



CITY OF  
**PORTLAND, OREGON**

**OFFICIAL  
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **22<sup>ND</sup> DAY OF JUNE, 2016** AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fish, Fritz, Novick and Saltzman, 5.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Denis Vannier, Deputy City Attorney and at 12:57 Ben Walters, Chief Deputy City Attorney; and Jason King and Mike Cohen, Sergeants at Arms.

Item Nos. 715 and 721 were pulled for discussion and on a Y-5 roll call, the balance of the Consent Agenda was adopted.

<b>COMMUNICATIONS</b>		<b>Disposition:</b>
<b>699</b>	Request of April Sams to address Council regarding opening a nonprofit business to benefit the homeless (Communication)	<b>PLACED ON FILE</b>
<b>700</b>	Request of Mary Eng to address Council regarding women in policing (Communication)	<b>PLACED ON FILE</b>
<b>701</b>	Request of Peter Tetrick to address Council regarding Part-Time Seasonal employees for the Bureau of Parks and Recreation (Communication)	<b>PLACED ON FILE</b>
<b>TIMES CERTAIN</b>		
<b>*702</b>	<b>TIME CERTAIN: 9:45 AM</b> – Approve the Mt. Hood Cable Regulatory Commission FY 2016-17 budget (Ordinance introduced by Mayor Hales) 10 minutes requested (Y-5)	<b>187841</b>
<b>*703</b>	<b>TIME CERTAIN: 10:00 AM</b> – Adopt the Supplemental Budget for the FY 2015-16 Over-Expenditure process and make budget adjustments in various funds (Ordinance introduced by Mayor Hales) 15 minutes requested for items 703-704 (Y-5)	<b>187842</b>
<b>704</b>	Authorize temporary operating loans between various funds to provide interim funding to cover lags in federal, state, and other grant reimbursements and other negative cash and fund balances (Resolution introduced by Mayor Hales) (Y-5)	<b>37215</b>

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<b>*705</b>	<b>TIME CERTAIN: 10:15 AM</b> – Authorize an Intergovernmental Agreement with Multnomah County to establish the Joint Office for Homeless Services (Ordinance introduced by Commissioner Saltzman) 45 minutes requested for items 705-714 (Y-5)	<b>187843</b>
<b>*706</b>	Authorize the purchase of property located at 5020 N Interstate Ave at a price not to exceed \$2,000,000 to support the development of affordable housing (Ordinance introduced by Commissioner Saltzman) (Y-5)	<b>187844</b>
<b>707</b>	Approve and terminate limited tax exemptions for properties under the Homebuyer Opportunity Limited Tax Exemption Program (Resolution introduced by Commissioner Saltzman) (Y-5)	<b>37216</b>
<b>708</b>	Approve application under the Multiple-Unit Limited Tax Exemption Program for Cathedral Flats located at 7220 N Burlington Ave (Ordinance introduced by Commissioner Saltzman)	<b>PASSED TO SECOND READING JUNE 29, 2016 AT 9:30 AM</b>
<b>709</b>	Approve application under the Multiple-Unit Limited Tax Exemption Program for Powell Apartments located at 3730 SE Powell Blvd (Ordinance introduced by Commissioner Saltzman)	<b>PASSED TO SECOND READING JUNE 29, 2016 AT 9:30 AM</b>
<b>710</b>	Approve application under the Multiple-Unit Limited Tax Exemption Program for Redwood Apartments located at 233 NW 16 <sup>th</sup> Ave (Ordinance introduced by Commissioner Saltzman)	<b>PASSED TO SECOND READING JUNE 29, 2016 AT 9:30 AM</b>
<b>711</b>	Approve application under the Multiple-Unit Limited Tax Exemption Program for Koz 216X SW Yamhill located at 2161 SW Yamhill St (Ordinance introduced by Commissioner Saltzman)	<b>PASSED TO SECOND READING JUNE 29, 2016 AT 9:30 AM</b>
<b>712</b>	Approve application under the Multiple-Unit Limited Tax Exemption Program for Block 290/KOTI located at 1417 NW 20 <sup>th</sup> Ave (Ordinance introduced by Commissioner Saltzman)	<b>PASSED TO SECOND READING JUNE 29, 2016 AT 9:30 AM</b>
<b>713</b>	Approve application under the Multiple-Unit Limited Tax Exemption Program for 14 <sup>th</sup> and Glisan located at 1402-1430 NW Glisan St (Ordinance introduced by Commissioner Saltzman)	<b>PASSED TO SECOND READING JUNE 29, 2016 AT 9:30 AM</b>
<b>714</b>	Approve amended application under the Multiple-Unit Limited Tax Exemption Program for Vancouver Avenue Apartments located at N Vancouver Ave and N Shaver St (Ordinance introduced by Commissioner Saltzman)	<b>PASSED TO SECOND READING JUNE 29, 2016 AT 9:30 AM</b>
<b>CONSENT AGENDA – NO DISCUSSION</b>		
<b>Mayor Charlie Hales</b>		

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<b>715</b>	Reappoint Samuel Galbreath to the River Community Advisory Committee for a term to expire June 21, 2019 (Report) <b>Motion to accept report:</b> Moved by Fish and seconded by Fritz. (Y-5)	<b>CONFIRMED</b>
<b>Bureau of Planning &amp; Sustainability</b>		
<b>*716</b>	Authorize grant agreement with Portland Community Reinvestment Initiatives Inc. for \$230,000 to fund the North/Northeast Community Development Pathway 1000 Project (Ordinance) (Y-5)	<b>187834</b>
<b>*717</b>	Authorize an Intergovernmental Agreement with Oregon Department of Environmental Quality to provide \$19,000 for 2016/2017 Waste Composition Study (Ordinance) (Y-5)	<b>187835</b>
<b>*718</b>	Authorize grant agreement with C40 Cities Climate Leadership Group Inc. for \$25,000 to fund the multi-city Green Economy project (Ordinance) (Y-5)	<b>187836</b>
<b>Office of Management and Finance</b>		
<b>*719</b>	Pay claim of Portland Scottish Rite in the sum of \$8,256 involving Portland Bureau of Environmental Services (Ordinance) (Y-5)	<b>187837</b>
<b>*720</b>	Authorize purchase of one Electric Sedan for use by the Office of Neighborhood Involvement at \$26,000 (Ordinance) (Y-5)	<b>187838</b>
<b>Commissioner Nick Fish Bureau of Environmental Services</b>		
<b>*721</b>	Authorize contracts with five firms for on-call environmental site investigation services not-to-exceed \$250,000 for each contract (Ordinance) (Y-5)	<b>187845</b>
<b>Commissioner Steve Novick Bureau of Transportation</b>		
<b>*722</b>	Amend contract with TriMet for design and construction management services for the Portland-Milwaukie Light Rail Project (Ordinance; amend Contract No. 30001514) (Y-5)	<b>187839</b>
<b>Commissioner Amanda Fritz Portland Parks &amp; Recreation</b>		
<b>*723</b>	Authorize a grant to Portland Parks Foundation for operational costs associated with fundraising and development services for parks and recreation programs and projects not to exceed \$50,000 (Ordinance) (Y-5)	<b>187840</b>

<b>REGULAR AGENDA</b>		
<b>724</b>	Megan McGeorge's <i>Piano! Push Play!</i> Summer program (Presentation introduced by Mayor Hales and Commissioner Fish) 10 minutes requested	<b>PLACED ON FILE</b>
<b>725</b>	Amend Regulation of Lobbying Entities and City Officials to improve administration, clarify requirements and Auditor duties (Ordinance introduced by Auditor Hull Caballero and Commissioner Fish; amend Code Chapter 2.12) 30 minutes requested	<b>PASSED TO SECOND READING JUNE 29, 2016 AT 9:30 AM</b>
<b>Mayor Charlie Hales</b> <b>Bureau of Police</b>		
<b>726</b>	Authorize application to the U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Assistance for a grant in the amount of \$465,810 for the Edward Byrne Memorial Justice Assistance Grant Program FY 2016 Local Solicitation to assist the Portland-Metropolitan area law enforcement and criminal justice community to prevent and reduce crime and violence (Ordinance)	<b>PASSED TO SECOND READING JUNE 29, 2016 AT 9:30 AM</b>
<b>Commissioner Nick Fish</b> <b>Bureau of Environmental Services</b>		
<b>727</b>	Authorize a contract with Brown and Caldwell, Inc. for professional services for the Force Avenue Pump Station Remodel for \$1,074,370 Project No. E10611 (Ordinance) 10 minutes requested	<b>PASSED TO SECOND READING JUNE 29, 2016 AT 9:30 AM</b>
<b>Commissioner Dan Saltzman</b> <b>Portland Housing Bureau</b>		
<b>728</b>	Establish a Construction Excise Tax to fund affordable housing initiatives from an Inclusionary Housing Fund (Second Reading Agenda 698; add Code Chapter 6.08 and Section 5.04.530) <b>Motion to add directive d to require Bureau of Planning and Sustainability to monitor the impact of the tax on brownfields and report back to Council no later than August 1, 2017:</b> Moved by Fish and seconded by Novick. (Y-5)	<b>PASSED TO SECOND READING AS AMENDED JUNE 29, 2016 AT 9:30 AM</b>
<b>Commissioner Steve Novick</b> <b>Bureau of Transportation</b>		
<b>729</b>	Vacate a portion of SW Florida St west of SW 45th Ave subject to certain conditions and reservations (Hearing; Ordinance; VAC-10108)	<b>PASSED TO SECOND READING JUNE 29, 2016 AT 9:30 AM</b>

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<p><b>730</b></p> <p><b>City Auditor Mary Hull Caballero</b></p> <p>Assess property for sidewalk repair for the Portland Bureau of Transportation (Hearing; Ordinance; Y1089) 15 minutes requested</p>	<p><b>PASSED TO SECOND READING JUNE 29, 2016 AT 9:30 AM</b></p>
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At 1:07 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **22<sup>ND</sup> DAY OF JUNE, 2016** AT 2:00 P.M.

THOSE PRESENT WERE: Commissioner Fish, Presiding at 2:00 p.m.; Commissioners Fritz, Novick and Saltzman. Mayor Hales arrived and presided at 2:30 p.m., 5.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Judy Prosper Deputy City Attorney; and John Paolazzi and Mike Cohen, Sergeants at Arms.

<p><b>731</b>      <b>TIME CERTAIN: 2:00 PM</b> – Refer a measure to City voters for the November 8, 2016 election establishing a three percent tax on recreational marijuana sales in the City of Portland with revenues allocated to drug and alcohol treatment, public safety investments and support for neighborhood small businesses by amending City Code Chapters 6.07 and 5.04 (Resolution introduced by Commissioner Fritz) 3 hours requested</p> <p><b>Motion to amend legislative title of the resolution and question in Exhibit B by removing the word “innovative” and adding the word “small”:</b> Moved by Hales and seconded by Fish. (Y-5) (Y-5)</p>	<p><b>Disposition:</b></p> <p><b>37217</b> AS AMENDED</p>
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At 3:56 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.

<p><b><u>THURSDAY, 2:00 PM, JUNE 23, 2016</u></b></p> <p><b>DUE TO LACK OF AN AGENDA THERE WAS NO THURSDAY MEETING</b></p>	
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**Closed Caption File of Portland City Council Meeting**

This file was produced through the closed captioning process for the televised City Council broadcast and should not be considered a verbatim transcript.

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

**JUNE 22, 2016 9:30AM**

**Hales:** Welcome to the June 22<sup>nd</sup> meeting of the Portland city council. Please call the roll.

**Fish:** Here **Saltzman:** Here **Novick:** Here **Fritz:** Here **Hales:** Here

**Hales:** Welcome, everyone, just first some basic ground rules. This is the regular meeting of the Portland city council, and we have folks signed up for the communications, and we'll take those first. Then we have some time certain items, which we'll get to at that time. Or slightly after that time. A large number of housing items, this morning, as well, and let's see, we have one request to pull an item from the consent calendar to the regular calendar, that is being item, sorry, item 715 and 721. Are there any others? Anyone else want anything else pulled from the regular calendar to the consent other than 715 and 721? And again, we don't have a huge number here today so we'll allow three minutes for testimony, and we ask that you do stay on the topic. There are council calendar items that are on particular subjects, and I will, actually, be enforcing the rules a little more clearly than I have sometimes in the past because we need to, actually, work topic by topic through our agenda and people come to these meetings to speak on that topic, so I will ask you to stay on topic as we work our way through the agenda this morning. If you agree with someone's testimony and want to show support, feel free to give a hand gesture of a thumbs up or wave of the hand and if you disagree you are free to make a polite hand gesture to the contrary but we ask that there be no interruptions of either testimony or council deliberation, and we also ask there be no vocal demonstrations unless we suspended the rules for applause, which we do particularly for students and visiting dignitaries so if you are one of those you might get a round of applause this morning. With knows ground rules out of the way, welcome and let's get started with 699.

**Item 699.**

**Hales:** Good morning.

**April Sams:** I am April Sams, and I am here to talk about the growing homeless population in Portland. I lived here for four years. In that four years I have seen it triple. I, myself, am homeless, I've been homeless for the last two years. I do have a job. My fiancé has a job. We cannot afford the high cost of living here in Portland. I had to send my daughter and grandson down to live with her father because we're living in our car, have been for the last two years. I am having a difficult time finding grants. I don't know how to write a grant nor do it for the money for a grant writer to open up a second hand store much like the Salvation Army, goodwill, to benefit the homeless. I have seen the amount of money the stores bring in, and I think it could benefit the homeless population by, you know, bringing in money through the store. And purchasing apartment complexes and houses to put them in the buildings and structures. The apartments, you know, the living situations can also provide more jobs, and help people get off the street. A lot of people seem to think that most of the homeless are drug addicts, alcoholics, which is not true. Where we're staying, there are many, many homeless families living in their cars. We're chased out of parking lots, we have nowhere to go. One of my parking neighbors is an elderly woman. There is also an elderly man with a cat, and it's heart-breaking to see these people living this way.

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**Hales:** Wow. Thank you for coming. If you have a minute while here, if you could stop upstairs on the third floor of my office and introduce yourself to Lucas, one or more of them is around, I think that they are around this morning, and they had a meeting at 8:30 but I think it's done. They are the homeless action team in my office, and if you would talk with one of them, let them know how to get in touch with you, and they might be able to put you in touch with resources that you have not found yesterday, so I appreciate you coming.

**Sams:** Ok.

**Sams:** Thank you.

**Hales:** Thank you very much. Good luck to you and thank you very much. 700.

**Item 700.**

**Mary Eng:** Good day, council, my name is Mary Eng. I want to present on women and policing, which I was joking with the officer's Jensen and Gorgoni. I am just going to – I said bs I don't like cursing, but that's what I am good at. I am a big know it all but I want you to know that I printed out this. The labor agreement between Portland police association, and I am looking at the discrimination policy on page 3. The family leave policy on page 14. Those are not the only interesting points. Did you get your handouts? Two handouts, we have more drama in the cop shop for Portland Mercury. It's a 2014 article about the male masturbation gesture, which the chief Reese asked Rachel Andrew to demonstrate how a man masturbates and how the Portland police use this solitary gesture, like hand gesture or sign language to indicate something, and I was concerned that Mr. Reese didn't quite understand that she had already been harassed, had already been retaliated against. She'd been put up trying to match up into this double standard, and do the boy's language, then got discriminated for unlady-like behavior, so I think that Mr. Reese, in this hearing and he wants her to do it again, oh, my goodness. And he's our new sheriff. This is lovely, this is the 8th of May from the hardesty group. Lindsey hunt gave rise to the phrase polo Lindsey. I would say, if I were talking to a three-year-old girl, which I would not bring this kind of thing before a three-year-old girl, this filthy discriminatory behavior, but I would say be that young lady cop, who is reporting falsification of the reports, shoplifting from the plaid pantry, and concealment and hiding of weapons. She's reporting it, and she is retaliated against it. So much so that she has a death threat on her head, and it is she will have no backup. We will send you on a dangerous call and we will give you no backup. She was abandoned by her officers. So which part of the thin, blue line crossed into that woman's body, she was violated by the city of Portland. We owe her a big apology, and I wonder where she is. I wonder how much suffering we have induced, so I am all for gender equity and policing. Mr. Esling, I don't know if he's the commander or something because he was on the kafoury case where the paramedics wrote up the police for denying Jason cox when his face was bashed in, but he knows about that case, and he knows I follow this stuff.

**Hales:** Mary, thank you very much.

**Eng:** I can't let this go. You read these stories and it's so important. It was lovely meeting with you yesterday. It was fabulous. Didn't you like it?

**Hales:** We did, thank you very much.

**Hales:** Ok. Let's take Mr. Peter tetrick. 701.

**Item 701.**

**Hales:** Mr. Peter tetrick, are you here? All right, he must be out working, so we'll give him another opportunity. All right. Let's then move to the consent calendar, please. Again, we have two items pulled off for the regular calendar, on the balance of the consent calendar, please.

**Fish:** Aye. **Saltzman:** Aye. **Novick:** Aye. **Fritz:** Aye.

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**Hales:** Aye. [gavel pounded] all right. You want to go ahead and take the consent items? Are we ready for those? Would you rather wait a bit on that? We can move to second readings if you would like. See if we have got some, actually. We don't have but one, let's take the consent items then.

**Item 715.**

**Hales:** Mr. Walsh, I believe, asked this be pulled to the regular calendar. Did you want to testify on this item?

**Joe Walsh:** Good morning. My name is Joe Walsh. I represent individuals for justice. We don't take it out a position on the candidate at all. We take a position on the process. We don't like the process because we think that there should be more community involvement in the appointment of all these committees. If the committees are a mirror image of the elected officials, then why bother with the committees? Let's just get to the elected officials so we can yell at you directly. It is very disconcerting to yell out volunteers. So what we are suggesting is that you find a way to appoint the people to these commissions that do not, do not look like you. Sound like you. And act like you. Now, there is a good argument to go back and forth on this issue, but we want to raise the issue that we don't like the way that you are doing it, we don't like some of the people that are sitting on these commissions over and over again. We have 600,000 people in the city, and lots of people would like to volunteer, and we think you should do a better job. It is good to have somebody say, you are wrong. It makes you defend your position. It is a good thing to do that. It's hard. And it's annoying. When people don't agree with you. But it's the essence of democracy. You need different opinions, so we are suggesting that we call them Shields, that's someone that sits at a poker table and plays for the house. That's what you have, you have a lot of people on these committees that play for the house. Play to you. And that is not just dumb. It is inefficient. That's why you get such lousy grading's on the transparency. These committees are just like you. You sit there and look at your watch, and say he's got 20 seconds left. And you don't care what the citizens say. You really don't. You may think that you do but you don't because you don't act on it. 99% of the time when the groups come before you. You override them. You don't care. Let me tell you something, what's going on, on a national level, is coming down here. Eventually it will get here. And it will be over. And we'll say, bye.

**Hales:** Thanks, Joe. Good morning.

**Charles Johnson:** I am Charles Johnson, and for almost four years now you've been putting up with me coming here, and it's great because after four years I learned about the river community advisory board. I am pleased to see that we have a member appointed to that committee who represents the homes and fills the vacancy but I think that there could be some procedural improvement here, when we bring up this brief pdf about Samuel galbreath, this is 2016, we are looking on the internet, there should be a document that lets people go directly to [Portlandoregon.gov](http://Portlandoregon.gov) web page that tells us who else is serving on the river community advisory board, and what the focus of it is. Really, I mean, people from Hillsboro to Gresham could make the argument that they are part of a river community. I know that, you know, we have some people whose daily life is spent on and near the river, but when we have these boards, we have a busy agenda, and it's, obviously, some things need to be dealt with by consent, but to echo part of Mr. Walsh's point, when you have this on the agenda, whether it's on consent or regular, if you can work with the information team to make it a more open processing so when we look at him, it's right here on the screen, I can just click one time, and it will take me and show me who else is on the advisory board, and what sort of projects are there. Are they related to one of the dozens or hundreds of taxing districts that overlap inside the municipal governments here, so most

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of all we wish Mr. Galbreath and hope to see him here engaging with making the city the wonderful city we would like it to be.

**Hales:** Thank you.

**Eng:** I want to thank Joe Walsh, I am Mary Eng and I want to thank Joe Walsh for pulling this item for people who don't understand the pulling the item concept, what I understand is that certain things already going to a vote but if the citizen wants to have their voice heard, they can respectfully approach Karla, how we informally know her, and ask her to pull the item, and that gives the citizens a voice to look at an item, such as 715, to reappoint Samuel Galbreath to the Riverview advisory committee. For a term to entire June 21, 2019, and I want to applaud Charles Johnson for drawing attention to ways that the way that we display our pdf's and our website can have increasing levels of tech savvy, which I think in our silicon forest we are getting great talent coming to our community who can help our excellent tech delivery, deliver this information, in terms of the river community advisory committee. I have to say, I don't know very much, but I am very concerned that Ted Wheeler wanted to swim through the heroin needles in the Willamette.

**Hales:** Thank you very much. Anyone else on this item? Let's take a vote, please. To adopt the report. Second, please. Ok. A vote to adopt the report.

**Fish:** Aye. **Saltzman:** Aye. **Novick:** Aye.

**Fritz:** Thank you to Mr. Galbreath for being willing to serve a second time and there is still a vacancy on the committee so if you are interested you can contact commissioner Saltzman's office. Aye.

**Hales:** Aye. I am sorry, say that again? We can go ahead and do the time certain and come back to that, is that what you prefer? All right. Let's do that. Let's go to the time certain item 702.

**Item 702.**

**Hales:** Good morning and welcome.

**Hales:** Good morning. Mary Beth are you going to come, too, or let your volunteers take the heat? Good morning. Good morning. Welcome.

**Sue Dicile:** Well, good morning, commissioners. I am Sue Dicile, I am one of the three commissioners who represents the city of Portland on the Mount Hood cable regulatory commission. You have seen me here before in this same capacity, but I would like to introduce John Branam, who is your most recent appointee to the commission. I want to say, this is brilliant. In the educational theory and early childhood education practice, that no one else on our commission has, and as you know, we're engaged in a multi-year grant process to bring the technology into the schools in our franchise area. So it's fabulous having him. I am going to turn the mic over to him now to talk about our budget proposal and some of the programs that are contained within that.

**John Branam:** Thank you Sue, Mr. Mayor and commissioners, for your time this morning, and for your appointment. I have appreciated the opportunity. My name is John Branam, a citizen and commissioner. Before I get started on my sort of formal remarks, and I hope that you will allow me to read through them. There are a number of them. I want to thank the staff for their outstanding work, and helping to prepare us for today's presentation. Also to thank Mary Beth whom you all know is on the cusp of leaving after more than two decades of service and she has been an incredible leader, I wanted to thank her for her service. As Sue mentioned, and thank you, for your kind comments, I am here to compliment the many CRC activities over the past year, and will be handing the mic off to Sue, and we are here to seek your approval of the fiscal year 2016-2017 budget. I believe that you have both the annual activity report. I can see you reading through that now, and your proposed budget. As a reminder the Mount Hood cable and regulatory commission is an intergovernmental partnership among Gresham, Fairview, Portland, Troutdale, Wood

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village and Multnomah County. Each one of these jurisdictions appoints citizen representatives to the commission. The mhchc has oversight enforcement and public benefit responsibilities for the cable services franchisees within the cities and the county. Portland currently has two cable service franchises, including Comcast and CenturyLink. Over the past year the mhcr. Has provided many things to the residents and I wanted to highlight a few of his those that stand out for us. The first is that mhcr continues its work with the public school districts under the tech smart initiative for student success, and most notably Portland public schools received a \$5 million grant that focused on improving kindergarten, focuses on improving kindergarten through third grade reading. Additionally, we have given 1.3 million grant to Reynolds that targets the 6-9 grade math. About 151 classrooms teachers in four school districts are supported by resources provided under the techsmart initiative so it's quite significant. The mhcr launched the techsmart initiative to invest \$19 million by 2021. We're a little over \$9 million into that investment. The community technology competitive grant funded 12 new grants with community organizations in the backyard. These grants leveraged over \$1.6 million in matching resources. Like many others, mhcr community grants is supporting access to opportunity in the Rockwood neighborhood. Rockwood library, friends of the children, and open school east have all been grant recipients. Affordable broadband has become a more critical component to our public institutions, as you all know well. And the mhcr is leading a linemen network planning effort in partnership with the Portland's bureau of technology services and 19 public agencies within the Multnomah County. The current institutional network provides high-speed broadband connectivity to 295 schools. Libraries. Public agencies throughout the county. And the mhcr provided funding and franchise enforcement supports to the Portland community media, and this past year pcm produced 3,000 hours of original local programming, and have trained 500 residents in the digital media and literacy skills, which are also critical in today's world. The mhcr addressed protection issues broadly and within the individual subscribers, for example, the mhcr worked with the cable companies on the issues related to the clear information on subscriber's bills, service line extensions, and phone answering standards, and service fees. And finally, mhcr assisted in the resolution of 330 complaints from cable tv subscribers. I will turn it over to sue.

