



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **13TH DAY OF DECEMBER, 2017** AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Wheeler, Presiding; Commissioners Eudaly, Fish and Fritz, 4.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Denis Vannier, Deputy City Attorney; and Nicholas Livingston and John Paolazzi, Sergeants at Arms.

Item No. 1329 was pulled for discussion and on a Y-4 roll call, the balance of the Consent Agenda was adopted.

COMMUNICATIONS		Disposition:
1317	Request of Joseph Walsh to address Council regarding impacts of illegal camping (Communication)	PLACED ON FILE
1318	Request of Jim Atwood to address Council regarding Unreinforced Masonry Mandatory Seismic Upgrade Plan (Communication)	PLACED ON FILE
1319	Request of Ambassador Margaret Hepziban to address Council regarding racism, judicial accountability, housing and finance (Communication)	PLACED ON FILE
1320	Request of Sarah Hobbs to address Council regarding need to do better concerning Portland's rising rate of suicide (Communication)	PLACED ON FILE
1321	Request of David Kif Davis to address Council regarding use of Guantanamo Bay white torture tactics on October 11th (Communication)	PLACED ON FILE
TIMES CERTAIN		
1322	TIME CERTAIN: 9:45 AM – 2017 Steve Lowenstein Trust Award (Presentation introduced by Commissioner Fish) 15 minutes requested	PLACED ON FILE

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<p>1323</p>	<p>TIME CERTAIN: 10:00 AM – Declare intent to initiate local improvement district formation proceedings to construct street, sidewalk, stormwater and sanitary sewer improvements in the SE 80th Ave and Mill St Local Improvement District (Resolution introduced by Commissioner Saltzman; C-10060) 30 minutes requested</p> <p>Motion to accept amendments as given in Bureau of Transportation memo dated 12-13-2017: Moved by Fritz and seconded by Eudaly. (Y-4)</p>	<p>37337 AS AMENDED</p>
<p>1324</p>	<p>TIME CERTAIN: 10:30 AM – Accept Portland Utility Board Annual Report (Previous Agenda 1284; Report introduced by Commissioner Fish) 10 minutes requested</p> <p>Motion to accept report: Moved by Fish and seconded by Fritz. (Y-4)</p>	<p>ACCEPTED</p>
<p>1324-1</p>	<p>FOUR-FIFTHS AGENDA</p> <p>TIME CERTAIN: 10:45 AM – Presentation by Portland State University Institute on Aging on creating a community for all ages, Age-Friendly Portland initiative (Report introduced by Mayor Wheeler) 30 minutes requested</p>	<p>PLACED ON FILE</p>
<p style="text-align: center;">CONSENT AGENDA – NO DISCUSSION</p> <p style="text-align: center;">Mayor Ted Wheeler</p> <p style="text-align: center;">Bureau of Planning & Sustainability</p>		
<p>1325</p>	<p>Consent to the transfer of Mel Deines Sanitary Service, Inc. residential solid waste, recycling and composting collection franchise to Kahut City Sanitary Service Inc. dba City Sanitary Service (Second Reading Agenda 1287)</p> <p>(Y-4)</p>	<p>188713</p>
<p style="text-align: center;">Office of Management and Finance</p>		
<p>*1326</p>	<p>Approve a one-time exception to Human Resources Administrative Rule 6.03 to allow carryover of vacation leave in excess of two years accrual for certain eligible employees on the City's Data Center Move project (Ordinance)</p> <p>(Y-4)</p>	<p>188714</p>
<p>1327</p>	<p>Extend term of franchise granted to Sprint Communications Company, LP to build and operate telecommunications facilities in City streets (Second Reading Agenda 1292; amend Ordinance No. 172141)</p> <p>(Y-4)</p>	<p>188715</p>
<p style="text-align: center;">Commissioner Chloe Eudaly</p> <p style="text-align: center;">Bureau of Development Services</p>		
<p>1328</p>	<p>Authorize an Intergovernmental Agreement with Portland State University to conduct customer/community and employee surveys and provide related services, for an amount not to exceed \$75,000 (Second Reading Agenda 1294)</p> <p>(Y-4)</p>	<p>188716</p>

