affordable housing there. And we cannot -- we can guess at a number, but that's all we can do today.

Fritz: Could we amend -- it's a policy statement, so we're not going say there's going to be 200 units of zero to 60 or whatever, but could we amend it to say there's a substantial component of affordable housing?

Hales: Let's let Patrick come up and comment on that in a bit, he looks like he has a thought or two on that question.

Fritz: OK, great. Thank you.

Hales: Good morning.

Mary Ann Schwab: Good morning, Mayor and Commissioners. For the record, my name is Mary Ann Schwab, a community advocate. I've come to bury the number 298 eleventh amendment to the Central Eastside urban renewal plan to add a plan area and projects and extend the duration of the plan, increase the maximum indebtedness. I'm not here to honor the proposed extension.

Granted, urban renewal under the leadership of the Portland Development Commission has been Portland's principal redevelopment and revitalization tool since 1953. There rests the controversy today with continued use of tax increment financing as a basic funding mechanism for urban renewal. For this property owner, TIF has come to mean an open ATM for turnkey developers who are here today and gone tomorrow. I believe the time has come to pull the ATM plug financing on the proposed Clinton Triangle.

I believe the broadest range of government activities must first contribute to the stability of the six Portland school districts, Portland Parks and Recreation programs and maintenance, police, fire, Multnomah County Human Services within the city's 95 neighborhoods.

I trust you are all aware of the pending Multnomah County Home for Everyone's initiative. For us to sit here and plan to put housing that close to an interstate railroad with toxic coal, crude oil -- the Amtrak is not a safe environment for kids. Need I remind you roughly six, seven years ago, a little nine-year-old with Parkrose School got too close to a railroad and lost four toes? That's four toes too many.

It's not a safe environment. We talk about CO2s, we talk about the clean environment, clean water. Therefore, I'm asking each of you to vote no to the PDC Clinton Triangle 16-acre expansion, thereby increasing long term indebtedness payable by the

March 25, 2015

next generations until 2052. Where are we gonna be in 2052? We can't keep putting these debts on the next kids. And with tax compression, we've learned a lot about what happens to our dollars.

Yours is not an easy job. You win a few, you lose a few, and I don't know where we stand on this, but kids come first, parks come first, and safe living for them. That's my feeling on this. Thank you, and I appreciate you for listening. We are all in tatters. We do not need any more "oops" from poor planning. Thank you.

Hales: Thank you. Anyone else that we have signed up? Come on up, please.

Benjamin Barber: Hi there. So, I was at the Zidell urban hack-a-thon and I actually got word from them by having the innovative concept of reducing the cost by having integrative schooling and start-up space. But I digress.

I really would like to see some affordable housing. Right now in Salem, they're having a work session on the inclusionary zoning bill, so it's good that you guys aren't going to be voting on that today.

I also noticed that PSU wants the University Place hotel renovated, but I think the market could probably solve that a lot better and have seen PSU just not really handle their finances really well. They've recently fired a bunch of their bookkeepers and gone through a bunch of their auditing. And in the past with their University Place, there's kind of some eminent domain taking stuff happening. At this point in time, much of that burden is going to fall on the students to pay for that debt service over time, and they're spending more money in real estate than in instructional hours.

Ultimately, I do agree that we have to pull the plug on the urban renewal. When it makes sense, by all means, use it. I would love to have it be used for inclusionary housing or low income housing or for making community makers spaces, hacker space, training facilities -- that sort of things. Anyways, thanks for your time.

Hales: Thank you, thanks very much. Patrick, could you come back up and address a couple of questions? So one -- just become it came up in testimony again -- could you perhaps reiterate why there's not a recommendation to increase the area of Central Eastside district to encompass more of Brooklyn?

Quinton: So, the issue comes down to really the pool of resources. So, you can draw the lines any way you want, the dollar amount is the same and so it's a matter of where priorities for the district are and what this Council believes should be the priorities for the remaining life of the Central Eastside. I think we've clearly laid out what we've heard in terms of those priorities. So, you can pull in other blocks but you're simply drawing on resources that I think we have other priorities identified. So, that's why we kept the boundaries as kind of tightly drawn as they are -- just to not create expectations.

You could pull in those additional blocks and say, "maybe five years from now we'll have a better understanding of priorities and we might make investments" but then those are blocks that are actually taken off the tax rolls as well. So, you're expanding the scope of urban renewal without a specific promise of resources and creating additional competition for resources. That was the view of the urban renewal area amendment advisory committee when they came back as well.

Hales: Is it also possible or permissible that the Council and the PDC board could choose to amend that district later after we get done with the comp plan?

Quinton: I think this is the one shot we have to amend to do it -- [speaking simultaneously] -- I guess we can come back. But we're out of acreage -- we used the maximum expansion of acreage? I'll ask Kimberly Branam to come up.

Hales: Is there any more wiggle room ever if we wanted to use it? I guess that's the question.

March 25, 2015

Kimberly Branam, Portland Development Commission: Good morning. So, the cap is both 20% on acreage and maximum indebtedness. With this amendment, we are increasing it up to the maximum indebtedness cap, so we cannot add any more maximum indebtedness. But if we wanted to add any additional acreage up to that 20% cap, we still have a few acres. So, we do have a little flexibility.

Hales: Not necessarily the whole area that we saw on the map from Brooklyn --

Branam: No, that would exceed the 20% cap.

Hales: So, we could at some future point say, "oh, yeah, this is a station area, it's going to change and we ought to include this too"?

Branam: Yes.

Quinton: But it's contiguous. You only get to move a little bit around, but you can't leap-frog down to the next station area.

Hales: Right.

Quinton: We don't have the acreage to do that.

Hales: OK. So, it would be this station area only, just a question of what other parcels.

Quinton: Yeah, just drawing from the boundary we have now.

Hales: Right, OK.

Saltzman: Are you talking about the citywide acreage cap or the Central Eastside acreage?

Branam: Central Eastside has a 20% cap.

Hales: Now with these changes, we're well under the citywide cap.

Quinton: Yes. Each specific urban renewal area has a limited amount of expansion you can do --

Branam: For the life of the district.

Hales: We're taking 1800 acres -- I think if I remember the number right -- we're taking 1800 acres out of the cap with this package. So, we've created some head room overall but not in this district.

The other question I had -- before I let others chime in -- that is the Block 33 OHSU chronology. Can you walk us through that again, please?

Quinton: Yeah. We won't go through the details again, but there were \$6 million that was paid. It was actually -- \$3 million was the down payment on paying for parking and we got that money back. Three million we paid OHSU for the air rights to develop on the site. We got a million back in transportation SDC credits which we're in the process of selling and realizing 100% of the value of that. And then there is two million that remains in the property that we will get back from OHSU if they were to sell the property. There's a 2017 date on it. We're actually in conversation with OHSU right now about extending that. It wasn't the idea to create a narrow window for us to get our money back. At the time, it seemed like the right window.

But the bigger point I want to make is that is completely out of the set-aside calculation as we speak. So, the \$6 million is not counted against the set-aside. If the two million comes back to us, then that's two million that can be used for another purpose. But the number that we're using to calculate the set-aside and to get to 42% of overall resources does not include that \$6 million.

Hales: OK. Thank you. Other questions?

Quinton: The other thing I want to just -- because Ben was explaining this to me -- if there's a desire to amend the language that we propose for the Central Eastside report -- and in order to avoid reopening it next week and delaying the vote, we would need to amend it right now.

Hales: OK.

March 25, 2015

Quinton: So if there's more specificity we want in the language, then that should happen today. And we did -- I do think these are legitimate questions, it's just -- as Commissioner Saltzman said -- we don't really know. It's actually less predictable than what we actually know in South Waterfront. In South Waterfront, we know that we're talking about new projects and so there's a lot of experience around new construction affordable housing projects, what you can get for your dollars. In this Clinton Triangle, I think it's more likely that it'll be a customized mixed use development, and so how affordable housing appears in the triangle I think will be different from what we're talking about in North Macadam.

That being said, there are probably ways to craft some minimum. We have to keep in mind the dollars are a lot smaller in Central Eastside. The simple math on that would suggest that under the City's current formula of subsidizing units -- you know, we can do the math quickly, but you're talking about something on the order of 25, 30, 35 units. What we've talked about -- as Commissioner Saltzman highlighted -- is this is a place where we might be able to get more affordable housing based on different bonuses and that might be the formula that gets us to a bigger number. But we don't know any of that right now, and affordable housing alone is not going to maximize the development potential of the triangle. So I do think that we should anticipate that we're going to want to attract other forms of housing in the triangle in addition to affordable housing. There just isn't enough money to make affordable housing happen there without some corresponding market development, whether it's commercial or residential or some other institutional use.

Fritz: Could you point me to where I have the language written down as to what the amendment is?

Quinton: That's page 26 of the report.

Saltzman: You could put it back up on the screen.

Quinton: I put it back up on the screen.

Fritz: I don't have it on page 26.

Hales: There it is, right there. 26 of the report, right?

Quinton: Yeah.

Hales: Not of the ordinance document. We could hear from you, Commissioner Saltzman, if you want to further amend your amendment. Frankly, I'm content with it. I'll once more try to soldier back to the big picture here.

I believe this area ought to come into the urban renewal area because it's a light rail station area, it's zoned industrial. We're building a billion-dollar light rail line and we were behind the curve when I arrived here on both the urban renewal question there but even more on the planning process, and we've changed the order in the Planning and Sustainability bureau to get the planning and zoning work done around the station areas, not just the one that now might be in an urban renewal area. But this is all still futuristic thinking.

I take Ms. Schwab's point and Ms. Pearce's point about -- I believe a modicum of affordable housing on this site is appropriate, but how do you do that will matter. Because it's a difficult site. It is next to a freight rail line and a light rail line and a truck corridor and what's now a state highway. So, it's not an easy site to figure out. Oh, and by the way, we have a Fire Bureau maintenance facility that's still there. So, there's a lot of work to do to figure out exactly how this station area turns into a station area where people live and work rather than only a few of them doing essentially industrial work today.

I'm comfortable with making a commitment that there's going to be affordable housing there but not trying to quantify that because that's trying to see around three or four corners at once, and I don't think we can do that.

Quinton: Can I just clarify -- from a process standpoint, there will be in addition to annual budgets the fact that these properties are City-owned. So, the disposition will go through

March 25, 2015

City Council -- the disposition of the Fire Bureau property, the disposition of the Water Bureau property. And you have multiple IGAs that are going to come before Council with regard to any infrastructure investments. And if there happens to be a development agreement, that'll come through Council. So, there's going to be probably another half a dozen different actions that this body will take with regard to the Clinton Triangle.

Saltzman: Yeah, I'm comfortable with this language. I think that there is -- I'm leery of trying to qualify the unknown at this point. And I think as you just pointed out, there's going to be several bites at this apple that Council's going to have as this site -- the Clinton Triangle -- redevelops. This is a pretty substantial commitment to say affordable housing is going to be a part of this deal.

Fritz: I'm probably not going vote for the expansion. I just would like to point out that the language that you have in one instance directs that it will all be affordable housing. The second half of the first second says "shall be included in a larger development site that will be developed as affordable housing." Boom, that's it. The first half says there will be a requirement for affordable housing. So, if that's OK with you -- I just want to make that clear.

Saltzman: I'm fine.

Hales: We've got it for now. Any other questions or requests of Patrick and Kimberly while we have them? OK, so I'll close the hearing on the amendments and we'll set all these for second reading and Council vote next week, regular calendar.

Quinton: Thank you.

Hales: Thank you. Let's move to the consent item we pulled, which is 304.

Item 304.

Hales: Commissioner Fritz.

Fritz: Thank you, Mayor Hales. And I apologize, colleagues, it was my error we put this on consent because obviously it's a splendid something that I want to celebrate.

Before we get started, I have a minor amendment which I'm handing out. It's a language amendment directed by City Budget Office, and I certainly appreciate their point that the intent is to say we're going to request operations and maintenance costs for the property rather than we are doing so at this time. And that's a very proper request from the City Budget Office. So in the directives in the ordinance, we would be striking "in accepting responsibility for the property, the Council acknowledges the need to fund the ongoing operations and maintenance cost of this property and directs the Budget Office to add 43,400 to the Parks FY 2015-16 budget" and instead inserting "Portland Parks and Recreation has identified 43,400 in ongoing operations and maintenance costs for the property which will be requested as part of the FY 2015-16 budget process."

Hales: OK. Commissioner Fritz moves that amendment.

Saltzman: Second.

Hales: Further discussion? Roll call to include the amendment.

Roll on amendment.

Fritz: Aye. **Saltzman:** Aye. **Novick:** Aye. **Hales:** Aye.

Fritz: Thank you, colleagues. There's also a scrivener's error which we are asking to be corrected, that the system development fund is 14,600 not 4,000 on closing. That doesn't need an amendment.

Hales: So noted.

Fritz: Thank you. With that out of the way, yay! This is really a wonderful acquisition in North Portland in a very parks-deficient area, and it's going to provide new service to 477 households in an area of the city that's not particularly affluent and very diverse. This is an absolutely spectacular property. So thanks to Zalane Nunn and your team for all of their work on this, and please tell my colleagues and the public about it.

March 25, 2015

Zalane Nunn, Portland Parks and Recreation: I'm Zalane Nunn with Parks, and we're here today to seek your authorization to buy a 2.92 acre parcel that's on the bluff in North Portland just south of St. Johns Bridge. It's got really amazing views of the city. There's a nice, large flat area that will be great for passive recreation use until some future planning is done. There's also some steep banks to be managed by City nature. There's also a couple of large old heritage oak trees that are beautiful.

But really, our biggest reason for buying this beautiful property is that it fills the service gap. We knew that we had a gap in this area and like Commissioner Fritz said, this will meet our goal of having everyone in Portland live within a half-mile walk of a park. And like she said, 477 new households will be served, and a total of 798 households are within a half mile. So, that's a pretty big fill, actually -- it's hard to get that with one property. Anyway, we're excited about this property. It should close in a month or so, and we appreciate your support. I'm happy to answer any questions you may have.

Hales: I'm trying to remember this property. I've seen it -- it's the one where Depave was doing their work last summer?

Fritz: No, that's a different property. This is currently the Open Meadow High School. They're selling it, so it also helps with the public purpose of providing alternative education.

Just to note, it has the historic Amos Benson house but that's located on its own tax lot and we're not purchasing that. In fact, I think that's currently up for sale. That's another wonderful asset, but we feel we have enough historic houses in the Portland Parks inventory and so we are not purchasing that. Did a line adjustment to get the park area.

Hales: OK, great. Thank you. Other questions for staff? Thank you. Public testimony -- which is why I assume you're here.

Steven Entwisle: Yes, sir. Good afternoon, Council and Mayor. My name is Steven Entwisle. I am a member of individuals for justice, healing man's sanctuary, and a whistleblower for the less fortunate. My concern here is the future of the parks, but before I get to that I just want to mention, Mayor, that I would recommend diglyceride licorice for your cough.

Hales: Ah, OK. Thank you.

Entwisle: It's a natural remedy you can get at the health food store that works really well. Anyway, I don't know if you're familiar with KBOO radio, if you're familiar with Dennis Bernstein's Flashpoints program. He did an article on the radio last Monday about homeless folks that were in the park smoking and how the latitude of the law in San Francisco and areas of California -- which we are about to adopt -- the latitude that the security and the police have for going after people that are smoking is absolutely atrocious and horrible. We've got a gal that had bad fibromyalgia, and the officers there took her down to the ground and tore her up really bad. It's on radio, you can hear it all -- it's on video and such.

My caution is that that's coming here. We don't have a lot of shootings in the parks right now, we don't have a lot of really bad situations. But I'll tell you what, after this July 1st issue comes out, we will. The only shootings I want in the parks are photographs.

Based on this he and what's coming down the pike -- very concerning, very concerning, especially to the folks that you, you, you and you utterly despise. That's what this is about. It's about getting people out of the park. What I want to do is give the parks back to the Native American Indians, OK? Let them manage, let them control the parks. This is a revolutionary idea, this will be the first in the United States, but I think this is long overdue and this is a good faith move. Because what's coming down is not good right now. Thank you.

Hales: OK. Anyone else? It's an emergency ordinance, let's take a roll call vote.

Item 304 Roll.

March 25, 2015

Fritz: The money for this purchase is from the system development charges, which is fees paid by developers for new construction. We're not allowed to use that money for maintenance of existing parks, we're only allowed to use it for expanding the system. And this does indeed provide a new park for -- there's a lot of housing construction going on in the St. Johns area, so this is an excellent acquisition and I comment my team at Parks for continuing being on the lookout for properties like this, and also the taxpayers of Portland who are then willing to provide operations and maintenance for them. So, thank you very much, Zalane and your team. Aye.

Saltzman: Yes, excellent addition to our parks system. Aye.

Novick: Aye.

Hales: Great addition, that's a really nice piece of work. Well done. Aye.

Fritz: Just before you gavel, I forgot to say thank you to the citizens and the neighbors around there who were instrumental in bringing it to our attention.

Hales: Great work, thank you. Let's move on to the remaining regular agenda, starting with item 309.

Item 309.

Item 310.

Hales: Captain Sheffer is here, along with others from the bureau to tell us what we're about here. Good afternoon.

Kelli Sheffer, Portland Police Bureau: Good afternoon. Kelli Sheffer, Captain with the Portland Police Bureau traffic division.

Bob Del Gizzi, Portland Police Bureau: Bob Del Gizzi, Portland Police fiscal services.

David Abrahamson, Portland Police Bureau: Sergeant David Abrahamson, traffic division.

Sheffer: And I'm going to defer to Sergeant Abrahamson.

Abrahamson: Mayor and Council, we are here to renew our contract with Xerox State and Local Solutions who has managed for years our photo enforcement program in Portland. Currently, this not-to-exceed amount is \$1 million, which the ordinance amends in the contract. Additionally, photo radar system an increase in not-to-exceed the amount by \$3.5 million. There is absolutely no change in our contract, and this increase is covering the cost that were in place in the previous contract, which our business manager Bob Del Gizzi can address better than I can.

This has been an effective program. We have addressed community issues from neighborhood associations from school zones and from areas where we were receiving calls, both the traffic division and department of transportation, to meet and provide a service which has been beneficial to the public.

Hales: It's important to note this is continuing what we do now, it's unrelated to the legislature's discussion about potentially changing the rules about photo radar. This is to continue our currently program under current law.

Abrahamson: This is correct, yes.

Saltzman: Was there a new request for proposal issued for both of these programs and Xerox scored well -- what's the basis under which we're renewing it?

Del Gizzi: Good question. This contract is being extended in the amount increased within the programs that procurement services has to set up on contracts, so it has an extension -- there's a capacity to do an extension and to increase the dollar amount. And it is at this point necessary to increase the dollar amount in order to maintain the operations to the future. When we get to the end of the contract, it would normally be part of a competitive process but that's a few years out.

Saltzman: OK, thank you.

March 25, 2015

Fritz: I have some questions. On the first ordinance, what kinds of infractions are [indistinguishable] and fined with the red light cameras? Is it just running a red light or is it turning right on red, being too far into the crosswalk?

Abrahamson: This is actually a red light, so if somebody's blowing through a red light and it's set for time. It's captured over a 12-second video, so it's in still format, the vehicle is approaching, you see the violation at the intersection, and then you see a final still after they complete and are proceeding through the intersection. So, this is specifically for red lights, it's not for speed or other infractions.

Fritz: Thank you. What's the difference between the wet film camera and the digital technology, and why do we need to change?

Abrahamson: That's just as things have developed -- no pun intended -- as they progress in the technology, they've gone from the old wet film -- which is traditionally how film was developed and processed in hard form -- and now it's in digital format. So, it can be online, it can be viewed via computers instead of actually having to look at a photo in hand.

Fritz: Are these public records? Could somebody request to get the photographs?

Abrahamson: They could -- these are public records. Sure, these are available to any violators. That's actually mailed out with a pamphlet and a copy of the violation. So, they could actually go online and actually observe this and view it for themselves, too.

Fritz: How long do the records get kept for?

Abrahamson: I believe at least five years.

Fritz: And can they be used for other purposes other than the red light blowing?

Abrahamson: At this time, we don't. We've really established good parameters. Even my predecessor before me and currently what we have in place -- we don't use these for not even any other -- not even investigations. If an officer wants to call and say, "hey, I think we have a crime in this location" -- even hit-runs which I oversee too, -- we go through a subpoena process in order to get those. So, we aren't using those for other issues at this time.

Fritz: Even your own staff are not allowed to use them for investigations?

Abrahamson: At this point, we haven't, no.

Fritz: Good. I'm told this is cost-neutral. Does this mean we collect \$1 million from these tickets?

Del Gizzi: Yes. Over time, the cost of the program is roughly reimbursed by revenue received. One of the things that I think is important to understand is how the revenue actually flows. Under Oregon state law, the first \$60 of revenue that comes in from a citation that's paid is kept by the state. If there's any fund past that \$60, it's split 50-50 between the jurisdiction where the officer has issued the citation and the state. So if there's a \$100 citation paid, the state takes the first 60, the remaining 40 is split 50-50. The City would get 20.

Fritz: Wow. But we're still going make \$1 million over five years to repay for us this?

Del Gizzi: If it was \$100 ticket and we received \$20 for every one of them, we would not break even. It would cost money to issue this citation.

Fritz: So then where does the money come from?

Del Gizzi: What happens is citations are written for higher dollar amounts. They can be bargained down, so to speak, in traffic court. That can happen. And the fines occur across the spectrum, from a presumptive fine -- which is what you would see when you receive a ticket. There's a maximum that it can be raised to and there's a minimum below which it cannot be dropped.

Fritz: Since this is a renewal, could you get me the information about -- did we make money on this, did we lose money on this over the previous contract?

Del Gizzi: Sure, I have a summary I can provide you.

March 25, 2015

Fritz: Thank you. And on the second ordinance 310, again, what does the record identifying information do? Is there a standard report for what goes into this record collection?

Abrahamson: Maybe you could rephrase that so I understand properly. Are you asking as far as video or as far as if it's a photo that's --

Fritz: This is again to detect speeding violations, right?

Abrahamson: This is correct.

Fritz: So, this is a machine that's driving around and somebody whips past the machine and it takes the pictures, right?

Abrahamson: Right.

Fritz: How does that -- in the speeding violation, what's the record that is kept?

Abrahamson: It's actually -- again, you have video and you actually have photos on this. The photos are kept. Again, these records are kept for many years. Vince, are you here? Or actually [indistinguishable] is here if you want to ask him questions.

Fritz: Is there a standard report that's given to Portland Police or to OMF or somebody about --

Abrahamson: Yes, and we meet weekly with the vender and so we look at citations. There's a process that is lengthy. We could go into greater detail, but every single week we meet. If people have an issue with a ticket, then that goes through a process where it's viewed and reviewed. And so I can't -- I don't know how many years they keep the records so I can't tell you how many years they keep the records.

Fritz: So they keep the records, OK. So do we get -- again, I'm --

Abrahamson: We have access to all of these to go online and observe the offenses.

Fritz: And is it the same regulation for this camera that they're sealed off from all other investigations?

Abrahamson: That is correct.

Fritz: Thank you.

Saltzman: So, you review the violations, right?

Abrahamson: Officers or myself, yes. Correct.

Saltzman: What percentage of the violations that are issued are people texting or talking on the cell phone in the pictures?

Abrahamson: You know, I see a handful that come through every single week, but I wouldn't say it's a large amount.

Saltzman: We can't cite for that?

Abrahamson: Not currently, no.

Hales: Oh, really? I didn't know that.

Abrahamson: It's just speed.

Hales: Now, if an officer sees them doing it as opposed to a camera seeing them do it, we can cite for both violations, correct?

Abrahamson: Correct.

Hales: So if a traffic officer sees somebody going through a red light talking on their phone or texting, we can cite for both violations. But if it's caught on a red light camera, we can only cite for the red light violation.

Saltzman: Is that a matter of state law or bureau policy.

Abrahamson: You would have to inject new legislation law for that, yeah.

Hales: It's state law.

Abrahamson: Currently, we aren't able to do that.

Saltzman: OK.

Hales: Good point. One might think it would be reasonable to cite for both.

Saltzman: Right.

March 25, 2015

Hales: Maybe the legislature can look at that issue, too.

Abrahamson: Definitely not to say distracted driving isn't an issue, because it is.

Hales: OK, any other questions for the bureau? Some follow-up needed later. Great. Thank you all very much.

Sheffer: Thank you.

Hales: Does anyone else want to speak on these items?

Joe Walsh: For the record, my name is Joe Walsh, I represent individuals for justice. We hate these red light cameras. We just hate them because they're revenue-based, so the cost to run this operation costs about a million dollars, apparently, because it's a neutral level of taking in moneys. If that's true, then it's very expensive to operate.

You create this system where, when you look at this, if you're losing money you're more apt to say, "OK, maybe we should be a little more strict in doing this because we need to save money." Every time we have a protest in this city, we have 10 times the number of police that you should have. We have them all lined up. Why not use the police for what the police are supposed to do? And that's to do traffic control. That's what police can do, they do that really well.

There's something very wrong with a civilization that does this -- and every city does this, I know that. Doesn't make it right. Somewhere along the line, you have to say, "look, if this is revenue-neutral, than why are we doing it?" And we're not even making a profit off this thing. Then why are we doing it?

Novick: We're doing it to save lives, Mr. Walsh.

Walsh: Pardon, sir?

Novick: We're doing it to save lives, making people obey --

Walsh: Save lives -- no you're not.

Novick: Yes, we are.

Walsh: Then you could put a policeman on those areas that have people running red lights.

Novick: We can't afford to put a policeman on every single intersection --

Walsh: Let me finish. You know where they're running red lights. You could put a policeman there. And I'm telling you right now, if a policeman is standing there, nobody is going to run a red light -- or very few, or very stupid people. So, that's what police officers do. They do traffic control. To do cameras is to do spy in the sky and there's no way to get around it there, Commissioner Novick. Thank you.

Hales: Thank you. Anyone else? Roll call vote on 309, please.

Item 309 Roll.

Fritz: I appreciate the answers to my questions. I look forward to seeing the financial reports. To me, the fact that it is revenue neutral means that we're not just trying to get money -- especially now that I learned we're getting money for the state, that's very nice of us. I do think that these help to promote safety and saving lives in a more cost effective way than having police officers on every corner. Aye.

Saltzman: Aye.