**Dicile:** All right, thanks. So onto the budget, I am happy to report that once again we have, at the mhcr, received a clean audit for our fy-2014-2015 year. And that document is available on our website. Just a couple of trends that I wanted to note. If you look at page 9 on your annual report for the mhcr, you will see two graphs that illustrate some trends. So you will see that the number of cable subscribers grew consistently from 2006 to 2012. However since then the subscriber numbers have been declining in spite of the decline the revenue has consistently increased beginning to flatten only in the last couple of years. This is primarily due to the cable companies raising rates, which as you know, we have no regulatory authority over. And also offering more services for sale and more program packages. So we are closely watching those trends. We understand that they have possible future implications for both our franchise fee revenues and for the revenues that support our community programs and community grants. So we'll be watching that. Coming up in fy-2016-2017 we are engaged in a future focused planning effort considering evolving public policy, which we got to see a large, an important evolutionary step at the fcc just this past week and also involving technology in our communities, increasing reliance on broadband, we are engaged in some planning to take a look at the next generation needs for our communities. We're looking forward to working with you and your staff and the communities throughout our jurisdictions on that future focused planning, and there is funds to support that effort in the budget. So more specifically on that fy-2016-

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2017 budget proposal, the annual budget allocation for all of the jurisdictions collectively funds about half of the mhcr's total budget. So another way to view it and another way to slice that is that each jurisdiction spends about 5% of its cable franchise fee on regulation and administration services. The remaining portion of the budget is funded by other mhcr resources. Mostly through the dedicated capital revenues. We have an administrative portion of that funds mhcr and related programs such as our community grants, inet and Portland community media. So Portland's allocation for fy-2016-2017 is \$288,330. This amount includes the 5% reduction requested by the mayor early in the budget process. I also want to note that although on paper it looks like the commission has a large beginning fund balance of nearly \$6 million. That's due to the contingencies, but mostly carryover and encumbrances from the community grants, so in other words, grants that were approved in prior years but the money has not been spent fully on those programs. So that's carryover funds.

**Hales:** Can I interrupt you there? Obviously that's, that -- there is a large ending fund balance proposed for this year as well so is that for the same reason?

**Dicile:** The same reason, its, it's rolling, as we make new grants, then you know, the money is not all expended in the year it is granted.

**Hales:** Ok.

**Dicile:** So before closing, I would like to thank the mayor and council for supporting this county-wide partnership. Since 1993, and I would also like to point out that Mary Beth has been with us the whole time, 31 years of service to the city and 25 years with mhcr. So thank you, Mary Beth, for your support to us and your service. I would like to thank you for your time today. Please contact us if you have any questions, of course. And in closing we respectfully request that the Portland city council approve the fiscal year 2016-2017, mhcr fund budget.

**Fritz:** Why does the budget go down 5 million from this year to next year?

**Dicile:** I am going to turn that over to Mary Beth or Julie.

**Mary Beth Henry:** The large amount of moneys are the peg capital funds. We did make a granted to Portland public schools for \$5 million so it's related to the issue that sue talked about in terms of the rolling capital funding so these grants are typically three years. They may spend their full amount in the first year or it may be allocated out over three years. It just depends on the nature of the grant and the expenditures.

**Fritz:** The beginning and ending fund balance -- ok, and how do you decide which school districts get how much and how do you show it is an equitable distribution?

**Henry:** I think that's an excellent question for Julie to respond to.

**Henry:** I like to give my staff opportunity.

**Julie Omelchuck, Cable Regulatory Services:** With her retirement we're getting future opportunity, maybe.

**Omelchuck:** The techsmart initiative funding, the commission set aside two thirds this of the community grants funding for the initiative and we have a relatively complicated formula, about half of the money is allocated to the districts based on the student population, half are based on what we would call underserved or at-risk populations so there is a weighted funding allocation method. The commission made a decision early on only to grant funds that we already have in the bank, so to speak, that we brought in. So that we don't run into a situation where it's a cable, if the cable revenues decline at some point that we have overcommitted our grants, and so that's one of the reasons that we have a large beginning and end balance, is because we only grant those funds that we have in 9 the bank going forward.

**Fritz:** Thank you. Next year when you are still here, I hope --

**Omelchuck:** I hope to be.

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**Fritz:** I hope to have that pulled out and we do geographic mapping in the city for our funding so just to see visually as well as more detailed. It would have been helpful to have gotten the report before today, so next year I would like more information just for the folks at home, this citizen commission is in charge of distributing the 19 million this year, and we get to say yes, thank you, but it's really your decisions on how it gets spent, and you spend it wisely so I appreciate that. So if there are other people who would like to be involved in allocating \$19 million, or \$14 million this coming year they should contact the cable communications and franchise management, the office for community technology. Thank you. Thank you for your work. I really appreciate it.

**Diciple:** Absolutely, and one thing I would like to point out is that those moneys are encumbered per the franchise. And they are dedicated to these kinds of community technology grants that have a tie to some part of the cable system. So just so that folks know, we are spending this money within a circumscribed set of activities that are dedicated, or dictated by the franchise. We make the best of them, I think, but they are tethered funds so to speak.

**Hales:** Other questions?

**Novick:** I have an authority question. I had an experience not with a cable provider, but with direct tv, but I imagine that they all use the same marketing practices where they give you certain services for free when you sign up, and then they start billing you for those services a few months later without telling you that you are about to be billed, and when you call up and say you didn't ask for this, they say you needed to call up and opt out. Is that the kind of practice that the cable companies engage in as well? Is that the kind of thing that you would have any authority over?

**Henry:** Yeah, our authority over the cable company's really stems from the right-of-way. And the satellite companies are using the airwaves or which local governments have no authority. And whether cable companies engaged in that kind of behavior, if they did, their option is we can come to bat for them, and resolve their issues, and that's what we do and that's our consumer protection arm of the work we do. Satellite, we have no authority.

**Novick:** Could you outlaw that kind of practice and just say, is it legal to bill somebody for a service that they have not expressly said that they want to buy?

**Henry:** That would be something that we would want to take up at the Oregon legislature. Satellite can be --

**Novick:** I assume all these companies engage in the same practices and I could be wrong. Comcast is pure as the driven snow, but I wonder for cable purposes could we say it is illegal to bill somebody for a service that they did not agree to buy?

**Henry:** Yeah. In fact, the city of Portland has customer service standards in our city code and we could look at the possibility of amending that code locally to make that practice illegal.

**Novick:** Great so we would have that authority.

**Henry:** I would want to investigate it but we have the consumer protection is in our code already on cable.

**Novick:** Ok, I am delighted to hear that so I hope that we can work on that. Thank you so much for your service and we will miss you so much.

**Fish:** Can I jump in for a second, it sounds like direct tv will rue the day they offered a city commissioner free service -- [laughter] this is for john, who is our designee going forward. One of the parts of the report that I think is -- one of the most interesting parts and probably the least developed in terms of text is on page 2 the consumer protection section. And one thing that I would urge you to consider going forward is there is -- you are saying that there were 330 complaints that were brought. As the reader of this I don't know whether that's a big number or a small number. I also don't know whether there is recurring

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problems that are going to require our intervention or larger attention. But the fact that they were all resolved, I think, is laudable so that's your credential that they were resolved. But I would appreciate more information app apropos what Steve raised, what kinds of consumer complaints? Are there patterns? Are there emerging things? Can we, for example, determine that certain classes of subscribers are being targeted? Is that a concern? And how are they being resolved and are there any larger take-aways? So you don't want this report to be ten pages. I am for the suggesting you had a ten-page annex but -- addendum but that's an area that we would be interested in knowing more about.

**Dicile:** Commissioner we have pretty, a pretty nifty table that illustrates exactly what they are and where the complaints come in, we aggregate them according to their, the nature of the complaint so we have good data on that and I think that that's a great observation. We could easily provide that to you now, but also, can remember that for next year's annual report.

**Fish:** I would be interested because we are also -- we are elected officials but we're probably all consumers of one kind or another, and have from time to time had our own frustrations, so to know was is the, what the community is experiencing and does it ever rise to the level of a concern that we may want to go to Salem or raise our voice. Great. Thank you.

**Dicile:** Yeah. Thank you.

**Hales:** Other questions or issues to raise here? With our commissioners and our not yet departed staff? Thank you all very much. Anyone else want to speak on this item?

**Mary Eng:** Hi, council, I am here to speak on measure 702, which is the time certain 9:45 to approve the Mount Hood cable regulatory commission. For the fiscal year 2016, 2017 budget, the ordinance introduced by mayor hales, ten minutes requested, and you know I made, I am a bit of a techy, not as smart as my little brother but I love this lecture for the educational value. So many of the problems -- or programs are so exciting for young people, the techsmart program, the billing practices, I really like the inquiry on the consumer protection, and bad behavior. I caught a great cspan on the cable box rental fees, and how the senate committee was saying we're being scammed. You are paying hundreds and hundreds of dollars for the cable box that you could have just gone out and bought, things like that, so I am also for consumer safety, and I think drawing attention to the fact of the digital divide and how communities that are suffering poverty type of issues or some of the more outer regions of the Portland community can really benefit for these kinds of programs. I do, however, want to throw out a different way of looking at the, at the approach. I had proposed to the Multnomah commissioners that they needed to move into the tents and let the humans move into the buildings and approach their government through tents and see how effective they would be. You might say that \$288,330 might be better spent buying some kind of warmer blanket for the homeless. I am not trying to be the devil's advocate because I don't think that the homeless are the devil, but as you can imagine this kind of a blanket is not very warm. But it does look a bit like a tin foil hat for a tech generation, its glam rock and Andy Warhol but I want you to think about how we can maximize our technology but also maximize the public good, and not have a humanitarian crisis side-by-side with what is a tech explosion. I am excited about this. I am excited about underserved communities, about broadband strength. I want to step up to the level or japan or Sweden in terms of technology. These people who spoke here were, obviously, so educated, so well-spoken and dedicated to their field that I do want to did he ever to their experience but I want you to think about the larger holistic human perspective, and I brought you all a blanket, and somebody can have this used one if you would like it.

**Laura Vanderlyn:** Good morning, I am artist Laura vanderlyn, and I yield my time.

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**Charles Johnson:** Charles Johnson for the record. I want to thank commissioner Fritz for looking deeply at the spreadsheet, unfortunately as mentioned in my earlier testimony the way that the procedures work here, the materials you get are not directly linked for the pdf that we get. We get a simple one that shows, I think, what Amanda Fritz was talking about, that the current year is 19 million, and the future year will be \$14 million. That's related to the beginning fund balance, one of the presenters mentioned that some take concern that at one year, there is a beginning fund balance of \$12 million, and the budget for the following year is for \$6.7 million. The reason we have testimony is subjecting things to scrutiny so not only the staff of the city but the people in the community have an opportunity to do that, and I think that that would be -- it's not that difficult to go to mhcr, the website for the community, or for the cable regulatory commission, but I think that even though last week we talked about the workload for the clerk and preparing the agenda, as we look to be leading the destination for business and promote the kind of silicon brand idea to have better electronic document integration so that everything that's circulated among the commissioners and is beautiful up there, there are easy links available for the public that's watching along. I think the public is entitled to specific breakout comment notes that talk about that. I am not concerned that there is fraud but think that those are the things that are going to attract the most public attention. If they are broken out with notes, we can focus on real thing like we had this presentation without talking about how the process is going, google fiber will be a competitor in this market or whether their franchise agreement is going to affect the budget. Thank you.

**Hales:** Miss Eng if you would give those to Miss Moore-Love we'll make sure that she gets those. Anyone else want to speak on this item? It's an emergency ordinance so let's take a vote, please.

**Fish:** Thank you for an excellent presentation. Thank you, Mary Beth Henry and your staff and to our commissioners. There is a lot of great information in the report that we got, and one that stood out for me was on the community tech grant awards. There is a lot to like in how this money was distributed but there was 54,000 for the scanner foundation to support the video project to capture the history of Vanport survivors. In the last two years, there's been two events. Several public events, but the two that I have had a chance to go to where survivors have had their stories captured on video or oral. The community has embraced Vanport as a chapter in our history that has not gotten enough attention in the past and it looks like there will be an annual event where people will come together and talk about the meaning of vanport. I think that that's exactly what a grant like this -- we talk about leverage. This grant leveraged other funding, but what it's also sparked is community-wide interest in a very important piece of our history, so you cannot get any better than that. So thank you for your good work and for our commissioners for their service and I am pleased to accept your budget in your report. Aye.

**Saltzman:** Thank you for your presentation. The community technology grant program is really, really impressive, and it's really doing great things in our communities. Thank you for overseeing that and thank you, Mary Beth, for your service, too. Aye.

**Novick:** I think that if you did a poll and asked people about the top ten things that they are mad about, the cable companies would be in the list for most people. So although I wish that we had more authority, for example, over rates, I am very proud that we have an energetic, thoughtful, aggressive organization helping the consumers engage to the digital equity and engaged in student success and thank you all very, very much. I am honored to have an opportunity to accept the report and to approve the budget. Aye.

**Fritz:** I really love my cable service and I think that it's really -- the hard part is figuring out how to turn on the tv and get to the right station because it's so smart that I can't figure it out. Happily I have help. Thank you very much to the Mount Hood regulatory commission,

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cable regulatory commission for your work. This is excellent work. As I said I feel very comfortable giving the volunteers who have this authority, my blessing. Thank you to Mary Beth Henry it's been a pleasure to work with you.

**Hales:** It has been a good discussion and presentation and I appreciate it very much. There have been a lot of twists and turns in the technology world. Obviously it's a huge change in the cable tv subscribers. And through all of that, this commission of volunteers and nationally known, capable professional staff, have kept the eye on the big picture, which is why do we do this and regulate this and why do we, why do we extract the fees, it's to make sure that this franchise that we give to private companies to use our right-of-way, operates in the public interest. So your job as you show in this budget is to try to make that public interest specific and real with how we spend the money. You are mostly spending the money giving people access to information who otherwise would not have it and kids access to educational opportunities that they would not otherwise have. And if that is not in the public interest I don't know what is so great work. Aye. [gavel pounded] ok let's move onto the next time certain item please, which is item 703.

**Item 703.**

**Hales:** Mr. Scott.

**Andrew Scott, Director, City budget Office:** Good morning. Andrew Scott, city budget director and I will be very brief today.

**Fish:** can I make a request?

**Scott:** Absolutely.

**Fish:** Every time we do this exercise, I am always struck by the week after or a week or two after we have adopted our budget and taken a bow for the fiscal stewardship and responsibility for the next thing we take up is an over expenditures process.

**Scott:** These are loosely connected. The last opportunity to make adjustments in the current year budget, and so, a lot of the bureaus make technical adjustments in the budgets and move money between different spending categories to everything is balanced. This is the last time to carry over the funding, and you will see that's where the connection is to what we did. What council just approved or adopted was next year's fiscal budget so it's the difference between the large budget process and the planning process for next year, and this is really the cleanup process for the current year.

**Hales:** I should have had the clerk read 704 as well, Karla, please read that.

**Item 704.**

**Scott:** We have very few issues in this ordinance, and I will just highlight the major issues. There is a request and recommendation for 450,000 from the compensation set aside and contingency to go to the fire bureau, and this is to address the personal services expenditures. They have had a significant number of retirements and retirements of relatively high level employees, with very large payouts. And so 450,000 to the Portland fire and rescue bureau, and 200,000 is being returned from the office of management and finance. This is something that you already have dealt with and budgeted that 200,000 in next year's budget for the daycare center move related to the Portland building. This is to help pay for that. There are a number of carryover requests, most of them are relatively small, the one that I will highlight, the larger dollar amount is \$664,000 for the Portland housing bureau. These were funds appropriated in the spring for emergency shelter costs, but the bureau is not able to expend them and we'll incur those in 2016 and 2017 which why they are being carried over. The second, the resolution you have before you, this is something that we have done every year, and a few years ago it was flagged by our auditors that under both general accepted accounting principles and state budget law, our funds cannot have a negative cash balance at the end of the year. Our grants funds are structured in a way that they almost always have a negative cash balance because we

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make the expenditures out of those but don't get reimbursement until sometimes quite a while after those expenditures were made, so as a result it's very much of an accounting issue. We make an inter-fund loan at the end of the year, to make sure that there is not a native cash balance, and we pay it back again in the new fiscal year.

**Hales:** Ok, questions for our budget director? Thank you very much. See who signed up to speak on this item.

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

**Hales:** Anybody want to speak on these of these fiscal items? Come on up.

**Eng:** Council I am Mary eng and making a brief commentary of 703 and 704 regarding the budget for the fiscal year 2015 to 2016, over the expenditure process and make the adjustments in various funds, and ordinance introduced by mayor hales and authorize the operating loans between various funds to provide the funding to cover the federal, state, and other grant reimbursements and other cash and fund balances. The resolution introduced by mayor hales. I just wanted to swing by you one thing I failed to mention the police officer, dr. Esling wants more funding for police, and when you are -- this happens to all of us in our, no matter how poor or rich that we are we all overshoot and miss the mark, and I gather that's what's going on here, and in terms of balancing the funds I think that I suddenly thought of this, this -- to field this town, a Portland currency, and my grandpa was in Okinawa, and he issued the end mark, and they did something where they confiscated the money, and they were studying the people with the anthropologists, we are in a crisis of poverty. You are in a crisis of your budget, and you cannot keep the people safe if you don't have enough police there so they can do their jobs. You don't have enough social workers to do the job. In terms of your balancing this, you guys are the experts currently for what you are doing with your money, but I have suggested you all take a pay gouge, bring it down to the pit stop level, and my social security check has been garnished down to 760 something a month while I get my student loan problem resolved. And so I want you to imagine the amount of poverty our citizens are not living on 100,000 salaries so as you shift this around between your important things that you cover, try to have a heart for the level of poverty that's going on, and we want -- I think that we need a little more information on what this is and I don't know if that came up at an earlier hearing that I missed, but to me, to whom is the money going and who was the guy just up here and what is his role and maybe you can clear up for me why we have these budget catastrophes like the -- there was something with the potholes in the road, and the -- something about the parking meter guy doing some shady deal, and I mean, I think that everyone is just vastly overpaid, and I think that -- I am sort of a redistributionist and I want things a little more equalized. And I think that the kafoury conflict of interest will be that they will shoot him down in a gigantic million dollar lawsuit, once he resumes his criminal behavior, so I have called out the kafouries on criminal conflict of interest.

**Hales:** Thank you very much. Good morning.

**Charles Johnson:** Good morning, commissioners, I think the-- Charles Johnson. I think one of the questions raised was who was the presenter and according to what's here, the gentleman presenting was Andrew Scott giving this information compiled by Jessica Kennard and I do think that the Portland mercury, essentially the Portland business alliance, which is suing you, may attach some interest to one item that was discussed, but doesn't appear in our black and white information. I think that there is a \$600,000 plus amount that Mr. Scott mentioned, that was funds -- we kept sitting around in a bank account while people slept under plastic tarps on 5th and 6th avenue. Part of the reason that we had an -- a beautiful donation of space from the [inaudible] family to operate the peace shelter and we were able to, through some property, in Multnomah village where not all of the neighbors lived up to our best expectations for what Portlanders could be like, but

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I think it's pretty indisputable from what was said here and might be researched that the city had 600,000, it could have expended during this year to put people in shelter, and it did not do it, and it rolled the funds over to next year. The winter was mild, and we know that there are other activists who presented in the past about people who have died from exposure and substance abuse while homeless, and I have not heard any of those horror stories so I hope that we had a very safe winter, but I think that this is a matter that, you know, other people and I, myself, need to take under advisement where the city that has thousands of people sleeping on the streets outside presents on this budget and says oh, we budgeted 600,000 for shelter type of services, and we did, we did not expend it but don't worry it will be there at the beginning of the next fiscal year. It certainly doesn't seem to dovetail with the pronouncements about a homeless state of emergency.

**Hales:** Thank you.

**Joe Walsh:** Good morning, I am Joe Walsh. I represent the individuals for justice. During the presentation it sounded like if you run out of money, in one fund you will borrow from another one, and 704 speaks to this also, the next item that you are going to deal with, I presume. It's like if I don't have enough money for my mocha or I go to my wife and get more money. And you are taking it from another fund but you are going to loan it and pay it back with some kind of federal or state grant or peter pan grant that you will pay this money back. How do you do that legally? That seems a little shady to me, shocking. What are you doing with the money? That's what everybody keeps asking you over and over, and then you do something like this. If you run out of money in a fund, stop paying. Period. Or come back to the council and do a resolution to pay this. Don't do it in a general sense. You just have a budget. It's not your money. It's the people of Portland's money. You are not just arbitrarily saying well, parks and rec, ran out of money. We are going to get a loan for 200,000, what the hell, take it out of the homeless people. We'll get it from the feds. Am I totally wrong because from a member of the community, that's what you are saying? So either you are saying it wrong or I am understanding it wrong, and activists like to be wrong because it is not as bad as we think it is, and this sounds bad: And the next one, 704, sounds worse. Because you can just arbitrarily move money anywhere that you want it. I know you are shaking your head, commissioner Fish, but it sounds Fishy this sounds Fishy. And we object to it on the record. Object to it. And you can go aye, aye, aye but we object to it and it's on the record so you cannot say mayor, nobody objected to it. We did.

**Hales:** Thank you. All right, anyone else? Let's take the vote, first, please on 703.

**Fish:** Aye. **Saltzman:** Aye. **Novick:** Aye.

**Fritz:** I very much appreciate the work of staff to make sure that we are doing this in the public process and getting things done properly. Aye.

**Hales:** To answer a couple questions posed there. One these actions we're taking today are required by state law in the charter. They are not creatures of this council but built into the structure of how we do our city's finances so to that question, this is not something that this council dreamed up. It's something that is in the state law in the charter that we're required to do. And we're required to do it exactly this way. As to whether there is any misuse of funds here, I just guess I will cite my, one of my favorite, most boring hearings in this chamber, which is that when the auditor, the independently elected auditor hired an independent financial firm, to review our city budget and make a presentation earlier this year, they dropped a 2.5-inch document on the desk there and said that they have no issues to report. No issues to report. Thousands of line items, millions of dollars, no issues to report from a completely independent reviewer. So Mr. Walsh raised legitimate questions of legitimacy here but I think that having a, an independently elected auditor hire a financial firm and have them review Mr. Scott and his staff and their work and the

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decisions that the city makes that we are one of the few cities with a aaa bond rating, and I hope that we always will, and 704, roll call.

**Fish:** Aye. **Saltzman:** Aye. **Novick:** Aye. **Fritz:** Aye.

**Hales:** Aye. [gavel pounded] ok. Let's take -- we have a series of items here under the next time certain and we will take 705 first. Dan do you want to read these together or --

**Saltzman:** We will take these together but 705 separately.

**Hales:** 705 first please.

**Item 705.**

**Hales:** This is a very important day. And I appreciate the good work that's been done between the city and the county. We have presentations from leaders of both and I will start with my colleague, commissioner Saltzman.

**Saltzman:** Thank you, mayor, I am pleased to be here today joined by Multnomah county chair Deborah kafoury to present this intergovernmental agreement for your consideration. For the creation of the joint office for homeless services. In the past three years I observed the city and county have had unprecedented levels to address crises involving families and individuals experiencing homelessness. It's time to take this collaboration to the next level by forming the joint office for homeless services. In the past the city and the county have each provided services targeted towards different populations. The city focused on adults, while the county focus the -- focused on families and youth and survivors of domestic violence. That division simply makes no sense any longer. A joint combined system will be more efficient, nimble, and most importantly of all, easier to navigate for those in desperate need of our assistance and services. In working towards completing this agreement, the chair and I have shared four basic principles. First and foremost, create a new joint office that would be situated to serve the clients, the men, women, and children who need safe, stable, and affordable housing. Secondly, we had a get her done approach. The idea of one single system is not a new one. It has been proposed over the last several decades. We wanted to make sure that we -- we wanted to make sure that we got this one done and that the artificial barriers and silos didn't get in the way of a system innovation that we truly believe will make a difference in the lives of those we serve. Thirdly we wanted to create a structure that allowed our two teams of great policy staff to be able to work more effectively together. And finally we wanted to make sure that this joint office also had joint oversight, strengthened alignment between our bureaus and the departments, respected each entities' authority, and budget processes, and I believe we've achieved those goals in this agreement that's before you now today. So now I would like to introduce chair kafoury, she will be followed by mark Jolin who is the director of the new joint office. He will review the goals for the office. The chief operating officer for Multnomah County, will give an overview of the intergovernmental agreement and Kurt Creager, director of the housing bureau will speak about the provisions of the intergovernmental agreement that strengthen and deepen our relationship with the county. So we'll start with the chair. Welcome.

**Deborah Kafoury, Chair, Multnomah County Commission:** Thank you very much, and Deborah kafoury, the chairwoman of Multnomah county, and I think that commissioner Saltzman has done a wonderful job of outlining what brought us here, I just wanted to highlight a couple of points. One is that this is not a new idea. It has been around for 30 years but not -- hasn't been until this moment when we have, as you said, an unprecedented level of cooperation between the city and the county that we've been able to get this done. And I think that that is in large thanks to our mayor who has made this a top priority for his term here, and I want to thank you very much. This would not have happened without your leadership, and commissioner Saltzman, you and your staff, both your personal staff and staff in the housing bureau working closely with our staff to hammer out the details that I will let these other folks go into. I just really am here to say

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thank you and thank all of you that Multnomah county commission will be voting on tomorrow and we'll be having more conversation but hopefully a similar outcome as well. Thanks.