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Commissioner Amanda Fritz

Portland Parks & Recreation

1329 Authorize a restructure of the temporary loan terms between the Parks Capital Improvement Fund and the Golf Fund for Colwood Golf Course improvements (Resolution; amend Resolution No. 37081)
(Y-4)

37336

Commissioner Dan Saltzman

Bureau of Transportation

***1330** Amend Intergovernmental Agreement with the Oregon Department of Transportation to accept and appropriate a grant from the Federal Highway Bridge Program for the SE 122nd Avenue: Johnson Creek Bridge Replacement (Ordinance; amend Contract No. 30005558)
(Y-4)

188717

1331 Authorize a contract with the lowest responsible bidder for the SW Vermont Street Pavement Rehabilitation - SW 65th Ave to SW Capitol Hwy (Second Reading Agenda 1298)
(Y-4)

188718

City Auditor Mary Hull Caballero

***1332** Update Code filing deadline for documents to be included on the Council Agenda to Tuesday at 12:00 p.m., as observed under the pilot project (Ordinance; amend Code Section 3.02.030)
(Y-4)

188719

**REGULAR AGENDA
Morning**

1333 Amend street vacation ordinance to replace certain conditions and add conditions applicable to the vacated portion of SW Madison St between SW 10th Ave and SW Park Ave for the Rothko Pavilion at the Portland Art Museum (Second Reading Agenda 1316; Ordinance introduced by Mayor Wheeler and Commissioners Saltzman, Fish and Eudaly; amend Ordinance No. 127882)
(Y-3; N-1 Fritz)

188721
AS AMENDED

1334 Authorize contribution to the Northwest Transportation Fund to satisfy requirements found in Portland Zoning Code and qualify for a floor area Office use bonus for the ESCO property prior to submittal of a land use review application or building plans (Second Reading Agenda 1301; Ordinance introduced by Commissioners Eudaly and Saltzman; C-10049)
(Y-4)

188722
AS AMENDED

Mayor Ted Wheeler

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<p>1335</p>	<p>Appoint Thomas J. Juon to the Building Code Board of Appeal for a term to expire November 28, 2020 (Report) 15 minutes requested Motion to accept report: Moved by Fritz and seconded by Eudlay. (Y-3; Fish absent)</p>	<p>CONFIRMED</p>
<p>1336</p>	<p>Appoint Robert Bruene to the Electrical Code Board of Appeal for term to expire November 28, 2020 (Report) 15 minutes requested Motion to accept report: Moved by Fritz and seconded by Eudlay. (Y-3; Fish absent)</p>	<p>CONFIRMED</p>
<p>1337</p>	<p>Appoint Terry Glenn to the River Community Advisory Committee for a term to expire on November 28, 2020 (Report) 15 minutes requested Motion to accept report: Moved by Fritz and seconded by Eudaly. (Y-4)</p>	<p>CONFIRMED</p>
<p>Bureau of Police</p>		
<p>*1338</p>	<p>Authorize application and accept a grant in the amount of \$75,057 and appropriate \$60,000 for FY 2017-18 from Oregon Impact's Driving Under the Influence High Visibility Enforcement program for sworn overtime reimbursement (Ordinance) 20 minutes requested (Y-4)</p>	<p>188720</p>
<p>City Attorney</p>		
<p>*1339</p>	<p>Amend contract with Radler, White, Parks & Alexander, LLP to extend expiration date and increase contract amount by \$150,000 to provide additional on-call legal assistance to the Spectator Venues Program (Ordinance; amend Contract No. 30005644) 15 minutes requested (Y-4)</p>	<p>188723</p>
<p>Office of Management and Finance</p>		
<p>1340</p>	<p>Accept Amendment Four of Contract No. 30005394 which sets the Guaranteed Maximum Price of \$147,350,000 from Howard S. Wright Construction Company for the Portland Building Design-Build-Relocate Project (Procurement Report - RFP No. 00000260) 15 minutes requested Motion to accept report: Moved by Fish and seconded by Fritz. (Y-4)</p>	<p>ACCEPTED PREPARE CONTRACT</p>
<p>1341</p>	<p>Accept bid of Wildish Standard Paving Co. for the Burgard/Lombard at North Time Oil Road Project for \$1,754,560 (Procurement Report - Bid No. 00000606) Motion to accept report: Moved by Fritz and seconded by Fish. (Y-4)</p>	<p>ACCEPTED PREPARE CONTRACT</p>

At 12:55 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **13TH DAY OF DECEMBER, 2017** AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Wheeler, Presiding; Commissioners Eudaly, Fish, Fritz, 4.