Novick: This is a very important investment in safety. Aye.

Hales: Well, we've had entirely too much agreement in this chamber lately, Joe, so I have to tell you I completely disagree with you. I love these cameras because they do save lives. We have killed twice as many people every year over the past couple of years with cars as we have through homicides in this city. That's a typical year for us. So, what the traffic division does is really important.

And something we have to always remind people, which is that driving a motor vehicle is a privilege, it is not a right. Supervising people in the operation of a privilege -- driving a motor vehicle on a public street -- it's completely reasonable that we use cameras

March 25, 2015

and radars and other means besides the most expensive and difficult one, which is a police officer trying to supervise traffic operations, is completely reasonable. So, this is a privilege that needs to be regulated. This is a good way to do it. Thank you for good work in continuing this program. Aye.

Item 310 Roll.

Fritz: Aye. **Saltzman:** Aye. **Novick:** Aye. **Hales:** Aye.

Item 311.

Hales: Good afternoon.

Celia Heron, Office of Management and Finance: Good afternoon. Celia Heron with Office of Management and Finance. This was heard last week and was delayed so if there were questions, we're available to answer.

Hales: Further questions about this? I know there were some last week.

Fritz: The question I raised last week was about the proposed lease transactions being reviewed -- no longer being reviewed and approved by the City's debt manager. Could you tell the public why?

Heron: It's not correct to say they will not be reviewed by the City debt manager. They will. The City's debt management policies -- FIN 212, which were adopted by Council last August -- includes a lot of provisions, including a requirement that bureau directors confer and get the approval of the City debt manager on things, including the lease. The proposed -- the recommendation I made to delete it here is it didn't really belong here and it's incomplete. This section talks about the directors of BIBS' authorities, so I was just trying to clean up and complete code. But the requirements are there, in fact, in much more detail in the City's investment policy.

Fritz: Terrific, thank you.

Hales: Other questions?

Novick: Just wanted to note that the Feral Cat Coalition uses a mockup of the sign with a play on the old language of the sign that says "spayed in Oregon" on the website. I hope you'll continue to allow them to do that, it's very cute.

Hales: Throw the book at them. [laughs] Roll call, please.

Item 311 Roll.

Fritz: Thank you for your good work on this. Aye.

Saltzman: Thank you. Aye.

Novick: Thank you. Aye.

Hales: Aye. Thank you.

Item 312.

Hales: Roll call, please.

Item 312 Roll.

Fritz: I continue to be pleased that we made these 15-year bonds which saved the taxpayers two million dollars. Aye.

Saltzman: Aye.

Novick: Aye.

Hales: Two million here, two million there -- eventually you've got real money. Aye.

Item 313.

Hales: Another great Parks project. Commissioner Fritz?

Fritz: Again, we are very excited with this. This brings some private investment as well as public money in Lents Park. And so, I will turn it over to Zalane Nunn and also our honored guest, Ken Wilson of Rose City Baseball.

Zalane Nunn, Portland Parks and Recreation: Again, I'm Zalane Nunn from Parks. We are excited that we are bringing baseball back to Portland with the help of Ken Wilson from

March 25, 2015

Rose City Baseball. He will be the president of the new team and he has a brief presentation for you, so I'll let him take over.

Hales: Welcome.

Ken Wilson: Thank you very much. Nice to see you all again. Commissioner Novick and Commissioner Saltzman -- first time around. What we're doing is -- as was pointed out -- bringing baseball back to Portland, professional style baseball. Teal baseball. Seats. Fans. Families. Yelling. Cheering. Coca-Cola, Pepsi cola. Maybe a cold beer, some hot dogs. Some brats. Smoke. Barbecue. Games. Fun. It's great baseball and it's going to be in the middle of East Portland in Lents Park at Walker Stadium.

We're really happy after a number of years working on this that we've been able to put a lot of things together working with the neighborhood association, working with the Parks department, and working with our organization. It's a terrific plus for everybody. We're really happy that it's coming together and we look forward to playing ball in June of 2016.

Hales: Great, thank you.

Nunn: I'll just add this also makes improvements to Walker Stadium. They will be putting about \$400,000 worth of improvements in, plus there will be additional assistance to redo the field through Parks and PDC. And also the field and those improvements will be used by others when they're not using them.

Hales: This is an urban renewal area, and PDC is going to make an investment in this project for a better neighborhood.

Kevin Cronin, Portland Development Commission: Absolutely. We're happy to partner, Mayor --

Hales: Just put your name in the record, Kevin.

Cronin: Yes, sorry -- Kevin Cronin, PDC staff. Tardy to a City Council meeting trying to time my MAX ride up to City Council.

Yes, so PDC is very excited about this opportunity. Obviously, there's an investment in a park, but even more importantly -- as you know, Mayor -- we're working diligently trying to establish partnerships with four development partners in the town center. It's another reason to come to the town center, spend a few hours and spend a few bucks. It makes mixed use development that much easier to do in the town center. With that, I'll give it back to you, Mayor.

Hales: Thank you. This is going to be catalytic I think for everything you've been working on for quite a while.

Cronin: Absolutely.

Hales: Other questions for our team?

Novick: Mr. Wilson, I don't eat pork because saw the movie Babe too many times 20 years ago. Can you promise me there will be all-beef hot dogs? [laughter]

Wilson: Whatever promise you need, I'm happy to make. [laughter]

Hales: If you cook it, he will buy. Any other questions for our team? Thank you very much. This is a very exciting project.

Wilson: Thank you.

Hales: Anyone want to speak?

Moore-Love: No one signed up.

Hales: Alright. It's an emergency ordinance, so let's take a roll call.

Item 313 Roll.

Fritz: This is an exemption to competitive bidding because Rose City Baseball is investing and nobody else has offered to come and make these kinds of improvements including concession stands, chair back seating behind home plate, a new scoreboard, a new press box, new concession services, new dugouts, new team offices, a new irrigated grass

March 25, 2015

playing field, and a new playground including an events area. It's going to be [indistinguishable] baseball with college athletes, 30 home games over the summer and then the rest of the time little leagues and adult recreational leagues and everyone else will use the new facilities. So, it's absolutely the right baseball development for the park.

It's been very much welcomed. When the Mayor and I presented this idea with our partners, Rose City Baseball, a couple of weeks ago at the Rotary Club a couple of weeks ago, Lents neighbors were there. Also, Nate Christianson [spelling?] has been huge on this, [indistinguishable] has also been a great community partner. Todd Lofgren on our Parks staff has done a lot of the work in the back and forward, so I appreciate his work as well as Zalane and the team's.

It's really exciting, and it's happening in a wonderful area of the city that deserves really nice facilities. Thank you for your partnership, Mr. Wilson. Aye.

Saltzman: Yes, this is very exciting. Thank you, Mr. Wilson, for bringing Rose City Baseball to Portland, to Lents, and look forward to taking in a game or two. Aye.

Novick: Play ball! Aye.

Hales: Can't wait, thank you very much. Aye. OK, good work. Move some dirt out there this summer.

Item 314.

Hales: Good afternoon. Welcome.

Tammy Cleys, Bureau of Environmental Services: Hello. Good morning, Mr. Mayor and Commissioners. My name is Tammy Cleys with the Bureau of Environmental Services. I'm here with Kurt Robinson -- he's our engineer and project manager on this project -- and we are here asking for authorization to approve the ordinance to advertise the \$1.8 million Balch Consolidated Conduit Support contract. This project is part of the BES maintenance and reliability program, which is approved in a current CIP program. And Kurt has some information to share with you on the project.

Hales: Great, thank you.

Kurt Robinson, Bureau of Environmental Services: Good morning, Council. I'll show you a few slides illustrating the major elements of the project and then we'll field questions.

This map shown before you is the location map for the project. It's shown it's in Northwest Portland, located entirely within the college lake industrial area between Nicolai Street and Yeon Boulevard. The extent of the project between Nicolai and Yeon is along NW 30th Avenue, a portion of the industrial street extending to NW 29th and ending at the Yeon pump station.

The principal purpose of the project is to abandon a large diameter outfall sewer in very poor condition and to construct new pipelines to collect and convey combined sewage to the Balch consolidated conduit completed just a few years ago. This image shown before you is the top of the project looking east along NW 30th Avenue.

The outfall sewer lying under this industrial area was constructed in 1920 under Balch Creek or along the Balch Creek bed in an area known as Guilds Lake. This lake was filled in 1906 with clay-gravel conglomerate overlay with silt. After sewer construction, additional fill was placed over the sewer which resulted in significant settlement. This illustration is of the inside of the gulch sewer. As you see, the floor of the sewer has given away and the piles supporting the original sewer construction poked through. This entire area has seen extensive settlement, but we feel we've a solution for it. One is to abandon the sewer in place and construct a new sewer.

The [indistinguishable] includes crossing under a BNSF switch -- actually three switches located at NW 30th and Industrial. Two of the switches are obsolete, one switch remains in service providing service to customers along Industrial Street. At this location, two methods were considered. One is tunneling, which is typical near railroads to protect

March 25, 2015

the railroad. In this case, the sewer is shallow, so tunneling proved to be very risky. So, a second alternative of open cut was explored. This lower-risk option required a restoration agreement with BNSF and was deemed the better solution. The open cut method was selected.

The benefits of the open cut include lower sewer construction risk and cost; a railroad grade crossing update, including full restoration of pavement; removal of two substandard railroad switches; improved pedestrian access across the railroad with sidewalks; and in general, fewer impacts to local businesses. That is, a shorter duration of construction and no work along easements in front of existing buildings.

BNSF is covering approximately 20% of the cost of the restoration work, and that equates to between \$37,000 and \$50,000. BES is covering the balance of the crossing restoration work. That agreement between BNSF and the City was approved under Ordinance 186418 January of last year for \$185,000.

Another element of this project which is very important is to protect the CSO tunnel system from flooding in event of a high stage in the Willamette River. What's happened near the Yeon pump station is that this duckbill style flap gate has failed in its relaxed position shown on the right, and the proposal is to replace that with a steel flap gate. Just to illustrate the severity of the problem, shown before you is the elevation for GLI -- that's a drop shaft into Balch conduit. At the [indistinguishable] elevation of 24, the tunnel system is exposed to the Willamette River. That is, if the Willamette River reaches a stage above 24 feet, the tunnel will begin to flood with the existing duckbill style gate. So, the flap gate shown will protect the system from flood events.

The business impacts would be minimal on this project, although they will be felt in the form of minor traffic delays. We are requesting and specifying the contractor work during normal business hours, so we don't foresee a noise ordinance or night work to complete this project. The improvements that the local businesses will realize will be improved stormwater collection; improvements of a substandard rail crossing, which is in very poor condition; and improved pedestrian access through the area.

As a project summary, this project abandons that failing outfall sewer, which speaks for itself -- it is at risk and a liability for the City. The construction rehabilitates approximately 1300 feet of sewer along 30th and 29th Avenues. It works as a partner with BNSF to reduce risk while providing value-added pavement restoration and improved pedestrian access. And finally, protects the tunnel system from river flooding.

My estimate of construction is \$1.8 million. My level of confidence is optimal. We've done quite a bit of research on the cost. We have good empirical data on what this type of work typically costs. A contract, if awarded this next month, would be -- sorry, if the contract is advertised and successfully bid this month, it would be awarded in July of this year with construction commencing in August. The duration of construction is specified at eight months. So with that, I'll be open to questions.

Hales: Looks like a very necessary project.

Robinson: Yes, sir.

Hales: Other questions, comments for the team?

Fritz: Ms. Cleys, I would just like you to tell the folks at home what your job is.

Cleys: My job is a supervising engineer for the Bureau of Environmental Services.

Fritz: That is awesome, and I hope there's lots of little girls in STEM education at home watching at home thinking, "I want to be Tammy Cleys in the future."

Cleys: Thank you. And it is interesting projects like this -- when you see entire pilings --

Hales: Yeah, that's weird.

Cleys: There's a lot of challenges out there and room for a lot of little girls and little boys to take our places.

March 25, 2015

Hales: So, you can abandon that old sewer even in that obviously deteriorated condition and not have to worry about the street later having collapse problems?

Robinson: That's exactly the point, sir. The point is to drain the sewer of the standing water and fill with concrete.

Hales: Oh, you will fill the old sewer? OK.

Robinson: Yes, we will. The abandonment process through our standard construction practices is to fill the sewer with a controlled low-strength material, such as concrete.

Hales: Basically a sandy contract that can be pumped --

Robinson: That's right -- CLSM is what we use for this.

Hales: Yeah, I was worried about that. There's not much structure left there.

Robinson: That's correct. If unaddressed, it would eventually reach the surface and could result in collapse.

Hales: Yeah, OK. Good. It will be the strongest street in that part of town.

Robinson: [laughs] That's right.

Hales: Thank you very much. Anyone want to speak on this item? If not, it moves to second reading and adoption next week. Thank you very much.

Item 315.

Hales: Commissioner Saltzman.

Saltzman: Thank you, Mayor. This item completes a transaction on an agreement made in the 1990s between the Portland Development Commission and GSL Investors, the developers of the Yards at Union Station. With this action, the affordable housing set-aside budget for the downtown waterfront urban renewal area will receive almost \$9 million from the pre-agreed land sale and associated loan payoff. We have Barbara Shaw from PHB to answer any questions if Council members have them.

Hales: Questions for Barbara?

Fritz: How many units are currently in this project that are currently affordable?

Barbara Shaw, Portland Housing Bureau: Well, the entire Yards at Union Station is a seven acre parcel, and there's actually four projects on that parcel. In total, there's 621 units with 370 affordable in the overall. The action today is on one of those four projects, Yards B. And Yards B has 321 units with 61% affordable at 60% MFI.

Fritz: And my understanding is with this -- this is part of the agreement, so we pretty much have to do it, I understand that -- but those units will no longer be affordable, is that correct?

Shaw: No, that's not correct. The City's affordable regulatory agreement survives this transaction. It actually expires in 2027.

Fritz: So, there'll continue to be affordable --

Shaw: Yes.

Hales: Until then, OK. Great. That's good to know. Thanks very much. Anyone want to speak on this item? If not, it's an emergency ordinance. Roll call, please.

Item 315 Roll.

Fritz: Thank you for being here to explain that. Aye.

Saltzman: Thank you. This is \$9 million more for the downtown waterfront that can be spent on affordable housing. Aye.

Novick: Thank you very much. Aye.

Hales: Thank you. We can use that money. Aye.

Item 316.

Hales: Commissioner Novick.

Novick: The purpose of this ordinance is to authorize submitting grant applications to ODOT's All Roads Transportation Safety Program, totaling \$2.8 million for competitive transportation safety infrastructure projects. ODOT is receiving increased federal funding --

March 25, 2015

imagine that -- for the Highway Safety Improvements Program, HSIP, which funds safety infrastructure projects, and has created a new All Roads Transportation Safety Program for FY 2016 through '21 to focus these additional resources on reducing fatal and serious crashes across the state, regardless of whether they are on local roads or state highways. And this is seriously an emergency ordinance, because the application deadline is March 27th. [laughter]

Hales: We better not have a long Council meeting --

Saltzman: Yeah, waiting until the last minute there -- [laughter]

Margi Bradway, Portland Bureau of Transportation: Hi, my name's Margi Bradway and I'm the safety and active transportation division manager. With me is Wendy Cawley, our lead engineer -- another talented female engineer with me at the table today. And yes, it was a very compressed timeline. We had just a little over a month in the way that ODOT set the process up to apply for the funds. And I think Commissioner Novick covered it, but I'll just give you a little more background.

When MAP-21 -- the federal bill -- passed, they created a new Highway Safety Improvement Program, which we call HSIP funds. Those HSIP funds are federal funding that flows through the state. And the state DOT -- in our case, ODOT -- has the authority to allocate those funds as they see fit. And so, the ARTS program is the program set up by ODOT, and they then sub allocate to the region. So, region one has 10 million available. As a reminder, ODOT region one includes Multnomah County, Washington County, parts of Clackamas County, and Hood River.

Within the ARTS program -- I know there's a lot of acronyms here -- but there's an opportunity for systemic funding. And systemic is really what ODOT is describing -- opportunity to do low-cost safety improvements on systemic roadways where we know there's fatalities and serious injuries. Five million of that is available, and we're asking for your permission to apply for 2.8.

A couple things to note here also. This funding is spread out over five year period, so they have bundled it 2016 to 2021. So, if we were to get the amount that we're asking for, we're really only getting about \$560,000 a year. That's assuming we're successful.

I just want to make the distinction between these types of improvements that we're applying for, which are low cost operational improvements -- things like rumble strips, striping, signal timing. It's very different than capital projects that are really -- would improve the entire street. This is probably the most constrained funding pot that we have.

So, I just wanted to give you some good examples of the types of things we're applying for because we do believe even though low cost, there's going to be good safety benefits. Marine Drive -- in the past five years we have seen nine fatals and serious injuries. That's between 33rd and 185th. We're asking for only \$80,000 to do rumble strips for roadway departure along the center line and the fog line. We see quite a bit of road around Marine Drive. This is a low cost improvement that could save lives. Another example I'd like to use is SE Division between 119th and 136th. We've seen seven fatalities and serious injuries in the past five years. We're asking for \$250,000 to improve street lighting at pedestrian crossings to make those more visible. I've got Wendy here who knows the ins and outs of our applications if you have any more specific questions.

Saltzman: I just want to clarify because of the acronym, this is not money for the arts -- [laughter] -- it's money for transportation.

Bradway: Yes. Absolutely. All Roads Transportation Safety program.

Hales: Even though it spells that.

Bradway: Yes.

Hales: No, it's great. You look at the list of projects here and boy, they are much needed safety improvements.

March 25, 2015

Bradway: Absolutely. There's a lot of overlap between what we call our high crash corridor program and our 10 top high crash programs and the projects that we're applying for here today.

Fritz: And on that roadway departure safety -- I think that is an innovative approach that ODOT itself is looking at as well. You probably have already talked to the staff there, but they have experienced some challenges with retrofitting the center line rumble strips -- you already know about that.

Bradway: Well aware.

Fritz: That's good. So, you'll address that and make sure they know you know about that in the grant application.

Bradway: Yeah, we've spent a fair amount of time talking about centerline rumble strips with ODOT.

Fritz: And just for my colleagues -- I learned this past week that where you retrofit the rumble strips there's a danger that it could allow seepage into the street and thereby make it less safe. And so it's really great that you're on top of that and will address that in your grant. Thank you.

Hales: Good work. Further questions for staff? Thank you both. Anyone want to speak on this item? If not, roll call, please.

Item 316 Roll.

Fritz: It's great to see a wide variety of projects, including many in East Portland and in Northwest and Southwest -- just all over the City. It's nice that you're sharing the opportunities. Aye.

Saltzman: Good work. I hope we're successful. Aye.

Novick: Thank you, Margi and Wendy. Aye.

Hales: Because I get the police reports unfortunately on my phone, I know some of these streets -- I see them often. And I look forward to seeing them less often after we get these safety improvements are done. Thank you. Aye.

Item 317.

Hales: Commissioner Novick.

Novick: Colleagues, I've always found it unfortunate that we normally wait until after political leaders have passed away to name public structures after them. It's with great pleasure that this afternoon I recommend to you what will forever be known as the Nick Fish left turn signal. [laughter] And I turned it over to Andrew Aebi.

Andrew Aebi, Portland Bureau of Transportation: Thank you, Commissioner. While we're talking about women engineers, I might add that Wendy Cawley was instrumental in working on this project. This is yet one more of her accomplishments.

Good afternoon, I'm Andrew Aebi, project manager for the Vancouver and Cook project. Just to give you kind of an overview of what you're looking at today, the need for left turn signal at Fremont Street westbound to Vancouver Avenue southbound is something that's been on PBOT's radar screen for quite a few years -- at least as far back as April 2011 where even then, looking back at the traffic counts, we knew we had a signal warrant to justify a left turn signal.

In 2011, our measurements showed 85% of the over 20,000 vehicles per day entering the Vancouver and Fremont intersection were making a left turn. So, that's a pretty dramatic proportion of only 15% of the trip continuing through the intersection.

As you know, last year, Commissioner Fish expressed interest in a left turn signal being added and we checked out all of his concerns regarding traffic safety, and they definitely all checked out. One of the things that we were grappling with is we didn't have the funding at the time for PBOT to partner to fund the left turn signal.

March 25, 2015

So, what has changed is two things. Number one, we have very favorable pricing from the contractor that we've brought on board not only to put in a new signal at Vancouver and Cook but also to retrofit the signal at Vancouver and Fremont, upgrade it from span wire to mast arm. They gave us a very favorable pricing proposal to upgrade that to add a left turn signal.

And then we also found savings in our citywide traffic signal rebuild program and we didn't identify those savings until last month. And so, we've actually been able to identify a funding source for us to pay for this.

The Tuesday memo that went out to you actually dated March 23rd had testimony in favor of this from the Boise Neighborhood Association and small business owner and also TriMet, which has an interest in improving operations on frequent service line number 4 and number 24 at Fremont. I won't read those to you, but you were given those earlier this week.

What Karla just passed out is an additional written testimony. We wanted to be very inclusive on this project, and we reached out to traditionally under-served residents of the area and we got a letter of support from a minority business owner who feels the left turn signal will improve access to her business.

So with that said, I'm hoping Council can adopt the amendment dated March 23rd with three minor amendments, approve the ordinance as amended, and then approve the ordinance.

Hales: So, anyone want to speak on this item? Then Commissioner Novick moves the amendments.

Novick: I move the amendments.

Hales: Is there a second?

Fritz: Second.

Hales: Roll call on the amendments.

Roll on amendments.

Fritz: Aye. **Saltzman:** Aye. **Novick:** Aye. **Hales:** Aye.

Hales: Roll call on the emergency ordinance as amended.

Item 317 Roll.

Fritz: Thank you as always for your great work, Andrew. Aye.

Saltzman: On behalf of Commissioner Fish, thank you and me. [laughter] Aye.

Novick: Thank you, Andrew. Aye.

Hales: Andrew, you get to yes with people on these projects one after another, and it keeps making the City better. Aye. We're adjourned -- or, recessed -- for 55 minutes -- that's it.

At 1:04 p.m., Council recessed.

March 25, 2015
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.

MARCH 25, 2015 2:00 PM

Hales: Good afternoon, everyone. Council will come back to order. Will you call the roll, please, Karla?

Fritz: Here. **Novick:** Here. **Hales:** Here.

Hales: Welcome everyone. I think Commissioner Saltzman will be back momentarily. Commissioner Fish is out of town. Would you read item 318, please?

Item 318.

Hales: Commissioner Fritz.

Fritz: Thank you, Mayor Hales. Very pleased to introduce this ordinance. It continues my goal of having healthy parks and healthy Portland because the City of Portland mostly uses the neonicotinoids in our City parks. And so, I've been working with our staff and have come up with this proposal. Greatly appreciate everybody being here and all of the email that we've had. I'll invite Tom Bizeau, my chief of staff, to come forward to explain the proposal.

Tom Bizeau, Office of Commissioner Fritz: Tom Bizeau, Chief of Staff for Commissioner Fritz. I'm just going to go over the ordinance and the exhibit just to give you a rundown on exactly what's in it, and hopefully it won't take a whole lot of time here.

So, the purpose is to eliminate from the City government use the purchase and use of neonicotinoid insecticides. The reason why this is is that there's mounting evidence that indicates that the neonicotinoids have been found to be harmful to beneficial insects such as pollinators, and consequently to other animals in the food chain. Pollinators represent the canary in the coal mine effect with the ecosystems, and the mounting evidence points to problems with continued use of these chemicals.

The general prohibition in this ordinance is to basically direct that the use of any neonicotinoid or nicotinoid-like systemic persistent pesticide is prohibited on land owned or operated by the City of Portland, including public right-of-ways. This prohibition applies to seed dressings, soil treatments, foliage sprays, and other types of applications. Exceptions to and the policy directives regarding this are found in exhibit A.

I'm going to go through the exceptions now -- which there's three exceptions. The first one is related to the rose midge, which is an insect which causes damage to roses in our parks. So, we're developing a program, a pilot project in the actual exhibit -- which I'll cover a little bit in a second here -- to try and help with this problem.

So, right now, there is limited use of imidacloprid -- I don't know if I said that correctly -- but that's one of the neonicotinoids, and that's been used to control this pest. We're looking to see if we can find alternative ways. So, the pilot project basically will have test beds in one of the rose gardens that has the rose midge, and Parks will utilize a team of a -- a balanced team of consultants to agree on the types of protocols to use in the test, and then alternatives to the neonicotinoids will include IPM practices, physical, biological, and other environmental methods. There will also be signage posted that will educate people about what that testing is all about, and then there will be a reporting mechanism through which we can get that information back to the Commissioner-in-Charge.

March 25, 2015

Exception number two deals with buying of plants and products that basically have neonicotinoids in them. And oftentimes, we have our plants that we buy and the seeds that we buy by the City basically are already coated with this type of insecticide, and we're trying to basically phase this out. So, that would require that we actually come up with a plan on how we want to phase that out. That time period for phasing it out is set to be December 1st of 2017. It'll take some time for retailers and nurseries to actually jump on board and figure out, go back to a time when they did not have plants that were coated in neonicotinoids. The other aspect is that we will of course try to eliminate that as soon as we possibly can.

Exception number three is that any use of neonicotinoid class pesticide under the contract could only occur with strict adherence to the City's integrated pest management program protocol. And some of those protocols that would be amended and rewritten are to address this impact from the neonicotinoid pesticides -- or insecticides, as they're called. Other parts of that would be that if you wanted to use the pesticides, they could only be considered for destructive pests and you would have to get a decision by the Commissioner-in-Charge to basically use the neonicotinoid, and you would have to have reviewed all alternative approaches. There is also a notification procedure that's been put in place for site-specific use of the insecticide.

Here are the rest of the Council -- basically "be it resolved" or directions that are in the ordinance, and this is pointing out the four primary neonicotinoids being prohibited and also to continue to point out that there are other insecticides out there that are neonicotinoid-like in their behavior and have the same sort of persistent systemic qualities.

Within four months of the enactment of this ordinance, the City shall notify the public of this prohibition -- and it'll be done on the City and Parks Bureau website and then it will have information about what this is all about in terms of trying to protect the pollinators. And Parks and Recreation shall provide a plan to the Commissioner to phase out all purchase of commercial nursery stock, trees, and other plants -- which I described earlier. And the City shall transition with current neonicotinoid use to alternative practices and materials in the reduction of these harmful insecticides in the IPM program. This transitioning will be to basically begin developing alternatives to their use, and also to address pests which will include the development of pest plots, which I described earlier. Also, organic approaches will be included in those alternatives.