**Hales:** Thank you.

**Mark Jolin:** Mayor and commissioners I am mark jolin, the director for home for everyone. With the creation of this office I will have the honor of serving as the interim director. I want to start by thanking all of the city and county staff who put countless hours into creating the vision and the framework and the iga for this joint office. This was a significant amount of work on top of what is already a high pressure time for anyone working on housing and social safety net issues in our community. The iga you are voting on today implements a vision of deep and city and county collaboration to address the homelessness that existed for years but started to become stronger with the creation of a home for everyone two years ago. It represents an important opportunity to deliver on the commitment that we have made to people experiencing homelessness that we will do everything that we can to support their efforts to get off the streets and back into permanent housing. Just as we know, that how our providers deliver services is as important to achieving the successful outcomes as the resources that they have available. How we organize the work that we do at the governmental level profoundly affects our ability to achieve the best possible outcomes for people experiencing homelessness. The joint office will change how we organize our work, in ways that will have a significant positive impact on the effectiveness of our efforts to address homelessness. The office will bring together on one team the city and county staff with the greatest expertise and the deepest commitment to ending homelessness. That team will be guided by the same vision and values that guide a larger home for everyone initiative. We will come to work every day, committed to creating a community where homelessness is rare, brief, and one time because everyone has access to a affordable and successful housing unit. The joint office will use the existing and unprecedented increased city and county investments and homeless services to build a system of care that helps thousands of people each year escape homelessness. Specifically once fully implemented, the system will help more than 4,300 people a year move off the streets and out of shelters and back into permanent housing. It will help at least 5,600 people a year avoid homelessness all together through improved prevention and diversion strategies. And we will be able to offer at least 650 additional safety off the street options, shelter options every night to people who have not been able to find permanent housing. This office will focus resources on those who are most vulnerable, and prioritize the elimination of a significant overrepresentation of communities of color in the population of people experiencing homelessness. We will continue to strengthen the community-led planning work that occurs within a home for everyone. More specifically, is we will be expanding the role of people with lived experiences of homelessness, philanthropic and business communities in helping us to realize the creation of a community where everyone has access to safe, affordable and accessible housing am we will work to create the most efficient and equitable contracting process for our community-based organizations, that deliver homeless services, and ensure that collectively and individually we are accountable to the community for the outcomes that we commit to achieving and are continuously engaged and evaluating and improving the quality of services that we deliver. We will strengthen the ongoing collaboration with the other critical government agencies that touch the lives of people who are, or likely to experience homelessness. We will work closely with the Portland housing bureaus and home forward to address the need for deeply affordable and permanent supportive housing. We will work daily with the department of county human services to make sure that the individuals and families who are -- that individuals and families are moving seamlessly between homeless

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and anti-poverty aging and disability and veteran services. We will work with the Portland police bureau, the park rangers and the sheriff's office and the department of community justice and other criminal justice partners to address the needs of homeless people who they are coming into contact with. And there will be a close working relationship between the joint office and the county's mental health and addiction services. Looking for opportunities to better align the critical health and housing resources. Finally, this office will strengthen our partnerships at the state and federal levels, we want to sustain the tremendous success that we have had with the effort to end veteran's homelessness and we will use the joint office to pursue opportunities to collaborate on similar federal initiatives to end the family youth and chronic homelessness. The success of the joint office will depend on staying true to the collaborative nature of the office, itself. The fact that this is an ongoing shared effort of the city of Portland and Multnomah County. It will also depend on the realizing of the opportunity for expanded collaboration that it offers at every level with people experiencing homelessness and non-governmental community partners and the other local state and federal government partners that we have. Getting to this point, has not been easy. But I couldn't be more excited that we arrived here. The joint office of homeless services will not by itself follow the crisis of homelessness that we are experiencing in the community but gives us the best ton to maximize the collective impact of the efforts, and to take the resources available and help as many people as possible successfully escape homelessness. Thank you.

**Hales:** Good morning.

**Marissa Madrigal:** Good morning, mayor and commissioners, I am Marissa madrigal, and I will give you a summary of the intergovernmental agreement we're asking you to approve today. The iga has an initial five-year term. It transfer centers the existing contracts for homeless services to the joint office for administration, and it transfers the city employees to the joint office and Multnomah county employment, and we have done our best to keep employees as whole as possible knowing that the change can be difficult but we believe that we created a great landing space for them and look forward to having them on the county team. The iga establishes baseline funding in the amount of \$15 million for both the city and the county. If either the city or county funding drops below the baseline in any year, the drop would trigger the ability of the other parties to initiate a discussion about dissolution, but in practice we really expect that provision would simply bring both parties to the table to discuss how we're going to jointly manage what likely is on either side if there is budget cuts on the city's side there would likely be budget cuts on the county side, and something that we would need to manage together. In the spirit of the agreement in the spirit of collaboration. The baseline is the floor amount of funding but either party can voluntarily choose to exceed that baseline through their perspective, their respective budgets. And for example, this year the total funding for the joint office is \$47 million. Well above the combined city and county baseline which is an achievement in itself, it's an incredible testament to the commitment of both the city council and the county commission through the budget process and dedicating resources towards this issue. The baseline was determined by estimating the amount required to maintain the existing services plus the amount required to expand the shelter and meet the safety off the street goal of a home for everyone. The iga can be amended by a vote of the city council and county commission, so it's really a living document. We have taken our best shot at it. We expect that we will, we will adjust in the future as we learn more about how best, how best that we work together. So, with that I will turn it over to Kurt.

**Kurt Creager, Director, Portland Housing Bureau:** Thank you. Good morning. Good morning, mayor hales and members of council, Kurt Creager, Portland housing bureau. The creation of the joint office of homeless services is the contemporary local government,

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the equivalent to the Kennedy moon mission. We have a clear and compelling vision. That clear and compelling vision is to decrease by half the housing needs amongst people experiencing homelessness throughout Multnomah County. To do so we have to mobilize and align our resources. In effect we are [inaudible] federal, state, and local resources together as miss madrigal mentioned, a budget of \$47.3 million. That involves a deep commitment on the part of both parties. The baseline funding commitment of 15 million, is 3.5 million higher than our current ongoing funding. So it's important to know that section 1.1 means that in the next budget cycle, the 3.5 million will either have to be the first new money in to cover that ongoing issue or prioritize with respect to the types within the budgets, and we think that's attainable and we started from very different points on the baseline itself. We arrived at this in a collaborative manner to create what we think will be a synergistic outcome. And with respect to the mission control, I want to talk a bit about how this mission is going to be guided. First the chair Kafoury's office will be instrumental to our success. We're grateful that she is taking ownership of it, and not delegating it to a department. Where it would be submerged within the county government because a synergy is for public health, alcohol and substance abuse services, domestic violence, and mental health to be working in synergy with the joint office, and that can best happen at the chair's office. It's also important to mention section 7 creates a policy and budget advisory committee. Alignment committee, and the pbac is a carefully crafted group of five to help guide the ongoing targeting of budget resources, and policy resources to gain our mutual success. The city council appropriations will run through the housing bureau to the joint office so I'll be accountable to you for those outcomes. Of the staff being migrated, one is being retained, Jennifer Chang will be essentially our liaison to ensure that the policy outcomes and budget outcomes are achieved. The phb mission going forward will be somewhat narrower but more impactful. We'll be able to focus on the housing production preservation and the services, prevention, and we'll be able to align our resources, capital and operating resources, to focus on our mission, which will include permanent supportive housing. We will also maintain an ongoing commitment for the homeless manage information system, because it's within the larger policy and program development construct. So that staff is at the housing bureau. And I would say that one good example of how this will work, is today commissioner Saltzman is announcing that the housing bureau has come to an agreement to purchase the Joyce hotel. The Joyce, as you may know, is the last remaining weekly stay sro in the city of Portland. We will continue to mobilize the capital resources to undertake the housing preservation and development, the 20 remaining residents within the Joyce will be resettle and had relocated through central city concern on a contract that is migrating from the housing bureau to the joint office. So this shows the sort of unitary, cohesion and alignment of mission to have the greatest impact possible. , the other thing I would like to mention is to recognize the number of staff that made this possible. There were many, and I will only mention a few. Shannon Callahan, commissioner Saltzman, unflagging commitment to make this work, was deeply invested and frankly for the last six months we have worked on this every day. We worked through the details, in an unrelenting manner, the city attorneys, Lisa gramp and Derly berthhold helped not only structure the business relationship, but to handle the human resource alignment because we have different pay systems and different benefit systems, and the staff needed to be honored and respected in this process. The other thing that I would like to recognize is the homeless assistance and resource team itself within the housing bureau. This was something that they subscribed to at the outset. Sometimes when it comes upon you that means that you will be working in a different location for a different boss in a different system. It raises lots of apprehensions, and I applaud them for doing the good work that they do each day while recognizing that they are stepping into is a new

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role, stepping over the threshold for a brighter future. So with that I would be happy to respond to any questions you might have.

**Fritz:** I have several, thank you. First thank you all for your work, this has been a huge undertaking and you got it done and I appreciate that, and I have some questions and concerns about the \$15 million baseline, and not only that, but a guaranteed 2% increase every year. We don't have any bureaus that have a guaranteed 2% increase. And as a floor, and if the city is cutting the rest of having to cut our budget, and this not being cut at all, that's going to have huge impacts on the police and fire and parks and transportation. So I am wondering why that choice is made, and as was mentioned, and I appreciate that, this agreement puts the city, 3.5 million in the hole before we start next year's budget. Was that discussed, and why did you get to -- we have to have, particularly, the floor.

**Creager:** I will speak for the city. I think that you know, my first week on the job last August was to read all historic documents related to the management of homeless services in the city, and in the county. Including the clay report which recommended this alignment of resources. I know Judy clay pretty well since we both worked for king county. And I think that from the negotiation that was undertaken, the county did not want the city to have device responsibility, they wanted to share responsibility on a going forward basis, and they felt that in order to recognize that this was a, a realignment of resources for them, that they wanted to be held harmless from any divestiture. The cola is the guide. I am especially sensitive to it since this money routes through the housing bureau, and I think that the first source to balance the budget won't fall to the police and fire, it will fall to the housing. So I am sensitive to that issue because we have a mission that we need to serve, as well.

**Fritz:** You are anticipating that would come out of housing?

**Creager:** No, I think it will come out of the general fund but I think that since it is routed through the housing bureau, just what little I know about the, how the cbo works here is that they will be looking at us first for that alignment of resources to make sure that that's mitigating the other line agencies.

**Fritz:** As long as that's understood that's helpful.

**Kafoury:** I think that it is important to think in terms of the dollars and cents but to take a step back and think about our shared commitment and in my opinion, and to the many people out there in the community who I speak to on a daily basis, ending homelessness getting people off the streets and in housing is the number one priority of the citizens that we serve. I am not saying that they don't want police and fire, I know that they want that, as well but I think that people want us to do our best to help get the people off the streets and that's going to take a bit -- going to take a lot of work. This says, this is merely the beginning, and as has been said, the 15 million is less than the city of Portland is contributing this year. It was my feeling, and our feeling as we went through this process, and we did not want to start next year doing much less than we're doing this year, we have a goal, we put an unprecedented amount of funding this year, and we're going to have to do it again next year. That's the reality of it. If we want to make a dent in this issue, we really want to get people off the streets and into housing we're going to have to put more money in next year than this year so that's why there is the floor because this is the absolute bare minimum. I will be talking about, you know, the 47 million that we put in and adding to that next year to be able to address the goals that we set forward.

**Fritz:** The community wants more services than we're able to pay for, so I think that this should start prompting a discussion of where can we get more revenue, and we're going to do that this afternoon. On page 14, about carry-overs, it says any unspent city total funding amount, may be retained by the county. But that the county's carryover goes back to this county's general fund. How is that fair?

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**Creager:** There is a reconciliation process quarterly. I think that the amount of carryover is discretionary. It will have to be disclosed and delineated but not an automatic carryover.

**Fritz:** But not for the county. It says it will be returned to the county's general fund.

**Madrigal:** I don't know if our numbers --

**Fritz:** The 11.11 and 11.12.

**Madrigal:** The intent, the intent of the agreement was to rather than cut a check back to the city, allow there to be a reconciliation where at some in the year, in the following year, the county, or the city could reduce the payment to the county to adjust for the underspending in the previous year. So in effect, we would not be keeping the underspending or the carryover.

**Fritz:** It may be.

**Madrigal:** We may request, just as we could request on the county side to carry over funds, but it's not necessary.

**Hales:** The request was made then our budget office would make a recommendation.

**Fritz:** We would have to do this in a bump because it's being reported by august 12. I would like that to be the legislative intent that any carryover is credited to our -- to next year's budget rather than just being retained because that does not seem like that's equitable.

**Creager:** It was designed to coincide exactly with the fall bump process.

**Fritz:** Hopefully I will be here next year if this happens, so I will be able to watch for that. Thank you. What about the right to dream too? I don't see any mention of it anywhere.

**Hales:** Costs are funded in terms of --

**Fritz:** Dignity village is mentioned but zero appropriation next to it. Right to dream too is not mentioned. Certainly the facility will continue to be managed by the office of management and finance per the agreement that whoever owns it will continue to manage it. But there is going to be some ongoing operating funds, the right to dream too will have to have because they are going to not only do what they do now but they will have services like laundry and showers and such which other houseless people who are -- who want a shower will be able to come so the bill will be higher than it is now, so it would seem reasonable that right to dream too's operating expenses should be funded by the joint office.

**Madrigal:** I think the question is whether they were budgeted in the city's budget.

**Fritz:** They were not.

**Madrigal:** It reflects the budget.

**Fritz:** We were intending to, and said so when we had the hearing on moving right 2 dream too that we would come back with asking the bump once we figure out how much their operating expenses are going to be but it does not seem reasonable that we don't expect the right 2 dream too to be done with its services after five years any more than this agreement does. So it would seem reasonable that the office -- the joint office would pay for those operating expenses. I would like to get some assurance of that because we are going to be coming back to the council with the good neighbor agreement for right 2 dream too and the funding mechanism and it would need to be worked out.

**Jolin:** Isn't the conversation that we have had specifically around right 2 dream too the reason dignity village shows up because there is an existing contract with them and we don't have a services contract with the right to dream right now either on the city or county side. I think that coming to a discussion about if there are going to be operating costs for right 2 dream too we need to create a service agreement with them, a contract for services then the joint office would be in that discussion. We have not had it yet in terms of the relationship between omf and this joint office with respect to specifically to right to dream

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but I am happy to commit to that conversation and figure out a solution to the prop that you are identifying.

**Fritz:** Yea I'd like to get that figured out soon.

**Creager:** Related to that commissioner Fritz, Bryant Enge with facilities and I have talked about some of the various and sundry activities of facilities that are uncovered in this agreement and we talked about an interagency agreement between the two bureau which would then migrate the services in due time to the joint office. I think right too dream is only one of the issues there are some other side issues that are also in omf that are not in this larger agreement and I think while I think there is thought within omf to have a companion iga that, that was deemed to be unhelpful and not timely for this agreement so we set aside, so we have to work out that set of funds between the two bureaus first before it goes to joint office.

**Fritz:** Ok I just wanted to make sure that was seen as service for houseless people and therefore likely to be funded or if you could promise for it to be funded that would be great. What about the single point of contact that the mayor's office currently has for people reporting concerns about people living outside, people needing services. How's that going to be handled?

**Jolin:** So I at this point that is again that hasn't been in the category of things that Kurt just mentioned in terms of recognizing that there are a variety of services that are being performed that touch homelessness maybe they stay where they are currently located, maybe they come over to the joint office. It's on that list of things to talk about. There is the single point of contact in terms of being a place where people can call and raise concerns about camping activities and impact. The city will continue to do that property maintenance side and the public safety side of this work, the joint office will be on the services side where the point of contact fits in on that continuum again is something we just have to continue to talk about.

**Hales:** Let me address that too I'm glad you raised that point this is a legitimate follow on issue for the home for everyone consortium for this structure to take on which is there are now positions in omf the single point of contact and in my office that aren't necessarily baked in to the city's operating budget and people have to figure out. I'm glad you raised it, it is on the table of one of those issues have to be addressed through his structure for the next fiscal year covered, but the people aren't necessarily going to be here.

**Fritz:** Right.

**Hales:** So the position in Omf is, but two positions in my office are not so those are fair questions in which we have six months to get answers to them and I'm confident that this structure will be able to do that.

**Kafoury:** I also think it's important to remember that this is a joint office so the city is not giving up responsibility. This is a joint effort truly we have a joint governance structure so I would assume that the mayor's office is still going to receive the thousands of phone calls that you receive on these issues just as we will and that's why the communication has been good today and will continue as we move forward.

**Fritz:** And then my final question is the black parent initiative the 100,000 what does that currently pay for and why is that in there. I didn't know that the black parent initiative was providing houseless services.

**Creager:** I think Javier or sally Erickson can speak to it, but I think they are subcontractors of a culturally specific provider services. We've done a lot in the last 12 months to have a greater impact on the African American population since we saw the greatest increase among African Americans in the last three years. So they are a vendor that has been selected for that service.

**Fritz:** And mayor you've been leading the black parent initiative for the city. Does that—

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**Hales:** Not the black parent initiative.

**Fritz:** I know, but you've been the lead person the black parent initiative in the---I remember appropriating 100,000 dollars in your budget does that raise any concerns for you.

**Hales:** Again and I think some of the work that we're doing we've said this all along under the state of emergency, we've don't quite a bit of experimentation one of the successful experiments has been using community organizations under these sort of contractual arrangements. Rather modest amount of money compared to the overall size of the work to do cultural specific outreach to houseless people. It's not perfect it still needs work, but as an approach I think it fundamental sound that we're getting good value from those organizations. Do we have everybody involved that need to be? No. Is every provider operating at a level that we need them to be? Maybe not yet, but as a model I think it's valid.

**Fritz:** Thank you.

**Hales:** Any questions, comments. Commissioner Fish?

**Fish:** First I want to offer an apology. Dan Saltzman gave me a bad head cold, so bear with me. Let me begin by saying congratulations. I felt when Kurt said he read judy clegg's report in august I felt like a stroll down memory lane. I think I was given a copy of her report in 2008 or 2009. Shall she really had a very bold vision. I remember at the time Steve ruddman was the only one that bought into the entire vision because everyone understood how hard it would be to move the ball. This is the second major component of her vision that the city and county have tackled. One was unifying everything under one roof on our side of the river, now it's this joint office which finally gets at resolution a resolution b question that editorial boards love but most people are confused about. Congratulations for getting to this moment. Kurt, I had one Dan identified four values propositions for filters I hosted on when we were on the other side of the river and that was making sure a high performing team that is currently at the housing bureau had a soft landing in this new place. I say that because sally and Ryan and Jennifer and everybody involved in the ending homelessness team on my side of the river has always been one ever the bright lights on this side of the river. They are not just focusing on homelessness, they provided values for all of our work. Every time we took something there they were reminding us homelessness had to be at the forefront of what we were doing. For me it's really important they have given the green light to this exercise. That would not have been the case had not all this work gone into the details and soft landing. I thank you for going the extra mile. We feel very at the city we're proud of their work historically and we're optimistic about how this new partnership will strengthen their hand. It was very important that this work for them so I appreciate that. To our distinguished chair, I have a question. The April joint session that we had that you hosted where we got an update on this process and we all sat together and had a hearing, reminded me that I wish we did that more often. There's very powerful when we're all sitting together and getting the same presentation. May I propose a friendly amendment that we have at least an annual joint session where the home for everyone and including the performance and update on the joint session, joint office for homelessness is addressed and we do it at a time that's enough upstream so we can anticipate budget issues ahead of our formal process and as part of the protocol we rotate having it on either side of the river every other year?

**Hales:** Great idea.

**Fish:** Start one place -- would you and Dan accept that as a friendly amendment?

**Kafoury:** Yes --

**Fish:** I think it would be enormously valuable. I thought that session was particularly helpful in getting issues on the table. To mark jolin, I appreciate on the questions that are

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not addressed in this agreement about what happens to the services that omf is providing and are being handled out of the mayor's office we have an additional complication, which is we have a mayor-elect which will have a voice on this. My understanding is the mayor-elect, the mayor and the home for everyone team will work these issues through over the next six months. My strong preference is that if we're going to create a joint office and we're going to set audacious goals, I would like to see as much consolidation under the joint office. That may ultimately cause us to reevaluate some things currently being done or move things around. That's for the leadership to decide. But my preference is in order to give you the strongest hand going forward that we consolidate as much as possible.

**Hales:** I appreciate that. I haven't talked to the mayor-elect about this, I suspect this is true neither I nor the mayor-elect I imagine think the functions now performed by the mayor's staff should remain there. We have done that because they needed to be done and people stepped up but now that we have this model, that makes lessens than it did before.

**Fish:** I think the mayor is also doing a technology fix. All the complaints coming to the mayor's office will be in fact forwarded to Deborah's office.

**Hales:** Appreciate that:

**Fish:** I want to just close with a comment about the \$15 million commitment. As I understand it, we're making an aspirational commitment. We cannot bind future councils. You cannot bind future councils. Every council gets to decide its own budget but we're setting an aspirational goal. The hook is that if we don't reach that goal it allows either party to reevaluate the relationship. In other words if we're not willing to commit the adequate resources either party can say this is probably not going to work. That's the adult way to do it. You can't force us to do it but you're saying it's unlikely you will do it. For me, you're stuck with me at least another 2.5 years, I view the 15 million as a floor. It's under the mayor's leadership and Dan's leadership on our side of the river it has reached number one on our priority list. It's the number one issue we have committed to this year, and we have to get the job done. I appreciate that you set a floor and you have been very honest that's the minimum resources you need do the job. We should not do this job without that commitment. There's a precedent for this. In 2012, this council without an identified source of resources, converted all the one time money for homelessness to ongoing. In fact it was one of the presents handed to mayor hales when he came into office. He had a budget deficit that was caused in part by the library district in part by converting economic development money from one time to ongoing. A big chunk was taking all the serial one-time money, that serial one-time budget, and we converted it to ongoing and did not know whether we had the resources to do it. The council said we're going to do this and in the next budget we're going to make the choices to honor that commitment. We have done that in the past. I think in this instance because I believe it's our most urgent priority I'm comfortable setting the floor. My guess is the floor will be inadequate and we'll have to be looking at additional resources. I think that joint hearing will help key that up for both bodies ahead of our budget cycle. So congratulations to all of you.

**Hales:** Questions, comments for this panel?

**Novick:** I have a question for director Creager. One of the fundamental elements -- do we have an iga with somebody in houston -- [laughter]

**Creager:** I do rather like the Apollo 13 movie of tom hanks where everything went wrong but he still landed safely. Yeah, this is in government this is about transformational change. I have done homeless services, housing development for over 35 years. Not often do you see one branch of government giving up authority. Giving up budget authority. The housing bureau will be represented, the housing director, commissioner in charge of housing will both be represented in the pbak. Pbak is that governing body necessary to ensure we achieve success.

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**Novick:** Thank you. My comment is as some people know, commissioner Fritz and I are the designated fiscal scolds of the council and I too am concerned about the fact that we're making an ongoing commitment that's 3.5 million more than the ongoing money we're spending this year. I recognize that it's a commitment, not like a contractual commitment we're bound to as in a union contract but we are establishing an expectation. Obviously I hope that we will have more one time money next year. I appreciate the fact that one time money could be used to help meet the commitment, and I also recognize this is an emergency ordinance. We need to conclude this agreement quickly to have it effective the next fiscal year, but I would like us as a council to make a commitment to come back to do a work session possibly in early September to at least bring forward ideas as to how we would get the revenue to meet this ongoing commitment if we don't get lucky in the next budget.

**Hales:** I think the session commissioner Fish suggested it would be wise to do that at least once a year, maybe the first one in the fall before we get into our budget process.

**Fritz:** I think commissioner novick is saying this council start thinking about revenue sources in September, not wait.

**Hales:** Or this afternoon. Or both. [laughter]

**Novick:** I don't think we're going to convert the marijuana tax to housing, but I promise I will come forward with at least one idea in September.

**Hales:** I know we can count on that. [laughter] other questions? No, please, no. No. , no no, no. We'll give you a chance, but not now --

**Barry Sutton:** Well --

**Hales:** Not now. We got a panel here.

**Saltzman:** I think commission novick's suggestion fits with commissioner Fish's amendment to have the work session in September.

**Fritz:** That would be a further be it resolved?

**Kafoury:** We could start our good communication now.

**Creager:** Just a letter from the chair acknowledging that, communicate obviously to the board of county commissioners would more than suffice.

**Hales:** I don't have a question but I just want to make a couple comments to this panel. One, as Kurt pointed out, this is the detail infested work of governmental reform. A thankless job if there ever was one. Therefore it's time for me to -- I cited it before, recite my favorite 500-year-old quote which Machiavelli wrote in 1512, there's nothing more difficult to plan, more doubtful of success or more dangerous to manage than the creation of a new system. The innovator has all the enmity of those invested in the old order and only lukewarm approval from those that will benefit from the new. I wish there were new ideas understand the sun but he got it right in 1512. It's still hard. It awaits results that aren't here yet for people to say, oh, that was a good idea. Another thing I want to stress, chair kafoury most of all, this is not some bloodless exercise at bureaucratic reform. This is a work of passionate belief. That's why we have made those commitments and kept them. That's why I have seen this woman at shelters more time than any other at a shelter. It applies to the rest of the team too. Mark jolin may be quiet but I know how much passion there is for housing and the same with Marissa and Kurt. The folks that have been leading this work are putting a lot of heart into this as well as money and line item detail. I appreciate the commitment to this, not just that we have done something logical and good but we're doing it because people care so much. So thank you.

**Kafoury:** Thank you.

**Hales:** Do you have any other invited testimony?

**Saltzman:** That's it.

**Hales:** Let's move, please, to public testimony.

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**Moore-love:** Three people are signed up. Mary eng, Artist Vanderlyn and joe Walsh.