Commissioner Fritz arrived at 2:05 p.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Lory Kraut, Senior Deputy City Attorney; and Nicholas Livingston and John Paolazzi, Sergeants at Arms.

1342	TIME CERTAIN: 2:00 PM – Accept the City of Portland Comprehensive Annual Financial Report for FY ended June 30, 2017 (Report introduced by Mayor Wheeler) 30 minutes requested Motion to accept report: Moved by Fish and seconded by Fritz. (Y-4)	Disposition: ACCEPTED
1343	Results of Financial Audit of the City Comprehensive Annual Financial Report for FY 2016-17 and related communications (Report introduced by Auditor Hull Caballero) 45 minutes requested Motion to accept report: Moved by Fish and seconded by Fritz. (Y-4)	ACCEPTED
1344	TIME CERTAIN: 3:15 PM – Accept the City of Portland 2018 Federal Legislative Agenda (Report introduced by Mayor Wheeler) 1 hour requested for items 1344 and 1345 Motion to accept substitute report: Moved by Wheeler and seconded by Fish. (Y-4) Motion to accept report as amended: Moved by Eudaly and seconded by Fritz. (Y-4)	ACCEPTED AS AMENDED
1345	Accept the Report on the City of Portland 2018 State Legislative Agenda (Report introduced by Mayor Wheeler) Motion to accept report: Moved by Fish and seconded by Fritz. (Y-4)	ACCEPTED
REGULAR AGENDA Afternoon Commissioner Nick Fish Bureau of Environmental Services		

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<p>1346</p>	<p>Authorize a competitive solicitation for Price Agreements for construction services at Columbia Boulevard Wastewater Treatment Plant, Tryon Creek Wastewater Treatment Plant, and associated pump stations for an estimated \$6,000,000 (Ordinance) 15 minutes requested</p>	<p>PASSED TO SECOND READING DECEMBER 20, 2017 AT 9:30 AM</p>
<p>1347</p>	<p>Authorize a competitive solicitation and contract with the lowest responsible bidder for construction on Montavilla North Sewer Rehabilitation Project No. E10385 for an estimated cost of \$6,225,000 (Ordinance) 10 minutes requested</p>	<p>PASSED TO SECOND READING DECEMBER 20, 2017 AT 9:30 AM</p>
<p>1348</p>	<p>Authorize a competitive solicitation and contract with the lowest responsible bidder for construction of Montavilla South Sewer Rehabilitation Projects No. E10386 for an estimated cost of \$4,000,000 (Ordinance) 10 minutes requested</p>	<p>PASSED TO SECOND READING DECEMBER 20, 2017 AT 9:30 AM</p>
<p style="text-align: center;">Commissioner Dan Saltzman</p> <p style="text-align: center;">Bureau of Transportation</p>		
<p>1349</p>	<p>Amend the boundary of the NW 20th Ave Local Improvement District to accept \$500,000 in funding from Esco Corporation, include and assess property at 2141 NW 25th Ave to fund traffic signal replacement and intersection improvements to the NW 23rd Ave and NW Vaughn St and U.S. Hwy 30 intersection (Second Reading Agenda 1314; C-10049; amend Ordinance No. 187244) (Y-4)</p>	<p style="text-align: center;">188724</p>
<p>*1350</p>	<p>Authorize the Bureau of Transportation to acquire certain temporary rights necessary for construction of the St. Johns Truck Strategy - Phase II project, through the exercise of the City's Eminent Domain Authority (Previous Agenda 1315)</p> <p>Motion to accept Bureau of Transportation amendment to remove four exhibits: Moved by Fritz and seconded by Fish. (Y-4)</p> <p>Motion to add emergency clause to avoid possible delay in construction and overall project completion: Moved by Fritz and seconded by Fish. (Y-4)</p> <p>(Y-4)</p>	<p style="text-align: center;">188725 AS AMENDED</p>

At 4:06 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **14TH DAY OF DECEMBER, 2017** AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Wheeler, Presiding; Commissioners Fish and Fritz. Commissioner Eudaly teleconferenced at 2:35 p.m. for item 1352, 4.