Additional directives related to that transition is the management plan for the rose midge, and then the purchasing plan for plants on a citywide basis in the future, and then seeking out alternative methods on all City property to use of these insecticides. And that is the end of the presentation. Do you have any questions of me?

Hales: Sort of a threshold question for me -- this may sound like a strange comparison, but we heard some discussion not long ago about e-cigarettes and it used to be that we could count on the Food and Drug Administration to screen out harmful products. That doesn't seem to be working as well anymore on the food and drug side of things. Is it also fair to say that we can't count on the federal regulators in this arena as well, like we -- at least like I thought we could?

Fritz: Well, of course, that's a subject for debate. The European Union banned these products in 2013, so there are governments elsewhere who recognize the danger of them, and it seems to me to be the more prudent or on the side of caution than to wait for somebody in the federal drug administration or elsewhere to say it's a bad thing.

Hales: Right. It seems to me they used to be more aggressive at the federal level.

Fritz: Yeah, I think you'll hear some testimony from Audubon and others comparing this to DDT and other product that were thought to be safe to start off with, and we found out later that they're not.

March 25, 2015

Hales: Other questions? Steve, did you have one?

Novick: Yeah, I received a question from some advocates of earlier phase-out asking why Parks and Rec couldn't have a complete phase-out by December of 2016 as opposed to 2017. So, I just wanted to hear a response to that.

Bizeau: I think that we looked at that -- we looked at all different kinds of time frames. I think that what came to -- we came to the conclusion that in cycles of planting and actually working with the plants themselves -- planting them and observing any sort of real impacts -- it would take a longer timeframe to really get any results.

Novick: And another question is there apparently is some debate in the scientific community about whether these pesticides are uniquely damaging to bees. And some people argue that in Europe, people reverted to using older pesticides that are even worse. I mean, I don't have an informed opinion on that, but my impression is what Parks is planning to do is not replace this with other pesticides but try to use more sort of organic managing practices, is that correct?

Bizeau: Well, we have a panel that will be able to probably dig a little deeper on that issue but in terms of our IPM program, we already are in a phase where we try not to use herbicides and insecticides as best we can. So, we already come from that approach, and Parks I think does a pretty good job in that degree.

Hales: Other questions?

Saltzman: Does Portland Parks and Recreation support this?

Bizeau: Yes.

Saltzman: OK.

Hales: Thanks, Tom. You have a panel to call?

Fritz: Yes. Could our panel to come on up, please? We have Lisa Arkin from Beyond Toxics, Aimee Code from the Xerces Society, Lori Ann Burd from the Center for Biological Diversity, and Micah Meskel from Audubon. I'm not sure who's going first, so have at it. State your name for the record, if you can. Thank you.

Lisa Arkin: Thank you so much. My name is Lisa Arkin, I'm Executive Director of Beyond Toxics. First of all, I want to thank all of you for holding this public hearing today, and thank you, Commissioner Fritz, for bringing this issue forward. We appreciate it. Just for the record, Beyond Toxics is a statewide environmental health organization dedicated to protecting communities, people's health, and our environment from toxic exposures.

We strongly support the passage of the proposed ordinance to ban the use of neonicotinoid pesticides and plants that are treated with neonicotinoid pesticides. And by adopting an ordinance to ban them on your public lands, the Commissioners will be displaying leadership to protect bees and other pollinators who have undergone long-term declines. These losses in our bee and pollinator populations are not sustainable given the vital role that bees play in our agricultural system and economies.

This ordinance is especially commendable because it encourages retailers operating within the City of Portland to accurately label plants, seeds, and other products that have been treated with neonicotinoid pesticides and to phase away from their usage. Notably, Portland would join other large cities that have passed strong ordinances to ban neonicotinoid pesticides. To date, the cities of Seattle, Spokane, Olympia, Eugene, even Cannon Beach have banned these products on public property -- and there are other cities as well. They are being hailed as bee-friendly cities, and I can see Portland taking its place among them. Germany, France, and Italy have banned neonics outright -- and "neonics" is a short way of saying neonicotinoid pesticides.

Scientists specializing in pollinator health at Oregon State University are urging extreme caution and whenever possible reducing or ending any use of neonicotinoids. These actions are in alignment with the recent presidential memorandum establishing a

March 25, 2015

federal task force to address the crisis of diminishing pollinator populations as well as new scientific evidence finding conclusive proof that neonicotinoids are a large part of the problem of bee colony decline.

So, why is it important for Portland to take this action now? Bees and other pollinators are essential for two-thirds of the food crops humans eat every day. Last year, U.S. beekeepers reported losing 30% to 40% of their hives. And according to a study by the United Nations, of the 100 crops that provide 90% of the world's food, 70 of those 100 are pollinated by bees and require bee pollination or another pollinator. Those aren't just any type of crop, they're fruits and vegetables and nuts that we all put on our table to feed our family and that provide the basis of a healthy, diverse diet. So, I'm wondering -- probably almost everyone in this room and perhaps you as leaders of the city grow food or support community gardens or are interested in a local food economy, and that will be dependent upon our pollinators.

I want to take just one moment to say we're not talking only about honeybees in a hive -- and I do have a hive in my backyard -- we're also talking about also solitary native bees and bumblebees. These solitary bees have one queen who's also the mother of an entire brood, and if that one queen mother dies because of exposure to a neonicotinoid, the entire brood generations to come are decimated from the loss of that one queen bee. So, while a commercial beekeeper may take a hive and divide it to get multiple hives to support a commercial operation or where in the case of my backyard hive if I lose a queen, I could probably get another one from a beekeeper. This is not true with our native bees, the Oregon born and raised bee. I know when I personally observed an egregious poisoning in Eugene where tens of thousands of bumblebees died, I had to see these gorgeous creatures -- and ladybugs too -- on the ground in convulsions and quivering, because these are neurotoxins. So, all those bumblebees will never make it back to their hive to support their family.

You might hear also from representatives today from nursery associations or chemical lobby groups that farmers need every tool in the toolbox to battle pests, and that sounds reasonable enough on the face of it. But a government entity, a government's responsibility first and foremost is the protection of public safety and health and the sustainability of future generations. Your concerns are quite different.

You don't have to go with the cheapest and the most risky of practices. That's why we see in the true crux of the matter that Portland can join those other cities that have adopted bans, as well as the United States Fish and Wildlife Service that has banned the use of all neonicotinoids on wildlife refuge lands to protect our waterways, our soil, and beneficial insects.

And I think about smoking cigarettes. Who would have imagined today that -- who would have imagined maybe 15 years ago the kinds of knowledge that we now have about the impacts secondhand smoke has on children? First, we started with battles over whether or not to label cigarette boxes. Then we banned it in federal buildings and then be banned it in state buildings and city buildings. And now, you've probably heard on the radio, Oregon has smoke-free parks.

Fritz: We do in Portland, too.

Arkin: Yes, and now we have bans on smoking near buildings because of the knowledge we have about secondhand smoke. I know that neonicotinoids are going to follow this path. They're systemic, they're long-lived in the environment, they're dangerous, they're risky.

I want to close by talking a little about human health. So, this is a new research area that has been taken on by a number of scientists. A 2013 study titled, "Qualitative Profiling Quantification of Neonicotinoid Metabolites in Human Urine" reported troubling evidence

March 25, 2015

that neonicotinoids are showing up at high levels in common foods and that their presence may result in symptoms of neurotoxicity in children. I want to quote briefly so you don't have to take my word for it: "the results of this study suggest that universal use of neonicotinoids would cause unintended exposure to neonicotinoids in children who are more sensitive to neurotoxicants because of their neural development."

Because these are systemic, you can't wash them off. They're being found in the very fruit -- the fleshy parts of fruits and vegetables -- and they don't go away. You can't cook them out, you can't wash them out. They are there.

In closing, I would like to again commend you for considering this issue, and say that bee poisoning incidents and the human health risks point to the grave threat that neonicotinoids pose. It is critical that governments, homeowners, and pesticide suppliers act now to prevent ecosystem decline through the use of these products in our environment and to prevent specifically pollinator die-off.

The City of Portland has the opportunity to be responsive rather than reactive, and to create public spaces that are safe for bees, butterflies, birds, and children. Thank you for taking action that will align with the City's values of sustainability, local food production, healthy families, and environmental stewardship. I'd like to turn it over to Aimee Code from Xerces Society.

Aimee Code: Hi, my name is Aimee Code, I am the pesticide program coordinator at the Xerces Society. And just to reiterate, thank you for taking up this conversation -- it's something that Portland needed to bring up. We have an amazing environmental credibility in this city. We have done so much for our communities and our children, and our IPM program really shows our leadership. So, this feels like a natural step within that IPM effort to reduce the use of these pesticides.

I'm going to focus in on some of the risks that we're seeing and why it is that maybe some of our -- the battery of tests that our federal government undergoes and the process that we undergo at the federal level actually did miss many of the concerns and how we can, as a city, be more nimble, move through this and be more protective. I have greater detail in my written comments and I won't even be able to scratch the surface but we'll see what we get to today.

Clearly here in Oregon, we know the risks of neonicotinoids. We have had seven incidents, six of them in the Portland area. And what's not known about those incidents is the vast majority of them -- they followed the federal regulations, yet we still had bee die-offs. There were record-keeping errors, there were other minor violations, but they were following the labels in most instances. Some of these applications happened weeks to months prior to the bees coming on the tree and being in bloom and causing the die-offs. So these, again, are systemic, they're long-lived. It's not just an application when a bee is present that's going to cause harm. It's pretty significant.

The state of Oregon took great strides in creating new rules that do address those acute bee die-offs and we're really thrilled that hopefully in 2016 we won't see that. Unfortunately, those die-offs really are the tip of the iceberg.

When we look at neonicotinoids, at such low levels they're causing very subtle but very devastating effects to our native bees and to our managed bees. I'm not going to be here to say that they are the only issue that our bees are facing. Xerces Society is working on the ground all the time trying to increase forage, trying to improve their nutrition and do so much more for our native bees, but this is one of the factors that we need to be considering, and Portland has the ability to address it.

Just to give a couple of examples of some of these subtle yet devastating effects -- and they're often termed sub-lethal. One of the things we've seen both in honeybees and bumblebees multiple times in many different studies, many different scenarios is that

March 25, 2015

application rates that would lead to contamination levels that we would expect to find from legal application rates are causing bees to -- it's hindering their ability to forage. They're bringing back less food. A lot of these are showing about a 30% reduction in forage. If you can imagine bringing back 30% less food to your colony, it's going to have a devastating effect on that colony.

Another really key subtle effect that isn't currently evaluated by our federal government that we need to be looking at is the production of queens. What we are seeing again both in our bumblebees, we're seeing they're producing fewer queens from low-level exposures to neonicotinoids -- levels that we would expect to find in plants after treatments from legal applications. So, your queen bee is your colony for the next year. And if we're seeing up to 80% reduction in queen bees, it's going to be devastating for the populations.

Portland absolutely has the ability to be more nimble. Our federal government is evaluating this, but they have to take their time. They're dealing with pesticide uses across the country on hundreds of different crops. Portland can take this and really be leaders. And I think the reality is that we have -- we are grounded in integrative pest management. I spent a number of my years working on integrated pest management in our school systems, and having that background will allow the City to make the right choice when we move away from neonicotinoids and not just move to something else that could be of risk. We really have the ability to look at all of the things in the toolbox and not just the chemical tools that we have.

Very quickly, I think this is an excellent ordinance. I definitely -- Xerces Society supports it. We are interested potentially in exhibit A. There might be ways to tighten and strengthen. We have a pilot project now in place which I think is excellent, but I wonder if it isn't just a part of the larger issue where we really want a full transition plan. So, we bring in technical experts and help the City move away, because a pilot project can be discreet and it might not solve the problem. It might be something to think about.

Also, really having a strong measurement of our success and having benchmarks. Let's find out what our contractors have done and our City has done over the last three to five years using neonicotinoids and use that to tell the story into the future of the success we've had. So, those are some of the ideas. Again, thank you so much. I'm really thrilled to be here and to have you discussing this.

Hales: Welcome.

Micah Meskel: Mayor Hales and members of the Portland City Council, thank you for being here again today. My name is Micah Meskel, and I'm the conservation assistant at the Audubon Society of Portland. We want to first express our appreciation to Commissioner Fritz and her Chief of Staff Tom Bizeau for their leadership on this effort.

The Audubon Society of Portland, with over 15,000 local members, works to promote the enjoyment and understanding and the protection of birds and wildlife in Oregon and across the Pacific Northwest. We strongly support passage of the ordinance to ban the use of neonicotinoids pesticides or plants treated with neonicotinoids pesticides on plants owned by the City of Portland, and to encourage retailers operating within the City of Portland to accurately label seeds and other products that have been treated with neonicotinoid pesticides.

Neonicotinoids are persistent and widely-used pesticides that are causing well-documented harm to wildlife and in particular, pollinators. This ordinance represents a significant step forward in protecting the native biodiversity of Portland as well as the people who use our city's public lands. In enacting this ban, Portland joins Seattle, Spokane, and Eugene in banning neonicotinoids. It also joins the U.S. Fish and Wildlife Service which in 2015 announces a ban of the use of neonicotinoids on over 150 million acres of public land.

March 25, 2015

Fritz: So Micah, since we have the written testimony -- which Bob Sallinger also emailed to us this morning -- perhaps you could summarize rather than reading it all into the record because it is now part of the record. Thank you.

Meskel: OK. So, as you mentioned before with DDT, neonicotinoids are very similar in that they are persistent in the environment. And this is an especially big problem for pollinators but also for birds as the neonicotinoids are bio-cumulated as they both prey on infected insects but they also accumulate it through the ingestion of seeds that have been treated with neonicotinoids.

Some of the dramatic impacts with neonicotinoids are chronic exposure to neonics can have significant sub-lethal effects, including decreased [indistinguishable] and partial paralysis. They also destroy the insects -- as mentioned -- which they depend on for survival.

While we strongly support the adoption of this ordinance, we do have some concerns that the attached exhibits potentially leaves the door open to continued use and we'd like to flag a few sections which we believe could be strengthened. Specifically, we recognize the problem that the rose midge represents -- a special challenge in terms of eliminating the use of neonicotinoids in City property and understand why the City feels compelled to institute the transition program specifically for public rose gardens. We also believe it is important to recognize that the idealized image of a perfect rose may be one that is dependent on the use of toxic chemicals. We believe the public has become much more understanding and supportive of the concept the vegetation in healthy and pesticide-free parks may be a bit browner than once considered acceptable. The priority should be placed on human and ecological health, not aesthetics.

The advisory committee that was convened by Portland Parks and Rec in transitioning rose gardens away from neonics should be a technical advisory team as opposed to a balanced stakeholder group, as they are specialized and are thus experts on the issue.

We also recommend that the City put a cap of two year -- a two-year cap on the pilot project -- as opposed to two to four -- to really set a proactive timeframe to really find a solution.

So, in closing, we urge the City Council to approve this new ordinance to protect pollinators, other wildlife, and other communities and look forward to working with the City on successful implementation. Thank you for your consideration.

Hales: Thank you. Good afternoon. Welcome.

Lori Ann Burd: Hi, my name is Lori Ann Burd, and I'm the environmental health director at the Center for Biological Diversity. I'm here today to express my strong support for this ordinance. This common sense approach is needed to protect the very web of life that makes this place so special. I especially want to express my appreciation to Commissioner Fritz and Tom Bizeau for their leadership on this important issue.

I'm here on behalf of the Center for Biological Diversity, a nonprofit organization with offices in Portland and elsewhere. At the center, we believe that the welfare of human beings is deeply tied to nature, to the existence of a world of a vast diversity of wild animals and plants. Because diversity has intrinsic value and because its loss impoverishes society, we work to secure a future for all species great and small hovering on the brink of extinction. We want those who come after us to inherit a world where the wild is still alive.

The very purpose of pesticides and insecticides is to kill living things, and there's no question that the targeted use of neonicotinoids is effective at killing things. Similarly, there's no question that DDT was effective at killing things. However, we as a society decided that its impacts were unacceptable. As a result of that decision, bald eagles -- our

March 25, 2015

nation's symbol -- have recovered from the brink of extinction and are now thriving. Now, we as a society must take similar action on neonicotinoids, recognizing that their impacts are unacceptable, and bring our pollinators back from the brink of extinction.

There's no question that neonicotinoids are causing serious harm to wildlife. Nearly every day, a new study is published showing how they're harming various species. We are all familiar with the acute impacts of neonicotinoids from the [indistinguishable] bee die-offs that Aimee mentioned -- incidents where up to 50,000 bumblebees have dropped dead in one parking lot. We know that one neonicotinoid-treated seed can kill a songbird. While this is horrifying, even more horrifying are the sub-acute impacts on entire species and their entire populations. Sub-acute impacts -- like others on this panel have mentioned -- can affect memory, foraging capacity, and communication, causing population-level impacts such that species often cannot find their way home.

Portland has put a tremendous amount of energy into restoring aquatic environments. These efforts have yielded historic successes, but neonicotinoids threaten all of that. Aquatic wildlife such as frogs, fish, and insects at the base of the food web are all harmed by neonicotinoids. Considering Portland's tremendous efforts at restoring these aquatic environments for salmon and trout, these impacts are extremely disturbing.

The persistence of neonicotinoids, the propensity for run-off and groundwater infiltration, their cumulative and largely irreversibly mode of action in invertebrates raises significant concerns. Neonicotinoid contamination levels in both surface and groundwater in the U.S. and around the world are already beyond the threshold found to kill many aquatic invertebrates. Data on surface water contamination from surveys to date indicate that concentrations of several of the neonicotinoids on the market are high enough to be causing impacts on entire aquatic food chains.

The harmful effects on insects can be found even at extremely low concentrations. Mayflies and stoneflies -- important food sources for trout species -- are especially sensitive to neonicotinoids. Even at very low doses, they'll experience feeding inhibition, and adults will emerge at smaller sizes.

Recognizing that these impacts cannot be denied, the U.S. Fish and Wildlife Service has banned neonicotinoids in its entire national wildlife refuge system, and many other cities have taken similar action. Now, it is Portland's turn. There are places in exhibit A where I would like to see the ordinance strengthened, and we can discuss those in greater detail, but this ordinance is a significant step forward and I urge you to approve it. Thank you.

Hales: Thank you all. Questions for any of these resources?

Novick: Ms. Burd, you told me the other day -- if I recall correctly -- that rose midges as pests go are actually kind of cute, is that correct? [laughter]

Burd: Well, I find bugs to be sort of cute, yes. Some of this on this panel might be guilty of that, indeed. And we do recognize that they are harmful to roses, but yeah, they are in my opinion sort of cute.

Arkin: They have sort of a lacy-winged pattern, which is actually lovely.

Hales: Thank you all very much. Do you have some other invited folks to call? OK, then let's turn to the sign-up sheet of those who signed up to testify.

Moore-Love: We have 26 people. The first three, please come on up.

Hales: Because of the number of people signed up, I will ask you to try to keep your testimony to two minutes, please. Thanks. Welcome.

Sharon Genasci: My name is Sharon Genasci, and I've worked for over 20 years here in Portland on air quality issues mostly in the Northwest neighborhood. Today, I'm testifying on behalf of Beyond Toxics in Eugene in favor of your ban.

March 25, 2015

The subject of the threat seen around the country to our pollinators, honeybees, and bumblebees is dear to my heart because my husband and I have a small organic vineyard in southern Oregon. We face regularly the kinds of problems that a gardener in Portland would have with the rose midge.

Industrial agriculture has led to disastrous problems in the U.S. with chemical applications that kill not only pests, but are associated with a variety of serious health problems in humans as well. Organic agriculture has taught us how to use OMRI-approved products for our pests so that we can hear the frogs and birds singing in our vineyard.

Portland's Rose Garden is very important to our city's image and it's also a destination for children and adults visiting the city and living nearby -- all the more reason for this City of Portland to adopt OMRI -- Organic Materials Review Institute -- approved products on the soil beneath the roses.

In a short look around the OMRI website, I found a good list of insecticidal soaps and other products that should be used to deal with the rose midge and provide safety for the birds and helpful insects in the Rose Garden. It's important to pass the ordinance before you, but unfortunately, it's been weakened to allow the continued use of neonics and contains language that will allow current practices. Please tighten the ordinance to stop the use of neonics given the serious threat to bees, and adopt instead a policy of using only OMRI-approved insecticides in our parks. Our children's health and all of the animals in the parks will benefit. Thanks.

Hales: Thank you. Welcome.

Janet Levinson: I'm Janet Levinson and I live in Northeast Portland, and I'm also a wetland biologist. I work for Land and Water Environmental Services in Douglas County. I urge the Mayor and the Commissioners to ban neonicotinoid insecticides on City property.

We all know about the seven confirmed bee kills in the last two years. Just from my point of view, pollinators are important because they pollinate agricultural crops, they play a vital role in the reproduction of plants. I am familiar with bumblebees and solitary bees and solitary wasps -- I see them on my daily walks through my neighborhood.

Urban habitat is a significant habitat that is for these pollinators. When you get outside of the city, a lot of non-urban habitat has been lost to development and agriculture. It is important to me to prevent further pesticide contamination in our environmental surface waters. When we use dangerous pesticides in our environment, we're not just harming bees and other pollinators, but we're fouling our own nest. That's all.

Hales: Thanks you very much. Welcome.

Gean Camp: Good afternoon. I'm Gean Camp, I'm owner and operator of Paramount Pest Control. I am the first vice president of the Oregon Pest Control Association.

Paramount Pest Control holds many of the City accounts. I am a vendor for your hospitals, your libraries, your fire department, your schools, your DHS offices, your correction facilities, and many other owned City properties. We serve some of the City's most sensitive accounts. I take great pride -- and so does the rest of my company -- in offering the finest services that we can offer the state.

The banning of neonicotinoids is a huge step backwards. There is no scientific data that can solely call out neonicotinoids as the only cause in the colony collapse of our bees. There's no scientific data showing that the products containing neonicotinoids, when used according to the label, pose no unreasonable risk to humans, environment -- including our pollinators.

To ban neonicotinoids in the Portland area is a huge mistake. You will be taking away one of the strongest, most effective tools in the use of bedbug work, as well as other pests like ants, fleas, ticks, roaches, and termites. The interior of your public-owned buildings where bedbugs, roaches, fleas, and pests are commonly found should not even

March 25, 2015

be considered in this ban. If you ban these products on the exterior use, I believe Oregon will see issues that Europe is dealing with today, which is elevated pest levels.

If you ban -- if a ban is put in place, I would urge that it only be temporary to allow time to evaluate the findings and base it on pesticide regulatory decisions on the entire body of the scientific literature, including studies submitted by the [indistinguishable] journal articles and other peer-reviewed data, and not solely based on groups that have a single issue of banning all pesticides. All pesticides are not bad, and we need them.

Fleas are brought into public buildings regularly. Neonicotinoids are used with integrated pest management programs with great success when other chemicals have not been working. Bedbugs are one of the most common, difficult parasites to control, and without the use of neonicotinoids on City-owned properties, your control programs will be less and will not be as effective as what my privately-owned properties receive.

A person can suffer up to 200 bites in a single night from a bedbug. Our children, our elderly will suffer. They will be bitten more because control will not happen as quickly. Neonicotinoids -- keep in mind -- are low-risk, low-risk to humans and animals. Other choices, like organic phosphates, are at more risk to humans and animals. This is what Europe is seeing.

Neonicotinoids are an important part of classification of chemicals that we need. We also need our pollinators. There is no scientific data showing that banning neonicotinoids is going to improve bee health. Thank you very much for your time, I do appreciate it.

Hales: Questions? I guess I have one, which is in these areas that have already banned neonicotinoids, what other pesticides are being used for bedbugs and those kinds of --? Is it the organic phosphates -- is that what people have done in your business?

Camp: No, we -- really in Paramount's experience, we stay away from the organophosphates. We want to use the lowest risk to human health and to animals.

Hales: I'm saying, we're not the first -- in those other areas, they have already in effect carried out the pilot project that you've asked for because they've already done this. So, what approaches have pest control firms taken in the cities Eugene, Seattle, etc. that have already banned this particular type of product?

Camp: Well, for Eugene, for example -- seeing a rise in bedbugs. In your interior, building, libraries, we are seeing populations grow in these public buildings. Bedbugs are off the chart and they used to be a Portland problem. And they're in Astoria and they're in Seaside and they're in Eugene and they're in Bend. It's spreading, it's not getting better. And you will not control bedbugs without the assistance of chemicals. We realize that the exterior and -- out in the environment, there is some reason for concern to protect our pollinators, and we join you in that effort.

Fritz: That's what this policy applies to. The City doesn't own any beds. We don't own the libraries or the --

Camp: But your City workers will not be able and your vendors will not be able to go into these City buildings and --

Fritz: They're not City buildings, that's the point. The housing is not owned by the City of Portland. This policy applies just to the City of Portland properties. The City government, not the entire city.

Camp: OK. Thank you.

Hales: Thank you very much.

Camp: Thank you.

Fritz: There's a difference between the City government and the entire geographical city, and this policy applies to the City government.

Camp: Thank you.

Hales: Appreciate it. Thank you all. Next three, please.

March 25, 2015

Hales: Good afternoon.

Scott Dahlman: Mayor Hales, Commissioners, thank you for the opportunity to speak to you today. My name is Scott Dahlman, I'm the policy director for a group called Oregonians for Food and Shelter. We are grassroots coalition. We're made up of farmers, foresters, and other pesticide users and folks on issues of pesticides, fertilizers, and biotechnology -- all of whom have an interest in the issue of neonicotinoids.

So, we'll start by saying the issue of bee health is important to all Oregonians, particularly for growers. My farmer members have a lot at stake in this conversation because we need to have pollinators for our crops but we also need to have the tools available to be able to protect those crops. And there has to be a balance there, and we believe those two things are not mutually exclusive.

Nobody wants to see adverse incidents involving pesticides in bees. The incidents we've seen over the last couple of years where pesticides were misused and there were large adverse incidents are terrible situations. They were dealt with accordingly by the department of agriculture and fined for the mistakes that they did make. We supported that and think it's appropriate. You need to use the tools appropriately, but we have to recognize that when something is used inappropriately that that is not a reason to ban the entire product.