**Hales:** Barry, you can speak after that.

**Mary Eng:** Can I allow him to get his word in now?

**Hales:** Yes. Come on up, Barry.

**Hales:** Give us your name. Tell us what's on your minds.

**Barry Sutton:** Barry Sutton. I'm houseless also there are two blocks that have remained vacant for years in back of the old Washington high school and they would make an excellent encampment for most probably all of the people that are camping on the sidewalk. I have never, never -- I have never been given a reason precisely why not use those. Please, answer me.

**Hales:** We will get you that answer.

**Sutton:** No, no, you can say something like this.

**Fritz:** It's designated as a park.

**Sutton:** There are homeless people and that's an emergency. It's possible to commissioner Saltzman you said something you would take care of this settlement for emergency zoning. Zone it for emergency zoning.

**Hales:** The fact it's the park is the issue, Barry.

**Sutton:** There are homeless people, though.

**Hales:** We know that.

**Sutton:** But they take priority I would think -- I'm sure.

**Hales:** Thank you.

**Sutton:** This would cost less than \$1 million. It would cost maybe 40,000, 40, \$50,000. That was the first dignity village but they were told to move because the department of transportation owned the land. This would be very inexpensive. Okay? Can you discuss that for a moment?

**Hales:** I think commissioner Fritz just did, this is parkland, we're trying to site these on other than park land.

**Sutton:** It isn't yet. Use of it can be changed for an encampment, commissioner Saltzman, you could do that.

**Hales:** We appreciate the suggestion, Barry.

**Sutton:** I hope it's more than just a suggestion. Thank you for the time. [speaking simultaneously] I don't know that there's much else that I could say.

**Fritz:** You don't have to talk for three minutes if you don't want to.

**Sutton:** I know I don't, but I understand this is very possible. There are people all over the sidewalk that could move into an encampment and there's nothing standing in the way except something that I'm not aware of. Please, please do something about this. Homelessness doesn't need to be commodified, people charging so much money for this. You said something in the first Willamette weekly article you wanted to do a lot of things that would cost less. That this would work. I don't no one has told me why not.

**Hales:** Thank you very much. Ms. Eng, it's your time.

**Mary Eng:** Hello, city council. I'm Mary rose Lenore eng. I'm speaking on this measure, I believe its 705 here. To authorize an intergovernmental agreement with Multnomah county to establish the joint office for homeless services, the ordinance introduced by commissioner Saltzman which interestingly enough you can actually convert that amazing emergency blanket into a superhero cape. It really looks fabulous. We pulled that off at the last coab I threw it on kif and he was ranting and speaking his truth. It added kinds of a majestic cloak-like experience to what was a very spiritual concept regarding our coab. The coab is a police brutality euphemism. There are terms I want to bring into this discussion that I have trouble with. I was a philosophy major at one time. We would discuss and discuss language and words. I keep hearing them over and over again,

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psychic driving propaganda. I'm hearing social cleansing. This really unfortunate term, poverty pimps. I don't like this language. It's gritty. But when you hear that you have to hear the pain that is in that. I don't -- that well-spoken gentleman back there, there were a few of them, you too, the other one, I don't know what is his salary. 35 years and we're not through this epidemic. I'm 38. This is to me it seems like we're keeping the poverty going because of the poverty industry. The whole notion of social cleansing, when you bring up your favorite philosopher -- what was his name? Machiavelli?

**Hales:** I wouldn't say he my favorite philosopher.

**Eng:** You're aware he's proto fascist. When you quote him a lot we could have a very interesting philosophy lecture that would go on for hours and hours discussing that but it comes as a slap in the face to the community that has seen your draconian regime, arrests of homeless activists as an attempt to gag our participation in the process. So you guys probably never wanted to be a camp leader of a sort of camp vibe. As a consumer of poverty services I can say sometimes they are not working well and that I'm frustrated by the socialism of the northwest. We don't steam to have a vibrant capitalism that is actually doing anything. We need people in the Oregon state legislature making brilliant laws that California has to provide relocation services and rent control, and the police have said they need any help they can get to have a police astrology sort out their personal problems. I will volunteer and I can consult experts.

**Hales:** Thank you. Who would like to be next?

**Laura Vanderlyn:** Good morning. I'm Artist Laura Vanderlyn, and yeah, I just want to make comments on budget and about putting these departments together. One thing I heard at the very beginning accolades and thanking a number of staff members and I'll quote there were many that concerns me. That we have to thank them and give them accolades when this is just the beginning. We thank people that work with the paycheck. We don't need to come and go on and take time from the citizens and hear the many, many thanks and we're wonderful and it's offensive. You get paid. You committed to this job. That's your job. Period. You're thanked by your paycheck. The other thing that I'm concerned about is the word constantly heard over and over and over is collaborate. Collaborate. Collaborate. It's a collaboration. I just want to understand and I want everybody to understand what a collaboration means. It means something produced or conducted by two or more parties working together. It is a kind of concern in Portland because when you have people collaborating together, nobody watches what the other one is doing, and you all just depend on somebody else to put procedures in place and put protocols in place and when you have too many people working together nothing gets done. I like the word that Ms. Kafoury used and I think you should implement it and take away collaboration and use the word shared commitment. Remember what you as a commitment to the people that are paying you with public funds, with federal funds, public money, and you're working for people that -- this is for people that are poor. Displaced. So before you thank yourself, you're getting money. You have a home. You're getting food. And you're getting money from criminalizing people also. So those people that you're sweeping away and you're giving yourself accolades for that. You're making the sweep now creating this for us to be thanking ourselves because we're helping at the homeless? It's shameful. We need to be ashamed of ourselves that we're even speaking about people that are homeless. Not thanking ourselves for something that hasn't even happened yet. Let's see. I just want to be careful with budget -- can I please have a little bit more time, thank you. I'm going to just make that fast. I'm concerned about budget. I just want to ensure that this shared commitment will ensure that the resources go where they need to go. Can I want to make that really clear. Has money allocated for child care and they have not used that for child care. I want money to go where it needs to go. Thank you.

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**Hales:** Thank you. Mr. Walsh?

**Joe Walsh:** Good morning. I'm Joe Walsh I represent individuals for justice. These are exciting times. When we heard that the county was going to be lean on this we got really excited about this because we trust the county. We don't trust you. We think you screwed up for 12 years. You had a ten-year plan, you did nothing except buy things. That's what we worry about now. You have \$15 million you're going to donate and \$15 million coming from the county, then there's some extra money. 40, \$50 million. That sounds like a lot of money unless you start buying stuff like buildings and trucks and people making \$100,000 salaries. It infuriates us when we hear that. The man makes \$250,000 a year. That's what I was told. Could be wrong. Could be not as bad as I think. But if it's over \$100,000 he is making the money on the backs of the people. You lose 50 people a year on your streets and in ten years of failure on your part, that's 500 people that died alone on the street and you pat yourselves on the back: Who do you think you are? Don't pat yourselves on the back. Those people died alone. You see this picture? I wear this to every city council meeting and every county and you have never asked me who this person is because you look over him. His name is Casey. You walked over him. Don't you sit there and tell us how god damn wonderful you are. Because you're not. You're shit. All five of you.

**Hales:** Please.

**Walsh:** That's from Casey, who died out there. [shouting] you jack asses. And you --

**Hales:** Okay, sit down. Go ahead, lightning.

**Walsh:** No, it's not okay. It's an outrage:

**Lightning:** Yes, my name is lightning. I represent lightning watchdog pdx. Iga, joint bringing together, this is supposed to be happening many years before. I think due to chair kafoury being the new chair of Multnomah County I think it will happen in a more aggressive manner. I didn't hear about any fte being reduced because normally when you consolidate you also have room to reduce full-time employees. I did not hear any numbers and projections on the savings on that issue alone. My understanding that a lot of people will be moving from city of Portland to Multnomah County on a permanent basis. That's fine. Couple issues I have is that I'm beginning to see commissioner Saltzman aggressively buy properties from the oak leaf mobile home park proposed to the joyce hotel proposed, again, as we all know when you start buying these type of properties it will begin to deplete your resources very fast. Again, what has happened in the past we have seen they can't seem to maintain the current properties they are purchasing in a reasonable manner. We need to watch this very close because are you adding and commissioner Saltzman, I might say, as far as a developer you know probably more than anybody sitting up there right now. You know how to develop properties. But I'm not hearing you talk about developing more properties. I want more inventory added. If you think rent control is just buying current properties out there and paying a little bit higher and then just holding the rent that they -- at their current level is that beneficial I would have to disagree with you on that issue because another way to look at it also is you're competing against the private sector for certain properties which in turn will push the values of properties up which in turn will have to -- the lands lords will have to adjust with higher rents to continue to make their payments if they compete against you on the purchases. I'm kind of at a disagreement with you on taking purchasing properties for the city is the answer to decreasing homelessness. Adding more inventory is going to be the answer so you don't keep driving up the rents. We need more inventory in the marketplace and by the way, that's what you know what to do. That's what you're the best at. That's what I want to hear how many units you're putting out there in the marketplace, not just buying and competing against the private sector, but how many more units you're getting developed. That's why again I want to start seeing more talks with people like homer Williams, Dyke

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Dames, certain investors from the private sector willing to step up, do homeless campuses, devote a tremendous amount of money and that's the direction we really need to focus on. Thank you.

**Hales:** Thank you. Thank you all very much. Anyone else?

**Charles Johnson:** Good morning, commissioners. For the world my name is Charles Johnson. I don't know about 30 pieces of silver, but what I know is a biblical context but I don't know if it's applicable to this environment. I do know about 90 -- \$90,600 and about 86,926 and about \$78,768 for program managers and program specialists. These are not new positions, those are just included in the 50 pages of pdf that explains this I think audacious is a neutral term, audacious undertaking. We have not heard here is either those salary numbers -- I don't know if those are actually gross pay or whether they are actual costs that include benefits and such. That's why I'm not naming names. It does raise a question. I saw Mr. Jolin presented to the naacp monthly meeting, and his net I think he mentioned is a little less than that. My main point is what we have not had here are any metrics. When the 10-year plan for homelessness started way more than ten years ago, I don't know if it had any metrics in it either. If it didn't and we don't now, we would be repeating the same mistake. So it's good that we can talk about how many people have been assisted by whichever program, whether it's George Detchdorf running transition projects -- I'm not opposed to fair payment. That situation over the last two years, we increased the workload by making them managed shelters. I don't know if he or his senior staff of seven other directors got compensatory pay increases to handle the increased workload of managing the Multnomah village shelter or the peace shelter. They are good people. They may have done it for the same pay and had that money channeled to front line people making \$15 an hour, but when you start a project it's great to have a goal of ending homelessness, but when you're going to pay people 78,000 salaries for people who have been on the payroll since 2005, 86,000 for those on the payroll since 2008, it's good to have metrics towards those results. As a proportion of the overall -- it's very difficult in Portland because we have a growing population. It's hard to find accurate data about how population and areas are experiencing economic boom. I hope the next time this happens there will be greater specifics, hopefully success numbers where we can actually talk about hundreds of people reduced in the number of people sleeping outside,.

**Hales:** We'll take action. Let's take a vote, please.

**Fish:** Mayor, I'll be brief to you, to chair Kafoury, to commissioner Saltzman, congratulations and thank you for bringing this IGA forward. Thank you for the hard work behind the scenes. To Shannon, to Mark, Marissa, Kurt, to Sally and her team, to all the folks at the table working out the details, thank you for keeping at it. Bringing us forward this agreement. There's two voices not here today that I want to acknowledge. The first is Deborah's mother. This is usually the moment in our proceedings where Deborah's mother would come forward and say I have heard a lot about resolution a, b, I have heard a lot about this and that. But I want you to do more and I want you to remember that it's all in service of people. So let's be clear eyed today. This is a landmark achievement, but we will be judged on whether we impact positively the lives of people. The people that we serve are not generally here today. Thousands of people that have a stake in the success of this joint office and what we are doing. We owe them nothing less than our best effort some of the thank you for all of your hard work and I pledge to do my part to translate this achievement into tangible gains for the people who need our services the most. Aye.

**Saltzman:** Well, I want to thank my colleagues and I would also like to thank chair Kafoury for her unwavering commitment to this joint office and the people that it will serve and to the entire city and county team who worked out this intergovernmental agreement. Always at the risk of calling out particular names I do want to recognize Shannon Callahan in

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my office for her tireless energy making this happen. The city attorney's office, Lisa Gramp in particular at the county Marissa Madrigal and Mark Jolin and Leslie Goodlow in our housing bureau. I especially want to thank our loan assistance assistants, the heart team. I read yesterday where the new mayor of Rome, Italy, has to deal with one problem -- many problems but one problem is that on any given day, 25% of city employees in Rome don't show up for work. That's a problem. But I guarantee you this heart team every one of them, they show up for work every day. Their dedication, their professionalism and passion for their work is what's going to make this joint office successful. That comes binds with the good talent we have at the Multnomah County as well. I particularly want to recognize people who show up and work hard every day, Sally Erickson, Ryan Dibert, Don Martin and Jennifer Chang. I look forward to your continued contributions to this new office. Aye.

**Novick:** This is the kind of idea that sounds really simple, why don't we combine city and county efforts on homelessness. That's the kind of thing that in practice is incredibly difficult. It requires enormous commitment from a large number of people. It's really impressive that the city and county have managed to work together to come to this agreement. I think it will be really good for the people of Portland. I also would like to thank briefly Chair Kafoury, Marissa Madrigal, Mark Jolin, Director Creager, Shannon Callahan and Commissioner Saltzman and I think again it's hard for folks to realize what this kind of bureaucratic organizational change means and how hard it is. But it is incredibly hard. Obviously I think that Chair Kafoury said this idea has been around for 30 years, and there's a reason it wasn't accomplished until now, which is it requires a lot of work. So thank you all very, very much. Aye.

**Fritz:** Well, it's appropriate to thank everybody who has worked so hard in this way above and beyond the call of duty. I was visiting with Chair Kafoury yesterday on various subjects including this. We were meeting at 10 after 5:00, exited from the chair's private office and everybody else on the floor was still hard at work. Very impressive the dedication of our public servants in Portland, Oregon, and in Multnomah County. It's outstanding. I particularly want to thank Sally Erickson, who has been helping me understand these issues since I was not even elected back in 2005. I appreciate very much everybody who cares so much and works so hard. I also appreciate the commitment for ongoing expenses for right to dream too. I appreciate Artist Laura's comment that we're actually talking about a shared commitment. I do think that's a better frame than collaboration because that says we're going to work as hard as we can to do it. I also appreciate the clarification that the \$15 million and 2% guaranteed increase will be factored into calculations on the Portland housing bureau budget when we come to that thank you again, Commissioner Saltzman. Thank you to everybody who has been part of this. It's truly a momentous occasion and I'm honored to vote aye.

**Hales:** Thank you. All of you again. Let me make a couple comments here. One I think it's important to remember that this action is of a piece with our larger effort here on housing and homelessness. It's also of a piece with what's happening nationally. First think back to what we have done together over the last year to show our commitment to this issue. One we declared a state of emergency, two, we increased our commitment of tax increment resources to affordable housing something I don't think any other city has done, 45% of all remaining TIF funds, some 340 million dedicated to affordable housing projects that are now starting to happen. Again, good work. The Home for Everyone model that has led to this collaboration today and the budget commitments that the city and county and housing authority and others have been making. So there's a local effort here that this is consistent with. It's also consistent with the national dialogue. I want you to know my commitment for the remaining six months that I'm in this office will be to continue both support that local effort and to continue the national dialogue. We have a homelessness problem. I think it's

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important to remember so do a lot of others cities. That's why we gathered the west coast mayors here in December to talk among our colleagues about what are they doing, what's working, in fact chair kafoury and you, Dan, and I flew down and looked at another motels of how homelessness can be addressed in san Francisco. That hunger continues on my part of where can we find another good idea, where can we share best practice and obviously the veteran's challenge that we successfully met together is one example of where cities around the country are trying to do similar good works. Tomorrow I'm going to the u.s. Conference of mayors meeting, be at the housing and homelessness task force meeting and try to find more tools we can put to work here. I think national discussion among cities all trying to do this work at a time where the national homelessness challenge is huge is a good idea. You have my commitment world trade organization to keep this -- excuse me. Keep this progress going locally and to keep that constructive dialogue going nationally that I think has served us well. Every now and then we learn something new from some other city and that's a good thing. I look forward to continuing in this work together on both those levels and I want to commend this good piece of work here today. Thank you all very much. Aye. Thank you.

**Hales:** Let's move on to we have other housing items here this morning. 706 first, then the rest of the package.

**Item 706.**

**Saltzman:** Thank you, mayor. The key element of the community-led north and northeast neighborhood strategy is the acquisition of land or land banking for the purposes of developing much needed affordable housing in the interstate urban renewal area. Before council today is the first step in fulfilling this promise to the community by the acquisition of this parcel on north interstate which will support the development of at least 50 new units of affordable housing. Housing which under our newly adopted preference policy will give former displaced residents and those at risk of displacement priority access to housing. Here to talk more about this is our assistant housing director Javier mena and karl Dinkelspiel.

**Hales:** Good morning, welcome.

**Javier Mena, Portland Housing Bureau:** Good morning. I'll be brief. Commissioner Saltzman pretty much took everything that I was going to say. [laughter] it's part of the first step in terms of the north northeast initiative and the \$3 million set aside for land banking. What you have in front of you is a final product of the work that the staff has been doing in regard to land acquisition. We hope that once we acquire this parcel that we will make it available as soon as possible for development and Karl is going to speak briefly in terms of what's there now and what our next steps are.

**Karl Dinkelspiel, Portland Housing Bureau:** Good morning, mayor, commissioners. Program manager at the Portland housing bureau. As Javier said I will be brief. Property is located 5020 north Interstate Avenue, about 20,000 square feet. Currently zoned exd. We have done some site investigation on it. Not owning it we don't know everything about the parcel. There are three buildings there with various commercial businesses. Two of them we know for sure will be out fairly soon after we acquire the property. The third, a convenience store, we'll continue to negotiate with that tenant to have them vacate the property as soon as possible. There's some environmental concerns which we know about. We have had a site assessment done in 2015. We know it used to be a gas station on at least some of the site. Number of the tanks have been cleaned up however we feel there's additional soil contamination to address. We also know there's lead and asbestos in existing buildings that we'll have to address. None we feel are major issues, something well within the realm of our capacity to clean up and address and have affordable housing on the site. Happy to take questions.

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**Hales:** Your assumption is the site will be fully redeveloped, none of the existing buildings will remain?

**Dinkelspeil:** Absolutely. We plan to move them all.

**Hales:** Anyone want to speak on this purchase? Okay. Is that a yes? Okay.

**Eng:** Good morning, city council. I'm Mary rose Lenore Eng, speaking on measure 706 to authorize purchase of property located at 5020 north interstate avenue at a price not to exceed \$2 million to support the development of affordable housing. The ordinance is introduced by commissioner Saltzman. One thing I don't understand is how we missed the Victorian housing movement to put humans in shelters. I think that's happened 100 years or more ago. I don't know what happened to the Americans. Maybe they didn't know about that they had work houses. They weren't always humane, warm, lovely places but I'm confused why our American culture cannot develop into sheltering. Another thing I'm confused about is why we missed the cold war. All over Europe if you're a student of architecture use can see sometimes hideous, sometimes referred to as brutalist, sometimes demolition, sometimes not properly built. With this kind of potential -- this kind of potential development I want adherence to the principle that all human beings need housing. We don't need five units when we really need 5,000. We really do need to start crunching numbers and statistics about what is our expected population boom, how many people are going to be falling prey to this development speculation market, which is raising rents and pushing people into cramped conditions. So with this purchase, I do want to echo what lightning watchdog think tank has uttered regarding concerns about property speculation, whether or not that is the best allocation of funds. I don't at this time have a judgment as to whether it is, but if those \$2 million could be used to pay for humanitarian aid style tents that would be suitable for a united nations humanitarian aid type catastrophe, that might be a better emergency implementation of the budget. What I'm concerned with is when is the outcome of this going to happen? When are we going to see fruition in the housing? When are we going to have a human in a building? Furthermore of course you know I care about social structure but this term land banking I find fascinating. I'm willing to say optimistic and see we have a bright, knew future ahead where we don't have this intense, devastating, catastrophic prices. I hope you give it the seriousness we need. I think we are going to need a more international level to get an investigation of the appalling humanitarian crisis.

**Hales:** Let's take a vote.

**Fish:** Aye.

**Saltzman:** I wanting to thank Karl and Javier. This will be much needed housing that will help prevent displacement and provide people the ability to return to north and northeast Portland. Aye.

**Novick:** Aye. **Fritz:** Aye.

**Hales:** Good work. Aye. Now 707 through 714.

**Saltzman:** Read them all.

**Item 707.**

**Item 708.**

**Item 709.**

**Item 710.**

**Item 711.**

**Item 712.**

**Item 713.**

**Item 714.**

**Saltzman:** Thank you, colleagues. I'll let dory walk through this in more detail it provides for 59 units of affordable homeownership and removes 18 homes that are violating their

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tax exemption status. Then 708 through 714 approves six projects located in southeast, southwest, north and northwest Portland which will bring in a total of 105 units of affordable housing to low and moderate income Portlanders. With that I'll turn it over to Dory unless you Javier?

**Mena:** Yep.

**Dory Van Bockel, Portland Housing Bureau:** So actually you said it pretty well. I was going to bring up some totals, but yes, so the first measure the resolution is to introduce or approve as we do quarterly for the single family homeownership tax exemption program as well as remove any of the properties we have identified have not met the owner occupancy requirement or has sold over the price limit in the first sale from the builder to the homeowner. We have also been very busy with applications for the multi-program in order to -- which is the only program we have functioning right now with private developers in order for them to include any affordable housing within the extreme amount of development that's happening across the city. So with this, these are units that are going to be built anyway but by being able to offset the cost of the reduced rents with this tax exemption we're able to have ten years of affordability. By providing this program ongoing each year with a continued amount of expected foregone revenue we're able to maintain a portfolio of affordable units as these expire new ones would get approved. Even though it's not a program that serve the lowest income people up to 30% median income as we talked about with the homeless issues today or people transitioning out of homelessness this is part of the continuum to do work for the community in the spectrum of housing outside of what the housing bureau is able to affect through direct funding. So with that I'm really excited to see the participation in the program expand after we made changes last fall. We have these great new applications and one we just had to change a little bit to make it work financially. We have got a pipeline still of additional applications in the works to get approved for additional applications this year you which is great to see. So I'm happy to answer any questions about any of the specific projects or anything else about our application process.

**Hales:** Thank you. Questions.

**Fish:** One question for Javier. Who are you picking in the copa finals? I want to ask you a housing related question. Dory kind of previewed my question. I had a sidebar conversation with Kurt. We have different tools, tif that allows us to go deep into affordability, federal funds that have strings. The general fund component. The multi-program is one of our tools and under Dan's leadership we have got it unstuck. Today we're celebrating the fact we got all these projects coming through the pipeline. The truth is developers were not using this much before. I guess this is a pretty significant example of the success of the changes that we adopted under Dan's leadership to make it more attractive to developers. Regardless of what kind of housing we're developing, it's in high opportunity areas so that meets our overall goals of having some measure of affordability in desirable parts of the city. I support all that. I want to ask you a structural question. Is it just the case even under the in your rules that the primary benefit we're going to see under the multi-program is between 60 and 80% mfi, is that a structural reality we should measure success accordingly?

**Mena:** Yes. We are engaging with private developers that are looking to benefit from the program, at the same time we're looking to benefit from the development. The only way that we have seen this work is at that income level unless the bureau is able to invest capital to developments. As it is that's why it's super frivolous. That's the level that we'll be able to make it an option.

**Fish:** What you've done is given the answer to the question if you had 6.5 million to spends, that's essentially the foregone revenue, and it was limited to what you could

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accomplish under this program, this is a pretty good outcome recognizing that sure we would like more units 60 and below but the way this is structured it's unlikely we'll get them through a voluntary measure.

**Mena:** Correct.

**Fish:** As you come forward with the iz proposal where the legislature has given us the flexibility to buy down how do we use those tools? This is a voluntary program and no one has to participate. My preference would be to see more units at the 60% but it's a market driven process. So I appreciate your answer.

**Hales:** Other questions? Thank you both. Signup sheet? Mary, on this topic we're running late. If you could give us help we would appreciate t.

**Eng:** Yes, council, thank you so much for your service to the community. The sacrifice that you offer. My name is Mary eng. The sacrifice that you offer is beyond heroic. I have no idea how you handle these meetings every single week. I can only imagine if you have sore backs or headaches, that sort of thing, but I do find this very concerning. As a citizen I would like to invoke my right to have three minutes to commentate on this. Generally speaking I want to note that sometimes the legalese, the fiscal, economic information can be very confusing in these agendas. If I ever have an insight I may be trying to translate to a 14-year-old level. I might be trying to bridge the gap between your esoteric knowledge, we have a few law degrees, an engineer, a nurse, highly skilled professionals with highly skilled educations but I feel one communication error we have is even assuming the public knows what's going on. We have a tax cut for developers to help them develop these properties that are listed in these several ordinances down from 708 to what looks to be 713 and the tax breaks, there was some note that this is sort of the beginning but there may be other kinds of benefit toward this development. What I'm concerned about, I'm sure you know or can intuit with your intuition is that I'm -- I'm concerned about -- I'm just concerned who is benefiting if there's any conflict of interest, which evidently conflict of interest is normal in Oregon. We don't talk about it because we're such a small state with low population. But I want to know, who you say projects are you meaning projects in an old fashioned sense where low income people live in projects, are you talking about development projects for high -- excuse me. I'm speaking. High income people? What kind of project do you mean? Do you mean rent gouging silicon forest style \$3,000 one bedroom style rents or do you -- wow. You guys -- you can show me some respect. I tried to show you some. I do have questions and I want answers. What does this all mean, translate it into just a bullet point for me in 30 seconds and let me know if it means what I think it means, which is some kind of cash for developers. I have 13 seconds. I'll yield to miss artist.