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

1351	TIME CERTAIN: 2:00 PM – Accept the Oregon Sports Authority's annual report on national and international sports marketing activities and event recruiting services (Report introduced by Mayor Wheeler; Contract No. 30005536) 15 minutes requested Motion to accept report: Moved by Fish and seconded by Fritz. (Y-3; Eudaly absent)	Disposition: ACCEPTED
*1352	TIME CERTAIN: 2:15 PM – Ratify a collective bargaining agreement between the City and District Council of Trade Unions relating to terms and conditions of employment of represented employees in the bargaining unit (Ordinance introduced by Mayor Wheeler) 15 minutes requested (Y-4)	188726
1353	TIME CERTAIN: 2:30 PM – Presentation on the Get Portland Moving Pilot: ramping up coordination of activities in the right-of-way (Report introduced by Commissioner Saltzman) 20 minutes requested Motion to accept report: Moved by Fish and seconded by Fritz. (Y-3; Eudaly absent)	ACCEPTED

At 3:25 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.

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.**

DECEMBER 13, 2017 9:30 AM

Wheeler: We will start the morning session in a moment but before I do that I want to acknowledge a extinguished guest that we have amongst us here today. We are honored by the preps of the consul general of ireland, robert o'driscoll is here with us today. Would you please welcome us with a few words? We are honored to have you here today.

Wheeler: Welcome to Portland city council.

Robert O'Driscoll, Counsel General Ireland: I am very thankful to be here today, and thank you very much, mayor wheeler. And commissioners forgiving me a couple of minutes. This is my first visit to Portland, and I came here with two purposes. And one I wanted to meet with the strong irish community here and people of irish heritage to talk to them about one, the strong heritage in the city, and I know that's one of the first -- one of the first mayors here was stephen j. McCormack who took office in 1859, after only eight years in the city. I only have four years of my term so I am not sure that I will reach -- I want to talk about that -- I wanted to learn more about that. I came here to talk about an irish economy which has been through a massive recession, but now has come to the other side And is the fattest growing economy in europe, a country more diverse and accepting than ever after our marriage equality referendum in 2015 being the first country in the world to vote for marriage equality. I wanted to speak also but the u.k.'s decision to leave the e.u. And what that means for ireland, and particularly what that means for relations between north and south, and which brought peace to ireland after a troubled period of over 30 years of conflict. That was the first part. That was yesterday. And today my focus is on the future of ireland's relationship here in Portland. I am struck in the five months I have been here on how deep the connections already are between ireland and the west coast but also between, on the potential of how we can do much more. And people say to me all the time robert, you need to go to Portland and see what's happening up there and you need to see this vibrant start and need to meet the people and see how more and more irish businesses should be here and adding to the, up to 100,000 jobs that the irish companies already support in the united states, and that's why I am here today, and in Oregon later on today and to talk to them about how we can do a bit more, and I hope that next year to lead some more of our enterprise agencies up here to have those conversations and try and build those relations, so that's why I am here today. I want to -- I won't take up more of your time but I wanted To thank you here, in irish we would say this time of year, we would say. [speaking in irish] that means happy new year and happy holidays.

Wheeler: Wonderful and thank you very much for being here. We are very appreciative. Thank you. [applause]

Brendan Finn, Chief of Staff Commissioner Saltzman: We have close connections to dublin in the south and belfast in the north and we led many delegates there and hosted many here while not an official sister relationship there is strong connections economically so we are making progress.

Wheeler: Very good.

Finn: Thank you.

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O'Driscoll: Thank you very much.