So, why are neonicotinoids important? Neonics have been used for more than 15 years and have been widely adopted by growers and urban applicators because of their performance; their lower toxicity in mammals, including humans -- and that is a very, very big point, because one of the reasons these are used and in urban environments is because of their low toxicity to people. It's also why they're so preferred in agriculture, because the workers are at a lot less risk than they will be from alternative methods. And we have to remember that there will be alternative methods. The pests are not going to go away because we stopped using neonicotinoids, they're still going to exist and they're going to have to be dealt with one way or another.

Neonicotinoids offer some unique environmental, economic, and public health benefits, including effective protection against invasive species such as the emerald ash borer which can devastate an urban forest -- systemic insect control not provided by other classes of chemicals. They are lower impact on many of the non-target organisms than the older products that they replaced, protecting natural enemies that help in IPM strategies.

They are effective control of disease-carrying vectors, and as you just heard, some of the most effective tools for controlling bedbugs. Extended control, which limits the need for the number of applications -- meaning you don't have to apply as often -- and it controls pests which are resistant to other chemical classes, making them unique.

I think you have to remember that pesticides go through rigorous evaluation before they are sold in the market before you are allowed to use them. You have the EPA, who evaluates the products. They also go through a registration process in Oregon. At the federal level, evaluated under the FIFRA, the Federal Insecticide Fungicide and Rodenticide Act. Initial and ongoing reregistration of these products -- which they're going through reregistration right now -- is subject to a substantial review process and they must meet the high standard of having no unreasonable adverse effect on health or the environment. This means that all of the products we are talking about today have had extensive safety testing for honeybee acute contact toxicity, honeybee toxicity of residues on foliage, and field testing for pollinators. These have been tested.

So, we talked a little about colony collapse disorder. I will let Mr. Stone talk about that a little bit more. But let's look at what the science says. EPA has been petitioned several times to ban neonicotinoids. In response to a petition in 2012, EPA concluded that the EPA is not aware -- and this is a direct quote -- of any data indicating that honeybee

March 25, 2015

declines or incidents of colony collapse disorder in the U.S. is coordinated with the use of pesticides in general or with the use of neonicotinoids in particular. Before that in 2011 -- another direct quote -- are not aware of any data that reasonably demonstrates that bee colonies are subject to elevated losses due to chronic exposure to pesticides.

The U.K. department for environment, food, and world affairs -- where it should be noted that the U.K. was opposed to the moratorium on the two neonicotinoids that is in place in the European Union right now. They have said that while this assessment cannot exclude rare effects of neonicotinoids on bees in the field, it suggests that effects on bees do not occur under normal circumstances. This assessment also suggests that laboratory-based studies, demonstrating sub-lethal effects on bees from neonicotinoids, did not replicate realistic conditions but extreme scenarios. Consequently, it supports the view that the risk to bee populations from neonicotinoids as they are currently used is low.

The Australian pesticide [indistinguishable] medicine authority -- and the reason I bring up Australia is 'cause Australia uses a lot of neonicotinoid products. They are not seeing the colony collapse disorder that we are seeing here. The difference in Australia? The varroa mite is not present. According to the Australian government, the introduction of the neonicotinoids has led to an overall reduction in the risk to the ag environment from the application of insecticides and that Australian honeybee populations are not in decline despite the increased use of the group of insecticides in agriculture and horticulture since the mid-1990s.

And just this month, results from a three-year bee study conducted by scientists from the University of Maryland, the U.S. EPA, and USDA confirmed what other research has already shown -- that field-relevant exposures of neonicotinoids have negligible effects on honeybee colony health.

In conclusion -- I know I'm running out of time here -- as you can see, the interaction of bees and pesticides is an issue that is being taken seriously. We both sit on a pollinator health task force which met throughout the last year through the state legislature. The EPA is working hard to ensure that these tools are used in an appropriate and scientifically sound manner. Pesticides are just one part of the bigger picture. I'm hopeful that as you look at pollinator health, you will look at other ways the City may be able to help support pollinator health going forward, but a ban by the City of Portland will result in less option to contain destructive pests with little, if any, benefit to bee populations. Neonicotinoids a safe and effective tool for managing unwanted pests and in light of the current science, we urge you to reconsider your proposed ban on neonics and vote no on the resolution.

Fritz: Again to clarify, this is about City government policy. This is about what Portland Parks uses on its property. You're aware of that, right?

Dahlman: Yes, ma'am.

Fritz: OK.

Hales: Go ahead.

Jeff Stone: Mayor Hales, members of the City Council, I'm Jeff Stone, I'm the executive director for the Oregon Association of Nurseries. We are number one sector of agriculture. One of our big counties that produce quality plant materials here in Multnomah County. So, I appreciate the opportunity to talk to you this afternoon.

As Scott indicated, we were members of the task force for pollinator health. And out of those recommendations, there were several. Banning neonicotinoids was not one of them. And so, I want -- I raise this issue because let's -- when the bee die-off happened, it was on national pollinator day, which was not super awesome. And it was one of my member's landscapers. They did not follow the label. And that caused me to do a crash course on really, what is happening with the bee population? I was able to testify before

March 25, 2015

Congress. I learned a lot actually from the UDSA, and I want to share just a little bit about what contributes to the pollinator decline.

First of all is nutrition. Just like anything else, bees need to have forage and a variety of things to eat. They have to travel farther in order to get the proper food that they need.

The second is biodiversity within the bees themselves. And we're working with the beekeepers to try to get more biodiversity within those hives.

Last is the varroa mite. It has a really cool -- it is not really cool it's awful -- varroa the destructor. The varroa mite is the biggest threat to the bee colony. Now, this is the size of a varroa mite to a human body. So, make it equivalent to a bee. It's very small, but this would be our size. Picture 12 of these like little vampires all over your body and then when you go home -- I have two daughters -- it spreads all over there and it spreads and it spreads. It is devastating to the bee population.

So, what we have urged is greater research, alternatives for neonicotinoids long-term, but the fact is they are a very effective way for the nursery and greenhouse industry to control pests. I thank you for your time, I know I'm a little over.

Hales: So again, kind of follow up on Commissioner Fritz's question -- this ordinance, if we pass it, will affect what we do. It won't affect what nurseries or farms or even commercial nurseries within the city do, not to mention the ones that are outside of our city limits. I guess I'm a little puzzled at the scale of your reaction to what we would do ourselves here.

Stone: May I?

Hales: Please.

Stone: The reaction is natural about having fear about the health of the pollinator community. But the Chief of Staff to Commissioner Fritz mentioned that nursery stock and everything that you buy from have to be neonic free. I don't know exactly if you know exactly what you're getting into when you ask nurseries to reduce nursery stock. I don't recall anybody coming to the association or any of our members asking our opinion about this. So, while the economic impact on the very big nursery industry, on the City of Portland is relatively small.

The fact of the matter is that we want you to make the best informed decision based on the science that is present. There's a lot of science on the extremes, on both sides, and we're trying not to feed the narrative on the extremes on this. So, that's the level -- that's why I'm --

Hales: Do you think it would be impractical for nurseries to supply product to us after this ordinance goes into effect?

Stone: My nursery members are very adaptable to market conditions but I would say, Mayor, in all honesty, I think that when you have production -- it's not just one little patch. It is a production method for an entire nursery.

Hales: I understand, I'm following that -- we buy a lot of trees and plants.

Fritz: That's why the phasing plan is the goal at the end of 2017 for the purchasing of the plants, recognizing that it takes a while to grow them. And in fact, the exhibit A is the pilot project that you talked about in your testimony. We're going to be doing a test to help the industry find out what else might work.

Hales: OK. I have a technical question to file away -- maybe Parks staff can answer it or maybe you can because you represent -- I have conflicting personal threads pulling on me on this issue. My father kept bees but he also loved elm trees, and we're using a systemic pesticide to keep our elms alive. Do we know whether that particular treatment is using neonicotinoids or if it is, there a substitute? Because my wife and other volunteers in my neighborhood go out and inoculate the elm trees every year. So, want to save the bees,

March 25, 2015

also want to save the elm trees. Are both possible? I don't know if you have an answer to that question.

Stone: I don't want your father to be in trouble. Let me -- perhaps there's a way I can illustrate it with what we are faced with. There's a garden center that there was a temporary ban on neonics, and they couldn't -- it was inside in a greenhouse but they couldn't use it, so they had to use an alternative, which is far more toxic. They have to use it more often, it's less effective, and it's actually harsher on human health. There are tradeoffs in terms of what type of pesticides you use. Someone mentioned that pesticides kill things. Absolutely, they do. We need to make sure though that the pesticides that is being used is being used for the purpose it was designed to do for the purpose of creating pest and disease-free plants.

Fritz: And I believe the further answer to your question, Mayor, is the elm inoculant is not a neonicotinoid. I believe there is another tree disease that is best treated by neonicotinoids -- we don't currently have that. That is another reason why we have the limited exception in the ordinance to in specific cases where it is an emergency to allow the use continued.

Hales: But we have a pesticide for that elm borer that is not --

Fritz: I believe I'm correct in saying that.

Hales: OK, thank you.

Fritz: But what we could also do is get the experts back up at the end.

Hales: Appreciate knowing that.

Stone: Thank you for your question.

Novick: Actually, Mayor, I have one more question which is about the varroa mite. Is the varroa mite sort of a recent evolutionary creation or has it existed for thousands of years alongside of bees?

Stone: They have existed. The actually came over from China, and like most -- pests tend to be migratory. They come over in box, that's why we're very careful about importation. So, the varroa mite has been around. I think there's been more sufficient tracking of bee populations since back when we were throwing stones at the moon trying to see if gravity worked.

Novick: So, you're saying that varroa mites were more recently introduced to the United States and our bees haven't learned to coexist with them like Chinese bees have or something?

Stone: I don't think it is a coexistent model, Commissioner. I think they are a parasite that will affix themselves to pollinators and to bees in particular.

Novick: Right, I was just -- I think I've read in terms of bat population collapses that there's a fungus that does not affect Asian bats but does affect American bats because bats over centuries in Asia evolved to resist them, and I was wondering if there is an argument that there's something similar to the varroa mites.

Stone: That's quite an excellent question, and I would actually leave that to a beekeeper instead of an association exec to answer.

Hales: Thank you both. Welcome.

Lori Vollmer: Hi, my name is Lori Vollmer. I own and operate a Northeast Portland nursery and garden store called Garden Fever, and I've been in business for 12 years. I'm also a member of the Oregon Association of Nurseries. My hope is that the information I present will assist the Council in a decision to prohibit the use of neonicotinoid plant care products on City property and to only use plant material that has not been treated with neonics at any stage of growth. I feel there is clear scientific evident that neonicotinoids have a detrimental if not lethal effect on pollinators.

I would like to address the concerns regarding a sourcing of the neonic-free plant material. At Garden Fever, we began to work towards eliminating products containing

March 25, 2015

neonicotinoids in the spring of 2013 by removing all plant care items that contain them from the retail shelves. We also polled our growers and were surprised to learn that 10 of them were not using neonicotinoids and a number of others were working towards eliminating them, many focusing on biocontrol alternatives.

At the beginning of 2015, the number of growers at our nursery has increased to 19. Two additional ones -- Monrovia Nursery and Iseli Nursery -- use neonicotinoids only on one genus of trees, spruce. The majority of our growers are now growing with methods other than the use of neonicotinoids. They're all Oregon and Washington growers, and a chart of the kinds of plants we purchase from them is attached to my statement. My hope is that this information will demonstrate the trend to growing neonic-free plants and eliminate concerns about sourcing plant materials for Portland City property. It can be done.

I was also told that the Council is also concerned about concerning a pest called rose midge -- after all, we are the City of Roses. We don't have issues with that at our nursery, so I've asked another local nursery owner, Ed Blatter of Cornell Farms. They have a much larger selling yard and sell a full complement of roses. Ed's response is that they -- and I quote -- "haven't experienced this problem, but this may be because we start with bare root plants every year in fresh soil. We haven't even found it necessary to spray for aphids or disease for quite a few years, but we do feed a lot and water a lot, and choose disease-resistant varieties and release beneficial insects. Sounds like a fall raking away with replacing mulch might work well, as well as beneficial insects which are not only cheaper but the ultimate systemic control." End of quote. Ed is also a beekeeper at their nursery.

On the OSU Pacific Northwest Nursery IPM website, the same cultural control is mentioned. Removing the mulch at the end of the growing season in late fall and replacing with fresh mulch may remove the overwintering stage of the midge, which generally is quite shallow in the top one to two inches of the soil.

With any biological control, the goal is not to rid the garden of all pests, but better control the ones not to our liking. In order for biological controls to work in the Portland Rose Garden, we would need to be willing to see some pests remain to feed the beneficial so that they can survive and in turn keep the unwanted ones at check. There may be a few roses in the garden that may not be perfect specimens. However, they will be beautiful and enjoyed for years to come. Thank you so much.

Hales: Thank you. Thank you all.

Fritz: I've learned a lot about this topic in the past several months, and with respect to the last three testifiers, we only have rose midge in two of our rose gardens, the International Test Gardens and in Peninsula Park, and they think because it was brought into those places. Apparently, this midge can't fly very far, so we don't have it elsewhere. It's fascinating and thank you each for contributing your expertise.

Hales: Welcome.

Taggart Siegel: Great. Thank you, Mayor Hales and members of the City Council. The last time I was in this room was in 2011, when we were proud to create September 17th as honeybee awareness day.

Hales: Just put your name in the record, sorry.

Taggart Siegel: Taggart Siegel. I am the creator of "Queen of the Sun: What are the bees telling us?" The film looks at catastrophic disappearance of honeybees around the world and mysterious world of the beehive. I've interviewed experts, scientists, entomologists, and beekeepers, and there is conclusive evidence that the pesticides that are harmful for pollinators and ultimately to ourselves.

March 25, 2015

I could say this has also affected me personally. I'm a beekeeper and I live in Sellwood and my bees just died. They disappeared. They were healthy three weeks ago, and they're now gone. And this was a classic case of colony collapse disorder, where the bees disappear and the honey is there. I had two boxes of honey -- just full of beautiful honey -- and the bees disappeared. Because bees can fly up to three miles, I don't know if it was my neighbor next door or a block away or up to three miles away. Whatever they were bringing back to their hive at some point was affecting them. In fact, they might not have made it back to the hive.

Man has created a deadly cocktail for bees and if we don't protect them, we're not protecting ourselves. Colony collapse disorder has reached life-threatening dimensions. 30% to 40% of beehives disappear every year. And when you look at entomologist May Berenbaum, she says these neonicotinoids -- which are neurotoxic, they target the nervous system -- affect the ability of the bees to learn and to remember and to navigate -- all of which would contribute to an inability to return to the hive after foraging. I think that's possibly what happened to my bees.

The head of the UN environmental program warns that the decline of bees means the writing is on the wall. We have to do something to ensure pollination for future generations. They're absolutely essential in what they give us. These pesticides are putting the future of creation at stake, not just for the future of bees but the future of humanity and the future of life.

We have an opportunity to set an example for the rest of the nation and the world here in Portland. In a city like Portland that prides itself on environmental stewardship, we can set an example to help save pollinators. Thank you.

Hales: Thank you. Thanks very much. Welcome.

Christine Winson: Thank you. Dear City Council members, thank you for the opportunity to speak on this very important topic. My name is Christine Winson. I work for Univar in the environmental sciences division. I've been a state licensed pesticide consultant for 13 years. I came in with a certain premise and Commissioner Fritz, if you would clarify for me because I wasn't quite sure the way this ordinance was written. You said that this ban does not include City buildings.

Fritz: It includes City-owned property but the City of Portland doesn't own housing buildings, for example.

Winson: OK. Does the City own buildings?

Hales: We own this building and others.

Winson: This building and others. So, does the ban include those properties?

Fritz: Yes.

Winson: OK. So, this is not just strictly an outdoor-only.

Hales: Correct.

Winson: OK. So, as Gean Camp said had before, we do have issues in buildings with bedbugs with other pests, and as section one sub-set one indicates, the EPA has noted that neonicotinoids are reduced risk pesticides for public health pests. So, here it states it right there.

Within the interior of buildings, we have bedbugs, we have fleas, there are stinging insects. Taking this tool away where we have reduced risk to mammals, to people, to children, to pets will be giving us the alternative to other pesticides that are more toxic again to mammals and applications that will never harm a pollinator. So, I would urge this commission to look at perhaps rewriting and opening up the opportunity to consider an indoor exemption for neonicotinoids. Thank you.

Hales: Thank you. Thanks very much. Welcome.

March 25, 2015

Rich Hatfield: Thank you. City Commissioners and Mayor Hales and citizens of Portland, good afternoon. Thank you for the opportunity to speak. My name is Rich Hatfield. I'm a resident of Southwest Portland, I'm a father of two young children, and I'm also a conservation biologist with the Xerces Society for Invertebrate Conservation.

Neonicotinoids are the most widely used group of insecticides in the world. They've been billed as low-risk, high efficacy chemicals with low toxicity to non-target organisms. However, evidence is quickly mounting in the form of hundreds of peer-reviewed, scientific articles that these chemicals are not low-risk, that the efficacy is quite limited in agricultural settings, and that because of their systemic nature, their longevity, their having profound effects on beneficial insect communities and animals and processes that depend on them. In short, these chemicals are contributing to the destruction of functioning ecosystems.

While the bulk of attention has been paid to bees, less well understood is the effect that these chemicals are having on our less charismatic yet equally important invertebrates: earth worms, ground beetles, and predatory insects which all contribute profoundly to a healthy ecosystem. The fact of the matter is that less toxic, more targeted, and equally if not more effective alternatives -- like water and soap -- exist.

In addition to reading much of the scientific literature surrounding this issue, I've also seen devastating effects that these chemicals can have firsthand. I was the biologist that responded to the bumblebee kill in Wilsonville in 2013. When I was on the scene that June, dead bumblebees were literally raining out of the trees, their bodies hitting the pavement. The thought that these beautiful animals were dying for cosmetic reasons to prevent cars from getting a sticky residue was maddening. Clean cars are optional. Bees are not optional. As someone who has worked on bumblebee conservation for the bulk of my adult life, this was a disturbing and revolting.

I'm also member of the IUCN, the International Union for the Conservation of Nature bumblebee specialist group. I've just finished an analysis of the 46 North American bumblebee species and our results suggest that as many as a quarter -- or more than a quarter of them are facing some degree of extinction risk. One of the ODA's conclusion from the bumblebee Wilsonville kill was that our populations were healthy because there were so many in that parking lot. There should have been as many as 15 or 16 species of bumblebees on the ground that day, but there was really only one species. The Willamette Valley is home to 400 species of native bees and there was really only one species in that parking lot. To me, that does not suggest we have a healthy community of bumblebees, it suggest that the biodiversity in the Willamette Valley is reduced and I suspect that neonicotinoids are culpable -- at least partially -- in that decline.

One more comment here. When it comes to open City spaces, including our rose gardens, beauty is not enough anymore -- or at least we need to change the definition of beauty. Accepting blemishes, brown spots, imperfect blooms needs to become part of our ethos. We need more from our landscapes than aesthetics. We need them to feed our wildlife, sequester carbon, and function as working ecosystems. Despite what industry would like us to believe, neonicotinoids chemicals are not part of this equation. I also -- our children learn in our parks, and we don't know what the long-term effects of the chemicals are on developing minds and bodies, and I don't want my children or our city's children to be part of the experiment. Thank you for listening.

Hales: Thank you all. Welcome. Good afternoon.

Jen Davis: Hello, my name is Jen Davis. Thank you very much for putting this ordinance forward. I am the founder of Bee Friendly Portland, a coalition of beekeepers, farmers, educators, and environmentalists that work at a neighborhood level to protect our bees. I'm a beekeeper -- I raise native bees -- and teach classes for the Portland Fruit Tree Project and other venues.

March 25, 2015

I can go to almost any nursery today in Portland and buy some flowers to plant in my yard for bee forage. Sadly, I'll have no idea if these plants have been pretreated with neonicotinoid pesticides. This class of neonicotinoid pesticides are water soluble -- and therefore systemic -- taken up by plants, and expressed in all cells, including nectar and pollen. Over 800 peer-reviewed studies have found these systemic pesticides can affect bees' foraging abilities, learning abilities, immunities -- including to the varroa mite -- and reproduction cycles. In addition, these systemic pesticides can remain in plants for long periods. Studies have found in some woody plants persistence as long as 10 years or more. So, my flowers I plant for my bees may actually harm them.

We need to change our ideas of what healthy parks and gardens look like. Not all pest damage is bad. If aphids predate a tree in a healthy ecosystem, ladybugs and green lacewings will gladly feast on them. Ladybugs as well as our bees and butterflies are disappearing at an alarming rate. We don't need Roundup -- which the World Health Organization has just determined probably causes cancer -- saturating our playground fields. We don't need trees and flowers exuding pesticides in every cell. Our children should not have to play in these toxic arenas, and we should not be poisoning our public and private gardens when we have the knowledge and the tools to successfully grow healthy gardens without these toxins.

California's severe drought should alert us now to protect our bees. As California landscapes dry up and die, so do their bees. We could soon see a massive food and bee crisis in this nation. We will need healthy soils and healthy bees for local agriculture. Please act now to protect our bees. Thank you.

Hales: Thank you. Welcome.

Larry Treleven: Mr. Mayor, I'm Larry Treleven and for the last 89 years, our family has owned Sprague Pest Solutions, and we operate in several states here in the west. I have been with the company 44 years full-time after graduating from the University of Washington. I think my testimony is already submitted -- I just gave it to your administrative assistant here -- but I'm going to answer some of the questions that you asked of previous testimonies.

First of all, what are some of the alternatives for treating for bedbugs? I think that was one of your questions. One of those alternatives -- a couple of them -- one is fumigants, gas. But they're toxic to humans and we have to keep people away from there. They're more costly, and the health risk we have to consider very carefully prior to using that. Number one.

Number two is heat, where there's no pesticides used. And here in Portland -- as well as like in our Seattle office -- we have three crews that use heat treatments all day long. That's all they do just to combat the influx of the bedbug population in multi-plex units, apartment complexes, condos, and in hotels. And the same situation is here.

Other things that I wanted to discuss with you is that last week -- I'm not a hired gun -- I work for our family operation -- but I do testify in Congress a lot. And I met last week with Jack Arriaga, who is a legislative aid to Suzanne Bonamici in D.C. I also met with Thomas Griffin, who works with Greg Walden and also Zach Stokes, and he is with Kurt Schrader and we're working on a national level to address this very issue right now. And we're making headway.

President Obama sent an executive order on protecting pollinator health and has asked each of the states to come up with their own pollinator health protection program. And that letter was just issued not long ago.

Next of all, we also are using trained canines to look for different various insects, including bedbugs, so we can pinpoint areas of infestation and treat them with heat and

March 25, 2015

other things that minimize the use of pesticides. But I'm open to any questions from any of you on the panel because I didn't get the --

Hales: That's helpful, thank you. In effect, the federal government is saying, "states and localities, go innovate on your own?"

Treleven: No, they're saying states go on your own -- states go on your own, not municipalities. And that was the directive from President Obama. And so, EPA is working on that in conjunction with others as well, and there has been a couple of house bills that have died en route. But the issue is coming up on a regular basis back there. I was just there last week.

Hales: OK. Thank you. Other questions? Thanks very much. Welcome.

Brian Lacy: Brian Lacy. Thank you, Mayor and Commissioners, for discussing this issue. What I'm about to read -- I'm guilty of not addressing just as a City property issue, or a broader one. So, maybe my comments will be more appropriate for a future date. Also, I'm a long-term beekeeper, so if you have any technical questions about varroa mites, I'm happy to address them.

As the owner of Live Honeybees, a Portland-based pollinator education company -- thanks for hearing my views -- the pollinator is the canary in the coal mine of food security. They are suffering and they need your help. As a resident of Portland since '76, I appreciate the nearly four decades of leadership Portland, Oregon has shown regarding health and sustainability. Traditionally, we're the City of Roses, so befriending pollinators would seem like a natural step. Portland also stands out nationally for supporting farmers markets, community supported agriculture, backyard chickens, and even backyard beehives.

Our local pride was tested by the massive bee deaths in Wilsonville and Hillsboro. One of the silver linings was Congressman Blumenauer's save America's pollinator act. We need that leadership not to fade because out of the limelight, the biggest threat marches on -- death by thousands of cuts every season by neonics, a toxin banned in the European Union -- as was mentioned -- in 2013. Banned also by Vancouver, B.C. garden retailers who today refuse to purchase neonicotinoid-laced plants from their wholesalers.

Looking into the future challenges to health and sustainability, such as population pressure and density, climate change, declines in available gardenable soil, and continued lobbying by chemical companies, I urge you to join the EU, Vancouver B.C., and the National Wildlife Federation to continue the leadership to ban the neonics. Ban them in bottles, plants, seeds laced and coated with neonics. Ban the sales from local retailer shelves. If there's a way and will to do so, ban online purchases being shipped to Portland.

As a public campaign, I see public campaign and incentives to bring these toxins to Metro's recycling stations.

Leadership of this caliber would improve Portland's food security, reduce our toxin load, remove one significant cause of insect declines -- both of pollinators and the invertebrate fish that feed on them, as they are both very stable and water-soluble. The work honeybees [indistinguishable] removing hives from trees and buildings in the city of Portland, working often with the City of Portland teaching the difference between honeybees and other insects -- universally, people feel a relief and sense of community with pollinators, replacing those fears.

In the end, we a community not just of people but of a broader, more inclusive community that relies on millions of small pollinators and other insects. Please support and defend them. Thank you for your service. And to show you in the sweetest terms possible, here's the gift of honey from some of our hives, one for each of the four quadrants of Portland. And because we don't want to publicly bribe you and because honey is a

March 25, 2015

community effort being derived from the flowers all over the Portland, we would gladly donate on your behalf these jars to four local nonprofits of your choosing.

Hales: Great. That's very nice. Thank you. I'm sure the Blanchet House would love to put some of them on their biscuits.

Fritz: His is Blanchet, mine is Right 2 Dream Too on 4th and Burnside.

Lacy: Excellent.

Hales: We'll get you addresses. We'll let Steve and Dan give you a --

Lacy: And this is a zucchini pollinated and not pollinated. These are what children experience with honeybees if you give them a chance.