**Hales:** Go ahead, please.

**Vanderlyn:** My name is Artist Laura vanderlyn. I wanted to make a comment about developing these properties. There's a lot of properties here, and a lot of tax exemptions. That to me just means renovation and renovations means no cause evictions. That's what I am concerned about.

**Fish:** New construction. All of it is new. All of it is designed to sprinkle a little bit of affordability for people sort of who are priced out of the market in areas that have high opportunities, good schools, good transportation. Very small part of our overall strategy.

**Vanderlyn:** It's not renovation. Okay. Thank you for that.

**Hales:** Anything else? Let's take them in turn, please. 707.

**Fish:** 707 is a little different than the others. It's the report from the housing bureau that ensures that the investments we have already made under the home buyer opportunity limited tax program continues to meet the goals. Program. Once upon a time this was administered by the Portland development commission, it's now ably administered by the

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housing bureau. While none of us like to celebrate being kicked off a program, the reasons a number of exemptions are being removed in the largest instance is because the property is no longer qualified means there's adequate oversight of this program ensuring that the public tax dollars are going to people that are eligible for the program. So it's not our favorite exercise to remove an exemption someone originally qualified for but it's an example of the oversight being done to make sure the programs are working as intended. Aye.

**Saltzman:** I want to thank the builders, many who are individuals, small infill builders who participate in this program to produce the 59 new units of affordable homeownership opportunity embodied in this resolution. Aye.

**Novick:** Aye.

**Fritz:** We are doing good things and spending taxpayer money wisely to help people. Aye.

**Hales:** Aye. 708.

**Moore-Love:** The rest are all nonemergency.

**Hales:** They all pass to second reading. Are you ready for 721? 721, please.

**Item 721.**

**Fish:** This was originally on consent and I moved it to the regular agenda simply because if you aggregate each of the complaints it exceeds 500,000. Otherwise it would be eligible for consent because each doesn't exceed 250,000. This would assist the bureau of environmental services coordinate a site analysis program in providing on call environmental services for city bureaus. These contracts serve bes and other bureaus by providing environmental investigations for construction and maintenance of infrastructure, due diligence, management of contaminated media, and hazardous waste, investigations for remediation of contaminated sites. The principal reason I asked our team to come here, mayor and colleagues, is that the mwesb participation is estimated at 52.6% of the total dollars. Because we frequently challenge our friends in procurement and bes, this is conspicuous. I want to introduce Taryn Meyer.

**Taryn Meyer, Bureau of Environmental Services:** I'm Taryn Meyer.

**Hales:** Good afternoon.

**Meyer:** For the coordinated analysis program for bes. We're in the pollution prevention group. These contracts serve primarily bes, and all other city bureaus. As commissioner Fish explained, the contracts will be awarded to Cascadia associates, gsi, pair metrics and northwest geo tech. Two of the firms are certified. Each contract is \$250,000. The total 1,250,000. These contracts will serve bes and other bureaus in helping with contaminated investigations through whenever we have like a sewer project or a street improvement project will be using these contracts to select soil surface water, ground water, sediment and other materials to determine if there's contaminants of concern. Will help construction, help people handle this material. They also identify health and safety issues related to the work exposure. The reason we were able to get such a high participation, 52.6%, we worked over the years to adjust these contracts and to encourage work participation by breaking the contracts up into smaller service categories. We were able to give more firms access. They have less resources. We were also able to achieve a high participation through our outreach. We do pre bid meetings and work with primes and subs for networking purposes. We again also encourage participation through reviewing our proposals that have been chosen in the past so they can improve their skills.

**Fish:** I'm going to stop you there. That's the essential information. I want you to take a bow for the good works. Thank you. I'm going to turn it over to my colleagues for questions.

**Hales:** Thank you both very much.

**Fish:** Thank you.

**Hales:** Anyone else want to talk about this item? Come on up.

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**Eng:** Okay, thank you. Thank you kindly. Hello, I'm Mary rose Lenore eng. I would like to speak on commissioner nick Fish's bureau of environmental services, measure 721 to authorize contracts with five firms for on call environmental site investigation services not to exceed a quarter million for each contract. This is going to be 1,250,000. It's very exciting that you're voting on this. One issue I would like to ask is what kind of contracts are going on. Are they no bid, are these previous -- do we have a previous history with these companies, are they new, emerging, well reputed. It doesn't really flesh that out maybe someone in your office could send me more details of how these people came on the job. There was a really fabulous cspan thing about the epa with flint and the water crisis and soil and water are two different things but they are obviously interrelated from an environmental angle. I sat through like a three-hour hearing in Astoria on contamination zone immensely expensive. Could you hold my minute? Mr. Fish, can you tell me which side, what sites are these just any sites or are these generalized sites or this is like a slush fund for an emerging site or emerging environmental catastrophe or are these specific sites already determined?

**Hales:** I think we should get those answers after the hearing.

**Fish:** We're compiling a list of your questions.

**Eng:** I'm so sorry. Then I will just be more general if there are no answers. In terms of the measure 721 to authorize these five firms since the public is not allowed to know the contamination much as we were not allowed to know the water in our children's schools, we don't know, so we probably won't have an opinion because the wool might be over our eyes. I'm going to continue to be optimistic and suggest that you guys know what you're talking about, that you're as passionate about the environment as I am, but you must understand we, the citizens, are becoming very educated due to the internet and literacy and social networking so we're going to have more and more questions like this. So I'm thrilled that I can be here and that I can utilize my three minutes allocated per item to ask these questions and I can be patient and I enjoyed the presentation. I find it much more exciting if we had more scientific data about what is actually being cleaned up and from what sources and contaminants and any liability issues with toxic dumping in the Portland area. And thank you very much.

**Vanderlyn:** Hello, I'm Artist Laura vanderlyn. I just don't know about this company that is doing the cleanup and where they are from but I really would suggest any company that does any type of environmental cleanup that they be local. That they be local. If they are not doing their job it's very difficult to protest in front of their house and try to get answers because they are not from here. It when we don't have local businesses they don't really care about the local issues. The issues in our local area or the people or the environment. Please, I beg you to keep it local. We have too many outsiders in the city of Portland like Rosenbaum and Watson that are hurting people here in the city. Thank you. I will yield my time.

**Lighting:** Yes, I'm lightning. I represent lightning watchdog pdx. If I heard correctly, you stated that there were two firms out of the five that are certified. So are you stating that three of the firms are not certified and I have --

**Hales:** As minority women emerging small businesses, not certified technically to do the work.

**Fish:** The reason that's relevant, lightning, you're a close watcher of this, there are not enough firms that are certified in the pool. So in this case we're pleased and proud that there were two certified firms actually selected. That's the best way we can create opportunities.

**Hales:** They are all technically certified in the engineering stuff.

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**Lightning:** I just wanted a clear understanding of that. Very good. Another issue I have is such as on this property on 5020 north Interstate Avenue being purchased not to exceed 2 million, it's possibly going to have some environmental issues. If we call one of these companies and they go out there and they come back with a price tag that is say more than the property is even valued, I would like to have in these purchase agreements some stipulation that states that if due to the environmental audit if it exceeds 5,000 we will not proceed forward with the sale. A lot of times say the environmental audit comes back at a million plus it is thrown on to the public. We'll take care of it that will be part of the expenses on the environmental cleanup. Somehow we'll defer that off and take care of that that I want stipulations in these purchase agreements because a lot of properties out there that people want to unload and can't seem to do it because of environmental concerns. I want them to have a cap on that cleanup to where they say if we exceed that amount we're going to step away from this deed and that's what our people we have brought in has stated, no purchase, end of discussion. I want to make sure it's contingent upon that. You understand where I'm at because sometimes the environmental cleanup will cost more than what the original purchase price is. That's why they can't move the inventory in the marketplace.

**Hales:** Good point. Let's take action on this item.

**Fish:** I want to thank and congratulate the team at bes for a splendid job meeting a high bar on this contract. Aye.

**Saltzman:** Good work. This is a very impressive number on minority women and small business contractors. Aye.

**Novick:** Good work. Aye.

**Fritz:** Agreed. Aye.

**Hales:** Aye. Okay, let's move to the regular agenda. Because its 12:20 and we're still trying to complete the morning calendar other than invited testimony I want to reduce testimony time to two minutes so we can make it through.

#### **Item 724.**

**Fish:** Colleagues, first an apology. This should have been filed as a presentation sponsored by Commissioner Fritz, the mayor and me. That would be in recognition of the fact that commissioner Fritz personally and through the parks bureau has been a champion of this innovative idea. Closer to home, I think all of us recognize the joy of someone sitting down at a randomly placed piano and playing because we have one at city hall. On Friday afternoon some virtuoso comes in and starts playing music reverb rates throughout the building. It's beautiful. This is Megan's second presentation to council. She's the founder of piano push play. They take older pianos, restore them and put them in locations around town then donate them to local institutions. This year they will distribute 20 around the city everywhere from Powell butte to the youth music project in westlinn to here in city hall. Thanks for joining us again.

**Megan McGeorge:** First of all I want to say thank you for having me again. Thank you, commissioner Fish, thank you, mayor hales. Thank you, Commissioner Fritz. You guys have all supported this program in the last couple of years and we couldn't do it without you. I wrote a little statement because I'm a little nervous.

**Hales:** That's fine.

**McGeorge:** So I love changing people's perspectives. It's what I enjoy most about running my project. People are used to seeing pianos looking a certain way played by a certain type of performer. When I get to see pianos throughout the streets of Portland it allows people to see and experience each other differently. They also experience our city differently when these pianos are around and I believe it's really magical. Many folks agree with that. Most folks think that they know what to expect from their friends, coworkers,

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even strangers. You may think you know by the look of someone whether or not they could be a musician, pianist or an artist. What we found year after year is how people can be friends or work alongside each other for years and not know that person can play the piano. We have seen year after year people without a home or anything to their name sit down and play Mozart or the entire beetles catalog or create something beautiful using this tool that connects expressions inside that cannot always be spoken. When these situations happen on the street corner that street corner is no longer just a street corner, it's a living room where you can enjoy spontaneous music right in front of you wouldn't be able to experience otherwise. The courtyard is now a community space for people living in the park and in the high-rises interact with each other differently. Those are the beautiful, ethereal moments that make the hard work totally worth it. The other things that make me work so hard to continue growing this program is the potential for collaborations. Every year brings new communities, new businesses, technologies and programs to this project that inject it with new energy, more supporters and players. I believe the art and design community has taken this project full force because they love to see people of every kind interact with their art and therapy and they love to see the piano interact with its environment there it's the street corner or the top of mo. Tabor. The technology community companies like urban airship -- multiple code schools have supported us giving us programming, software, hardware and helped us to develop our map app, which is in the apple store. I know it's because they love integration of technology with a community minded music and art installation. Instead of using. [audio not understandable] they are just telling you I'm a piano on the street corner, so come play me. It continues to amaze me how many folks can play this instrument. I hear each year from so many locations, businesses, parks managers that they can't believe how many folks can play and play well. From folks you would look at and never think they could sit down and play Chopin. A group of young boys went skateboarding down a street. One stopped, sat down and started playing. In three short seconds my perspective on who this kid was flipped 180 degrees. I try to remember that whenever I interact with people as I go about my everyday life in Portland. You never know what's lying underneath a person. If my project can help people reach, communicate a little bit better I feel I have succeeded. So I invite everybody here and everybody here and out there to come to our kickoff concert at the art museum this Friday to see the amazing art and the amazing performances on our pianos. It's 7:00 p.m. outside on the courtyard. It's free for all. We'll even have spaces for anybody in the audience to put their name in a hat and win a chance to perform with us. Then on Monday they will be out around the city. There you go.

**Hales:** Questions for Megan?

**Fritz:** I have a comment. Beautiful. Thank you for what you do.

**McGeorge:** Thank you so much. I know so many people who love that we can put them in the most beautiful spaces in our city.

**Hales:** We applaud. Let's suspend the rules and applaud you and this great program. [applause] it's wonderful having the piano in city hall. The acoustics are cool in this building. When someone sits down there it fills up the whole building. It's just wonderful.

**McGeorge:** Thank you. There will be a new one painted beautifully on Monday.

**Hales:** Cool.

**Novick:** It's your brainchild. Against all odds it keeps growing. I know that the only ask you make of us and commissioner Fritz has stepped up time and time again we consider venues where a piano can be placed for the public to enjoy. That's something I hope we continue to take advantage of. The reaction from the public is so positive. Another amazing thing is that the pianos are left outside and the pianos have been protected. The public understands that these are cherished musical instruments. So they have not been tagged

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or vandalized or other things which really says something about your program. So congratulations. Thank you.

**McGeorge:** Thank you. Thank you for letting me speak.

**Hales:** Keep up the good work.

**McGeorge:** I will.

**Hales:** Look forward to hearing the music all over the city. Thanks, Megan.

**McGeorge:** Thank you so much.

**Hales:** Ordinance item 725, please.

**Item 725.**

**Fish:** In the interests of time I'm going to turn this over to the auditor to tee this up. The election officer for the city. Hopefully we can work through any technical issues. Welcome.

**Mary Hull Caballero, City Auditors Office:** Thank you. Good afternoon. I am city auditor Mary hall caballero. With me is Deborah Scroggins from my office. We're back with a revised proposal to amend chapter 2.12 covering lobbyist registration and related activities. We think the proposal addresses concerns raised at the April 13 council meeting and incorporates ideas that emerged in subsequent meetings with you and your staff members. I think we can agree that strengthening the existing code by making it more transparent and easy to follow and enforce is a net benefit for the public. Before I turn it over to Deborah to walk us through the proposal and highlight changes, since we were last before you I would like to thank you for your willingness to try to achieve consensus on these changes and also to commissioner Fish for joining our proposal as co-sponsor.

**Fish:** Welcome.

**Deborah Scroggin, City Auditors Office:** I'm Deborah Scroggins with the city auditor's office. I'm going to briefly review the package of amendments and highlight the changes. As a quick reminder the purpose as passed by council is to preserve the integrity of the decision making process. We think the amendments will help serve the purpose by creating more and higher quality disclosures while providing clarity to the people who are subject to the code. To jump into summarize the amendment the first is to closing registration loophole. Currently there's only a time based trigger for the lobbying registration requirements and the change adds a financial trigger that so it's \$1,000 or more spent in a quarter that would require lobbyist registration and reporting. Secondly we propose to standardized calendar disclosures, part of that check where we have closing activities reported by lobbyists and city officials through their calendars. Unfortunately there's no information in the code about what the calendars are, what they include or retention information. We're providing basic details about that. So next to clarify and strengthen the employment prohibition, this applies to all employees, we're narrowing this to high level officials and breaking it out into categories, making it very clear we have one and two year cooling off periods. Finally probably most importantly we want to create an enforcement mechanism. With this section increases maximum penalty from \$500 to 3,000, which is closer in line with other jurisdictions with similar programs. It also allows us to cover costs related to enforcement and seek attorney fees if that's appropriate. I'll just jump into what we have done since last time we were here, very specific changes. Though all focus on the city official side. Everything else remains the same from last time we were here. The first is 2.12.070D which is the calendar disclosure section. After some additional discussions with you all and your staff we did tweak this by pairing down extraneous details and focusing on who and when. The focus is on when the activity occurs and who the primary participants were. The next thing we focused on is this employment prohibition section. We honed in on the staff section that seemed of most concern. In this section we revised elected official staff down to one year prohibition and made it applicable to salary staff only so hourly staff only that would be exempted. The other sections under this for

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elected officials and city director will remain at two years under our proposal. So that's all I have for the summary. If you have any questions we can go into the details.

**Fish:** I have a question and a comment. I appreciate the work you're trying to do to standardize the calendar requirements. We're notoriously independent group of people with different approaches to how we do our calendars. Effective date of this I believe is September.

**Scroggin:** Yes.

**Fish:** Coinciding with other changes council has adopted. I'm not trying to create more work. Perhaps we could have an environmental process between now and then with each office just to -- with the hope of creating either a template or baseline expectation. We have begun I would hope we could take advantage of July and August to have those conversations.

**Scroggin:** Absolutely.

**Fish:** Also I want to say on the changes you've made, these reflect and respond to comments that you had from my colleagues at the last hearing and follow up discussion and I appreciate very much the collaborative way in which you come back with a revised proposal for our consideration.

**Hales:** Questions, Anyone want to speak on this item?

**Moore-Love:** I have four people signed up.

**Hales:** Again thanks folks because of time we're going to limit people to two minutes in order to get through the agenda. So please take no more than two minutes each.

**Eng:** Hi city council my name is Mary Eng and I'm here to speak on measure 725, the lobbying measure. Just for the public who may not understand what's going on we have a revolving door to the lobbying world. You can profiteer off your government job as if your 100,000 a year isn't enough you will be ushered into all kinds of wonderful, lucrative opportunities in lobbying. Thanks to our good city auditor ms. Caballero I am so thrilled that we are trying to rain this in a little a kind of tighten this up a bit. It gives an appearance of impropriety, and we would not want an appearance of impropriety in Portland, and my suggestion regarding limiting citizen's speech, if you don't like your job of being the mayor, or hiding out squirrel shooting, human-shooting controversies with your police chief, if you don't like that, resign, we are happy with you resigning. We can find a mayor who wants to hear from the citizens and who wants to give us our full three minutes. You probably don't agree because you might have special jobs to move onto in the lobbying circuit, which we know about some of your predecessors and what kinds of incredibly lucrative gigs they got. I wish you all the greatest financial success in the world, if money is what turns you on, maybe its justice. Maybe you're ideological, and maybe it's not about the money and maybe you will do some fabulous things. I don't think that money and justice are incompatible, I think that we have to preserve ourselves and our self-worth, but I find this personally morally compromising to be sitting at this table where such an uncritical gaze is given to this kind of scenario. I would expect more of my governance if I were to be electing service persons to provide the service of leadership in this society. Thank you very much.

**Hales:** Thank you.

**Vanderlyn:** Good morning. My name is artist Laura vanderlyn and I yield my time.

**Charles Johnson:** Good afternoon, commissioners. I am glad to see us taking steps that will -- Charles Johnson. For the record, I am Charles Johnson. I think that it's good that -- even though I've been connected with some people who have been concerned about how money went through ch2m hill and [inaudible], I think that there's only one really notorious former elected person. There's been changes under Mr. Fish at the water bureau but I have not really heard a lot of public outrage about individuals profiteering from a revolving

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door and I think that's because it's such a wonderful place that we attract people that want to do real long-term public service rather than go just to cash out in the private sector. Even Mr. Hales who has come in and out of public life I don't think his prior -- his work with -- it escapes me, but things do cross and we want to make sure that we have a way to discourage people who take advantage of a procedure that sometimes is more there in the federal and especially in the defense industry of working a few years in public service and then getting a ten-fold increase paycheck based on the connections that they have made so hopefully this will discourage the people, of that sort, and keep the public service, thanks.

**Hales:** Anyone else?

**Moore-Love:** Shedrick wilkins.

**Hales:** Come on up, please.

**Shedrick Wilkins:** I am shedrick wilkins and I am thinking about becoming a lobbyist and going to Salem. I think that there are bad lobbyists like mark nelson, who is the number one gun lobbyist and cigarette lobbyist, and I would like to be a lobbyist for good things like food stamps, for example. Food stamps are rationed in some states for farm subsidies. John Kitzhaber in 2014 widened food stamps. This is not guaranteed. I have a food stamp card, and there are people on the food stamps in Oregon that wouldn't be covered if they were in another state. So I want to do good things and I believe that I like to be a lobbyist for community colleges, so it's one thing to be homeless and just have shelter but it's another thing to be fed and also to use your mind and train for some other kind of job. These are good things. One shouldn't say that all lobbyists are bad. Some lobbyists are good, and that's all I am going to say, and I need to study the rules. Like for example, maybe because I am a recipient of food stamps I cannot lobby for them. So, I don't know about that sort of thing. So that's what I want to look into, and I have learned a lot here at city council. Contrary to Joe Walsh I don't bash you people. Mayor hales, next year you have to find another job. I mean, it's hard to get elected to be a public official. I mean, there are people who have lost. Deborah kafoury was here but she and francesconi lost. It's hard to get elected. If I was an elected official I would have alters all the time, you know. And I would want to get out of it, and I applaud you here for making million dollar decisions for people. It's hard to balance a budget.

**Hales:** Thanks very much.

**Lightning:** My name is lightning and I represent lightning watchdog pdx. Again pertaining to the at-will staff it appears as though you focused on the salaried staff on your timing, and it's my understanding that you are at two years after the termination. I also want to have the -- by the hour staff also included in that.

**Fish:** It's one year for the salary's staff.

**Lightning:** It has been amended from two to one?

**Fish:** The hourly staff is exempt and on the salaried staff it will be a one-year program.

**Lightning:** That's the amendment, and I am reading off --

**Fish:** That applies to elected officials of bureau directors.

**Lightning:** My position, like I say, is on the, our staff. I wanted them to also, to have that amended for one year, my understanding. I, honestly, didn't have any issues with the commissioners and the mayor on even falling under this lobbying agreement. I think that you should have been excluded from it, myself. So that may catch you off guard, but my position is that more of a concern that I have with the intellectual property that is, could be obtained through working here, and transferred for profit, I am really not that concerned about any of you there. I am concerned about people coming in on a short-term basis for one reason only, and that is to access the information to be utilized at another location or from other individuals. That is my biggest concern, and I think that that's being left a bit

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open on the people working by the hour staff to have that opportunity. Would they do that to benefit them and make more money? In other areas that has been proven that does happen. So again, my position is to try to tighten that up a bit and to monitor this to where that does not happen, even if they have to sign agreements we will not transfer intellectual property rights from the city of Portland upon us leaving. I think that it's left open right now so I have concerns.

**Hales:** Thanks very much. All right. Anyone else? This passes to second reading next week. [gavel pounded]

**Hales:** Now let's move onto 726.

**Item 726.**

**Hales:** Good afternoon.

**Catherine Reiland, Portland Police Bureau:** Good afternoon, mayor and commissioner, I am Catherine Reiland, the fiscal manager of the police bureau and with me is --

**David Meyer, Portland Police Bureau:** Lieutenant David Meyer, police bureau detective position.

**Reiland:** We are here to talk about item 726. The Edward Byrne Memorial Justice Assistance Grant Program, also known as JAG, was established by the Department of Justice which directs funding to law enforcement agencies with the primary concept being to enhance the officer safety. The equipment technology and training. The grant honors Edward Eddie R. Byrne, a New York City police officer who was killed while on duty in 1988. The ordinance authorizes the city of Portland to submit an application to the U.S. Department of Justice DOJ, Office of Justice Programs, Bureau of Justice Assistance, for the Edward Byrne Memorial Justice Assistance Grant Program Year 2016 Local Solicitation. The JAG solicitation requires the city to submit a joint application for the aggregate eligible allocation to all municipalities, and to act as fiscal agent for the grant. The 2016 JAG funds will be made under the desperate certification to the city of Portland, Multnomah County, and the city of Gresham. As part of the required solicitation review process, the police bureau posted the grant solicitation and the bureau contact information on the city's police bureau web page on May 17 of 2016. Visitors to the site were able to view a description of the grant program, the solicitation, and contact information. The solicitation was removed and the draft application posted on June 18th, 2016, visitors to the site were encouraged to contact police fiscal if they had any questions or concerns about the application or the application process. DOJ has notified the city that it will award a grant in the amount of 465,810 with no match requirement. The award is allocated based on a statutory formula, provided by the Bureau of Justice Statistics. The city of Portland will receive 220,291. Multnomah County will receive \$173,088. The city of Gresham will receive \$72,431. The police bureau used \$220,291 in JAG funding for the following items -- to hire one crime analyst for the police bureau detective division for approximately 15 months at a cost of \$110,291. Dave is going to talk more about that.

**Meyer:** Good afternoon. We will purchase this crime analyst for 15 months, they will compile and maintain and integrate and analyze findings on criminal intelligence as well as statistical data information. It will be used to support criminal investigations by providing crime trends or links within the investigation with the overall goal to reduce the criminal activity impact in the community. So the best example really is serial robbers, vast majority of the convenience store robbers are done by the same people, so we'll be able to take all this information, put it into a computer, the crime analyst will spit it out and tell us who the proper is and where he's going to hit next and we'll be there, too, for all the crime.

**Hales:** That's a good theory. I hope it works. So that's the kind of situation that we'll use, the analyst capability for is when we have got a pattern or there is an apparent pattern to do the work to, actually, make it real, accumulate the video evidence or whatever else

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might be out there.

**Meyer:** Help us identify links between multiple crimes and suspects and try to find where they intersect.

**Hales:** Other crimes that you would focus on?

**Meyer:** We do not currently have a crime analyst so whatever, whatever goal, I mean, if you had a crime with multiple suspects or --

**Hales:** The big issue is bike theft and a pattern there?

**Meyer:** Yeah. We just got region onboard so I don't know how the programs would talk.

**Hales:** Ok. Questions? Questions for these folks on this good idea? Ok. Thank you both. Anything else, Catherine?

**Reiland:** Yes. We have a few more pieces of information here, the second thing we're going to use funding for is to contract with the life works northwest to coordinate the treatment, temporary housing, counseling, and training opportunities for individuals involved in prostitution related offenses at a cost of \$110,000 for the new options for women program for approximately 11 months. Multnomah county agencies decided individually to use 173,000 in jag funding for -- to retain a .43 fte north neighborhood deputy district attorney for 12 months, to retain a .44 fte parole and probation officer, at the department of community justice for 12 months, and to purchase signage and equipment for the sheriff's office at a total cost of 57, 69,96. The city of Gresham police department will use their allocated portion of the jag funding to purchase equipment for their investigation's unit. Intergovernmental agreements will be executed by July 22, 2016, and with Multnomah county and the city of Gresham in order to obligate agencies, agency roles and responsibilities. The grant agreement will be executed with life works northwest in order to obligate agency roles and responsibilities. Once the grant is awarded in September of 2016. This public governing body review of the grant application document and the related intergovernmental agreements provide an opportunity for the public comment and involvement which satisfies the requirement of the jag grant solicitation process. Thank you. Any other questions?

**Hales:** Thank you very much. Thank you both. Further questions? Thank you very much. Ok. Anyone want to speak on this item?

**Eng:** Good afternoon, council, I am Mary eng, and I went to, to thank you very much, I found out informative and interesting, I wanted to speak on measure 726 regarding the united states department of justice, office of justice program, bureau of justice assistance for a grant in the amount of \$465,810 for the Edward Byrne assistance grant program. I wanted to reaffirm that Edward was a New York officer who died in the line of duty in the 1988. This is the memorial justice assistance grant program for the fiscal year 2016. The local solicitation to assist the Portland metro area law enforcement and criminal justice community to prevent and reduce the crime and violence. I want to affirm what the officer said this morning at Starbucks. They need almost double policing. I said if this was Beverly hills how many cops would you want on the ground proportionate to the population, and they said double so they would want 2000, I am not too sure how my anarchist friends would feel about that but in a dream world we would have complete peace and harmony, and they want more time to talk to people. And I think that we also need 2000 social workers on the ground doing the job that we asked the police to do so this is limited in the scope and I want to keep my discussion as germane to your acidulous desire for pertinence. But the larger issues with this are that lifeworks is critical. It is cutting edge to be helping women in human trafficking, that does not look like enough for me, and I want to thank Reiland for her fiscal management because I think that preventative legal assessments could root out egregious lawsuits such as may arises from the o'day shooter, the neo-Nazi, and the sexual assault in the previous cases I mentioned, with Lindsey hunt

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and Rachel Andrew and that preventative legal management, such as richard [inaudible]'s book the end of lawyers could tailor or response for protecting our precious finances.

Thank you.

**Vanderlyn:** Good afternoon. I am artist Laura vanderlyn, and I want to make a, an inquiry about the use of, of hiring a crime analysis. The term was purchase of a crime analysis. That translates to me as, as profiling. You are hiring somebody to profile. That's crazy to me. We don't need to hire a crime analysis. We can see where the -- I think the other words that was used was crime trends. There is a trend here in Portland. It's called hiding and abetting. We have four police officers, or police officials, Donna Henderson, mike Krebs and bob day and Kevin modeka. Chief o'dea. Also you, mayor hales, because you were hiding that information. There is the trend right there. It is with the officials. You are setting the examples for criminals, and the criminals are the officials, and it trickles down to the police, and the police work with criminals all the time. They like snitches and informants. And those usually are criminals. They teach the police how to commit crimes and then they, they go and they teach the community, and they take it into schools and take it into our communities and they commit crimes there and they rape women. We don't need crime analysis. It is easy. All we need to do is look on the internet and come here and listen to you and read the paper and the trends are there, and you guys are the criminals. You are setting the trend. Thank you for your time.

**Lightning:** Yes, I am lightning and I represent lightning watchdog pdx. One of the studies I guess brought up was on the serial robbers at different stores. Again the real issue I guess to really again focus on is to make sure that we don't have recidivism from the jails itself on people just going in and going out, and one of the things that I guess that I want more focus on is that on the lead program, they are doing in Seattle, if I want an emphasis on, I noticed that for Multnomah county, they are looking at a deputy district attorney parole officers, and I understand that's what they need to be able to implement that program so I want to make sure that those studies are in place to maybe do that program, start focusing on additional funding for that program. Just pertaining to the serial robbers, the hot spots of the city, your studies will be looking at, is what are we going to do for those people to reduce their need to have to rob these type of stores? That's what I want the focus to be on and that's what the lead program is focused on is to educate people that know it's not going to be necessary to do that, and this is what we're going to be able to show you some other options. Thank you.

**Hales:** Thank you. Thank you very much. This is a non-emergency ordinance so passes to second reading. 727.

**Item 727.**

**Hales:** Commissioner Fish.

**Fish:** We can do this in less than five minutes, pleased to welcome Scott Gibson and Dan Hebert. Portland's water collection system includes nearly 100 sewage pump stations that help move the wastewater to the treatment plant, just as many miles are aging and in need of replacement. Several of the pump stations need to be upgraded. This ordinance would authorize a request with brown and Caldwell for the remodeling of the force avenue pump station, which pumps sewage from the hate, from Hayden Island to the treatment plant on Columbia Boulevard. Scott take it away.

**Scott Gibson, Bureau of Environmental Services:** Thank you. If you don't mind we have a presentation, which we can give, otherwise I am here to answer questions or would you like me to go ahead.

**Fish:** If we can do it quickly.

**Hales:** Sure.

**Scott:** I will turn it over to Dan in charge of the pump station engineering program. He's

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also the project manager for this effort.

**Hales:** Welcome, Dan.

**Dan Hebert, Bureau of Environmental Services:** Mayor Hales, Dan Hebert again, project manager. The pump station is one that's in north Portland, constructed in 1974. Sewage pumps and mechanical support systems, have not been upgraded since that time. They well exceeded their normal service life which is 25 years for raw sewage pumping equipment normally. And the systems analysis group is going to be indicating that we're going to need a pumping capacity somewhere in the range of 1500 gallons a minute in the future to meet the future demand. The second slide is a depiction of the service area the pump station services. And also there is six other pump stations on Hayden Island and Tomahawk Island that deliver flows to the pump station which delivers flow to the Columbia River treatment plant.

**Hales:** Can you look at that? I have a question which you may be addressing and that is are we sizing these pump stations now based on the comp plan that the council adopted last week? I hope so because we up zoned that area of Hayden Island to be not low density strip mall retail. It generates little sewer demand but to be mixed use, midrise development which will generate quite a bit more, not just in that spot but city-wide, are we sizing the stations for the anticipated scale of the city?

**Gibson:** Yeah, I would say typically we do size it based on the comp plan, the work done to identify the project was done on the old comp plan, so we're just getting started so there is plenty of time to update that.

**Hales:** Yeah. There are going to be a lot more people living there and not just shopping there? In the future?

**Fish:** We'll make sure that we do some estimating on the euphemism. The additional flow.

**Hales:** More flow than target.

**Hebert:** We'll have a point of opportunity in the predesign phases of the project to revisit the flow modeling aspect. And again just briefly, the proposed upgrades to the station are to improve the site layout for better operation of maintenance excess. The photo on this slide shows it as it exists now which is very constricted and bounded by sensitive environmental areas. They are going to be hard to deal with, and then the scope of the project, will replace the entire station with new pumping systems and electrical control systems and provide standby generator service for the station. And a new electrical control building. Just very briefly the cost overview of the life budget for this project is 5.127 million. The contract we're appropriating today requesting the authorization for with Brown and Caldwell is 1,074,370. And a balance of that project to cover all the other cost of the project and permitting and regulatory construction and contract is 4,052,630.

**Hales:** The 5 million is all in assuming construction, but you may have to just -- if you have to up the budget to build a bigger pump station please do.

**Hebert:** We'll be looking at that in the preliminary design phase. Just some environmental and regulatory issues briefly. We will deal with the bureau of development services on land use and additional issues and construction permits. The department of environmental quality has approval to construct authority dealing with the transportation, with the city for opening permits and traffic control, and the department of state lands and the U.S. Corps of Engineers because there is wetland areas on two boundaries of the site that are going to be dealt with. The project schedule briefly again, recognizing we may need to revisit the sizing of the pump station for the preliminary design, and to complete the design in April of 2018 and start construction in August of 2018. Complete the construction in October of 2019, and complete the start-up closeout phase in December of 2019 and go into the routine operations of the new pump station. Thank you.

**Hales:** Great, thanks. Thank you very much. Other questions? Thank you both. Testimony.

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Ok. Let's see if this is --

**Fish:** Second reading.

**Hales:** Second reading, ok. 728.

**Item 728.**

**Hales:** Commissioner Saltzman any comments?

**Fish:** I have an amendment.

**Hales:** Ok. So let's take up the amendment please.

**Fish:** Colleagues let me hand down the amendment, which has been discussed with your offices. We have had testimony, and the interest on the counselor looking at the question of brownfields and whether there should be an appropriate exemption, it became clear to us in our review of this matter that it's too complicated an issue to resolve at this stage of the proceeding. As we learned there are good brownfields and bad brownfields. There is all kinds of geographical issues and other concerns, so in lieu of proposing an outright exemption, or a flexible process to determine whether an exemption is warranted my amendment would direct the bureau of planning and sustainability working with the bureau of development services to monitor this tax and to effectively come back to council within a year with any recommendations to the extent that we identified the tax as a barrier to the rather ambitious brownfield remediation program the bureau of planning and sustainability would give council options for how to mitigate that which would include an exemption so I offer this as an amendment.

**Hales:** A second? Further discussion of the amendment? Roll call on amending the item.

**Saltzman:** One question. So the last sentence says the bureau shall present council with options, do you mean the housing bureau.

**Fish:** The bureau of planning and sustainability.

**Hales:** The original bureau mentioned in the amendment. Ok. Roll call on the amendment, please.

**Fish:** Thank you, colleagues. I know there are some that want us to go further and others skeptical of us putting our big toe in the water on this one but I think that the -- in light of this substantial reliance that we placed on the brown field remediation as a part of the comp plan and the economic opportunity in the analysis, I think that it is important that we make sure that this does not become a further barrier to achieving the rather ambitious goal that we have for converting the brown fields to a productive use, and this gives us an opportunity to revisit this later when we have historical experience, with this particular cet, aye.

**Saltzman:** Aye.

**Novick:** Thank you, commissioner Fish, aye.

**Fritz:** Thank you for working out that. Aye.

**Hales:** Aye. [gavel pounded] and now on the item amended, roll call.

**Fritz:** Before we do that commissioner I remember if we did it as an emergency it would go into effect like right now so we would have to call the permit center to have them do it right now. So I am wondering if we wanted the second amendment to say that the implementation date is July 1. So that you have a time, to give you a time, your staff time to figure -- to get it down.

**Saltzman:** The date is intended to be august 1.

**Fritz:** It still is?

**Hales:** Yes.

**Ben Walters, Chief Deputy City Attorney:** This is a revenue-raising measure and cannot be adopted as an emergency. It needs to pass to second reading.

**Fritz:** It will go into effect on august 1? Was that the intent?

**Hales:** We passed it as is it goes into effect august 1.

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**Walter:** If you passed it as is next week it would go into effect before August 1.

**Hales:** It is on second reading today. We cannot pass it today?

**Walters:** You just amended it. Now it needs to pass again.

**Fish:** If it goes to a second reading tomorrow it meets the August 1 deadline.

**Walters:** You would need to pass it to next week. The charter requires you to pass it over and then it would still go into effect before August 1.

**Hales:** So this, this is carried forward for second reading next week.

**Fritz:** Thank you.

**Hales:** 729.

**Item 729.**

**Hales:** Commissioner Novick.

**Lance Lindahl, Portland Bureau of Transportation:** Lance Lindahl right-of-way acquisition before you today is a proposal to vacate the southwest Florida Street, southwest 45th Avenue. This right-of-way provides secondary access for the adjacent property owners and does not connect to any other public rights-of-way, the portions of southwest Florida Street and 46th Avenue to the immediate west were vacated at the request of St. Lutheran Church, the proposed vacation has no transportation improvements and the records indicate it has never been open to vehicular traffic. The street proposed for the petitioner to accommodate future height, higher density development, of the residentially owned properties. The eastern one foot of southwest Florida is retained to accommodate a new sidewalk through the local improvement process. A temporary construction easement is being reserved over the easterly ten feet of vacation area and to support the construction of that project. If you have any questions I as well as other members of the city staff are here to answer those for you.

**Fish:** I have never heard a more thorough presentation. [laughter]

**Fish:** I cannot imagine any questions.

**Lindahl:** I aim for being concise.

**Hales:** Thank you, Lance. Any other questions if Lance? I know that there was some folks waiting patiently for this item so did you want to speak on this item folks? Folks affected by it? Or just want to get it done. Ok I think they just want to get it done. All right. Anyone else?

**Fritz:** My understanding is the Maplewood neighborhood association has no objection.

**Lindahl:** That's correct. They were mutual on it, they have noised some concerns about it but the heart of the concerns has to do with the future zoning for this area and the density of the use, in my opinion it does not seem to be related to the vacation proposal itself.

**Hales:** All right. Thanks for your work and pbot's work to get this done with the cooperation of the property owners and this will come back for second reading next week. Thank you. 730.

**Item 730.**

**Hales:** So anything, you want to turn it over to the team?

**Novick:** I will turn it over.

**Hales:** Welcome, group.

**Sherree Matias, Auditors Office:** Good afternoon. I am Sherree Matias from the auditor's office.

**Mike Zeller, Portland Bureau of Transportation:** Mike Zeller, a sidewalk inspector with maintenance operations.

**Chris Rawlins, Portland Bureau of Transportation:** Chris Rawlins public works supervisor.

**Matias:** This ordinance is for sidewalk repair on the property, required by the city. The remonstrance's have been pulled and not in this ordinance.

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**Hales:** Ok. Questions? That may be the most succinct presentation yet. Anything else that you want to add? No questions? Anyone here want to remonstrate on this item? If not it passes to second reading next week. [gavel pounded] thank you very much and we're recessed for 55 minutes until 2:00 p.m.

**Fish:** The afternoon is listed at a three-hour hearing do you have a sense of how much --

**Fritz:** From my perspective it's not going to be a lot of testimony but I think that others have invited a lot of people to come.

At 1:07 p.m. council recessed

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

This file was produced through the closed captioning process for the televised City Council broadcast and should not be considered a verbatim transcript.

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

**JUNE 22, 2016 2PM**

**Fish:** Welcome. Karla, would you please call the roll?

[roll call]

**Fish:** Okay. We have a single time certain. Karla, would you please read it?

**Item 731.**

**Fish:** Thank you very much. Commissioner, Amanda Fritz

**Fritz:** Thank you president fish, if I could have my staff and those come on up please come on up please. What we have before us today is a proposal for a ballot measure for voters in November that would establish a 3% local tax on sales of recreational marijuana for businesses operating inside the city of Portland. The state legislature currently tax's recreational marijuana sales at dispensaries at 25%. That will be lowered to 17% in 2017 meaning that a 3% tax will set the rate of 20% for Portland businesses for recreational sales. Of course this council has previously decided not to tax medical sales, medical sales will continue to be tax free under this proposal. It's important to note that a 20% tax is significantly less than what businesses pay in Washington which is 37% or Colorado, where the tax is 28%. Note that earlier this month the City of Beaverton voted to refer 3% tax in November with revenues dedicated to impaired driving resulting from impaired recreational marijuana use. And many other cities around the state are determining whether or not to refer a tax to the voters. The reason we're all thinking about the 3% tax and referring it to the voters is because that's the maximum that the state allows for and it requires us to send it to the voters in an even year. That's why a number of jurisdictions are proposing a 3% tax. The 17% tax that the state will be charging starting in January, the city only gets 10% or 1.7% of the state tax will supplement the police budget for enforcement. Council will remember that we have chosen to set permits for recreational marijuana businesses on a cost recovery basis, which will be reviewed annually and make sure we continue to pay cost for service pay no more, no less. Our colleague in the revenue bureau anticipate that a 3% tax could yield around \$3 million a year. We are proposing that council should identify and allocate this money to three dedicated areas in the annual public budget process. So there will be a fund in which the money would go to and could be used for specific purposes identified in the code and the ballot measure. The ballot measure's more likely to pass if there's a nexus between the source of revenue and its dedicated uses. This meets my long-term value of looking at who pays, who benefits and considering whether that is fair. Closing with remarks, I'd like to read from mayor haless speech in October of 2014 when the council unanimously passed a 10% tax of recreational sales without a vote -- without referring it to the people. We were hoping to get in before measure 91 passed and -- we've never enacted that tax. I will have to mention that I'm wearing green and gold, not because of the timbers, which is my usual reason. But because of course green for marijuana and the proponents of measure 91 promised there would be taxes to help support services and was one of the many reasons people supported the ballot measure. Mayor haless said when we were doing the last tax in 2014, we've been down this road before, long, long ago and alcohol was illegal and then it was legal and regulated through the state through the Oregon liquor control commission. In

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theory, that wouldn't necessarily put any more cost on local government. In reality what we found is that the intersection between liquor and neighborhoods means there are cost to the city, there's a cost between negotiating friction between loud bars and neighborhoods. There are costs associated with people who drink too much and get in the car and cause an accident. We do know that no matter what the state legislation says, we will have to pay some of the community costs. This time around, it may be possible for us to be -- this doesn't make sense. In the script from the -- this time around, it may be possible for us to say we intend to collect a reasonable tax to pay for some of those costs. So that was very prophetic on behalf of the mayor. To discuss the projected revenues, Claire Adamsick sr. policy advisor on my staff and Thomas Lannom, the director of the revenue revision will show the proposal.

**Claire Adamsick, Commissioner Fritz Office:** Good afternoon, commissioners. I'm a senior policy advisor for Commissioner Fritz and her liaison to the office of Neighborhood Involvement.

**Hales:** Claire, please take the full two minutes.

**Adamsick:** Thank you, I will. [laughter] as the commissioner mentioned, in 2014, before the passing of measure 91, council unanimously adopted a 10% tax on sales. It forms the basis for the code which will be amended, as shown in exhibit a-1 in your packets.

**Fish:** Can I just -- Commissioner Fritz, can I get clarification? My understanding was we put a placeholder for a 10% tax in because we had been told that legally, it would strengthen our position. I remember us taking official position, but we were encouraged that strategically this would put our foot in the door to make that decision.

**Fritz:** We actually adopted code to how we were going to collect that tax and that's why this is an amendment of that code. It's currently in city code. We never moved to collect it cause of things the legislature did.

**Fish:** That's not quite my recollection. But, go ahead.

**Adamsick:** The two primary areas are 6.07 and 5.04. The key points in 6.07 that will be amended are reducing it to 3% and reflect language that is needed to meet the state statute. Clarifying the exemption on the sales to medical marijuana cardholders and allowing for the city to have an intergovernmental agreement to administer the tax, if that makes sense, once the state's program has been established. Finally, the new code language in chapter 6.07 identifies city services which can be allocated through the city's public budget process. The second code amendment adds a new chapter to 5.05 and that is to manage revenues. Late last fall, in late September, the council adopted the city's marijuana's policy, there was public acknowledge that the cities -- of the city's constraints in addressing anticipated health impact of alcohol and drug consumption. From the marijuana industry, public health field, and the community at large shared dedication on wise use, reducing access for minors, support for first-time business owners and programs to support drug and alcohol treatment. The marijuana policy program is a cost recovery based program. Licenses fees cover permitting and compliance team. For current reference, the current numbers on marijuana businesses in Portland who are selling or have applied to sell marijuana to recreational is 111 they met the distance requirement exception and have, you know, are an operation and are selling recreationally. So the Oregon state statute, that allows -- it allows cities and counties to put 3% on the ballot. This is not the verbatim. But the summary of that language. That gives that directive to cities and counties. This is the city's first time to be able to have this. At the same time, collaborating with members of the marijuana industry who will shoulder that administrative burden. So, with input from the industry and the community, we've determined three primary areas to which potential tax revenues. One is drug and alcohol treatment programs. This could include the service for things like the service coordination team

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under in police bureau's behavioral health unit. In the upcoming fiscal year, they have dedicated \$1.7 million, including two full-time staff. It provides housing and treatment services for chronic drug property crime offenders and offers 60 places for low barrier and alcohol and drug-free housing. Other funding could be directed to partnerships to support rehabilitation and employment-readiness training and we'll hear from some of those providers in testimony today. The second area is public safety. Support for police -- things like support for police, experts who identify drivers under the use of marijuana. Support for firefighter paramedics and safety infrastructure projects. With a focus on potentially on support for vision zero, which including speeding, disobeying traffic laws. The third and final area is support for innovative neighborhood small businesses. This could include, just as examples, business incubator such as pcc climb. Economic opportunities, as well, for people impacted by cannabis prohibition, one of the issues of market entry is the expungement of their past records. Allocation of the funds will be based on actual revenues and council will determine how and where to dedicate funds in the annual budget process. Thomas will share the specifics on the revenue estimates.

**Fish:** Claire, can I ask a question? The assistance to small businesses, it wouldn't be just to businesses in the cannabis industry?

**Adamsick:** There are a number of emerging industries. You could look at areas that consider themselves craft industries.

**Thomas Lannom, Director, Revenue Division:** Good afternoon, I'm Thomas Lannom, the director of the revenue division. Regarding that revenue estimate, a number of governments and even private research firms have attempted to model revenues of proposed legalization and sales tax regarding marijuana and have largely failed to accurately project that avenue. Most have been quite low in their projection. We modeled ours on the city of Denver, Colorado, because they are similar in size. We made adjustments for population and the differences in the tax rates so we with leave the low end would be about \$3 million. It could range up to \$5 million, potentially more. \$3 million should be pretty comfortable. That's the numbers you see. With respect to administration of the tax, it would be comprised of two components collection expenses themselves and then the fund administrative expenses. With collection expenses, the hotel/motel is the most similar. In fact, it's very similar to the proposed marijuana tax in terms of size and complexity and structure. It could be collected similarly in the range of \$150,000 to \$250,000 annually. This included part-time onsite security for the large cash admittances. As you know, it's an all cash business. A number of things are being brought up. They are trying to assist with the financial transactions and get out of the cash arena so that kind of security would be necessary. There's a one-time start-up cost of \$1,000 to \$15,000. So as Claire said, while the revenue division can and will collect this tax if necessary, we believe the best collection would be the state of Oregon under ors 305. Centralized collection should allow for the least administrative burden for marijuana businesses and government across the state. The league of Oregon cities is with the department of revenue. It remains unclear what terms the state will offer the league and by extension, all cities in Oregon. The primary points include the costs and terms and conditions of collection, administration and enforcement. It is likely the state will want to adopt a uniform set of regulations and rules so the individual cities are expected to be quite limited. A go, no-go decision will require a cost benefit analysis of the city verses state cost. If it is voted to -- it is passed by the council, revenue will take a more assertive negotiations with the league and the Oregon department of revenue. That's one of the expenses related to the administration of the tax, the collection. That was that piece. The other expense is related to the administration of the fund, itself. So the fund expense is general overhead, which amount to \$33,000 per year. These are required by city financial policy. Fund accounting and audit

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services, disbursements and transfers, preparing the annual report on fund revenues and uses. Possible contract administration, if external agencies contract for some of the funds. Annually budget requests and related public and partner involvement, if that's desired. The total cost would be about \$50,000. Could be less, but wouldn't be less than \$33,000. Those fund level administrative expenses would exist whether or not we contracted with the state to collect because the state collection fees would be a separate matter. So, that concludes my remarks with respect to revenue.

**Fish:** Claire, to what extent do we have to resolve these questions now and to what extent do they impact, sort of, commitments we make to the public about the overhead and the cost of collection?

**Adamsick:** So, when you were talking about commitments, you're talking about commitments to funding allocations?

**Fish:** Thomas went through whether we go with the state. How we administer and collect the tax. To what extent do those issues have to be resolved before we make a vote on a referral?

**Adamsick:** My understanding from conversations with the city attorney and Thomas and his team and the language that's provided currently in the code, is that it allows for that opportunity to enter into that relationship with the city --

**Fish:** Questions, colleagues? Do you have another panel?

**Fritz:** We have Andrew Scott, the budget office director, who has to leave in a little while so if anyone has any questions for the city budget office.

**Fish:** Andrew, why don't you come forward?

**Andrew Scott, Director, City Budget Office:** I don't have any prepared remarks. I'd be happy to answer questions.

**Fish:** The primary issue here is the current language gives us broad latitude to allocate the funds into sort of general categories and then makes the council do the budget process, the final decider. You're the independent budget office. Is there anything in that mechanism that gives you any heartburn?

**Scott:** I think this process will work. As the city budget director, I always advocate for broader flexibility. I think since we don't know what future priorities will be, I think it's better for revenue to come into the city that council will have more discretion about how to spend those and that's always my position. The allocations here, it's worth noting, they will go into the recreational marijuana tax fund so it will be a separate fund. But it will go through the normal budget process. I think the idea is that decision packages will come forward in terms of how the money that's in that fund gets allocated into these categories. The categories that are there -- although they are limiting. So, it does allow some flexibility

**Fish:** Just to be clear, as I read the text, you make -- you've been clear in your statement that this doesn't go into the general fund. It goes into a separate dedicated fund. If this passes and the funds are generated and the council chooses to use the funds to invest in the service coordination team, it might end up that it frees up general fund money for other purposes, correct?

**Scott:** I think that's correct

**Fritz:** Thank you very much. We have two panels, Jessie Horton from the minority cannabis association and Geoff Sugerman. Thank you for being here and partnering with us.