Hales: Thank you very much, appreciate it.

Lacy: My pleasure. If you have any questions about bees at all, neonics, colony collapse disorder, varroa mites?

Novick: Actually, yeah, I've got one about varroa mites. What's your perspective -- on the one hand, you might think that varroa mites have been around forever, so how can they suddenly be causing colony collapse?

Lacy: Well, they have -- it's a geographic thing, like zebra mussels and other things. When human beings move too quickly and carry -- unbeknownst to them -- something that is not native to another part of the world and where there is no habituation to it, then yes, there will be problems. In the mid-70s, varroa mites were on hives that originally came from Russia, were transported back to Russia via train fast enough for the varroa mite to inhabit those hives. Then, they spread to Europe and hence to everywhere else, except Australia. Asian bees are -- you know, they have handled the varroa mite for a long time. And Russian bees are one of the best bees to bring in -- that when we integrate them into the genetic pool here in the United States, that'll help -- there is something called varroa-sensitive hygiene, wherein if the queen and the drone the queen mates with both have the ability, then the workers that that queen will lay will be able to sense mites in the cell and open up those cells and destroy the mites. You only need about 10% of the total bee population to do that. So, using breeding, using organic and biodynamic methods to solve these problems of bedbugs versus bees I think is the way to go.

Novick: Thank you.

Hales: Thanks very much. I think this Council hearing is the first time that we've had a grapefruit or a jar of honey in the chambers. So, we're setting a new standard here. Welcome.

Molly Fitzpatrick: Hi, thank you. My name is Molly Fitzpatrick, I am a Northeast Portland resident, an acupuncturist as well as a beekeeper, bee advocate, and a swarm-catcher since 2009. I want to speak to the events of the summer of 2013, where I witnessed multiple bee deaths as well as behavior that is indicative of bee poisoning.

In my own back yard, I would notice my bees would return to the yard and not be able to make it to their hives because they were demonstrating erratic movement indicative of neurotoxicity. I've also witnessed dysfunctional behavior in catching a swarm in Northeast Portland in the neighborhood on 35th and Shaver. I was called to a swarm in the 90 degree heat of the summer that was also during the time of the Wilsonville bee kill. The birch tree that the bees landed in was -- I presume to be -- sprayed with bees given the nature of the manicured lawn. The person who I was in contact with asked me not to speak to the owner of the property because he was supporting an ailing wife and was elderly himself, so I did not follow up with his use of chemicals on his lawn, but his lawn demonstrated indication of chemical management. And the bees that had landed in his birch tree were not able to cling to another.

So, a swarm is how bees reproduce, it's the birth of a new hive. And instead of being in a cohesive structure where at the center the queen is being protected by her

March 25, 2015

workers, these bees were falling in clumps -- baseball-sized clumps. I noticed it first when they were hitting me on the back and I was wondering why I was being hit with bees falling from the tree. I climbed up into the tree myself and I investigated this swarm, and they weren't able to cling to one another, indicating to me there was some neurotoxic potential of poisoning. And it was very distressing to me. It was during a time when I was enrolled in a doctoral program at the Oregon College of Oriental Medicine. And for that requirement, I took a PSU class on Gandhi's philosophy of non-violence on education and sustainability. This was an extracurricular class for a doctoral of acupuncture and oriental medicine, and I learned in the class was a number of things but ultimately the search for truth comes through acts of compassion.

I had to reflect back to myself, how could I be most compassionate? And pursuing the advocacy at that time was fundamental in my learning process. So, for the course at PSU, I did additional hours of community-based learning in which I brought to the Wilsonville bee memorial prayer flags. So, I brought blank pieces of fabric and I'm going to read to you these -- and Brian and Jen are going to help me as I read. The first one says, I love bees. Hold on. Let me read them as we go. These are voices from the citizens that may or may not be in this room -- I recognize a few people. Not everyone is here. Bee strong. I love you bees. German language I don't understand. Spanish. Muestro tu amor a las abejas ayudalas. Show is your love for the bees, save us, help us. Happiness equals bees. Happy trees means happy bees. Let's hear it for the bees. Let's choose to be GMO-free. Let's see. Bee here now. Don't worry, bee happy. Bee strong. Why on bees buzz. Small child handwriting. Save our bees.

Hales: I might need to get you to stop before you go all of the way through them.

Fitzpatrick: OK. Well, there are 41 other people here that posted this. But it was an opportunity for folks to express their grief, sadness, as well as hope and solidarity, and I am appreciative of the City Council to take the steps. I do have concerns about some of the aspects of the ordinances which other people have spoke about. I just want to close with that. This is an opportunity we all have to really look within our hearts and find out what is really best for all of life and look at this from a holistic perspective. Thank you very much.

Hales: Thank you. Welcome.

Carie Weisenbach-Folz: I'm Carie Weisenbach-Folz. Dear Mayor and City Council, we the undersigned residents living at 2325 N Albina Avenue across the street from Peninsula Park strongly support the proposed ordinance prohibiting the use and purchase of neonicotinoid pesticides by the City of Portland. We strongly support prohibiting the use of these pesticides in our parks and natural areas.

We are a community of adults and children that regularly use Peninsula Park year-round. We grow food in our front yard, and our fruit trees and property is certified by the Audubon Society of Portland's backyard habitat certification program. We strongly support City policies that promote human health and safeguard pollinators, native birds, and other wildlife in our community. Therefore, we strongly support your action to prohibit the use of neonicotinoid pesticides and neonicotinoid-like pesticides in our parks, natural areas, and other City-owned property.

We understand that the proposed ordinance includes an exemption for the rose garden at Peninsula Park where the rose midge is a problem. We also we enjoy that the proposed prohibition would not occur immediately in our local park, but we urge City staff to aggressively pursue alternatives to the use of neonicotinoid pesticides so that the prohibition can be extended to the Peninsula Park rose garden as soon as possible. We enjoy the roses at Peninsula Park rose garden, but we value human and ecological health more than the particular aesthetic they provide. Thank you.

March 25, 2015

Hales: Thank you very much.

Fritz: Thanks so much. And most likely, the pilot project will be at Peninsula Park, so would love to engage you and your neighbors in the volunteering for that effort and monitoring it, and just in the whole process. Thank you so much for coming in.

Weisenbach-Folz: We'll support that.

Hales: Thank you. Welcome.

Bob Bernstein: Hello, Mayor and Commissioners. And Amanda Fritz, I thank you for this proposal.

Hales: Just put your name in the record -- sorry.

Bernstein: I'm Bob Bernstein. In the best of all possible worlds, we could count on the EPA or the Food and Drug Administration to take care of the sorts of matters. There's a well-documented revolving door between Monsanto and chemical companies and our regulatory system. Money talks. Take a look at what's happening in southern Oregon with [indistinguishable] culture and aerial spraying -- it's the same sort of thing. I'm not surprised that people come up here who being paid for their time -- unlike me -- and want to keep the status quo. They want to make a buck. I do believe that human beings are adaptable enough that they will find a way to make a buck. If you create a market for plants that haven't been treated, that market will get filled by enterprising people. So, you know, I don't buy that argument at all.

In terms of trying to find a smoking gun -- it would be nice if we were still living in the 1950s sort of John Wayne world. We are not. We used to think that cancer was one disease -- it is thousands of diseases. When you look at how you break that chain, there are thousands of different ways of interfering with that replication. When you get into looking for a smoking gun and the kind of course testing that is being done on chemicals that are brought into our environment, it's ridiculous.

There are papers I've read that say what may be happening is we're interfering with a cytochrome inside of the bee that then makes the bee less able to get rid of other toxins. So then, how do you deal with this with a very industry-friendly regulatory process that says you have to find one single smoking gun? The world doesn't work that way. It's fallacious.

And so, I would say that you should do what you can to ban these substances. I would tighten things up -- the devil is in the details. It seems to me there's a lot of wiggle room there to continue using these substances.

I also went to an interesting talk by Susan Kegley -- she's a doctor, I believe, through the chemistry society of Portland. She works out of the Pesticide Research Institute and you might want to contact her. I can send you some information about her.

So, I would just tighten things up with the exceptions. I would move ahead. If you want to use neonics on bedbugs -- I'm half ticked off they used time on this -- but what people do to other people, at least we get to vote. What we do to critters -- you know, the micro and macro invertebrates that are in the water table that the fish rely on for food -- I did amphibian research surveys last year. Our amphibians are in terrible shape. The world's basically falling apart. If you want to continue using neonics, it's on you. I don't think you should.

Hales: Thank you. Thank you all. Good afternoon.

Kathleen Clarke: Good afternoon, Mayor and Commissioners. My name is Kathleen Clarke and I'm a private resident, a clinical social worker, and a gardener. I am urging the holistic view of the question that's been asked before, questioning what is our definition of aesthetics like with the rose midge? I'm also a permaculture student, and that refers to the holistic design of nature. Multi, multi factors come into play. I don't believe that we can test -- like the smoking gun that Bob Bernstein -- that we can isolate in that way. As owner of

March 25, 2015

Garden Fever said, we -- the multifaceted organic care of their plants produce results -- the alternative results. Thank you.

Hales: Thank you. Welcome.

Makenna McClure: Good afternoon. My name is Makenna McClure, and I appreciate you taking time to hold a hearing on this very important issue and giving me an opportunity to speak. I'm a ninth grader from Southeast Portland, and in my art [indistinguishable] class this year, I created an environmental magazine on this subject and chose this topic for one of the articles because I also think it's very important. I'm just going to briefly list three reasons why I think you should ban these neonicotinoid insecticides in Portland.

First, the bees provide critical ecosystem service. These services are worth a lot of money and are a significant part of the regional economy. The metropolitan area of northern Willamette Valley between Salem and Portland produces one fifth of the state's gross farm revenue. According to the 2012 census of agriculture from Multnomah County, there were 598 farms on nearly 30,000 acres. They sold nearly 45 million worth of nursery, greenhouse, and sod products and \$19.4 million worth of vegetables, melons, fruits, nuts, and berries. A lot of these are flowering crops that depend on pollinators. Harm to the pollinators will harm the local agriculture and economy.

Second, there are more scientific studies that link neonicotinoids to serious harm in bees. This has raised fears that the pesticides are an important factor in the plummeting populations and of bees and colony collapse disorder, along with the diseases and widespread loss of habitat.

A new study from Harvard says neonicotinoids are likely a primary cause of colony collapse disorder. According to the lead researcher, it apparently doesn't take much of the pesticide to affect the bees. Our experiment included pesticide amounts below what is normally present in the environment. Although more research is being done, the risk is serious enough that the European Union already put a two-year moratorium on the use of these insecticides on flowering crops.

As a progressive city that gets an increasing amount of produce from local farms, I think we also need to protect our local pollinators and food security and take a precautionary approach by not using these insecticide neurotoxins until better information on their impact is available.

Third, I'm worried about how these pesticides accumulate and pose a threat to human health. Neonicotinoid pesticides are systemic, meaning they're in the plant and can't be washed off. They also persist and accumulate in the soil for more than 10 years. Neonicotinoids have ecosystem impacts because they can contaminate surface waters and kill aquatic insects that provide essential food for birds and fish, such as endangered salmon in Johnson Creek and the Willamette River.

A 2012 Japanese study also shows that neonicotinoids affect brain development in mammals. The research warned that detailed investigation of the neonicotinoids is needed to protect the health of human children. As a human child, I urge you to ban these toxins from my city. Thank you.

Hales: Thank you very much.

Fritz: Wow, what school do you go to?

McClure: Milwaukie Academy of the Arts.

Fritz: I don't think I could have written like that in ninth grade. Good job, thank you.

McClure: Thank you.

Hales: Thank you. Welcome.

Madelyn Morris: Hi, my name is Madelyn Morris. I'm a beekeeper, I'm a gardener, I'm also a small business owner. My business is Mickelberry Gardens. We create honey-based herbal medicines that we sell at a variety of local retailers. So, many of passions as

March 25, 2015

well as my livelihood really depend on pollinator health. We keep about 25 to 30 honeybee colonies around the Portland area and then we also work with larger-scale beekeepers around the region who equally depend on having healthy pollinators.

I started beekeeping about eight years ago out of my concern for bees dying and since then, it seems really clear that the scientific community overwhelmingly agrees that the neonicotinoid class of pesticides is a major contributing factor to the declining health of pollinator species. That's also been something that I've been able to observe in our own experiences keeping bees.

This use of pesticides really has a reverberating effect up through the food chain. It impacts birds, amphibians, reptiles, plants communities, and human beings, as a lot of people have mentioned this today. And the thing about this particular systemic class of pesticides is that they can remain in plant tissue for many years and that this essentially provides poison pollen and nectar to sensitive bees.

I think I heard an argument earlier that there's no scientific evidence that these pesticides are toxic to bees, but it is clear that it's toxic in large amounts. We've had descriptions of bees falling like rain out of trees from when too many of the neonicotinoid is used, or too much of it. So, it's reasonable it would have toxic impacts even in lower doses, especially when it becomes clear how far reaching and ubiquitous these classes of pesticides are used. They're in a lot of nursery plants, they're a lot of seeds. They're really all over the place.

I think it's important to recognize that pollinator species have a wide range of assaults on their health and well-being, from loss of habitat, inadequate loss of nutritious forage, pests and diseases, and exposure to a wide range of toxic pesticides. So, this is not the only thing that's going to solve the problem but it's going to be a major step in the right direction. And the health, vitality, and prosperity of our region is interconnected with the health of pollinator species. Please approve this ordinance. Thank you very much.

Hales: Thank you. Thanks for coming. Thank you all. Welcome.

John Nicol: I'm John Nicol. I live in North Portland. I'll keep this brief because much has been said that I would be saying about this. I'm very much in favor of this ordinance but I do not feel that it goes far enough. We're facing a real crisis here.

I consider the cities to be a refuge for our pollinators. The commercial countryside is so bombarded by chemicals that really the cities with intelligent small family organic gardeners and people taking care of birds are really what's going to save these pollinators. That we may be looking at pollinators going from the cities to the countryside given the mono culture and the vast acres that are being sprayed with pesticides.

Oregon is just beginning to examine its archaic pesticide laws regarding forestry in this legislative session, so the onus is on you to really protect what we have. That being said, I don't think that this ordinance goes anywhere near far enough. And like the tobacco ban, I can see it very rapidly gathering much more speed and addressing commercial application. I think that that should begin with data collecting and what has already been sprayed -- where have these already been -- the records of the commercial pesticide people have to have what they used and where, and that should be examined so that we really see what the magnitude of our urban situation is. I'll let somebody else speak now.

Hales: Thank you very much. Welcome.

Peter Teneau: Thank you. And thank you for bringing this up as an ordinance and for Amanda Fritz -- what you have done on this. I'm going to speak, we have had excellent testimony --

Hales: Oh, just put your name in the record, please.

Teneau: Peter Teneau, and I live in North Portland. I'll speak more from the heart, I suppose, or from the philosophic point. Some excellent testimony has been given here

March 25, 2015

today and I've been educated. But I also read, I'm not uninformed, and I also have practical experience as a natural gardener in Portland on a large lot. And I have a little story with regard to that, and it pertains to what some other people have said about beauty should not trump nature.

Nature is beauty if it remains intact. I have a rhody about 15 feet high among many wonderful rhodies on my property. And this one is my prize plant. Of all trees and plants in that garden, it's my prize. It came up with a problem -- lace bug infestation. And the City is probably experienced with this. I investigated and found that imidacloprid, which is a neonic -- I did some research on this. I was to make a decision -- I was committed to being a natural gardener so I wasn't going to use it anyway, but that was what was suggested. It could have applied this and I could have saved this rhody. The rhody is now very, very sick. I will lose that rhody. But I still maintain the value as a natural gardener.

We're fooling around with nature too much. Nature takes care of itself. Our fixes, these chemical fixes just continue on and on and on and nature has a way of getting around them. They adapt to them. So, heavier doses of chemicals have to be used.

Back to the point. The City is only concerned with its own property with this, but it can be an example. It could be an example for all people. I would particularly say that the labeling is an important issue. People want to know what they are buying. But thank you very much and I support this wholeheartedly. In fact, maybe would go beyond.

Hales: Thanks very much. Good afternoon, welcome.

Barbara Quinn: Good afternoon. My name is Barbara Quinn. Thank you for the forum today. I'm representing Friends of Baltimore Woods, also of North Portland today. The Friends support this ban on the use of neonicotinoids on City properties. About one-third of Baltimore Woods' corridor is meadow, prairie -- it's going to be conserved as prairie and open grassland specifically for the purpose of housing the greenway trail and providing an environmental education to local students as well as adults who use the trail.

This is part of -- this prairie property cost about \$3 million. The City has a big part of that investment in this property, and we'd really like to see that investment used well. In fact, we have a permit with Parks right now to bring children down to the meadow to do butterfly monitoring project. We would really like them to find some butterflies.

And so, we appreciate this partnering with the City on these projects but we really need you to take leadership on being a steward for both grassland -- which is quickly disappearing, important pollinator habitat -- and also partnering with us on working on getting pollinators back. We want to have the kids monitoring for monarchs and other types of pollinators. I think it would be really exciting for them. Thank you.

Hales: Thank you. Thank you all. Welcome.

Sarina Jepsen: Thanks. My name is Sarina Jepsen and I work for the Xerces Society. I direct the endangered species program there and I'm an entomologist by training, and I strongly support this ordinance.

I've been asked to read a letter that Clair Klock, a blueberry farmer from Corbett, sent in for this. So, I'll read that and then I have a brief comment as well.

Mayor Hales and City Council members, I am Clair Klock from east Multnomah County. My wife and I have a farm in the Corbett area. I have certification as a certified private pesticide applicator and pesticide consultant from the Oregon Department of Agriculture. I practice a strict form of integrated pest management. I have and continue to use restricted pesticides on my farm as needed. I am here to urge a ban on the neonicotinoids pesticides by the City of Portland and will continue my effort at the state legislative level.

I use native pollinators, including bumble bees, mason bees, solitary ground bees, and parasitic wasps to pollinate my blueberry field for at least the last 10 years. Diversity in

March 25, 2015

pollinator and other species will increase resiliency in this era of climate change. While neonicotinoids have been an effective chemical for insecticide control, we are now seeing that collateral damage is too high. Other chemicals that have been effective and are now gone -- at least in the United States -- include DDT, lead arsenic, 245T and methyl bromide. It is important to take the lead on this important issue. Again, I urge you to ban the use of neonicotinoids in the City of Portland. Thank you for your time.

Then also, I just want to address couple points that I heard during the great testimony today. The representatives from Oregon Nursery Association and Oregonians for Food and Shelter call into question this idea that neonicotinoids are the sole contributor to colony collapse disorder in honeybees. I just want to point out I'm really familiar with a wide body of scientific research and literature on this topic, and it is true that colony collapse disorder is likely caused by multiple factors, not just neonicotinoids use, but there is a vast body of research out there right now that demonstrates unambiguous lethal and sub lethal effects of neonicotinoids on both honeybees -- which are not native, managed both commercially and by folks like your father -- as well as our native bees, like our nearly 50 species of native bumblebees, as well as a wide variety of other organisms.

As Lori Ann from Center for Biological Diversity pointed out, there are new studies coming out almost every day. One very recently just came out of the University of Minnesota looking at the effect of neonicotinoids on ladybugs, painted lady butterfly, and monarch caterpillars and found these compounds to be highly toxic to all of those organisms. This is I think the tip of the iceberg. A lot of the research in that area has not been well developed. This is new research, but I just want to read one quote from her paper. She said, quote, "the use of the neonicotinoid imidacloprid at greenhouse/nursery rates reduced survival of beneficial insects feeding on pollen and nectar and is incompatible with the principles of IPM." So, I just urge you to approve this ordinance and be a leader in IPM with the City of Portland.

Hales: Thanks very much. Charles, think you may get the last word.

Charles Johnson: Good afternoon, Commissioners. I'm Charles Johnson and I'm representing Oregonians for food and shelter and wisdom and compassion. We almost always disagree with Oregonians for Food and Shelter. On that note, we'll talk about the reference to the situation in Europe where there's been many bans on neonicotinoids products. And of course, we know Europe is doing it wrong. They're giving their children health care without the children having to have bake sales, and they're not spending a huge, disgusting amount of their budget on frivolous defense projects. So, they're probably also wrong with neonicotinoids. So, obviously this small baby step should be taken. The city parks and the little landscaping that's done around -- and if the Mayor takes long naps and has bedbugs in the office, he should not --

Hales: Neither! [laughs]

Johnson: He should be spared -- he should have the option maybe of suing the City to use neonicotinoids to restore his cot.

Hales: I have no cot, let the record show.

Johnson: But --

Hales: You're going down fast here, Charles.

Johnson: Generally, we should accept that there is no research of any kind that has found one definitive cause to colony collapse disorder. And since pollination is slightly important to maintaining the circle of life, we should feel good about moving forward with this ban on City-owned property use of neonicotinoids. The problem -- as I think it was Mr. Nicols pointed out -- with this ordinance is that it could use some broader, stronger language about how we're going to invest a specific number of man hours into working with Metro

March 25, 2015

government and with Multnomah County and the state to bring this wise policy to a broader use in Oregon. Thank you very much.

Hales: Thank you. Anyone else want to speak? So, I haven't heard any proposals for amendments, Commissioner, so this will come back for second reading but it might also be an opportunity for Council members to comment now while we have folks that are interested in the issue. I know you'd like to do that.

Fritz: I would. I want to thank everybody, this has been a very interesting hearing and a wide range of perspectives giving me even more information that I didn't know about this issue despite having studied it. So, thank you all for being here and thank you, Mayor, for entertaining this hearing and for being here. Potentially, if we have agreement on the Council next week, I might ask to add an emergency clause to get started earlier. Can we do that at the second reading? The City Attorney says we can, so that's good. There's only three of us here now, so we can't do that now.

Certainly, thanks to Tom Bizeau on my staff and to our partners at Beyond Toxics, Xerces Society, Center for Biological Diversity, Audubon, and multiple other groups. John Reed of Portland Parks and Recreation gave us information about our integrated pest management and he, Mike Abbaté, and our team will be implementing the pilot project. So, as long as -- I think maybe what we need to do is lobby the Mayor to keep assigning me Parks, because I would love to continue pushing this matter.

And it is a first step, it's not the end. We're doing the pilot project that we heard from industry representatives they'd like to see, and we'll take it from there. It's exciting. It was particularly great to hear from the Peninsula Park neighbors, because often it's the close-by neighbors who are -- I wasn't sure when she started talking whether she would say "all of my garden is going to be at risk because you're no longer going to be using this stuff" but in fact, that was not the case. So, thanks very much to everybody.

Hales: Commissioner Saltzman, the question was raised depending on how the Council feels about this that we might add the emergency clause today so that it will go into effect immediately, so I wanted to know what your thoughts are.

Saltzman: Actually, in light of the testimony, I've asked the Fire Bureau to get back to me since they are the only City bureau that has actual beds. I want to hear their position on this issue.

Hales: That's right, they do have actual beds.

Saltzman: I'd prefer voting on it next week.

Fritz: We could add the emergency clause next week once we've got that. We did ask the Office of Management and Finance because they do most of our facilities monitoring and they don't have any contracts for neonicotinoid use. But yes, certainly -- check to the bed issue.

Saltzman: OK.

Hales: Other comments?

Novick: Really appreciate everyone who testified today. I mean, it does sound like there's some debate in the scientific community as to the precise role of neonicotinoids and colony collapse, but if the Fish and Wildlife Service has banned it, if Europe has banned them, I think we don't need to know -- as some people suggested -- that neonicotinoids are the smoking gun in colony collapse to think that the cautious thing to do is to get rid of them. I do want to reiterate that I trust that the Parks Bureau will make sure that they don't replace these with other dangerous pesticides and hope that we're moving toward a less pesticide-filled world in general in the city.

Hales: Any other comments? I just want to make what may be a strange parallel but I believe it's sound. That is, we as a City were an early leader in the question of climate change. And there was a debate, a scientific debate for a while, and then political debate

March 25, 2015

masquerading as a scientific debate about whether climate change was actually happening. And the question was also, well, what could little old Portland do? We're only one gazillionth of world energy use.

What happened is not only did we act early on a trend that turned out to be real, but then other localities around the world have turned to Portland and said, oh, that's how you reduce per capita carbon emissions by 35% by building transit and doing urban design differently and creating walkability and putting green roofs on buildings and other things that Portland has done. So, I think often on an issue like this, it is municipalities that lead because it comes from the grassroots. People say, let's try this. We have the chance to innovate much more quickly and more boldly -- see the next hearing that we'll have -- then maybe the federal government will do. And so, I think it's appropriate to take this kind of action as -- if you will -- a pilot project as much as we did with City buildings and giving our own workers transit passes and those kinds of things.

This to me seems very consistent with the urban innovation that Portland has been part of, and that much of that urban innovation has been around environmental policy. So, this is also very consistent with that. And a Parks Bureau that has gone out of its way to manage our green assets in a responsible way -- including under your leadership, Commissioner. So, I'm certainly supportive of this. Again, I want to respond to a strong objection to the suggestion that I have a cot in my office because I don't, but I will disclose that because I'm treating a cold, after I go home this evening, I'm going to put a spoonful of honey in a glass of scotch and get a good night's sleep. [laughter] [cheering] So, thank you all very much and we'll bring this for second reading next week. Thank you. Let's take a two-minute recess and take up our next ordinance this afternoon. [applause]

At 4:06 p.m., Council recessed.

At 4:09 p.m., Council reconvened.

Hales: Come back to order, please, and we'll take number 319.

Item 319.

Hales: Thank you very much. So, we had an excellent hearing two weeks ago in which people that had been thinking about this issue and advocating for us to be a leader on this issue came and spoke to us. And also, we heard I thought some pretty moving testimony from individuals who have been struggling to find their way back into the economy because they bear the stigma of having served time in a correctional system and paid their debt to society.

So, I hope that all of us felt that we should move forward on policy on this subject, and that's why we're here today because I think it's appropriate and fits our values in Portland to broaden the workforce by giving people access to jobs who might not otherwise have that chance. We've had a lot of conversations in the community. We know there's broad support for the concept and some concerns about the particulars. We've tried to take that into account in the draft ordinance that Judy Prosper is going to walk through for us today. Without much further ado than that, I want to call Judy up. She's going to be with us for the first part of this hearing but not the last, depending how long it goes because she's leaving town this evening for a trip. Judy, please walk us through the ordinance in front of us and tell us about it.