\*\*\*\*\*: Commissioner, I'm not here on behalf of th--

**Fritz:** Sorry.

**Fritz:** Sure, if you'd like to clarify that. Jessie, I know you're here representing your organization.

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**Jessie Horton:** Yes, thank you very much. I'm representing being a business owner. My name is Jessie Horton. I'm here as a business owner. I'm Portland, but the chairman of the minority chairman of cannabis association. I'm not a fan of taxes, but all for paying my share, especially if the taxes are imposed in a fair, responsible manner. Understanding what fair and responsible really means takes a lot of thought and different input, both different perspectives. So as a result, I would like to thank Commissioner Fritz, as well as her office and her staff. Doing just that and making sure that we had different perspectives. Cannabis legalization affects so many aspects of business and community, many of which have been addressed. Public safety and health, child care, economic prosperity. This is even allocated for things that are worthy causes, that aren't directly tied to cannabis, firefighting and innovative business assistance, which I all very important things within this allocation. However, one issue that directly related to cannabis reform, that not one city in the united states of America has addressed yet is the fact that everywhere across the country, including our great city of Portland, Oregon, cannabis prohibition enforcement has disproportionately affected our communities of color, playing a role in mass incarceration. This has left so many communities in our city and so many families with unjust hardships. Many that are struggling, they're still struggling to overcome. Economic hardships directly related to having difficulty getting a job with cannabis-related charges. Luckily, now, I'm in an industry where it's not that much of a problem. Educational hardships. Unfortunately, as it related to one of my cannabis charges, I had a scholarship taken away from me and sit out of school for a year and work to get those funds back. That's happening all over the country. Disenfranchisements, voter rights, feeling like you're under the gun when it relates to criminal justice enforcement. By voting on this measure, amongst other things, will assist with criminal record expungement and education for communities affected by cannabis enforcement. Our city has a believable opportunity to make a historic step and be a model for fair canvas regulation. I really -- I'm all in favor of this language. And, thank you, again, for taking in so many different perspectives.

**Fritz:** Thank you so much.

**Geoff Sugerman:** Mayor haless, my name is Geoff Sugerman I am here representing my employer ground works operations. Happy to report that this week, we received our first city of Portland business license for our medical dispensary. We are also applying for processor and production licenses and hope to open a second retail store in the downtown area in the next few weeks. Before discussing the ordinance, I do want to say that my frequent experiences have been positive. I found the staff there to be professional and responsive and very courteous. They have a very difficult job. We, as applicants, have a difficult job. The licensure process is more demanding and significantly more expensive. The program and process is working here but we think it can be improved. To the ordinance itself, I think commissioner Fritz did a nice job of outlying where the tax is at present, with the overall tax rate going down a total of 5%, I think you will see little opposition from cannabis consumers or cannabis businesses about the implementation of the tax. This was well-discussed over the last two sessions and we all came to a broad agreement about the structure going forward and frankly, we've heard little mention of the tax rate in the shops that we now have open right now. We did pass legislation to insure that no medical patient ever pay a tax on a recreational olcc store or in a marijuana dispensary. It's appropriate to ask voters if they want this tax. As far as the allocation of those resources, you've heard about the three broad areas. We think that the language in this ordinance is sufficiently broad so the tax dollars can be used for a wide range of items. We in tend to participate in the budget process and we will be glad to work with all of you, as you make decisions moving forward. If we are going to use some of those dollars, cannabis dollars, to help those who have been disproportionately affected by cannabis

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prohibition, I have a couple of areas I'd like to outline. Expungement and job training. Helping the citizens do this will free them to find housing, get jobs and rid their lives of the stigma of felony convictions. And I think it can be done pretty cheaply. On the area of drug treatment, if the city can use cannabis tax dollars to aid in preventing drink driving or assisting the county for alcoholism or opioid abuse. Funding police services might be difficult. Rather than debate the merits of that, I do want to ask you to consider that these legal marijuana shops are offsetting costs. Not having to site or arrest marijuana users frees up time. Additionally, we are seeing that about \$15 million is being spent each month by consumers, buying at seven grams at a time. And that's a significant amount of money and in fact, it means that these pot shops have become our frontline defense against black market sales. Portlanders are willingly come into the shop. They have a safe and legal place to go. I have heard situations where police were call out to any of the dispensaries and I think it will be interesting to see trends and arrests and reports on marijuana-related charges. Let's please at least recognize that these businesses are a growing part of the solution and that they are really not much of a public safety problem at all.

**Fritz:** You'll be participating in the extensive and robust office of neighborhood budget process, so that's a discussion we can have them.

**Sugerman:** The fourth area is job and job training. We are seeing a growth in jobs and that will accelerate. Any funds we can use to make sure the small, family-owned businesses are successful will represents huge wins for our neighborhoods and downtown and for the people we are directly impacting. We are gratified that we have opened up an ongoing dialog with Commissioner Fritz, and how to improve the licensing program moving forward. Finally, just to say our cannabis businesses are already paying dividends and jobs and public safety. Now cannabis consumers are going to pay a tax to the city and we can accomplish a lot of goals if we use these tax dollars wisely.

**Fritz:** Thank you very much.

**Matt Walstatter:** Mayor haless, members of the council. I'm filling in for Amy. I'm a member of the cannabis association. We live in northeast Portland with our son. I'm here to testify on the marijuana tax on behalf of the association, which is Oregon's leading association. The timing should not put more pressure on the legal market to compete with the illegal market. They applaud the city for the timing. The most effective way to combat the illegal market is to support the legal market. However, I would like to take a moment to reflect on the history and ability to enact tax on cannabis. The Oregon Cannabis Association worked during the 2015 legislative session to balance the interest of local government to enact up to a 3% tax, with the interest of cannabis businesses for a limited framework for time, place and regulations. This was seen as a compromise to meet the needs of local governments, meet the needs of cannabis business community and avoiding excessive or punitive taxing and regulation, as well as to provide incentive for local jurisdictions to allow cannabis businesses. They city of Portland have adopted one of the most extensive ones in the state. We found it difficult to navigate the processes. Other challenges are based on the hyper intensive regulatory process. It far exceeds what any other business needs to go through in order to be allowed to operate. I have never applied for a liquor license, I did look on the web at had requirements and I've attached a comparison of what it takes to get a liquor license versus a cannabis license. We are requested greater transparency in the marijuana management program. We are hopeful that the city website would post regular updates, including the number of marijuana applications file and processed. The number of licenses granted. The number of licenses denied. The revenue generated from licenses and fees and the cost of the program and the number and nature of complaints filed against cannabis businesses. They want to remove the unnecessarily requirement for offsite storage. In some cases, businesses are located in buildings where there is simply

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not the technology to meet this requirement at all or in a reasonable affordable way. Cannabis businesses be given a regulatory framework adult engagement. It is time to integrate cannabis into the community. We hope if there are necessary changes to state law to allow for greater flexibility, we can count on the city to be a good partner in advocating for these fixes with the legislature. The city is under time constraints regarding a referral to voters. The quick turnaround from the tax proposal and the deadlines were too quick for us to take a formal position. Although I will say, it seems very unlikely that we would come out in opposition of the tax. We appreciate and acknowledge Commissioner Fritz for meeting with us, to create funding to potentially support cannabis businesses or criminal justice reforms, trying to address the aftermath of cannabis prohibition. Hopefully some of the discussions will lead to open lines between the city and cannabis businesses. Thank you for the opportunity to testify.

**Fritz:** Thank you very much. And on the record, yes, we will continue to collaborate and to address the issues you are concerned about.

**Walstatter:** We really appreciate that.

**Fish:** I have a question off of your testimony. Let's put aside the question of the tax and let's just go to the regulatory side. So, we've adopted a regulatory framework, we're test-driving it. You have concerns about the balance we struck and perhaps some suggestions for how to streamline that. What is our mechanism under this framework for doing that, Commissioner Fritz? What's the recap process, if you will, that applies to this? And when are we engaged about this?

**Fritz:** Thank you for the question it would be the same as any other bureau that the commissioners are in charge of. The commissioner in charge will work with people who are concerned. When we did the initial regulations last fall, I ran out of -- was it five different hearings we had? As soon as we have something we won't wait for a recap-type package. We won't wait for a once a year -- if we have something that needs to be amended, I'm committed to getting it in front of council as quickly as possible.

**Fish:** Since we're -- this is an experiment that's unfolding that we may want to consider a work session and talk about where are we, how is this working and if there are suggestions that are coming to -- either to you or through us for improvements, we could have a group discussion about that.

**Fritz:** We certainly could. There's the marijuana policy oversight team that's meets regularly. If you would like to sit in on any of their deliberations that's a mixture of industry and neighborhood folks. They are going to be forwarding suggestions to me, like other advisory committees that we have.

**Novick:** I would appreciate a work session. Because, for example, I wasn't aware that Eugene has no regulations, other than regulations that apply to businesses in general. So I'd be curious to hear about people from Eugene.

**Fritz:** We can certainly do that

**Hales:** Thanks very much.

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

**Fritz:** I was reflecting that if we did that in the fall -- hopefully this tax is referred and we're not allowed to campaign for it on city time like this video if we were to have an unrelated work session that might be an opportunity for people in the public to learn more about the program. Yes, we have one final panel. Thank you very much, both of you, for joining us today.

**Hales:** Welcome.

**Rachel Banks:** I'm Rachel banks and I'm the director for the Multnomah county health department. Thank you for the opportunity to be here today. They support the city of Portland for the process and resolution. We appreciate the opportunity to speak from the

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perspective of public health. Over the past year, Multnomah county health department staff have been working closely with the city of Portland's neighborhood involvement. We're eager to continue this partnership with the city of Portland to protect the public's health. Last fall, you may remember our health officer, Doctor Jennifer vine addressed you. She shared public health priorities for marijuana legalization. It including things like treatment for addiction and accidental poisoning. Some of the issues we've been tracking is driving under the influence of marijuana and the use of marijuana and the perception about health impact. There's still a lot we don't know about marijuana health impacts. Driving under the influence of marijuana increases the risk of crashes. People who ingested both alcohol and marijuana were particularly impaired. We recognize the challenge police officers face. We believe this needs outreach and education. 21% of 11 graders reported using marijuana in the past month. This is higher than the state of Oregon and the nation overall. 2/3 of 11th graders said it would be easy to get marijuana if they wanted to and this was prior to marijuana legalization. We know that teens think that more of their peers are using marijuana than actually are. Clearly, there's much work to be done to reach youth. We've been in close contact with our colleagues in Colorado, Washington and Alaska for protecting the public's health we would welcome the opportunity to share what we have learned from our colleagues in the scientific literature and welcome the opportunity to share challenges and gaps with folks getting the treatment that they need. We compliment the city of Portland of selecting mental health as an area that needs more resources. We welcome the opportunity to work with you, as a local public health authority as you refine considerations. I appreciate the opportunity to provide testimony and would be happy to follow-up with any questions you have.

**Fritz:** We appreciate your partnership and shared commitment.

**Hales:** Good afternoon

**Marie Whacker:** Good afternoon, mayor hales. I'm the chief executive officer for de Paul. We do treatment. 20% of our 2,400 people are the city's homeless. We offer the full continuum of care from medical detox to residential today treatment and outpatient services. We believe that addiction is a disease and treatable like any other and in fact, treatment works. Like treatment does for any other disease. We employ about 170 and our budget is \$13 million. We have three locations two of which are in the city our adult located at 13<sup>th</sup> and SW Washington downtown. Our youth location is on 42<sup>nd</sup> NE killingsworth. 90% of adults addicted today started using under the age of 15. At de Paul's youth facility, we serve 12 to 17 years old. They have a primary drug of choice of marijuana. We anticipate, although it's too soon to tell, there's a slight uptick in facts, about 1% to 2 percentage points. This percentage will rise due to the legalization of marijuana and the declining idea of damages. There are changes in the physical brain, itself. The cost of providing youth treatment for us is substantial due to the high regulatory requirements for child caring facilities. De Paul loses \$102 a night for every child in our care, which amounts to over \$770,000. We work actively to cover this gap because we believe in treating kids and we want to keep them from entering into addiction. We are in support of this tax and its use toward helping to treat kids and adults who have addiction before they become adults.

**Fritz:** Thank you very much for coming. That completes our presentation.

**Hales:** Let's turn to the sign-up sheet.

**Moore-Love:** The first 3 are Stacey Vallas, Mary Peveto and Chris winter.

**Hales:** Good afternoon.

**Mary Peveto:** I can start. My name's Mary Peveto. Northwest Portland resident. I appreciate the opportunity to speak to this proposal and I can understand why -- you know, I come to speak to you and you probably know I'm going to talk about air quality and why that may seem off-topic. I will tell you that right now, the urgency on clean air initiatives that

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this issue of air pollution are urgent and need us to be incredibly creative to find the resources to address the problem. You received testimony today from Oregon environmental council. Just to double-down on the public safety and health issue of diesel pollution, it's putting 90% of Oregonians at risk from 40 to 100 time's cancer-causing levels due to diesel pollution. The problem with diesel pollution is it's a fixable problem. Our neighbors both to the south and north and invested more time, while Oregon has deinvested in this progress. Washington, \$58 million has been invested to change over 14,000 engine upgrades. And so it's critical that we always look for funding opportunities to address this problem and it's critical, especially in this moment that we consider the barriers on this -- these funding's. In the past, we have the opportunity today to support the state legislature to more aggressively address diesel pollution. In the history, the city of Portland has not necessarily stepped up and said it's going to help through public contracting and clean diesel requirements. With regards to majority and women-owned businesses, these are the folks that operate probably the dirtiest trucks and they're driving in our neighborhoods. Often times, they can't put up \$60,000 toward the cost of \$120,000 truck. We need the city to look at these small businesses and I see this as an excellent opportunity to do just that.

**Hales:** Welcome.

**Stacey Vallas:** My name is Stacey Valles and I'm here as a concerned citizen. I want to back Mary up on this notion that -- I would like to advocate that a portion of the revenues from the marijuana tax be devoted to dealing with a very serious air quality problem that our city, and state, have. I got involved with this issue in 1999. My sons, then, were 3 and 1. And I thought as Portland on the cutting edge, environmentally and I saw fliers in the neighborhood about the work that the local neighborhood had been doing to monitor the air in northwest Portland, which is right on the edge of the freeway and I was just stunned by the -- you know, hundreds of toxins in the air at relatively high levels and I went to neighborhood meetings and I got involved. My background is higher education, English and American literature. I have no expertise in this, except from what I got from going to meetings with deq and the health and environment committee. And I was really so disheartened to learn how the system works, or did work. That deq relies on self-reporting by industries and there was an air pollution monitor at the post office in northwest Portland that showed a suit of metals that was a signature for a steel factory and there was a steel factory a few blocks away but we were really -- amazingly unsuccessful of getting anyone to have a fence line monitor. It was impossible to move on that. Oh, the pollution could be coming from a number of sources. The deq can use its muscle with -- I have experience with this, with smaller organizations, that they actually don't have regulatory discretion over. I thought it was really scandalous how little was done to monitor and regulate, have oversight over larger polluters and I think we've seen repeatedly that local action can really drive larger state-wide change, say with minimum wage, paid sick week. And local activists, like Mary and her group, and neighborhood groups have really moved this issue and without this local activism, we wouldn't have much change. I want to encourage local government to be a partner in this and I think that can have an enormous leverage.

**Chris Winter:** Mr. Mayor, I'm Chris winter. We provide legal aid for the environment, for communities across the Pacific Northwest. In February of this year, our collective consciousness here in Portland changed overnight with the release of information from the u.s. Forest service about dangerous levels of toxics in the air that we breathe day in and day out. For many of us, this was not new information. We had known for years that communities were struggling with dangerous air quality in and Portland and most often, it is our communities of color and low income communities. For years, when they went to deq to complain about headaches, nausea, sleep problems, deq would say to them, we

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don't collect air quality data in a way that would point to a facility. So, what was it that changed so dramatically in February? It was data. Data collected by a different agency that finally shed light on what was really going on here in Portland. So the state is now slowly starting to collect more data and virtually every place it looks, it finds more dirty air within our city boundaries. Decades of regulatory neglect have left us with a very serious health threat, affecting the most vulnerable members of our community. We cannot let these responsibilities fall on any one agency. We are concerned that the state is moving too slowly. No matter what efforts the state makes now, we must build the capacity to protect our air quality. This is address a public health threat. The cannabis industry produces air streams, so it makes perfect sense for a portion of the cannabis tax to be dedicated to environmental protection and human health. In conclusion, the health and safety of our children, our elders and our most vulnerable depend on our efforts. In a city that prides itself on sustainability we desperately need our city government committed to ensuring that our air is safe to breathe for everyone. Thank you

**Pam Allee:** My name is pam allee. I hope the voters pass this tax in the fall. You've been considering a wide range of social concerns and I would like -- I, too, hope you consider some environmental concerns. I live in north Portland, where I've been in the same house since 1995. What I've handed you is a current copy of some of the times I know I've complained to deq about strong industrial odors inside my house. The summer's coming and we want to keep our windows open. It doesn't represent all the times I was awakened and sickened by strong odors. I fill this log out when I contact the deq. My plea's to the deq at least tell me what faceless enterprises inundating my house with asphalt odors making me ill three responses since 2012. I believe that the log begins in 2012. But I was complaining before that. The last one was the most extensive. A deq employee in bend asked me quite a few questions but offered no information. I don't know how somebody in bend could possibly be informed about what's going on in Portland. The longer this goes on, the madder I get. I'm amazed at the patience of the people in my neighborhood. They have children and must worry about their children's future. If you smelled what you can smell when they -- releases this awful paint. You wouldn't want to sit there, you'd want to do something. One more thing, what is in our air also is in our soil and river. If you want to be a clean and green community, you must begin with the air. It's the first thing we do when we come out, is we take a breath of air. Thank you very much.

**Hales:** Thank you. Good afternoon, Mary Ann.

**Mary Anne Schwab:** Good afternoon. For the record my name is Mary Ann Schwab Yes, Commissioner Fritz has worked with the cannabis industry, representatives, city members to shape a proposal. It is important to me that there is a nexus between the purpose of the tax and the benefit to those who will be paying it. The city doesn't have enough money to address the public health. This tax would provide revenues for those purposes, as well as support new businesses and job training. I think it's really important that we erase -- so many of our young people are in jail for smoking marijuana. I'm so pleased you've started to address that. Don't take it away from the purposes. It would make the ballot measure harder to pass so I'm asking council to stick to the uses proposed. The 3% tax on marijuana, as well as cannabis products is insufficient. It won't pencil out the taxpayers to pay for the office of neighborhood noise control, police officers, 911 responders, individuals and businesses who find loopholes and work on the shady side of life. Maybe accepting free plans. You all know I've been down here, trying to raise beer and malt beverage fee frozen since 1977 at a penny a pint. Once this is in law, it may take another 40 years, about the time that our pdcurac's south water front and triangle expires in 2056. The public doesn't like dancing with their -- tap dancing with their dollars. Now that I am happy to hear Mary and others work for the quality of air and whether it be escrow you've

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known about escrow and bullseye. Deq needs to be dealt with. They can do more. That is a state issue. Multnomah County's right in addressing the public health issues. So I thank you for reconsidering this and setting up a collaborative effort. Commissioner Fritz is right. We really need to work together with metro, Multnomah county, olcc. There's a lot of factors and a lot of work to be done. Don't change the focus that Commissioner Fritz has put in front of us. Thank you.

**Doug Larson:** I'll Doug Larson. I'm also a member of the Portland harbor keg. I remember seeing most of you participate in the Saint John's parade this year. So, I know that you sometimes share the same air we're breathing in north Portland. Given that you're raising revenue from smoking, I think it's appropriate to talk about what else goes into our lungs. In the short-term, I would like to see you advocate for the clean diesel. Tina Kotec did a town hall meeting in north Portland on Monday night and indicated one of her legislative priorities is achieving with California for emissions. I'd also like to see the city spend money on monitoring. At that same meeting, deq made a presentation about monitoring around Swan Island and Daimler and the university professors that rebutted the deq arguments pointed out that all of their monitoring was in a place where they weren't directly monitoring what was coming from Swan Island. So, they weren't getting useful results. Additionally, they put up the heavy metals detector up by Columbia steel. It didn't report any heavy metals. It reported arsenic, Columbia steel self-reports manganese into the atmosphere. George middle school is one of the 1% worst air quality in the entire country. The usa today smoke stack report that's been redacted is back online. They report that the middle school, 93% of their air pollution is manganese and they report that most of that attribute to Columbia steel but there's a huge blanket of silence about industrial pollution in north Portland. We'd like to get some air monitoring so we know exactly what we're dealing with. Long term, I would love to see the city take responsibility for air quality away from deq. Deq is completely betrayed the public trust. They show evidence of being too willing to compromise public health to promote corporate profit. Thank you for your consideration.

**Hales:** Thank you. Thank you all, very much. Come on up.

**Mary Eng:** Hi, good afternoon city council, I want to thank all the wonderful citizens who are coming up to offer their testimony, I'm in agreement with their issues with air quality. It's inspiring to know that the people who are cannabis activists are cross-disciplinary environmental activists. I had run into nick Caleb in the way in and I was like, how should I take this? He's like, we're going to try to put an environmental twist on it and move it toward the allocation of the tax revenue into the environment. I wanted to share with you something I find really fascinating which is an international law enforcement called leap. I found out former mi5 member named machon she is very proud of this and promoting it and I think we really have to think about how what we are doing is of worldwide importance. It's being looked at from an international bases. So it's maybe a great time to pat ourselves on the back after a long day and a long year and how many people are gaining relief from suffering and chronic pain and anxiety. I thank all the great people, David kif Davis's mother Pamela snow shite Davis, who was an early pioneer of the marijuana reform movement and we've got a lot of people in our community who think along these lines like [indiscernible]. I would like to recognize an officer who fell in a raid. You really should look at his department of justice fairness hearing and Judge Simon's court testimony. He refers to his deep insider knowledge of colleen's death. Her last name is escaping me. We have to see that when law enforcement, internationally, are united to try to shift the focus on to other things, I don't know so much about them. But I would suggest people get involved with them and look at them and see how we can reach out, possibly, even to our own federal government and see if they can see things through our eyes and move towards a future where we can deal with serious drug addiction as a

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disease and not a crime so we can have a more humane society. Thank you so much for your work on this, Commissioner Fritz. I'd like to recognize the work of the future activists and I'm very excited to hear their testimony and I really appreciate the allocation of three minutes. The citizens will be resilient and spring back and be here to hold that space.

**Laura Vanderlyn:** Good afternoon, I'm artist Laura vanderlyn. I know that in January, there was a 25% tax on marijuana. Is that correct? Right now, there's a 25% tax on marijuana so I'm just against the whole 3%. You -- I've heard that we want this marijuana tax for -- to -- for police, to pay for more police. For -- what was it again? Where did I see it? Anyways, for -- for the health and safety of our children. We have a cigarette tax that should be taken care of that. We have insurance that should be taking care of a lot of things that you're asking the 3% to pay for. I don't understand why we need to pay 3% when we are already paying 25%. There's a lot of -- I don't go into a liquor store and sign my name and have to, like, say who I am and get a picture of my id. I go into a liquor store and buy liquor so there's a lot of -- how do I say it? Gatekeeping in the marijuana industry and I'm not exactly sure why that is. I just know that 3% is not necessary. We don't need more policing on marijuana. We just need to let people enjoy their recreational marijuana or their medicinal marijuana. Who's going to allocate this money, as -- the 3%, where that money goes? And, who's going to regulate the person that's supposed to be allocating it? And -- because we have -- we have other areas where we allocate money to help the community and then that -- those resources are not given to the community. So, I really am against a 3% tax because you here, in this city, are not trustworthy to allocate that money, to not give it to the people. You tend to keep it, to hold on to it and not share it I the community. I don't believe we should do any more than 25%. 25% is already excessive. It's already excessive. And you all just kind of line your pockets or your friend's pockets. I am against the 3% tax, thank you very much

**Fritz:** The 25% goes down to 17% in January.

**Vanderlyn:** 17 is excessive.

**Shedrick Wilkins:** I'm Shedrick Wilkins and I support the 3% tax of marijuana, recreational marijuana. I think marijuana is a good way to get people off of cigarettes. Cigarettes are carcinogenic. I knew a person who smoked while she was pregnant and her son was 3 months premature. She smoked. Any attempt to make people like that stop smoking, like hypnosis or something like the positive hypnosis. It cost \$250,000 to keep a child on an incubator the cost of hypnosis is \$1,000. I will vote yes for this and start watering it down and say it has to pay for deq, I may vote no. Some sort of way to take recreational marijuana and turn into a way to stop people from abusing cigarettes and alcohol.

**Hales:** Thank you. Good afternoon, welcome.

**Penny Meiners:** Good afternoon. I'm neither a competent or confident public speaker. I'm here to speak for the mothers and fathers who couldn't be here in the work week. The mothers and fathers who are terrified of the air their children are breathing. I'm here to ask you to establish a quality authority. We live in a neighborhood of good, bad and ugly. We are unfortunate to have dimler, who denies any responsibility for paint fumes that assault our neighborhood and spew neurotoxins into our air. We have be truly and miserable let downtime and time and time again by the agencies whose job it is to protect the air we breathe. We have a long four or five-year history of working, waiting and being let down by deq starting with the title 5 permit and waiting for deq to develop its nuisance strategy and waiting through the nuisance investigation and let down and stunned by the in adequacy of their year-long monitoring program in north Portland. Deq does not know its science. As professor [indiscernible] of up said, deq's nuisance investigation, if was a study done by one of his students, they would have received a failing grade. Nor does deq engage with

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the neighborhood. We are left feeling as if we're all alone out there and there is no one in our corner. I hope we don't need a local air authority. I hope this nightmarish ride on deq's merry-go-round ends with new quality regulations. The industry does not need another layer of regulatory control. We need to be able to take local control if the state efforts fail. The dollars spent preparing for local control will not be wasted dollars if the state succeeds. The homework we do can be used for peer reviews. Deq needs a lot of peer review. Please -- we need help for air quality regulations. Thank you.