Saltzman: I've also asked if Tracy Reeve --

Hales: And Tracy, of course, please. Welcome.

Judy Prosper, City Attorney's Office: Thank you. Good afternoon once again, Mayor Hales and Commissioners. I'm back today to present actual proposed code which was

March 25, 2015

filed last week with the Auditor's Office that we discussed here on March 11. The proposed code will be added to Chapter 23 of the Portland City Code, creating a new section 23.10.

The ordinance accompanying the agenda item highlights the policy justifications for this proposed changes to City Code. I have also provided you -- I hope you received it -- with the National Employment Law Project highlights with anecdotal experience from around the country in jurisdictions who have adopted similar policies. I'm going to now go ahead and turn to the actual proposed code language.

As you mentioned, discussions continued on the best way forward since my last appearance before you. In the draft code language, there are two major changes to the structure of the policy that was outlined two weeks ago. The first is that an exception would be included to account for a situation where a candidate voluntarily discloses their criminal history to an employer prior to the conditional offer stage. That can be found in section -- in the proposed section 23.10.040A. That states if a person voluntarily discloses during an interview that he or she has a criminal history, an employer may engage in discussion concerning the information that is voluntarily disclosed but must still conduct an individualized assessment utilizing the factors set forth in the earlier subsection to determine whether or not the person's criminal history has a direct relationship to the person's ability to perform the duties or responsibilities of the employment sought.

In such a situation, the employer could engage in discussion concerning information that's been voluntarily disclosed but would still be required to conduct individualized EEOC 2012 guidance factors, them being the nature and gravity the offense, the time that has elapsed since the offense took place, and the nature of the employment sought.

The second major change from what was proposed two weeks ago is that the private right of action against the employer has been removed. This change clarifies that the objective of the ordinance is to set out a required process for employers rather than a scheme that would substitute the determination of a trier of fact for that of an employer who conducted a good faith individualized assessment of a person's criminal history vis-a-vis the position sought.

If you look at paragraph eight of the ordinance, this objective is pretty clear. It states, an employer who makes an individualized assessment of a person's criminal history and determines in good faith that it has a direct relationship to the person's ability to perform the duties of a particular job is entitled to decline to hire that person for that job. Proposed code language in 23.10.030, use of criminal history in employment decisions, sets out exactly what would constitute a violation of the ordinance. In section B, the second part for example talks about an employer violates this chapter if an employer accesses or inquiries into a person's criminal history prior to making a conditional offer of employment. That would be one way the ordinance would be violated.

Again, it states in the ordinance the employer may rescind a conditional offer or take another adverse employment action based on a person's criminal history if an employer determines in good faith that the specific offense or conduct has a direct relationship to the person's ability to perform the duties and responsibilities of the employment.

The ordinance would create an administrative procedure within the City to do three things. One, review, investigate and determine if an employer accessed or inquired into a person's criminal history prior to making a conditional offer of employment. The second thing it would do is examine whether the employer made an individualized assessment of a person's criminal history using the EEOC nature time nature test. There would be to assure the required process outlined in 23.10.050, when an employer makes an adverse employment decision, is followed.

So, the characteristics of this violation scheme don't lend themselves to a private right of action where trier of fact would substitute its own judgment for that of the employer.

March 25, 2015

The proposed ordinance would penalize employers with a monetary fine for failing to engage in the required process.

As I mentioned a few weeks ago, over the last few months I've reviewed ordinances and laws passed by other municipalities and states and have provided you with a summary chart of the highlights of those ordinances, comparing them to the ordinance proposed for Portland.

Lastly, I would like to be clear this ordinance would not prohibit employers from reviewing a person's criminal history nor would they be required to hire a person with such a history. The proposed ordinance would merely delay inquiries so an employer and the applicant get together flesh out a person's qualifications and experience first to obtain the policy initiatives outlined in the ordinance.

Unless you have other specific questions, I was going to stop there. I just wanted to highlight the differences and be around for questions.

Hales: I knew Commissioner Saltzman had some.

Saltzman: I have some questions I want to just review, and I think I reviewed them all with you yesterday but I want them on the record. So, please explain what the hearings officer would be considering when determining whether or not an employer has violated this ordinance. As I understand from our conversation yesterday, if an employer does the individualized assessment following the EEOC nature time nature -- is that right, nature time nature?

Prosper: Yes.

Saltzman: Guidelines in good faith, that is sufficient. But I guess, explain it to me on the record.

Prosper: Absolutely. It's exactly what you've said. The ordinance is crafted so that the behavior of not going through an individualized assessment is what would be a violation of the ordinance. So, in section 23.10.030, use of criminal history in employment decisions -- that section outlines what is required of the employer. A speaks to that it's unlawful employment practice to do anything contrary to this ordinance. B talks about an employer may consider a person's criminal history in the hiring process only after making a conditional offer of employment. So, they have to get to that stage. In D, it talks about when making a determination -- the nature time nature test. And then section 23.10.050 sets out what needs to be done procedurally if you would like to make an adverse employment decision. So, outlined in 23.10.030, 050, and onward are the procedure that have to be followed by employers.

Saltzman: Who determines what a good faith effort is? We spent a lot of time in procurement issues talking about this, and I don't think we really -- we've tried to deal with this. But yeah, who determines whether a good faith effort was made under this ordinance?

Prosper: That is what would come before the hearing officer, sort of the evidence of how - the process by which an employer made their decision. I'll give example -- we talked about different examples and what could come up in our conversations. If, for example, advocates sent a group of potential employees to one business and they got sort of the same result over and over. The fact that those folks were treated similarly were they people with criminal histories would sort of lend us to think that maybe the procedure was not followed. So, at a hearing, the hearing officer could request information about, what did you do? When did you review the criminal histories of these people? When did you inquire into the criminal histories of these people? Those are the kinds of things that the hearing officer could determine and be the factfinder on, not second guessing the actual decision being made by the employer.

March 25, 2015

Saltzman: So if the employer or prospective employer produced the nature time nature test and said, here is the test I went through with this particular employee, is that something -- that's different than an apparent pattern of discrimination against people with records, I guess.

Prosper: Certainly. I just used the pattern example because it would be easier way to make a determination. I just set that out as an example of a way that it would come to our attention -- to the City's attention -- that a violation occurred. It would be easier than one individual person coming back saying, I think my individual rights were violated.

Saltzman: If an employer shows he or she did the nature time nature test, and that goes to a hearings officer, that would be at the request of the City for the hearings officer to review that claim?

Prosper: So, the procedure outlined is that the City would receive complaints be they by individuals, be they from advocacy groups alleging violations of the ordinance. The City would do an investigation. They would review the information that came to them. The process is not yet fully fleshed out, but whatever process were to be established by the City Attorney and in the admin rules -- the process would be followed. The City would then try to mediate with the employer. A letter would be sent. Some conciliation efforts would take place to see if something could be worked out with the employer. If those efforts failed, then yes, the City -- some arm of the City -- would bring a case before the hearing officer. And that case it would be to determine whether or not a good faith assessment was made.

Saltzman: OK. So, if the hearings officer does make a decision that a good faith effort of the nature time nature test was made --

Prosper: Then that would end the inquiry.

Saltzman: That ends it. So, the City -- the job applicant has no further course of appeal.

Prosper: Under the scheme as it's written, yes.

Saltzman: Under that circumstance. OK. Then, whether or not an employer has violated the ordinance would be subject to appeal only by the -- well, it wouldn't be -- as long as good faith nature time nature test, it wouldn't be subject to further appeal.

Prosper: Theoretically it could be, but my understanding is that's generally not what happens. Although on the side of the employer, were the employer to be found in violation, the employer would have an appeal.

Saltzman: Right.

Tracy Reeve, City Attorney: I think we're anticipating that our normal -- Tracy Reeves, Portland City Attorney. I think we're anticipating that our normal code hearings officer procedures would be followed. The appeal from a code hearings office decision is generally a writ of review to circuit court. It would be highly, highly unusual for the City to be appealing a code hearings officer decision to circuit court. It has happened. However, an employer found to have violated the ordinance at the code hearings level would have a right to seek writ of review in circuit court.

Saltzman: OK. And then I want to ask the question I asked yesterday, and I think a lot of people have asked the same scenario playing and I know it makes some people uncomfortable to talk about it, but a lot of women who I work with it doesn't make them uncomfortable at all -- in fact, it concerns them. The idea that if somebody who is a registered sex offender, convicted sex offender, convicted rapist could be denied a job if that job involves being around children, being around older adults, being around women at closing time of a restaurant, for instance. So, talk to me about that.

Prosper: Commissioner, there are exceptions written into 23.10.040, and those exceptions -- we talked about first, but the second exception speaks to what you're talking about. They would not apply -- this ordinance would not apply where federal, state, or local

March 25, 2015

law or regulation requires or authorizes a consideration of a person's criminal history. And these situations would include but not be limited to employment with law enforcement or the criminal justice system; private security employment where a license is required by the Oregon Department of Safety Standards and Training; informant involving direct access to or the provision of services to children, the elderly, persons with disabilities, persons with mental illness, or individuals with alcohol or drug dependence or substance abuse disorders. Also, employment that requires licensing, being registered, certified, or otherwise authorized to practice your profession.

Speaking to the second question, the nature time nature test is always going to come into play. So, once an employer after the conditional offer stage, if they decide to look at someone's criminal history and one of these convictions is on that criminal history, they can engage in the nature time nature test. The nature of the crime, the time that has elapsed since the crime took place, and the nature of the job sought. And again, if the employer makes a good faith assessment that the criminal conviction is related to one of those three factors, they can deny a person employment or rescind a conditional offer of employment.

Saltzman: So, if I'm a regional manager of McDonald's and I'm looking for a manager of one of the local restaurants and I make a conditional offer to somebody, find out they're a registered sex offender, convicted rapist, whatever -- I conclude, gee, my employees are 90% female, I'm not comfortable having this guy supervising them particularly on late night shifts where they're going to be closing. Does that --

Prosper: I think without putting myself in the place of a hearings officer, I think what you're talking about is making an assessment of the nature of the crime and the nature of the employment sought. So, you are in essence doing that math in your head while we're having this conversation. The nature of the crime being sex crime and the nature of the position being sought is with access to maybe young women or young people at vulnerable times of day. So, you're talking about the very test that is required.

Saltzman: That is the test. And the example I just ran through that could be a legitimate exercise of that test.

Prosper: Without putting myself in the place of the hearings officer -- yes, sir.

Saltzman: Two other questions. One is the estimated expenses of three-quarters of an FTE and \$500,000 in money for education. Where do those numbers come from?

Prosper: I'm going to let the City Attorney speak to that.

Reeve: Commissioner Saltzman, we believe it would take us about three-quarters of an FTE the first year of implementation of this ordinance to work with the training, get training developed, develop administrative rules, do training. In terms of the actual outreach budget, that's something that the Mayor's Office has developed the projections or training budget, but we believe that we could do the work necessary to support the first year of implementation of this for three-quarters of an FTE.

Hales: And that's really a placeholder. The outreach money is really just a placeholder. We have to honestly say there's going to be some cost if we're going to do this right in terms of employer education. But that's a placeholder number until we get into more detailed understanding of what we're going to be doing and when.

Saltzman: And my last question for Tracy Reeve -- we had this discussion yesterday about enforcement responsibilities being all over the place within the City and your desire to want to bring more uniformity and consistency and perhaps a central office for enforcing various laws -- is this something you're prepared to take a lead on in that effort?

Reeve: One of my objectives for the next year is to serve at least as a facilitator and coordinator of that discussion within the City. There are a variety of bureaus that need to be at the table. I don't even know that the outcomes of those discussions would be a

March 25, 2015

particular office. I do know that as a city and compared to comparable cities of our size, we really lack civil rights and other sort of rights enforcement capacity. We also are deficient, I would say, or at least not where we would like to be in our capacity to do independent investigations in a variety of fronts. And so, that's something that in my work plan for the coming year I'm hoping to take on as I say at least a facilitating or coordinating function with a variety of bureaus.

Certainly, it's something I've had preliminary discussions with the Director of the Office of Equity and Human Rights, the Director of the Bureau of Human Resources, the City Auditor and Ombudsman, and I'm sure many others in the City would be involved in those discussions. But as Council continues to look at a variety of ways to protect residents of the City of Portland -- whether it be sick leave, whether it be regulations to protect disability rights, whether it be ban the box -- we have not historically had good enforcement or investigation capacity, and that's something that I think we as a City need to have a discussion around and look at and bring proposals forward for your consideration.

Saltzman: So that is on your to-do list.

Reeve: It absolutely is.

Saltzman: And my final, final question was -- and Mayor, I do want to commend you for bringing this issue forward, I think it's a very important issue. I think Commissioner Fritz and I both last time suggested a work group to look at this before we passed it, but we're here today and we're going to pass it next week, maybe. Are you still interesting in convening some sort of business work group --

Hales: I am for helping with the administrative rules, yeah.

Saltzman: OK. You will do that, then.

Fritz: But why aren't we having that to inform the ordinance?

Hales: Because it's a fairly straightforward policy call of are we going to do this and the bare outlines of how we're going to do it put into code, and then with much more detail into administrative rule. I think that's the approach that made sense to me in taking this on in the first place.

Fritz: What we found in sick leave was we had an ordinance that we thought was the best approach. When we convened the task force with balanced representation, we found in fact there were improvements that could be made in the ordinance. And so, I encourage you to think about doing that, Mayor, because it was only -- as you remember -- three meetings between the first and second readings -- it was only a month between the readings, and it seemed like that -- going back to that amend ordinance -- once you find the glitch -- and actually, I have a few questions as well. I would like you to consider that. We have already heard -- I've already heard and received emails from business owners raising what I think are some pretty legitimate points.

Hales: Alright, well let's hear what you have. Dan and others?

Fritz: I wanted to follow up on the question Commissioner Saltzman was asking about regarding the exemptions, only mine was the other way around. In 23.10.040 -- these are the exceptions -- it says B, the prohibitions in this chapter do not apply where a federal, state, or local law or regulation requires or authorizes the consideration of a person's criminal history. It says including but not limited to and in number three, it goes employment -- direct access to provision of services to children.

I'm wondering -- are there federal, state, or local laws that describe the situation Commissioner Saltzman described with a late night supervisor serving potentially minors supervising minors? Is there a state law that says that we can do that?

Prosper: I can't speak to the full panoply of state law and whether or not there's one specifically that would ban the situation that the Commissioner spoke to. What I can speak

March 25, 2015

to and what this is guided by are the State of Oregon Department of Human Services. When they are giving funds for the care of the elderly, daycare centers, and the like, they have a matrix as I call it, which is a list of prohibited convictions that people can't have in order to be hired into those jobs. So, my thought was that that kind of a matrix could inform other like positions. If you have a private rehab facility or a private daycare center, your decisions could be informed by the state matrix.

Fritz: I'm concerned that the state matrix may not give us broad enough authority. If you look at the B3 without the preamble at the beginning of B, employment involving direct access or provision of services to children, that's definitely retail jobs, service jobs. If anywhere that kids are around, could an employer invoke this in order to be able to do background checks earlier?

Prosper: I'm going to hesitate to want to have a catch-all that sort of makes it so that any employment could fall into this category. The state's matrix is based on the care of. We're talking about nursing homes, rehab centers, daycare centers where the job is to care for a vulnerable person versus an establishment where a child might come -- which will be almost any establishment, be it a Starbucks, be it a grocery store, or just really any establishment. But that child would presumably be in the care of an adult and the job would not be to care for that vulnerable child. So, that's the nuance. I hope that answers your question.

Hales: That's how I would read that.

Fritz: I have concerns about that language and I would like it considered more. Also in the next section, section 10.050, it says -- this is for making the adverse employment decision -- the notice may be hand delivered, e-mailed, or mailed by U.S. mail. Then A2 says, describe the person's right to reconsideration within two business days after the employer provides the notice. That to me sounds like the two business days start when the employer mails the notice, and sometimes a letter doesn't arrive for two days in my part of the town.

Prosper: Under the civil code, there's an additional three days for mailing and that would be spoken to in the administrative rules. But when you mail anything for legal purposes, you would get additional three days. The two days would only kick in if the person was either hand-delivered the notice, then they would have two days. But if it was put in the mail there would be an additional three days on either side of the mailing.

Fritz: And where's the burden of proof? How do you prove you hand-delivered or the person did or did not receive it?

Prosper: In the legal profession, we file what's called -- you would have an affidavit of service, but also in the administrative rules we can address those things so that employers could have -- just as we plan to do some kind of a safe harbor notice provision -- in that safe harbor notice provision there could be something about so-and-so certifies that they placed this in the mail or so-and-so certified that they made a phone call and actually spoke to X person. So, I think we can work those details out in the administrative rules in terms of adding mailing days or something in the safe harbor notice provision that could be a check off box or a category that says, "this is how I affected service or notice to the candidate."

Fritz: So again, I would like to have more discussion between employers or hiring managers and employees as to whether that two days is the right length of time to allow that.

And then, I'm really concerned about this \$500,000. I'm trying to get information. We didn't have anything like \$500,000 for educating on sick time, so that seems like an enormous number.

Hales: It's a plug number, don't worry. We get to talk about it.

Fritz: It's more like 50,000 rather than 500,000.

March 25, 2015

Hales: We'll get to budgeting when we get to budgeting. The question is, are we going to spend money? Yes.

Fritz: Well again, I was admonished in my Parks acquisition that I would be requesting that rather than stating in the FIPIS that it's needed.

Hales: We need to discuss potential financial impact up front. We're supposed do that, right?

Fritz: Right. And I've had discussion with ms. pepler about this. What was properties and cons of doing it in-house versus doing it with BOLI?

Hales: Well, Judy can talk about that more as well as Tracy. But it doesn't appear from our initial review it's not necessarily going to save us that much money to have BOLI do it, and of course we also have more administrative control over how things are processed and how quickly if we're doing them ourselves.

Reeve: Commissioner Fritz, I'm not at all convinced it would be less expensive to have BOLI do it. As you know from our experience with sick leave, while BOLI is doing the actual enforcement work, City staff will still spend a tremendous amount of time getting administrative rules up, preparing the training materials, working with BOLI to make that all happen, and participating with BOLI in the trainings. So, it's not as if if we elect the BOLI route, staff is not doing some heavy lifting.

On something like this that is not a wage and hour regulation, doesn't have -- I would not anticipate -- and I could be wrong -- but I would not anticipate the same level of enforcement activity right off the bat with this and same number of things going to hearing you have say, with, sick leave involving are you being paid appropriately. That tends to be a pretty contested area of the law.

Taking out that interface with a second agency and being able to hone the City's own policies and then develop the City's own enforcement mechanisms I think does have economies of scale and also enables us to in some ways control our own destiny and design the type of enforcement mechanism that we want to have. Because it's a process statute because you're really looking at if the employer is complying with the process requirements, I don't see it being nearly as complex of an enforcement endeavor as sick leave was.

Hales: So, let me -- I don't know if you've run that course -- but let me -- particularly going back to Dan's questions. I think it's very good that you're asking these detailed scenario questions of "what if" because it's really important that we test the structure of the ordinance against those kind of scenarios. But I guess something that would be helpful to me is looking at your summary, a number of the other municipalities have had these kinds of regulations in place for some time. Do we have some information as yet about how frequent enforcement has even been necessary? My sense is that when cities -- we included -- have taken on a civil rights issue that we set the bar and most people comply without enforcement. When we say you can't discriminate based on sexual orientation, for example -- which Portland did before the state did -- I don't recall having a lot of enforcement activity but I do recall a lot of quick acceptance and compliance. I'm hoping that's going to be very much the case here because we are even hearing from folks that aren't completely happy about us taking this on that of course we agree with the goal here.

So, it's one of those cases I believe where if we had that kind of congruity in the community -- that most people support the goal, even if they have arguments about the particulars -- I think we won't be doing a lot of enforcement. And that prediction could be perhaps informed about what's happened in Philadelphia or Seattle. I don't know if we've got that kind of track record from the other cities yet, but are they in court every day or is it rare?

March 25, 2015

Prosper: My understanding is it's rare. I'll give you the Philadelphia example because it's very specific what their statute -- first of all, these other jurisdictions are able to place a ban on the actual box -- which maybe we'll discuss later why that may not be such a good idea in Portland. So, turning in an application that has a box on it is violative of those ordinances. A lot of time what has happened is folks have turned those in and those cities have done conciliation with the employers, and for the most part, as you say, they have complied. I know that Philadelphia had some issue with national employers who said we don't want to have to change our application for every state or jurisdiction that we have stores in or whatever. And those are the contentious cases. When I last spoke to them, I think there were two of those cases.

The other jurisdictions except for Rochester have an administrative enforcement mechanism within their cities so they are able to do more conciliation. There's not been a heated docket of ban the box litigation or enforcement. The National Employment Law Project -- I had this hand out passed around to you -- is sort of chock full of really good anecdotes. I didn't want to walk through them but there are -- specifically Durham, North Carolina, which I think I spoke to last time which kept track.

The city and county of Durham banned the box internally and they tracked from the time that they did so how many folks they hired with criminal histories and whether or not they had any negative experiences. And there were no negative experiences, but their rate of hiring people with criminal histories shot up. So, this is very well put together by the National Employment Law Project with those kinds of anecdotal examples.

Fritz: Have you considered an exemption for companies that already hire -- aim to hire people returning from incarceration like Dave's Killer Bread. I got an email from Portland Bottling saying that 47% of their team members are currently second chance citizens.

Prosper: There is an exception, Commissioner. 23.040 C talks about prohibitions of this chapter do not apply to any position designated by the employer as part of a federal, state, or local government program designed to encourage the employment of those with criminal histories.

Fritz: But I don't think those companies do it -- do they do it as part of a federal program -- is that because they get the tax break from the feds?

Hales: I think it's through workforce programs, but it's a fair question and we ought to check on that.

Prosper: I'll let the advocates speak to this, but I know in our meetings with some of the advocates who work with folks with criminal histories that some of those models are not considered the ideal models for people coming out of incarceration with criminal histories. It's to sort of send them to locations where many of the people who work in a certain location are people with criminal histories, that the idea is to really get folks to go mainstream and not continue to associate with people who are only ex-offenders. So, I'll really let the advocate speak more to that. That's more of a policy consideration.

Hales: Commission Novick, do you have any other questions out of the gate here?

Novick: One, I share Commissioner Fritz's concern about the language of 23.10.040 B3 because I think just looking at as written, it strikes me as possible it could turn out to be an exception you could drive a truck through.

On enforcement -- although it may be the experience of other cities suggests that I'm being paranoid -- I start from a different place from the Mayor. My assumption is that laws are useless without enforcement. That's partially based on being told when I worked for the Justice Department doing environmental law that the Soviet Union had great environmental laws and a terrible environment because they didn't enforce them. And the penalty for violating the Clean Air or Clean Water Act at least used to be up to \$25,000 per day per violation. And those laws generally were complied with. A thousand dollars per

March 25, 2015

violation doesn't sound like very much. I'm curious -- I actually don't know -- what are the penalties for violating the federal employment discrimination statutes?

Prosper: The penalties for the federal employment discrimination statutes can be many things other than a penalty. You can get back pay, you can get reinstated, all kinds of -- but again, those discrimination laws have a scheme of a factfinder second guessing -- for lack of better term -- what the employer has done and saying, "no, your assessment is wrong. We say it yes, it was race discrimination." This ordinance does not have that kinds of scheme. This ordinance is a procedural ordinance asking employers to consider certain things under the EEOC 2012 guidelines -- the nature time nature test, making a good faith determination that the job is related to the conviction.

And the penalties will come as a result of not following the procedure. There won't be these additional penalties or injunctive relief given to a candidate who did not get a job. So, the scheme is very different, so comparing them is a little difficult.

Novick: But I mean, based on what you just said, it sounds like -- I mean, with the employment discrimination statutes, there are other remedies that the employer would have to pay attention to. Here, if all you've got is up to a thousand dollar penalty for an employer to worry about, doesn't that sound like -- what is McDonald's care if three times they have a thousand dollars assessed against them?

Reeve: If McDonald's -- which is presumably doing a high volume of applicant consideration in hiring -- is found to be routinely not complying, that's going to be many thousands of dollars because every time they don't engage in this process for every applicant, that's an additional violation. Those could pile up pretty quickly for a large employer that's just choosing not to comply.

I certainly don't mean to suggest when we talk about doing internal enforcement and when we talking about having a goal of conciliation and securing compliance that that doesn't mean you don't need the other foot to drop sometimes if those efforts aren't successful. And one of the things that we would envision is having the capacity to do some investigation. Those would be the employers we would hope advocates would be identifying for us and that we would then be looking into and identifying ourselves if we're getting complaints from job applicants and where you see those repeat violations, I think those do start to add up. Obviously, if over time we're not finding that we have the deterrent effect and securing compliance, we can look at that and that may need to be ratcheted up.

Hales: Other initial questions? Because I want to get to testimony. Thank you both very much. So, we want to take testimony from those who signed up last time and didn't get the chance and were courteous and able to wait until now. Waited even longer. Let's take those folks. I think we also have someone from the restaurant association who needs to leave fairly shortly. Let's maybe take the first three and see where we are.

Moore-Love: I didn't see anyone on the current list who signed up from the previous list. So, I will go ahead and go with the current list, except for Charles Johnson -- he did sign up previously -- and Marion Haynes and Steve McCoid.

Hales: OK. Mr. McCoid is from the restaurant association. Come on up, all three, please. Mr. Johnson, I think you get to be first this time instead of last.

Charles Johnson: Good morning, Commissioners. I hope that you'll be able to move this forward quickly. I hope that we'll have a little more conversation on the ability to literally ban the box in addition to these procedural -- there's about 10 pages of PDF that get into all these little 23 dot-this-dot-that. But most often, I think one problem we have had here is not connecting the dots.

If we want to not have 3000 people sleeping on the streets of Portland -- which seems to be the position of the Portland Business Alliance and they generally support this ordinance

March 25, 2015

-- then we need to have real conversations about the labor market and moving more people into sustainable jobs. Otherwise, they will be on the dole.

I want you to continue to work hard to get this ordinance in effect as quickly as possible and to look at how that affects the houseless problem in the city. How many of these people that are causing an increase in policeman hours and work for Clean and Safe are people who feel blocked out from the job market? And especially considering how good the City budget is looking the fact that we might put \$500,000 into this program, I think that some of that money might also be tied into outreach -- to reaching some of the people letting them know they have a better chance of employment, that they don't have to feel like as soon as they admit that they had a criminal offense in whatever scope of time that they are just wasting their time looking for work so they'll continue to sleep in a doorway on 1st, 2nd or 3rd Avenue.

As to the conversation about particular offenses and risks, obviously business owners need to be concerned about liability. But when we talk about -- and I think incongruously lump together actual rapists with all other sex offenders -- we really need to talk about the WomenStrength and girl power programs. People can't rely on legislation and the background check of an employer to protect themselves. Women and parents should just know any time they are concerned about somebody they should just go to www.nsop.gov, check the person out themselves, not rely on what some manager who is hectic or had a personal preference for a worker did. I don't think that it's going to be an area of litigation. Obviously, you know, employers just on the general issue of liability are going to have a legal standing to keep their employees safe. So, I don't think we need to finesse that language so much. Thanks.

Hales: Thank you. Ms. Haynes, welcome.

Marion Haynes: Good afternoon, Mayor Hales, Commissioners. Marion Haynes with the Portland Business Alliance. I won't repeat the fact that you all know that we support the goal of removing barriers to employment and do support banning the box on applications.

We had been concerned that there was not a more inclusive dialogue in developing the ordinance language. That was before we had actually seen ordinance language, which we have now had an opportunity to do and listening to the discussion and questions with the previous presenters, and I think we are growing more and more concerned frankly with what we see before us. We would like the opportunity to address some of the issues and make the ordinance work in a way that will work for both applicants and employers.

In my review, I have also looked at other jurisdictions. I have Seattle's ordinance right here, I have Philadelphia's ordinance right here. They look absolutely nothing like what is before you today. They're very, very different. Much less cumbersome, much less burdensome, much less process back and forth. None of the notice issues, things like that. There are things in the ordinance before you now that cannot be addressed in administrative rule. There's inconsistencies in the document that need to be addressed before it goes to the rulemaking point.

We have a number of questions and concerns that I think by all means we can and should have a dialogue to work through, but I think that the way this ordinance is structured, it's dangerously close to creating a new protected class. The EEOC guidance, which is a good guidance and tool for employers just generally to use but really specifically applies to when criminal histories do have a disparate impact on protected classes based on race or national origin, things of that nature.

Very concerned about the language that says you have to have a direct relationship to the person's abilities to perform the duties and responsibilities of a job. That goes beyond the language that EEOC uses in looking at discrimination based on federally-identified protected classes. The language that they use is job-related and consistent with

March 25, 2015

business necessity. So once again, we've gone far beyond and looking at the experience of other jurisdictions is not particularly useful in looking at what this might do here.

The nature time nature test -- we're pretty familiar with. I think the third bullet in that, the second nature has some additional considerations that generally are built out around that we could use to have included in this ordinance.

We have some questions about what it means to access a criminal history. What if that access is inadvertent? How would you deal with something like that? It also says you can't make the inquiry. I understand we can't ban the box because of free speech issues, so how can we ban the actual verbal inquiry? I think that's something that needs more discussion and something to be worked out.

We have a lot of concerns about the safety issues that Commissioner Saltzman and Fritz raised. The way that I read this language -- those one, two, three, four factors that are in the exemptions are preconditioned on there being a state, federal, or local law that speaks to those specific issues and I'm not sure that that's what the City intended. I don't think that that's broad enough for some circumstances where people will have potential access to or proximity to populations that we ought to be really quite concerned about.

The sort of back-and-forth after determination has been made is unusual in my review of some of these other ordinances. The two days with the extra three for the notice -- and yet, there's language that says four days after the adverse decision is made, that decision is final. You can't reconcile that. We can't do that in administrative rules. There's inconsistency in the code right now.

There's also some inconsistencies in the record keeping, the statute of limitations which actually doesn't exist, and the limitation of action. So, the City can take action within six months of learning about something but that doesn't mean that that's within six months of when the action actually occurred, and yet there's a one-year record keeping. And so, we have another built-in inconsistency in the ordinance that I'm not sure can be resolved through administrative rules.

We really don't understand the provision that allows the City to conduct a conciliation effort to remediate the violations. There was some discussion about, what is the violation? Is it that you didn't follow the process or is it there will be second guessing of the employer's good faith judgment? The only place when I can see any language with any clarity that that is not the case is in the findings of the ordinance, not actually in the "where as" which are actually operative and nowhere in the code language. That's a concern.

So, all in all, you know, we would like to get to a place where we can support this. We very much support the goal. We support banning the box. We would like to see criminal background histories allowed during the interview process. That's what by far most jurisdictions allow that have done this. It's ironic I think a little bit to us that when we were first approached, the idea was removing the box will allow people to have a conversation about the totality of the person, their criminal background, whether that was relevant to a particular job or not because it's quite possible that that box was impeding those conversations. Unfortunately, we've swung the pendulum so far with this particular ordinance that we're prohibiting those conversations once again. And I think that that concerns us.

So, in the spirit of conversation and dialogue, we would ask that we take a little bit more time, get all the affected parties to the table, and work through some of these issues. Thank you.

Hales: Thanks. Let me get you to clarify a couple of things, because in the extensive discussions that you've had with my staff about this proposal, you said some things here than sound a little inconsistent with that.

March 25, 2015

So, you said at the outset that you support banning the box, but you said later in your testimony you understand that we cannot do that. Does Portland Business Alliance believe it's legally possible in Oregon with our free speech clause and our constitution to have an ordinance like these other cities where we require employers to ban the box? Do you believe that that's legally permissible in Oregon?

Haynes: We have not commissioned a legal opinion to determine that yet.

Hales: We don't believe that it is. So, that's why the ordinance is written this way. If someone wants to bring us a legal opinion that says that it is possible to actually require employers to ban the box, I'll be interested in hearing that, but it's our understanding and our City Attorney's understanding that it is not legally permissible for a municipality in Oregon to say "you may not put the box on your application" because of our free speech clause. That's why the ordinance is written differently than the other cities' ordinances.

Haynes: Still, the other cities' ordinances do allow criminal background checks during the interview process. They don't have some of the elements that this one does.

We have not commissioned a legal review of that. I would note that as you're probably aware, there are two bills in the legislature right now that also address this issue. And legislative council has seen fit to include banning the box in the state of Oregon. So again, that's not a formal legal opinion, it's not a court opinion, but there does seem to be potential disagreement about whether that's permissible or not.

Hales: OK, well that's informative. Thank you. Other questions?

Fritz: So when you say Portland Business Alliance is in favor of banning the box, you're saying you're in favor of supporting people to have a chance to interview and getting jobs. Is that the shorthand for that?

Haynes: Absolutely. Thank you.

Fritz: Which I have to note is really different from sick time where PBA was pretty clear they didn't like it at all. They were willing to come to the table to help make it better, which you did. So, I do think there's an opportunity where there's many people being on the same page wanting to give people a second chance, that we should be able to come up with something we all think would work well.

Haynes: That's what we would hope. Thank you.

Hales: Dan, did you have questions?

Saltzman: You mentioned in testimony there were things in the ordinance that you wanted to see in the rules. Did you want to be specific?

Haynes: The one thing that I had not seen in the code language that was referenced by the last speakers is clarity that an employer's good faith judgment that the criminal history is related to the job is not clear in the code -- that that judgment won't be second guessed. There is a number eight -- I think it was -- of the findings of the ordinance language that got to that issue, but that's not really the operative language of the ordinance and it's not what's getting put into code. And I think that that is a very important detail, one of those that -- this is something -- because employers are exposed to liability, there are real safety issues at risk, and real opportunities for a lot of people. And so, our goal is really to make it right so that it works for both employers and applicants and we have the best opportunity to really reach the goal that we all share.

Saltzman: So if we put that finding and put it in the code, you're saying it's a stronger, more clear rationale? Of at least what I understand the good faith efforts to be about.

Haynes: It appears that that would help.

Saltzman: OK.

Haynes: Of that one issue, yeah.

Novick: I have a couple of questions for Marion. First of all, I share Commissioner Fritz's appreciation that PBA's attitude is if we could ban the box, then you're in favor of literally

March 25, 2015

banning the box. A question I had is in terms of the timing when a background check or something like a background check could be done, my off-the-cuff assumption was that an employer probably wouldn't go to the trouble and expense of doing a background check until they got to the conditional offer stage anyway. Have you found that there's a number of employers who actually have a procedure where after they've interviewed five people they do background checks on all of them?

Haynes: Commissioner Novick, it really varies by business. People aren't going to run around doing a bunch of background checks. I mean, they cost money. You're going to get to a very, very small candidate pool. But I think there are -- I have talked to some companies that do wait until the conditional offer stage. I have talked to some that particularly have to a lot of hiring very fast maybe for seasonal things or something like that, but if you get to a very short list, you might start running the background list because you might want to get somebody in the next couple days to start filling shifts. So, it's very much dependent. What we tried to express when I was here last time was I don't know every single different employer's workplace, job requirements, hiring practices, and there ought to be some level of flexibility for employers who those conditions vary widely.

Fritz: I can tell you that I've been involved or aware of some City hiring processes where there were three finalists. We've done background checks on all three of them.

Hales: Thank you. Mr. McCoid, you're on.

Steve McCoid: Thanks, Mayor, Commissioners. My name is Steve McCoid, President of the Oregon Restaurant and Lodging Association. We're here 00 and it's going to echo a little bit of what you just heard from Marion. We understand the logic of banning the box. And with the caveat, we have no problem with that. We can see where, frankly, that could be a barrier you can't get by if somebody looks at that and you know, the resume or application just goes in the "no" pile. We understand that logic. But where we have a problem is saying that that business can't question the applicant during the normal flow of an interview when you're going through resumes, when you are going through job history. That seems to be in certain job areas a question you want to ask and not have to go all the way through the process to a conditional offer and then ask the question, do we have a criminal history that doesn't work?

Let me give you a couple of examples on the lodging side, because I got calls from some of our lodging members. When you've got people working in the rooms and they have got a pass key to every room in the hotel, they've got access to those rooms when the customer is gone, with their personal belongings there. They don't want to have people with a history of theft, burglary, those kinds of things in the room. So, if in the interview process, if that's the job you are getting interviewed for, that's when that question would be asked. If you're going to be working in catering or if you're going to be working as a doorman, that question is not going to be asked and the demand won't be there. Same with restaurants handling credit cards, those kinds of issues.

What really makes it important in the hospitality industry -- which is what I represent -- is the incidence of social media, the Trip Advisor and Yelp. All you need is one person to have that bad experience -- they've lost something, A watch got stolen off the their room or something, whatever that might be, they're a victim of credit card fraud because somebody got ahold of their credit card number -- that goes on Yelp and now it's not an issue between and you that customer. It's an issue between you and it can be tens of thousands of potential customers who go to those sites to see what's going on when they're making a decision whether to frequent the business or not.

So, what we think -- the one size all approach -- which is what we are seeing here in the proposal -- doesn't fit in every instance. And what we would like is a little more flexibility in the ordinance. And again, if it's banning the box, that's fine.

March 25, 2015

What really bothers us and what we think is needed and to -- is again input from business. We're more than happy to come to the table, sit down with the proponents, discuss this, hash it out, find out where the barriers and the blockages are and work out something that works better for everybody involved and move forward with that.

So, I really would ask you to slow this process down a little bit. Get input from everybody involved, both the folks that are affected and the folks that are pushing this proposal, and let's sit down and make this a better something that works better for everybody involved. Because this is getting needlessly involved. We think we need to have that access during the interview process and frankly, having our input at the end on the administrative rules means the things we object to are already in case and all we're doing is how you will enforce the issue. And that's really not where we want the input.

Hales: Thank you. Question for both employer groups, do either of you publish a standard employment application now for your members, and or have you done anything in terms of recommending that your members take the box off their application now regardless of law?

McCoid: I'll go first. No, we got out of that years ago on providing the application itself. We don't do that anymore. And B, n. The issue hasn't come up. But in discussions with folks, as I'm getting ready to come talk to you, I don't think they're absolutely against it and some already have it off the application -- don't even have it.

Hales: I know there's some standard forms out there -- Stevens-Ness and so forth -- in some cases still have the box on it. I was just wondering if you had done anything in terms of voluntary efforts in terms of your members.

Saltzman: Steve, was your answer that you do -- you have removed the box?

McCoid: My answer is we don't supply the applications and B, in talking to some of my members, some have said we took it off already. We don't use it now. So, it's a little bit of everything out there.

Haynes: Mayor Hales, we have a number of members that have also voluntarily removed the box. We don't have any history or practice of providing kind of standard employment applications. Encouragement -- I mean, we've taken a position saying we should ban the box. I think that's an open question that I can bring back. But some of our members are also national employers who, you know, the decisions about what their applications look like are way above mine or our pay grades.

Hales: Thank you. Back when I worked for his organization, we published a lot of standard forms. So, I just wanted to --

McCoid: Yeah, we quit doing that. In the electronic age sort of did away with a lot of that stuff.

Novick: Steve -- and I apologize this came up a couple of weeks ago when I was out of town -- but I'm curious how exactly this topic tends to come up in the interview process. Is it really the case you are interviewing somebody who is going to have access to hotel rooms and you ask, have you ever been convicted of a theft?

McCoid: I have a personal example since I've been managing the association, and it had to do with an accounting person. And we hired an accounting person that came through one of our members and highly, you know, pushed them in, said they highly, said they had been doing a great job, brought her in. And about a week and a half in -- and I didn't ask about criminal history. I went through what she had done in her education, those things. So, we get a call from the Beaverton police department and this person had been, was up and waiting trial for embezzlement -- a major embezzlement -- way more than anybody would have got out of our organization. When I went and confronted her and she said, yes, that that is the case. Did it occur? Yes, it did occur. And I said, sorry, I can't keep you on this job handling the money and I had to let her go.

March 25, 2015

Since then, when it comes to those jobs where it's handling funds where I need to be sure we're fine here, it gets asked. And I ask about the criminal history. Do we have something you need to discuss that we need to know about? Frankly, I ask them at that point I would like to do a criminal background check on that. And specifically, that's the only job in the company I do it with, but it's the only job where we're at risk and we're in danger of experiencing that -- not a good experience. So, we do it then.

Hales: Thank you very much. Appreciate that. Appreciate your help. Thanks. OK. Who's next?

Moore-Love: We have Trudy Cooper from the previous list. And if anybody else signed up from the previous March 11th, please let me know. Then we're going to go with Simone Brooks and Marsha Hayes.

Hales: Ms. Cooper, you're next.

Trudy Cooper: Hi, I'm Trudy Cooper, I live and work in the Elliott neighborhood. I want to focus on -- first of all, I love it that my City has brought this forward and I only want to focus on the -- what is it -- 23.100.50.

As an organizational development consultant, I've worked with many organizations and others on their hiring practices, and the area of the rules where the required process of the decision is to retract the offer, I see some potential weaknesses there, at least in my understanding of the way that I'm reading it.

So first, I'm wondering about the turnaround time for the employer being only two days to evaluate the applicant's appeal of an adverse employment decision. I've worked for many HR departments and I've never seen anybody -- I mean, rarely do I see them do a turnaround of two days on having received a complaint. So, I don't see in the text what the rationale is for that and I don't see what the penalty is if they don't bring about that turnaround time. And since the analysis contains about a half dozen considerations that are presented by the applicant in the event of a request for a reconsideration -- I think is the terminology, it seems like a longer time might be more practical.

And then second, the notification instructions from the employer to the applicant in the case of an adverse decision seemed to lack specificity. It seems that it is a disadvantage to the applicant to not have the specific information. I don't see any indication that the employer is required to communicate to the applicant the nature of the additional information that is going to be needed when they -- whatever the process is for the reconsideration of the factors.

And while the list of factors seem to be sound, I don't see where the employer is required to include that on the list of instructions to show -- in other words, the nature time nature analysis. And there's a list of I think eight things that they may bring to that reconsideration -- whether that's written or a meeting, I don't know, but five of those eight things are pretty substantive and it seems they should be indicated.

And then third, the decision seems to be left entirely up to the employer. I think this has been discussed that it's procedural. The employer can still simply say -- you know, uphold their decision to retract the offer. And maybe I'm not understanding the scope or appreciating that the scope is only to delay and have that conversation before pulling the criminal record, but it seems that there ought to be some way to demonstrate more than just that you went through the motions of the nature time nature as opposed to there being any hearing or consideration during a complaint process where the quality of that analysis could be questioned or could be reconsidered. Thank you.

Hales: Thank you. Appreciate it. Thank you. Welcome. You're next.

Judy Cirillo: Hi, I'm Judy Cirillo. I'm a member of the Partnership for Safety and Justice and I'm very concerned about the number of people we have in prison. I read "The New Jim Crow" -- I hope other people have read it, it really explains what we're doing to people

March 25, 2015

especially to people of color, locking them up. And many times, they are young children really who don't make good decisions and end up in jail for something that's relatively minor or end up in some kind of prison.

So, I just want to talk. I don't have a lot of facts and figures, I talk from the heart because I feel it's such an emotional issue to think of your child possibly being locked up. I mean, I thank god that I am a white person. I think if I were raising a Black son nowadays, I would be very, very concerned.

What else did I want to say -- you have to think of what happens to the family also when someone is incarcerated. If a child's father is incarcerated, there's no man in the family. There's no one to be a role model for him. A man or a woman can have made a mistake but they still need to be at home with their children. So, the children -- I have a good friend whose teenage -- her daughter I should say was incarcerated and the teenage children were left to float around and she was supposed to take care of them. She was a woman in her 70s and she could not really have any control over these kids. So, they didn't go to school and they got into all kinds of trouble.

I don't think we've really looked at the outcomes when we just, you know, say, OK, check the box and you are in prison because you did something that you shouldn't have done. I have a granddaughter myself who managed to get herself into a lot of trouble. Driving under the influence and various things like that. And luckily, there was a lawyer in the family who went to bat for her and she didn't go to prison. And today, she's a young mother and she's a wonderful person. So, if she were Black I don't think that would have happened unless there were some unusual circumstances. And I think we have to look at that and think about it. It's completely unfair. I don't know if I have -- oh.

I saw a wonderful video last night which I wanted to mention. It was done by Second Chances are for Everyone, which is a group tries to help people coming out of prison. And it really brought tears to my eyes to see this man who was in his late 30s or early 40s. He had been locked up for 14 years. He came out -- of course, your family hardly knows you after 14 years. He tried to get a job. Nobody would employ him and he was sort of at the point where he was thinking "I'm going to be back in prison." And the second chance for everyone came to his rescue and managed to help him get a job. And he was so grateful. And he's been out of trouble. Even if you think of the cost of sending that person back to prison -- I think they said it's like \$35,000 a year to keep someone incarcerated -- or he could be out earning a living and getting a life back together. I think that's mainly it. It's an important thing to talk about. Thank you.

Hales: Thank you very much. Good afternoon. Welcome.

Simone Brooks: Good afternoon, Mayor Hales and Commissioners. My name is Simone Brooks. I'm the president of Brooks Staffing, I'm also a co-owner. Our company's mission is to provide employment solutions for employers and applicants that enhance and diversify the workforce. The majority of our work consists of providing temporary, temp to hire, and contract staff to private and public sector employers. The majority of our staff are located in the Portland metro area.

The nature of our work results in exposure to companies ranging in size from small to large and numerous industries and with a variety of hiring timetables and practices. Our experience has shown us that there are companies that will use the admission of a criminal background -- for example, on an application -- as a means of weeding people out. We have long recognized that solely relying upon the admission of a criminal background to make an adverse hiring decision unnecessarily thins the labor pool, but more importantly, negatively impacts communities of color in terms of opportunities for employment.

March 25, 2015

Prior to November of 2014, we included the box on our applications. However, we used the information provided for two reasons. One, to start a dialogue with our applicants about their backgrounds and possible implications for which client locations they could be at; and two, to compare against the criminal background obtained if one was needed for the position applied for. In November 2014, we moved to an online application and removed the criminal background question.

Please note that at the time of the interview we do discuss with our applicants their criminal background -- specifically, convictions as opposed to arrests -- and the possible implication in terms of potential placements -- again, positions and clients. For example, a warehouse where food is being shipped and received is very different than if there's high-level material or very high-worth material being shipped and received. Further, the same business that ships and receives high-end merchandise may have different requirements for a receptionist versus someone that's in their warehouse.

I am supportive of removing the criminal background inquiries from applications. However, I am not in support of the ordinance as drafted, particularly the requirement for a conditional offer of employment. For instance, this ordinance does not take into consideration that in the temporary staffing industry, often a written conditional offer of employment is never issued. Often because the applicant has already applied with us is no longer in our office, and may need to go on assignment the next day, we often verbally discuss employment details. While we may send an assignment confirmation, the conditional offer as defined in this ordinance does not always occur.

Further, the ordinance does not take into consideration that the turnaround time for staffing agencies receiving a request to filling a position is often hours or mere days -- rarely even a week. It can take a day or more for a criminal background check to be completed. If we know that an individual is interested in certain types of positions, we may run the criminal background check specifically so we can discuss any issues and be prepared to place them on assignments that will work for them. I believe the purpose of this ordinance is to allow qualified applicants to build rapport with employers. We think that can be done at the interview process.

Hales: Thank you. Questions? Thank you all very much.

Saltzman: Actually, I did want to ask Ms. Brooks one question. So, what would you have us do here? I mean, I recognize the temporary staffing is a different kind of animal -- and I did ask this question of the attorneys yesterday. I had a hard time imagining that somebody hiring a line cook, for example, does a conditional offer. And I guess their answer was well, if you choose not to do criminal backgrounds on anybody, then you're free to offer whoever you like as a line cook. So, what would you have us do to meet the particular circumstances of your business?

Brooks: I think allowing to have that discussion at the interview stage -- whether that be a phone interview or in-person interview -- would solve a lot of those problems -- just to be able to have the discussion. The fact that there's even an exception in the ordinance that basically says if they voluntarily tell me, then I can talk about it but I can't talk about it if they don't voluntarily tell me about it. And yet, if there's a big gap in the employment I'm going to say, "well, why is there this gap?" and I can't pursue that and try to understand the applicant. But the example you gave about -- let's say the line cook is working in an environment where many of the other employees are female and they stay late in order to clean the kitchen. Do I need to be concerned about that as an employer? Perhaps.

Saltzman: Thank you.

Hales: Other questions? Thank you all very much. Thank you.

Mary Eng: Hi, my name is Mary Eng. I want to thank you for offering this proposal. I think currently in the current situation with Ferguson and the protest going around -- there was a

March 25, 2015

young man killed in Atlanta recently with post-traumatic stress from Afghanistan. We have unassessed needs surrounding the issue of racial profiling and I feel that's not what -- it's not really -- it's sort of like we're saying one thing but what we are really saying is that our police are unfairly targeting a certain demographic and rubber stamping them with a permanent scarlet letter F for felon when maybe their crime was related to their poverty or to systemic racism or to self-protection, like the young man who kept a gun on him in his neighborhood just because he wanted to be safe. He didn't want to go home dead. And I think in some ways, we are also acting as if the DA is omnipotent and somehow has a handle on crime. We know there are a massive number of failed prosecution. I know that all three of my rapists walked free, and one of them I don't even know his name. So, I don't know where he is, whether he's alive or dead, working or not. I know that I've been a victim of sexual harassment in a wide variety of contexts and that frequently serious crimes are committed by people with no prior background. And actually, people who are convicted of crimes can be some of the nicest, most reformed people you ever met.

And so, I think there's sort of a -- trying to make this into a boxy kind of issue is hard on my brain because we have a very harsh employment law atmosphere here in Oregon where I ran into a woman who was trying to raise enough money to visit her parents in Korea by working 14-hour shifts in Starbucks. I'm thinking, well, in California you would at least have overtime pay after eight and a half hours. And I think we need to look more at comprehensive overhaul of the employment law systems as well as issues surrounding the Innocence Project with wrongful convictions and framing and preventing racial profiling and building up our communities so we don't have this prison system of cheap, below minimum wage prison labor -- which is being exploited -- and we don't have disability assessment for prison rape victims who come out and then are supposed to join the labor community and be exploited and not have proper benefits.

There's a lot going on, but thank you for listening. I live in felony flats and I can tell you the unregulated industries which will not apply to this box culture are the meth, the scrap metal, the panhandling, the strip clubs, the stickups, and the car break-ins -- which I had a car break-in just a few ago in my mother's driveway. So, there's a lot going on in felony flats that I would love you to check out but maybe you could set up a work center to get people involved in things over crystal meth.

Hales: Thank you. Thanks very much. Welcome.

Christine Harbacheck: Good afternoon. My name is Christine Harbacheck, and I support ban the box because it gives the hiring system a throwaway issue in regards that when they see the box, they don't want to hire a person.

I have spent 18 years in prison, and I've had my trouble in coming out and looking for work. And in the process of looking for work, I have been told that my credentials and my ableness to do the job was acceptable. My resume passed, yet because of the box issue and the reason why I was wrongfully convicted -- which is related to a sexual offense -- kept me from getting employment, kept me from being hired.

I've lived and worked prior to this without any problem, paying taxes, and as of yet coming out of a situation which as labeled me into somebody that I'm not -- which I a stigma -- that puts me in a category of situations nonrelated to me but legally related to me, which now I have to apply by. Which is I [indistinguishable] paper. I have been employed by sportsman's warehouse and will be there July, going into my third year. The first 90 days, I was there I was employee of the month and given a pay raise.

I have been supporting myself by using the money from the money that I received from the job to repay myself back to go back to school for the student loan that was in deferment for a long while and have since put myself back into school and I'm into my third term and this is spring break. My employer now allowed me to come here for

March 25, 2015

understanding the seriousness and the understanding of how personal and related it was for me to be here.

I work at sportsman's warehouse on 82nd and have they have been great in support of me and working with me towards my education and helping me get back into society. My initial hiring guy that hired me -- his question to me then was, they won't let you get past this. Very true. As long as we have the stigma about these cases, there can [indistinguishable] hiring people, you will not have protected people coming back into society that want to work and you won't get people to pay taxes, and you're going to be losing money by sending them back into prison instead of just using the past and using it in the present and tying the two together as if there's one and the same person. And they may not even be that person at all to begin with, but the law assessed them, judgment, preconceived them into somebody and sent them away and the timeframe that was spent in prison does not only take away from the individual of who they are not but also the timeframe is lacking as far as educational inside prison and how to come out of prison into a world that is foreign. Cell phones -- it's all foreign to me.