**Lightning:** Good afternoon, my name is lightning, I represent lightning watchdog pdx. I don't smoke marijuana, but I was there for the people that wanted to legalize it when you denied them a permit at the waterfront park for educational purposes. I want to see more with this tax applied toward more educational purposes. Again, drug and alcohol treatment and one of the issues I have -- it's interesting here today on people talking about air pollution, which I did not think that would be happening at this particular meeting. With that in mind, it's given me an opportunity to say something that has really concerned me for quite a long time. Next door at the Portland building, you have a daycare center, you leave that open for the young children that are a lot of the children of the people in this building and also the Portland building. But when you look at the location of that daycare center and the open area they have the young kids out there, if you notice the buses stop on that corner every 20 minutes and when you look at their exhaust going up and the wind blowing toward that daycare center, I look at that with a lot of concern because these are the young kids of the city employees, where you have the buses stopping at the proximity of 30 feet across the street, with the exhaust going up high in the air, knowing that those fumes float over to that daycare center and it's always upset me that something hasn't been done to stop that from happening at the very least, enclose that facility so that air isn't just blowing there every 20 minutes from those trimet buses, affecting the young kids of the employees of city hall and that is a fact. If you were to test that air right next door, that daycare center, those young kids are breathing that probably right now, as we're speaking. And something needs to be done. Something needs to be done. It needs to be tested to protect those young kids and daycare centers, which are breathing that currently as we speak. Thank you.

**Hales:** Thank you. Anyone else? All right. Thank you, all. So, further discussion before we move this on to second reading?

**Fritz:** It's a resolution. If council wants to move it to next week, we can move it to next week.

**Hales:** Is there some interest in delaying until next week?

**Novick:** There is. I want to address the air quality issues that folks here have raised and I think that their suggestions are very much worth considering. I was talking with Mary Peveto about various air pollution initiatives that the city might want to invest in, on Friday. And it occurred to me that this might provide a vehicle and I talked to Commissioner Fritz and she told me it's too late. We're too far along in this process to add such provision, among other things. I think -- I hope everybody reads the Oregon environment council's testimony. Diesel pollution causes up to 460 premature deaths in Oregon each year, that's the headline. And Oregon is a dumping ground for dirty diesel engines because the state does not have the kind of regulation on diesel engines that California and Washington do. And, what the Oregon environmental council says is that -- obviously they support adopting California or Washington-style regulations on diesel. But they also say that the oldest and most polluting engines are in our neighborhoods. These are the workhorses of small business owners where the cost of a new engine is prohibitive. By investing our dollars in offsetting the cost of new engines we can gain health benefits as well as supporting these local operatives. Now, it's my hope that we adopt for our next state legislative agenda, to

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adopt California or Washington-style diesel regulations. We would hope, of course, that the state would step up with some money for small and particularly women minority owned businesses with dirty diesel engines to help them. But we would have more credibility with the state if we were able to step up and say there's a possibility we would step up and match funds for those kinds of conversions. I understand Commissioner Fritz's concern, she's reluctant to tamper with the proposed package. So I think it might be appropriate to think about any changes for a week or so. Just looking at the resolution, I think that -- there are some folks here who I think would want to have a more general statement that the money could be used for air quality programs. But, given my particular concern about diesel and small businesses, I think actually we could fit that in simply by making a modification to the third bullet. I don't know if businesses with diesel engines are innovative neighborhood small businesses, but to be safe, we might have to knock out innovative and maybe neighborhood. After job training opportunities, add retrofitting equipment in vehicles to reduce air pollution as one of the kinds of assistance to small businesses and incubator programs that we might spend some of this money on.

**Hales:** Any other comments?

**Saltzman:** I had a question of the sponsor. How will this money -- assuming the measure passes, how will this allocation will be made? Who makes the decisions?

**Fritz:** The budget process. It will go through the office of neighborhood involvement budget process. Just, you remember, is once a week for several months and we'll have the marijuana oversight advisory team. Anybody who shows up, gets to participate in that session and then their recommendation will come to council for final decision.

**Saltzman:** So, we're relying on neighborhood activists to make decisions about drug treatment programs and the efficacy of them?

**Fritz:** Just like everything else in the budget process, we listen to our community members and it comes as a recommendation to the council.

**Saltzman:** My concern, frankly, is I'm just concerned that the oni committee is so inclusive that we're going to get recommendations that has everything under the sun is eligible for funding under this.

**Fritz:** I think you'll find from the industry reps, they are able to participate and I would just respectfully --

**Saltzman:** There's 50 already on the committee --

**Fritz:** There are zero right now.

**Saltzman:** Historically, there's 50.

**Fritz:** Anybody who wants to, can participate and we've had a very robust set of discussions on marijuana so anybody who wants to, can come and participate.

**Saltzman:** I'm not going to oppose this effort here. I want to raise the flag that I think putting it on the oni budget process is going to produce skewed recommendations for the funding

**Fritz:** Okay. Thank you. Could you give us where we're at with the districts?

**Hales:** I want to comment on this. I'm very interested in the air quality issue. But frankly, I regard that as a separate issue from the approval of this tax. We've heard serious concerns about the competence of that state effort. I understand those concerns. There's a threshold question. Do we want to use the authority we have to create a local air quality regulatory body? I am still open to that possibility and I know -- I believe the county chair is as well. The question is, what does that effort look like? And how do you pay for it? I think frankly we would be getting way ahead of ourselves earmark this revenue source for a good purpose, even if I believe we should spend a lot of money. My first choice would be have polluters pay for that air quality. So, again, I'm being a little fussy here about revenue but this ought to go into the council budget process. I won't be here to decide. I don't have

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a special interest, myself, in how these monies are spent. The Council should have the flexibility for it to go into a variety of legitimate purposes that have something to do with marijuana, public safety, drug treatment, all things affected by the arrival of this coming. I see a reasonable connection. I have a great deal of interest in this air quality issue. To just opportunistically say, let's say it's for air quality and not knowing how much that effort will cost to do what deq isn't doing or more of what they're doing and then not taking the opportunity to say have people have contribute x tons of pollutants pay by the ton for the cost of that effort you I think those are all important discussions at the council ought to have and the county board as well. But I do think it's getting the cart before the horse to earmark this for air quality now. So I wouldn't support that as much as I'm interested in seeing the air quality issue addressed.

**Novick:** Mayor this does not earmark any specific money for anything. It makes it possible to spend the money in a variety of broad categories.

**Hales:** Fair enough, fair enough.

**Novick:** And I think that there is a nexus in that a large number of people who consume marijuana do so by smoking and smoking no matter what the other benefits of marijuana is bad for your lungs. So to use some of the money to protect people's lungs from other pollutants is reasonable.

**Hales:** Fair enough.

**Novick:** In terms in nexus alcohol is not marijuana and this language as it is would allow this money to be spent on alcohol treatment as marijuana treatment. This language would also authorize money to be spent on generic small business incubator programs and Claire Adamsick made it clear that those don't have to be marijuana businesses. So I fail to see the greater nexus between marijuana taxes and generic undefined incubator programs there is between marijuana and air pollution. And I think that we had a strong community concern about air quality issues and I frankly have not heard a human cry from the dispensary about the need of generic business incubator programs recently.

**Hales:** Well let me put it a little differently Steve cause those are all true points, but the things that are listed her now are all things the city does now. The city does not now regulate air polluters. I am very interested in the question of whether the city should regulate the air polluters. But the city, actually, funds picking people up off the street who are inebriated. The city now funds innovative neighborhood business development through pdx and the city now funds the public safety. So this thing is inbounds, with what is in our charter and what is in our code and what is in our body of work today. I am not closed to the possibility that we might be in the air quality business in some future date, but to say that these revenues are available for a purpose that the city does not now provide is a stretch as far as I am concerned.

**Fritz:** I would like to remind my colleagues that we don't have this money so we are arguing about how it is going to be spent, and one of my goals is to pass the ballot measure, and I think by showing the clear nexus with a broad range, and as you clarified at the beginning, commissioner novick, that the neighborhood small businesses could include other businesses other than the cannabis businesses. And by doing that, I think that it helps us to pass the ballot measure, which is more what I said when you and I discussed it on the weekend rather than that we're too late because I do appreciate the people who come in at the last moment to give their say, no point in having a public hearing if it doesn't matter what the public does when they show up, and we have consistently on this council, and I have consistently supported measures that put the diesel issues on the legislative agenda, and looking at clean air, and making sure that we are looking after the people in the neighborhoods, so what I said was, I believe that this package is what will help us to pass the ballot measure, and if we are able to pass the

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ballot measure, as the mayor said, all these things are things that we already do. So to the extent that we don't have to argue about whether we're going to fund chiers, except for this year, it has turned up seven times, if we don't have to argue about are we going to continue to do the service coordination team, then there will be money that could go to the future other uses. So let's pass it first.

**Fish:** A good discussion. I appreciate we're having this discussion. So there is three or four different points that we should raise, and I will just address them. I will defer to it, to the sense of the body as to whether we vote today or next week. I would like to avoid a situation where since commissioner Saltzman is bringing forward a revenue measure for the referral next week I want to make sure that we don't -- they don't trespass, and perhaps we have a Wednesday and Thursday, do we have a Wednesday and Thursday next week? I am sorry.

**Moore-Love:** Time certain, Thursday.

**Fish:** A time certain on Thursday, Dan?

**Moore-Love:** That's the affordable housing bond.

**Fish:** On Thursday?

**Moore-Love:** The 30th, yes.

**Fish:** So if the council wants another week to discuss this, I am fine with that. I want to make sure that we don't have votes on the same day on this matter because I would like them to be staged. Number two my primary interest in creating a legislative history on this is to make sure that there is maximum flexibility granted to the council to make the judgments within the categories that commissioner Fritz has set forth. I know these categories were carefully conceived. I want to make sure that the council has maximum flexibility. There are two things that concern me about that. One is at the low end we're talking about \$3 million. Now \$3 million probably doesn't move the needle much generally, and if we divide it into 10 different kinds of programs, probably has virtually no impact. So my, my expectation, and tell me if I am barking up the wrong tree, is that we would treat this fund like any other budget related matter, and we would begin with a budget guidance memo from the mayor saying that this here we have, we have said that these are our priorities. To the extent that a mayor wants to give specific guidance on this fund that this is the year that the public safety should go to the top or small business goes to the top or whatever, and in terms of the feedback, the different categories cross many bureau lines. Small businesses, really, is just as much of venture Portland and their advisory body as pdc and others, and public safety comes at us through a number of committees, so I want to make sure that the broadest possible cross-section of public had a chance to weigh in on the priorities. But again, for me, the most important thing is that the council has the maximum flexibility to make this judgment, and we are clear with the voters about that. And that we have a rational system for prioritizing things, and I think that frankly, in the last couple of year's mayor you have done a good job with the budget guidance memo, and I think that is the mayor's office prerogative, and that is one of your unique prerogatives. And number three I want to make sure that whatever we're investing in, assuming this passes and we have the money, I want to make sure that we're moving the needle on something, and this is not just a small grant program. Where we say, this is wonderful and we have given money to 20 groups but we have nothing to show for it.

**Fritz:** That's a really good point, thank you. And maybe one way to include what you just said with commissioner Saltzman's concern about the recommendation process is there could be a completely separate budget advisory committee for this fund, may be through the mayor's office. It will be a different mayor, or the city budget office. I would be happy, it's not specified in the code, just says it will be considered in the budget process. So I am very open to doing that.

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**Hales:** To me that was a curve ball in that maybe I am misreading this, but I am assuming that if this tax passes, these funds flow to the city of Portland, and they are, they are, basically, allocated to the general fund.

**Fritz:** They are in a separate fund.

**Hales:** They are in a separate fund?

**Fritz:** A recreational one.

**Hales:** But again, given the purposes that these funds cover, they are a whole bunch of general fund purposes.

**Fritz:** Correct.

**Hales:** So it would be a color of money question after that. As to what purposes got funded by how much of this revenue source and how much of the other general fund revenue source --

**Fish:** I think -- I am not speaking for Dan, but he caught my attention with a comment, and I think that we can reasonably assume that wherever the money flows for purposes of the recommendation of the council it will be shaped and colored by the primary consideration of that advisory group. We said it was going to flow through the police advisory group we won't be surprised to see that there is a recommendation for 3 million to backfill the cuts we would lose or invest in new programs. I think that we want to make sure that again, going back to what I said earlier I want the council to have the maximum flexibility within the criteria that commissioner Fritz is very, has thoughtfully laid out to expand the moneys in furtherance of what the voters, assuming they vote on it, direct us to do, and I would prefer it not to get way late in some place where you might have a particular view of how it has been coloring the recommendations coming together.

**Fritz:** Something that we could do, would be to ask the citizen budget advisors to be the budget group that decides about this stuff, of people that come all over the work sessions. But anyway, the code is silent on how that process works, so I am very happy to work with you all on figuring out how do we get the advice on how to spend it, and my main concern is getting it referred and getting it referred in such a manner that I am hoping that it will pass.

**Fish:** My sense is you have the votes to refer this. Do you believe an additional week of conversations with a time certain for a vote would be beneficial or not? And I think that the council would benefit from your view on that.

**Fritz:** I have worked on this really hard, and so I think that this is, there is enough flexibility to help small businesses in general, and would free up other money, so if you are ready to vote.

**Hales:** I would prefer to do that, as well but the assurance is that, the assurances you made are sufficient to, to address the concerns that you have, that's important because now I understand the concern that you have better.

**Fritz:** And an additional measure that I concur with both the testifiers and commissioner Novick that we do need to potentially do more on clean air, if the state doesn't, so I will definitely be supportive of that effort.

**Saltzman:** I am hearing, in terms of the assurances, you are saying that we will not use the budget advisory committee to be the decider but put together a hybrid?

**Fritz:** Be happy to.

**Fritz:** Thank you for suggesting that.

**Saltzman:** No pun intended.

**Novick:** This tax went to the public on May 16 according to Willamette week, and I think that it's rather unusual for us to pass a brand new tax based on the five weeks of the deliberation in one hearing. The argument made against my, rather minor amendment is that it might doom the ballot measure. I would like to have a week, or actually, I would like

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to have a couple of weeks to try to gather some evidence that a small change in the running of the third bullet would not doom the ballot measure.

**Hales:** We voted on the marijuana tax on this council before the measure was ever considered by the voters in 2014 so I have to disagree with that.

**Novick:** As a preemptive measure.

**Fritz:** And we're voting on the bond measure next week.

**Hales:** I would rather not have both these tax measures on next week. I would prefer to take a vote today, if it fails, it fails and there will be more time.

**Novick:** I stated in the amendment before, the words innovative neighborhood, for small businesses and add after job training opportunities, and retrofitting equipment in vehicles to reduce the air pollution, semi-colon.

**Saltzman:** I will second.

**Hales:** Earlier discussion of the amendment?

**Fritz:** I would like to speak against the amendment, the board's innovated neighborhood businesses have worked out with the industry, and with commissioner Fish's input, and I believe that adding the vehicle emissions makes -- it just doesn't go in with what the rest of the package says.

**Fish:** A question to you, mayor, you said earlier was you see these potentially as separate issues that can be addressed through separate approaches. So there is a, a proposal being discussed about whether there should be a local regulatory agency, with -- in connection with that there could be a discussion about how you fund the activities or other kinds of things. Your view they can be dealt with separately?

**Hales:** I think that they have to be dealt with separately because first we have got to decide what the city is going to do and what the county is going to do under the state law about forming an air quality district. One could make the argument that it's a county public health function and that the county should take the lead. Obviously, we demonstrated earlier today that we're capable of having an adult discussion with Multnomah County about who is better at doing what. We should have that discussion, decide what we want to do about a local air quality effort, and once we have decided that we have to do that, my first choice is deq does an excellent job, and we have much better assurances about the air quality in our city provided by our state that has the regulatory authority today to do that job. If they fail in that, in our opinion, we do have the authority to proceed, and I am still interested in doing that but my first choice is for the state to do it well.

**Fish:** The other question, the net effect is to open the door so that something could be funded in this category, doesn't compel the council to fund it, and the council may, may choose at some point it's not the appropriate mechanism so help me to understand that.

**Hales:** The council has almost infinite discretion about how the general fund is spent. So if we took on an air quality function, we could first of all allocate the general fund to that purpose. Secondly we could enact some other revenue source, not even a tax but a permit for air quality, for air pollution, and those kinds of systems already exist. You go through the city business license tax system to dealing with those businesses that generate air pollutants, and there are lots of ways and means by which the city could add funding to cover that new function. That new department. But before the city creates a new department, at a time where we're worried about funding, having enough police officers taking care of our parks, and other basic city functions, I would urge the council to be very cautious about that question. Even while being very resolute about making sure that the air quality issue is handled.

**Saltzman:** I don't see that really being, commissioner novick's amendment. We heard testimony about creating our own regulatory authority, I don't think that that's the intent of his amendment. I think the intent is to simply say that shouldn't these grants be eligible? I

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thought it was a very good example for the minority and women, emerging small businesses who cannot afford the cleaner diesel, heavy equipment, and you know, could not be an eligible purpose of the grants under revenue.

**Novick:** Exactly.

**Fritz:** They could ask for it under the current language.

**Hales:** The current language is quite broad.

**Fish:** Colleagues, we're referring to the tax measure, and I think that the tradition has been to try to get consensus when possible on these things. This is the council referring something and the council has to stand on the back end, and I want to make sure that I understand what Commissioner Fritz just said. Is it your view that without the amendment, that particular challenge could be funded with these dollars?

**Fritz:** I think there is a women owned or minority owned business they could say we are being innovative and not -- we're going to convert our trucks to cleaner diesel.

**Fish:** Are we organizing form over substance? If it's covered?

**Fritz:** I think so. That's why I don't support the amendment.

**Fish:** You have a legislative history that supports a concept that you raised, and again, my, my tendency is to defer to the sponsor if it gets really to a close call. You seem to have legislative history that supports an issue that you have put on the table. Are you satisfied with that?

**Novick:** I am a little worried that somebody might argue that what -- by the way I have to respond to what the mayor said about, we're talking about things that we don't do in the city, and the city doesn't do this. The city does pay for a lot of construction. And the city tries to hire minority and women-owned and emerging small businesses. And this proposal would assist some of those businesses to continue to participate in the construction. I am a little concerned that if we keep the word, innovative in, and if there is a legal requirement, that all the engines be converted to clean diesel, complying with that requirement might not be seen as particularly innovative. So I am a bit concerned by just saying that leave the language as it is when I cannot imagine it's going to doom the measure to change a word or two.

**Fritz:** I would accept the deletion of the word innovative, but not the rest of yours, your proposed changes.

**Hales:** I will accept that friendly amendment, now if you want to vote on yours, Steve?

**Fish:** I think that there is a legislative history, you have built a record, you have made a strong case, and you have your council colleagues agreeing that is within the, within a reasonable interpretation of the language.

**Saltzman:** Ok, I appreciate that.

**Hales:** You withdraw your amendment Steve?

**Saltzman:** Yes, we placing it with --

**Novick:** Replacing it with the friendly amendment.

**Hales:** The friendly amendment is adopted.

**Fish:** I don't want the public to think that we're backtracking from innovation and to go to our default position on innovation which is never possible. Mayor I move to vote.

**Hales:** Let's take a vote, please.

**Fish:** Just to put a little texture around this. I came to this hearing today not knowing what the outcome would be. Not being clear about where we would land and whether we would vote today and the final product would look like. I really appreciate the collegial conversation, and I appreciate the testimony and the kind of public sausage-making, and I think that we have gotten to a place where it's likely we're going to have five votes in support of an action which I think on a referral is important. Particularly important where we're seeing a single member of council to take the lead in moving forward, and seeking

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public support. I think this is a well-crafted resolution, and I think that the priorities that are set forth in the resolve in terms of where the money can be allocated make a lot of sense and I am pleased that we are all in agreement that the council will have maximum flexibility in deciding how to allocation the money, and commissioner Fritz, based on the conversation that we have had, excuse me, mayor.

**Hales:** Let him go on.

**Fritz:** Would you wait for one second? In exhibit b we also have the word innovative so we're going to need to change that as well as in the actual code language. And that gives us an extra word for the question. So instead of -- the question, that we're going to be putting towards the voters, we said Support, innovative neighborhood businesses, so since we don't need innovative any more we could put small instead. Small neighborhood businesses.

**Fish:** That was my original suggestion, so I would -- why don't we just move that into the amendment.

**Hales:** Let's move both those into the amendment and backtrack please.

**Hales:** We're going to amend the text of the first photograph.

**Fish:** The Fritz amendment has both.

**Hales:** Let me restate it, we're going to amend the first paragraph of the resolution by removing the word innovative. We could at that point add the word small if you wish, but most importantly, in the impact statement under exhibit b we're going to delete in the legislative title the word innovative and replace it with the word small. Have I got that right?

**Fritz:** Thank you.

**Fish:** I second the amendment.

**Hales:** Further discussion of that amendment?

**Fish:** Voting on the second.

**Hales:** Roll call on the amendment.

**Fish:** Good catch, aye. **Saltzman:** Aye. **Novick:** Aye.

**Fritz:** I usually have mixed feelings about the second amendment but I am very happy to do this one. Aye.

**Hales:** Aye. [gavel pounded]

**Fish:** Would you like me to yield on any other matter?

**Fritz:** I'll let you know if I find anything else. Thank you.

**Fish:** Colleagues I appreciate the work that Commissioner Fritz and her staff and the city team have put into crafting this resolution. I appreciate the thoughtfulness in creating the categories which would be eligible expenditures. I appreciate the council discussion, which has made clear the council will have maximum flexibility and create a unique mechanism for seeking recommendations for how to spend the money in addition to what we would expect in the ordinary course which is a guidance from the mayor. And I want to put in a plug for us, not viewing this as a small grants program, but looking for ways to maximize the impact of whatever revenues we invest. Thank you all. Aye.

**Saltzman:** Aye.

**Novick:** I really appreciate all the work commissioner Fritz has put into this proposal along with the members of the industry for working with her. I thank Commissioner Fritz and my colleagues for considering an issue which the community activists raised at the last minute, and I really appreciate the efforts of Mary Peveto and the organization, and the council and all the neighborhood activists who came here today to ask us to make it clear that we care about plain air. Aye.

**Fritz:** Indeed we do care about the clean air and care about the wise use of substances like this. It's kind of with mixed feelings that I vote on this because I am condemning myself to do dozens of neighborhood meetings, in September and October to get it passed. I think

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I went to 100 for the parks bond measure. And I am not going to be campaigning over the summer because my son is getting married, and that's important. And I am going to visit my mother. But certainly you can expect the invitations from me, expect me to try to invite myself to a lot of community events to explain about this tax because if the voters were to pass it, the total tax would go down from 25% to 20%, and I believe that we have allocated the uses to good uses that the people of Portland will hopefully support. So thank you very much, colleagues, and I appreciate this discussion and the compromise that we have gotten to. Aye.

**Hales:** Ditto to that and thank you, commissioner Fritz, for crafting a responsible, thoughtful measure that I believe the voters should smile on because this is a way to have a modest tax on a new part of our local economy that does have an back on what we do. So I think that this is the right and reasonable thing to do. I want to return to our debate for just a moment, and maybe explain a little better where I'm coming from. One of the reasons I ran for this office was to put the city into better financial condition, and I take seriously what you said, commissioner Fish, that that's one of my core responsibilities, and it does say on my door, commissioner of finance and administration. And I want to make sure that this council and that the next mayor and are in a position of financial strength like the one that we're in now, to deal with a lot of big challenges. We do have more parks to maintain and more parks to build. We do have responsibilities that all of you and that I, while I am here are going to need to shoulder, and at some point, quite soon, the city council, the city of Portland is going to have to get to a conclusion, which I have tried to highlight, is that we're going to have to spend more money to have the number of police officers that we have today. That's not welcomed news. I understand that. It wasn't welcomed during the budget process and it might not still be welcomed today. But I have reached the hard and unfortunate conclusion that we're going to have to spend more money to have the police bureau that we have budgeted for. And I want this council to have the dollars available to meet that first responsibility of city government when the council is ready to do so. We have now 63 less officers than we have in our budget, and I can, unfortunately, predict that perhaps by the end of my service as mayor that number will be 100 now. At some point, the community is going to say, wait a minute, there is an attempted abduction on my street today. The 22-year-old woman. And those kinds of crimes need a 9-1-1 response, and there are other things that the police bureau does, that they will have to sacrifice in order to meet those 9-1-1 calls. We will have to have enough police officers to do that work. I want this council to have the dollars in the till to pay for what it's going to require to have the police bureau that you want, and therefore, having more funding available for public safety is a good idea. Aye.

**Fritz:** Before you gavel us out I neglected to refer to my notes, and there are several people that I would like to thank on this, starting with Clair Adamsick she did a fantastic job if her first presentation, Tim Crail and Christine nueves and any others, in my office, Thomas Lannom and Scott Karter from the revenue bureau, and Andrew Scott in the city budget office and our city attorney, and Teresa marchetti and the whole marijuana policy program staff, as well as the policy oversight team, thank you very much.

**Hales:** Thank you, and thank you all, and we are adjourned until next week. [gavel pounded]

At 3:56 p.m. council adjourned.