It's a totally different world you walk into. And they expect with the manner of x-amount of time frame to be employed and that can't be done with the box still on the application. The application boxes you in, confines you, and doesn't help you move forward. It deters the whole effect of what I'm sure you guys aren't here today to have is people going back into prison and you guys have tax money going into an area that it is \$35,000, \$40,000 a year to keep one inside. That money could be better off in us coming out, paying taxes, and supporting back the city. And I just thank you for listening.

Hales: Thank you for being here. Thank you very much.

Harbacheck: You're welcome.

Hales: Good luck to you. [applause]

Marsha Hayes: Hi, my name is Marsha Hayes. I'm a current job seeker. I'm sorry that I missed the other -- the initial hearing. What I have here is my background check from a potential employer that I interviewed with last week, I believe. They send it to me and 14 days later, they send it to the employer. Now, I may or may not get this job based on this. It also doesn't help that one charge that I have or one conviction that I have -- it's listed multiple times and so it looks like I committed this crime multiple times when it was actually only one time. That doesn't help.

I understand the logic of the keeping that criminal background check there. It is necessary in some cases. The nature time nature approach, the nature of my crimes or my conviction -- or crimes, period -- I think the circumstances should be looked at more in depth when you have to condense this because it's so long.

So, on the applications where it says, have you ever been convicted of a felony? I'm always very honest. I'm very transparent about my life. I say yes, and then there's a box that says, if yes, please explain. And there's a little tiny box. And so working with project something up on 47th and Killingsworth, I learned how to write a letter of disclosure. So I say, please see letter of disclosure. So I have my letter of disclosure that explains the circumstances surrounding my convictions -- you know -- I'm a child rape survivor. I'm a trafficking survivor. I'm a DV survivor. I'm a substance abuse survivor. Like, so many things that happen in my life as a result of things that were out of my control and led me to make some poor choices because I didn't know how to make good choices. Back then, I didn't know -- I never heard anything about DV shelters or rape. All I know is I had been violated and having my child kidnapped and murdered and no justice behind those things.

Nothing in life made sense to me, like I didn't have the ability to make good decisions. Being in an abusive relationship where I asked for help -- I asked the police for help. There was nothing they could do for me. So, I had to stay in that situation and be

March 25, 2015

trafficked and be beat and make choices that instead of jumping in and out of cars with strange men and risking them killing me, I made other choices that I didn't understand at the time I was victimizing someone. I didn't have the ability to make those good choices moving forward.

At some point in my life -- of course, you know the drugs and all that stuff came along with all that, and you know looking for love in all the wrong places and things like that -- when this person was removed out of my life because of something he had finally got caught for after many, many years of enduring that abuse, then I began to understand that the negative effects of my life were a direct result of the negative choices I made. I'm not making excuses but I've come up with a theory as to why I was making those choices.

And so, I wanted some positive events to occur in my life, and so I started the making some more positive choices. I'm a certified domestic and sexual abuse advocate. I'm a certified Christian counselor through Good Samaritan ministries. I went back to school and got a bachelor's in social work. I went back to school and got a master's of science and management and organizational leadership with a nonprofit management emphasis because -- as this lady stated down here -- there needs to be more education within the prison system to rehabilitate as opposed to retribution.

My thesis is shifting the burden, and that's what we do. We throw people in prison. They do have to pay for the mistakes that they made. However, while they're in prison, what are we doing for them while they're in prison? And then what are we doing for them when they get out? So, that's what this whole thesis is about. This thing here.

I made a lot of mistakes. But as a result of, have you ever been convicted? Yes, I have. If yes, please explain. I don't know how many of these attachments that I sent in, I don't know how many of them were read and said, what? These charges? Oh, my god. OK, dump. I have gotten some interviews. I have been on a lot of interviews. At this point, I still have, I have been looking for work since August. I can't get work. I've had two and three and five interviews for one organization. I lack experience. I lack the experience that other people have. I have the credentials. I'm qualified. But I lack the experience and I lack that experience because I can't get in anywhere.

I can't get in anywhere. I am at risk right now of being homeless because I can't get in anywhere. I can't even display these in my home because they mean nothing to me anymore. I worked hard. I worked really, really hard to -- it's like I didn't have help. I didn't have any help. I made a choice to seek professional help for the trauma that was imposed on me by myself and by other people. I had to go do that for myself. I made a choice to go to school and persevere through five and a half years. This is determination, perseverance -- I needed to do this for me.

Now, I need to go to work in my community and help other people that are going through or stuck in where I once was. And then, I need to be able to go to work and do like you guys do. Pay my taxes. I want to pay taxes. You know why? Because I want to pay for the taxes -- I don't know if it's tax money that goes for shelters or domestic violence shelters or any kind of resources that are going to help somebody with medical, mental health or medical -- I don't mind. Because it has worked for me and it's helped me. I want to go to work. I want to be a productive member of society. But because of some mistakes that I made -- and it was 30-something years ago.

People say, leave your past in your past and move forward. I think I've moved forward. But every time I turn around, somebody is bringing it back to me. I'm not proud of this. I don't even like looking at it because it brings up issues for me. When people reject me for employment, they have no idea the circumstances that led to this. They weren't there when I was getting my face beat in and then told to go get my money. They weren't

March 25, 2015

there when I endured all this. It keeps coming back to haunt me and at this point, I'm real discouraged.

I'm tired. And I see why people recidivate. They have expectations when they get out of prison to go get a job. You have to get employment but you keep going and you keep going and you keep going and you keep getting rejected. Everybody doesn't have the foundation that I have. Thank god for the foundations that I have that allows me to keep forging ahead. Everybody is not that strong-willed. They give up and they go back to what's familiar to them.

So I think that -- you know, I do understand the logic in having it there. But then I do think that -- and I think somebody said it here -- there needs to be more dialogue around how that's going to really work. Because how do you know if somebody has violated the policy that they currently have in place? How do I know that the people didn't already do the background check before they offered me the job?

Generally, if the box is not on the application and we're talking about it and I know that they are going to do a background check, I initiate the dialogue. I initiate and say, ok, look, this is how it is. Because I don't want to waste your time and I don't want you to waste my time and get my hopes up and have me thinking that I have a possible job and then knowing that because that list that that lady talked about is going to weed me out.

At one time, Oregon did have this long list, there was this permanent disqualifiers. There's the 10-year disqualifiers and there's the five-year disqualifiers, and most of my convictions were in permanent disqualifiers. So, thank god that that list was shortened. So, it's like murder and arson and, you know, sex crimes and things like that. I was offered a job that I actually didn't apply for. I got a call and I had to go through the DHS weight test where I presented everything that I've done and I had a stack of letters of character references from people who knew that I had made some significant changes in my life. And I think that those are the type of things -- because I heard somebody say, I think just word of mouth from me saying, yeah, I've done this, this, that, and the other -- where's your proof? Where's your documentation? I think those kind of things should be implemented in there. I think a certain amount of time should be implemented in order to exclude someone.

Hales: I want to ask you to wrap up, even though we so appreciate you being here. I think all three of you, with your personal experience, have really informed our understanding of why this is so important. Thank you. Thank you all for being here and for being courageous enough to come forward and tell us your stories and why this matters.

Hayes: OK.

Hales: Thank you, and we wish you well. I believe there's an employer who's going to see why you will be such a great asset to their organization and I hope that happens really soon.

Hayes: Me, too. I believe it, too, it's just a matter of when. I don't want to be pushing a shopping cart down the street with stuff in it looking for work.

Fritz: Ms. Hayes, that was really compelling and I appreciate you sharing your story. When you have brought it up at the interview stage, what has been the response of the employer?

Hayes: Well, two things. The one for this one, they appreciated my transparency. They had the information beforehand. I also left them with my letter of disclosure. Yesterday, I got a call from a potential employer -- well, I had gotten an email -- and it was for a legal advocacy specialist for domestic violence, YWCA. And she sent me a list of things to do to do to call for the phone screen, blah, blah, blah, and the background check. In the background check, there was these convictions that would disqualify me so I called her

March 25, 2015

and left her a message. I let her know unfortunately my convictions fall under, you know, your list.

She called me back and she says, "look, you qualify. You qualify." She said, "I want you to consider going ahead with the phone screen." And she called me back yesterday and said that she had new information and because I would be working -- well, the person in that position would be working with prosecutors that they had such strict guidelines that prohibit me from having that job. And so, they couldn't offer me the job.

It was pretty devastating because I am probably the one that the prosecutors want to work with.

Fritz: Right.

Hayes: You know what I'm saying? So, that whole thing -- it's kind of -- it's a give and take. It's complex and then it's, like, I think it should be on an individual basis. I heard somebody say, you know, using your best judgment. But not having me sit with a group of people doing an interview that is not making the final decision and then you guys go back and tell the actual hiring manager or the actual person who has the say-so -- you guys going and telling them my story instead of allowing me to speak with the individual who is going to make the final decision because I can share my story better than you can.

Fritz: I'm glad the YWCA -- that was a step forward and then they hit a road block, but that employer was willing. I know Janice Youth and some others actually prefer having people with a criminal history because you're then able to let to the youth if they served -- you've been in their situation.

Hayes: It goes back to experience. I've had several interviews with the Healing Roots center which I volunteered for after completing me training, my certification. Volunteered there. And every time that there's a position open and it comes down to me and someone else, you know, this other person has more experience and I'm not getting experience because I'm not getting in the door.

Fritz: Well, maybe they need start considering your life experience which is certainly --

Hayes: That's what I ask them.

Fritz: So, keep going.

Hayes: I actually had a job with Volunteers of America Home Free program. And I didn't actually have the job, I interviewed and I interviewed really well. And at the end of the interview, one of the ladies was like, let me see her resume and she looked at my resume and says, "well, this is a high-level position and they require you have two years." And I said, "my life experience doesn't count?" They said, "no, we'll have to talk to HR. We might have to repost this position." They send me an email later and say, "you know, you interviewed well, your skills, qualifications, all that is spot on but as we stated, this is a high-level position and they require that you have two years' experience and for that reason we cannot offer you the job."

Fritz: Well, keep going. Because I know that at some point you are going to be a tremendous asset to the company and I hope you'll come back and tell bulls that.

Hayes: I will.

Fritz: Thank you.

Hales: Thank you so much.

Hayes: Ban the box. [applause]

Hales: We have some others still? Come on up.

Michelle Natividad Rodriguez: Hi, my name is Michelle Natividad Rodriguez. I'm with the National Employment Law Project and I'm very pleased to be here today -- I actually heard our organization's name earlier. If you're not familiar with our organization, NELP, it's a national organization, much as the name suggests, we have offices across the country. And I actually came here today in part for this hearing and in part for a hearing in Salem on

March 25, 2015

ban the box bill there. We do actually focus on fair hiring reform. We're one of the leaders in the national movement, and I keep track of all of the jurisdictions across the country, compile data, information, have been consulting with and working with advocates across the country and have worked now with dozens of jurisdictions on their policies. So, I hope to bring those experiences here today.

In fact, some of the themes that have come up and I have heard today, I have to say -- they are the same themes that have come up across the country and where I think you all have the benefit of is to learn from the experiences from years now of policies in place in other places and as well as individual jurisdictions are going through the process of implementation and enforcement now. Because this issue around private employer enforcement, this is something that's coming up. It's the next edge of the fair hiring movement.

There are now six states and about a couple of dozen jurisdictions that have at least something in terms of their policy or law that apply to private employers, whether that's city contractors or the whole scope of private employers. So, there's a good amount of experience. And I also worked personally on some of the advocacy in San Francisco and actually compiling a report on robust enforcement and implementation that I hope I can share with the Commissioners and the Mayor. I hope that will be helpful. Some of the themes that were talked about earlier are some of the pieces that we would recommend.

I want to focus in on -- there's so many things I could focus in on, but I want to focus in on specifically on this position of voluntary disclosure that's come up because I think it has the tendency to be very appealing. So, the voluntary disclosure provision basically says that if you have a voluntary disclosure during the process, then basically it circumvents the law. You can go ahead and talk about the conviction history and you don't have to wait until the conditional offer stage. That may make a lot of sense at first blush. In fact, that's very problematic. It actually side steps the entire law, and part of it has been hinted at from what you heard earlier.

Individuals are taught to self-disclose. So, you're basically looking at a population that is being told they self-disclose. And if we're talking about a budget of \$500,000 in terms of outreach and education, that would be just the tip of the iceberg in terms of trying to shift the entire culture of how that operates. So, I would recommend not having that particular component. I haven't been able to touch upon the other components of enforcement, so I will make sure to put together some documentation for you and different principles that I hope will be helpful.

Hales: Your counsel will be very helpful along with others that we've heard from today as we refine this. Thank you very much.

Fritz: I would particularly like to hear your advice on which parts of our ordinance are better than -- build on the other ordinances, and which parts you would recommend getting rid of. I'm also interested to know, what's happening with the bill at the state? What's happening at the state level?

Hales: It's having a hearing.

Natividad Rodriguez: Yeah, we had a hearing today and we will see from there. It was a hearing. There wasn't a vote at this point, and so we'll see when the vote does come up.

Fritz: Is our ordinance modeled on theirs? How do they match, Mayor?

Hales: I can't answer that question. I don't know if Judy or -- ?

Fritz: I'll have some questions for them later.

Hales: OK.

Fritz: Thank you.

Hales: Thank you very much.

March 25, 2015

Novick: Could I ask a quick question? I'd just like your quick reaction to the arguments made about temporary staffing agencies or other situations where there's a quick turnover and there might not be such a thing as a conditional offer.

Natividad Rodriguez: Right, so that is something that has come up both in D.C. and San Francisco, and it's something that the enforcement agencies are working out right now. I can certainly share their experiences and where they've landed. They've basically faced it in the administrative rules, but you can learn from those experiences and include something potentially in your provisions.

Novick: Thank you.

Saltzman: I'm sorry, do you have something that -- language that San Francisco or -- I'm sorry, I forgot the other jurisdiction you mentioned.

Natividad Rodriguez: There are many jurisdictions. Some of the most robust ones are D.C. and San Francisco. There's also --

Saltzman: With respect to the temporary staffing issue?

Natividad Rodriguez: Oh -- in items of private employer ban the box, that's a very robust component -- a fair hiring ordinance -- they are working out at the administrative level, how to deal with staffing agencies right now.

Saltzman: OK. Go ahead.

Patty Katz: My name is Patty Katz. I'm an Oregonian my whole life, which is a long life. I am a formerly incarcerated person. I got out of the system in 1994 and have been very fortunate, I think, because of my age and my race. I've been able to get most jobs that I've applied for. My drug addiction didn't really kick in until I was 38 years old, and so I had a lot of life experience to bring to any employer that might ask.

I went to work for a Partnership for Safety and Justice and started having conversations with a lot of people who were coming in and out of drug and alcohol treatment, in and out of reentry services. And many of the things that I have learned is when you are in drug and alcohol treatment, they say "be sure and tell the truth right away." When you are coming out of prison, one of the things they teach you in prison is to tell the truth right away.

I think as a woman in long-term recovery, I want to always tell the truth. However, I think when it's -- and I have worked with the temporary staffing organization and my application was thrown in the garbage while I was watching. So, I applaud the staffing agency that has removed that box.

I think that if I'm able to sit in front of someone and tell them the truth about what I did in my addiction and what I do today, I have a fair chance of being employed. Today, I sit on the Governor's Reentry Council because of my past, not in spite of my past. I sit on several boards that have to do with prison to housing, family. I am on the CURE Board which we talk about -- we work with families, department of corrections and community corrections to help families, help their loved ones be more successful when they enter prison and when they exit prison.

I think there's a lot of education that needs to be done. I just surveyed 94 people about their employment experience with a felony conviction, and I'm compiling that into a report and I'm happy to share that with you guys when I'm finished. But I really encourage us to let people have an opportunity to get back into the workforce to become successful. A chance that was given to me I would like given to everybody. And it's going to take a lot of education with HR departments, with the prisons, and the reentry people who are saying, "tell the truth, tell the truth, tell the truth." I think often we shoot ourselves in the foot when we tell the truth too soon before we tell about our experience, our education, our resumes, our gifts, our skills. Thank you.

March 25, 2015

Hales: Thank you very much. Thanks. Anyone else who wants to speak? Can we bring our staff back up for questions and guidance from counsel?

Saltzman: I guess I have a suggestion I'd like to make. I'd like to take the language from finding number eight in the ordinance and put it into the code exhibit A.

Prosper: Sir, it is in the code. I looked.

Saltzman: I know we talked about this yesterday --

Prosper: We did.

Saltzman: I was thinking the last sentence.

Prosper: In 23.10.030 C. It's not the exact wording but it is the concept. An employ my rescind a conditional offer of employment or take another action based on another person's criminal history if an employer determines in good faith that a specific offense or conduct has a direct relationship to a person's ability to perform the duties or responsibilities of the employment.

Saltzman: When you say it's not exactly the same -- how is it different?

Prosper: It's just code wording versus policy wording in the ordinance.

Hales: Yeah, making an individualized assessment, determining in good faith.

Prosper: It pretty much says the same thing. In eight, it says an employer who make an individualized assessment -- that's one factor of a person's criminal history -- and determines in good faith, another factor. That it has a direct relationship -- yet a third factor to the person's ability to perform the duties of the particular job.

Saltzman: Why is the word "individualized assessment" in finding number eight but not in code section .30 C? Is there some --

Prosper: If you look at C and D together -- the whole A, B, C, and D sort of blend into each other. If you look at C followed by D, it says "in making the determination if whether a person's criminal history has a direct relationship" so forth and so on "an employer must conduct individualized assessment of the factors." I think what happened in eight -- it's just really more of a policy phrase, and then we broke it out in A, B, C, and D of 23.10.030.

Saltzman: OK. Was that the issue we brought up yesterday with you?

Prosper: Yes.

Saltzman: That was it, OK.

Hales: Other questions, instructions, follow-up? Recommendations?

Fritz: First of all, Ms. Prosper, I must apologize for getting your name wrong earlier. It's been a long day.

Prosper: It's OK, I didn't even notice. It's been a long day for me, too.

Fritz: Thank you. So, I would like to request to amend to say when you are creating -- amending administrative rules, that Council offices will also be notified. You and I had talked about that.

I'm interested to see you're assigning the enforcement to the code hearings officer rather than to a new department within the City Attorney's office. That's different from what I had understood. And obviously, the code hearings officer is under the Auditor.

Prosper: The code hearings officer is what we have in the City currently who is sort of the neutral arbiter of code -- the sort of the judge of the code violations. What we are proposing is to leave that procedural piece with the code hearings officer but the case would be brought by a City entity -- and it could be the City Attorney's Office, it could be another office created -- but using the same procedural mechanism of the code hearings officer.

Reeve: Commissioner Fritz, I think I sort of envision this as a two-stage process. One is -- as I indicated in my discussion with Commissioner Saltzman earlier -- I think over the next year, there will be a number of us at the City looking and bringing forward

March 25, 2015

recommendations to you about how we could better do code enforcement and civil rights enforcement in the City going forward.

The ordinance is set up to reflect what we currently have, which is that the City Attorney's Office would receive complaints, that enforcement would be done, and that those hearings would be conducted by the code hearings officer. Even if we were to move to additional enforcement authority, that might well be with a beefed up code hearings structure. So, I think it's sort of a two-stage -- I see it at least as a two-stage process. One is how would we implement this using our existing code hearings process? The other is taking an enterprise look at how do we want to do more broadly civil rights enforcement going forward?

Fritz: So, the code hearings officer under the Auditor charges \$1300 for an appeal, and the Auditor is concerned about that and looking to make sure that people with low incomes aren't excluded from the code hearings process. So, that needs to be factored into the proposed cost.

Reeve: It does. The way that this is structured, it would be the City Attorney or whatever enforcement -- whoever ended up with that enforcement responsibility -- initially the City Attorney -- who would be filing those. It wouldn't be the individual person. The individual person would be bringing a complaint to --

Fritz: But the code hearings office will not accept your code complaint unless you accompany it with a \$1300 check.

Reeve: And I really there's a lot going on around that and there are current proposals. We have not yet addressed. I know there's a request by the Auditor to have --

Fritz: There is actually, and in my opinion, it's -- when we talk about enforcement for -- I forget if it was demolitions or Airbnb. It was demolitions. We were thinking only 20% of the demolition permits go appealed, that would be \$97,000 a year. So, adding in another City bureau may greatly increase the cost and I'm just flagging that for you, Mayor. And I'm also thinking that maybe it increases the complexity.

Because as you know, our current civil rights laws are enforced by BOLI. I did get the numbers from my chief of staff. We got a pittance for our sick leave enforcement compared to what's being proposed here. We got \$37,000 with the contracts with BOLI and \$31,500 for education and outreach, including a citywide mailing. So, I'm really concerned about what ask this program look like? What are we actually creating? What are we proposing to create here?

Hales: And to that end in terms of next steps, I want to suggest one, that -- we have had a long day, so I want to try to move to next steps. One of those is I want to ask Council offices to each supply a staff person for the working group, assuming folks are willing to send a member of each our staffs to the table along with some of the folks that we've heard from today. And then also maybe at least have the notion about how long we want to wait for that process to do its work and refine the proposal, and come back for Council action. I think that's somewhere between a month and two months, but I want to take people's temperature about that.

Saltzman: Are you talking about convening a work group before we act on the ordinance?

Hales: Yes.

Saltzman: Oh, OK.

Hales: Yes, I would like to do that.

Fritz: Because I know the question of BOLI versus the City Attorney was one that Commissioner Fish was interested in. He had another particular concern that I don't at this hour remember, but I'm sure he'll want to be involved.

Hales: My sense is that there's some of these issues that can wait for administrative rules but there's others that can't.

March 25, 2015

Fritz: Right.

Hales: In the effort to measure twice and cut once, it seems to me that if we bring ordinance back in, say, 30 days or thereabouts -- there's a discreet enough number of issues here particularly timing -- a lot of them are timing issues.

Fritz: Yeah.

Hales: That we ought to be able to figure that out in fairly short order.

Fritz: Thank you.

Hales: And again, if we have staff people plus folks from the community that have showed up and brought a lot to the table and national organizations as well, I think we've got people of good will with willingness to roll up their sleeves. Marion is still here.

Fritz: She is, and she's nodding.

Hales: We will grab her.

Saltzman: Sleeves rolled up.

Hales: Some you have stayed long enough you will get named individually -- Ms. Cooper I'd love to have involve as well as -- of course, we've had people from the Urban League involved in this all along and she is still here. So, you're in while we've still got her. Simone Brooks would be useful because of the staffing company model as opposed to the standard employer.

Fritz: Right. We had somebody on the sick leave.

Hales: So, there's a constellation of folks that we might recruit out of this room and who otherwise have been involved in the issue to work with our staff members. Josh Alpert, obviously, on my staff has been involved in this from the beginning. But if we could set a date maybe 30 days from now and see if that work has been completed, then we'll know what remains to be done in the administrative rules. And then there is the budgetary question of what do we need to spend to make this work? And again, a plug number for now but a more refined one later.

Fritz: I think that's a splendid suggestion. I think on sick time we didn't actually set a date for the next hearing we may have done. We had the general understanding it was going to be about 30 days and then once we --

Hales: So, we can continue the item without setting a date.

Fritz: I think so, right?

Hales: Let's do that with an understanding this isn't a six-month project. It's a six-week project.

Fritz: If I might put one more item on the table, and again thinking to my experience employing folks, I agree that that face-to-face discussion of where there's a gap or where there's an issue that can help explain to my satisfaction that this indeed a great candidate that I want to offer the job to -- I think if I was to go to that whole process and then do this background check and find a something, I would want to have that candidate come back in again and have that conversation. So, I'm wondering about the timeline to allow that to happen that even under some -- I could say just say no -- even if I could just say no under the ordinance, I would probably want to come back and say, "gosh, I still think you are so great. Now I see that this has come up. What's the story on that?" So, I'd like you to consider setting that in a time line.

And the other thing where you've narrowed it down to a small number of candidates -- and I'm thinking of City employment in particular, Mayor, where things we do are public record. It would be really embarrassing to go down the line and be ready to offer to a particular candidate, find out there's something that Willamette Week and others would splash on the front page that this new person that's being hired has, you know, embezzled from a previous city or whatever -- that we would not want to have that done in a public process and we might actually want to have two or more candidates have background

March 25, 2015

checks just so that when you've got to your final choice, you're pretty sure that that person is the one that you can announce with fanfare and, you know, have the party.

Just a question to be puzzled with as to whether it's not that -- and it's kind of the opposite of the staffing company condition. They don't have a conditional offer, but in some cases we or other employers for high-profile jobs might want to make those decisions informed about the entire background of all three. And in some cases, based on Ms. Hayes's testimony, I think it would make it even more compelling that the life experience had overcome any other background experience or lack of resume completeness that you might be worried about. Just consider that part of the process, please.

Hales: Good. Good suggestion. Steve, some guidance?

Novick: I want to say, let the record reflect the Commissioner in no way suggested the Portland Mercury would go out of the way to embarrass the City by splashing anything on the front page. [laughter]

Hales: Other instructions? I'm going to close the hearing and continue this item. No date named yet, but ask each Council office to provide a staff person who is willing to work on the details of the issue with Mr. Alpert and Ms. Purcell and others around this room that we are going to recruit for that work. And make sure that we've got what I think is a broadly-shared goal expressed the right way in an ordinance that will actually make a difference.

I'm interested in refinement. I'm not interested in an ordinance that will be for show and not have results. I think that interest is shared here. So with that as a bit of a back stop to further discussions, I'm very interested in making it work. Very interested in making it workable for employers but also very interested in making it real and having it have the effect of a different outcome for people that are now coming out of the criminal justice system and seeing closed door after closed door after closed door as we've heard so persuasively again today.

I want to thank you all. This is a very important piece of work. Judy, thank you for your good work on this, this important Portland thing that we tend to do here, which is to set the bar on civil rights and human rights in ways that maybe others later follow. It would be a splendid misery if the legislature got there first and fixed this for us because that doesn't happen very often, but the fact that both the state and the city are discussing this and trying to move forward is a beginning about Oregon as well as a good thing about Portland. So, I'm happy that we have a problem that we are both rushing towards a good thing at the same time. But we won't rush, we'll do it right. Thank you all very much. And we're adjourned.

At 6:13 p.m., Council adjourned.