Wheeler: Thank you very much. Appreciate it. [applause]

Wheeler: Good morning. This is the december 13 morning session of the Portland city council. Karla please call the roll. [roll taken]

Wheeler: Colleagues I would like to suspend the rules and begin this morning's council session with remembrances for a great leader for this city and for this state. Vera katz. Vera katz was, as many people have noted this week, larger than life. In all the descriptions I have read of vera katz this week there is one common theme. That was that she was a force of nature. Leading her community to new heights. She made an indelible impact on our state and our city over four decades in leadership from the early 1970s to after the turn of the new millennium. Mayor katz represented in my mind the very best of the american spirit. From when she had to flee nazi oppressors in germany to her transformation from concerned citizen to fearless civic leader. Wherever she went mayor katz seemed to break new ground. Becoming Oregon's first female speaker of the house. Portland's three-term mayor, and changing the fabric of the life in this city in the process. All of us in public spirit, in public service can aspire to her boldness, her candor, and especially her humanity. On a personal level I always felt privileged to attend school with her son, jesse, and in my mind I can't separate mayor katz from vera katz, the mom. The school mom. My heart goes out to her and to her son, jesse, and to mel katz and all of her many colleagues and friends that she met along the way here during this very difficult time. It's extremely rare that someone in public life makes a similar impact in their personal life. As I read all of the memories that people had put forth this week it's clear that she did both. Even people who said you know I didn't really like her politics, but then they would go on to talk about an encounter they had with her and an experience that they had had with her or some Opportunity that they had shared together in the community, and it's obvious that she made an impact on people at a very personal level. She will be remembered as mayor, as a legislator, as a mother, and as a friend to many in our community. We'll all miss her greatly. I want to say something else on a personal note. As I sit here in the chair that she sat in for all those many years, I know that I am not a vera katz. But she's put the path before me, and I aspire to lead the way that she led this city, and I believe that I am capable of that, and I know that somewhere she's looking down on me hoping that I live up to that expectation. Colleagues, commissioner Fritz, commissioner Fish.

Fish: Two quick stories. Three or four weeks ago I was at the knight cancer institute where I spend seven hours every other week, and I had a little downtime so I called vera on my cell phone. And she answered and was heading to dialysis. She had regular dialysis to deal with her health challenge. So we compared notes. I had not spoken to mayor katz for some time, but she was as warm and funny and I should say irascible as ever. At the very end of the conversation she said something to the effect of, did you call me to ask for money? And I said no, mayor, I am calling just to tell you that I love you, and I was thinking about you since we both have a shared struggle. The story, though, mayor that I will never forget and that is familiar to some of the folks in the room today is the way that mayor katz stepped up right after 9/11 to represent our city. Now as many of you know it was not a well kept secret that she was phobic about flying in airplanes. She would do anything not to have to fly in an airplane. She was fearful of flying. Right after 9/11 there was a flight for freedom organized, and a thousand Oregonians went back to new york city. Not only did it require flying in an airplane but required flying in an airplane at a time just following the worst terrorist attack in our history. I can assure you that a lot of planes weren't going into new york. So she had to overcome two significant concerns. But the sense was that you could not sent a delegation of Oregonians without having vera lead the delegation. So

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ultimately she agreed to be the leader, and she flew to new york. There was one moment that crystallized everything that I have come to know about this remarkable woman. There was a ceremony at the cathedral of st. John the divine which is the magnificent seat of the episcopal church in the northern part of new york city right next to columbia university. It had been designated as the northern morgue for any terrorist attacks. So it was the place where bodies were to be taken in a serious attack. Every year they do something called the blessing of the animals, and it's a significant event and generates about 3,000 people who come. This year the blessing -- that year the blessing of the animals was especially poignant because they invited as the lead animals in the processional the dogs that were down and in ground zero looking for bodies. So they honored those dogs, those highly trained dogs that were seeking out survivors. Mayor katz was asked to speak on behalf of Oregon at the ceremony. It was televised. There were 3,000 people in the cathedral. Judy collins sang. The speaker that preceded her was bobby kennedy jr. Vera was not aware that bobby kennedy jr. Was going to be on the program. What made that extraordinary is she came into politics because of bobby kennedy. It was bobby kennedy's father who inspired her to get into politics. So for her to follow bobby kennedy jr. At that moment. Well vera rose and stood facing 3,000 people in this enormous cathedral, and she told her story about coming to america as a jewish refugee. All that she had endured. I had never heard that story before. As many of us know she was not someone comfortable talking about herself in that way. She would not share those kinds Of stories. Well it turned out that when she came to new york as a refugee she lived in a tenement across the street from the cathedral, but she had never been in the cathedral because she never found it a welcoming place for a jewish person. So here she was all these years later speaking in the cathedral, and she told her story, and then she got very emotional. She offered the love and support of all of Oregon for the victims of 9/11. We all have our personal highlight reels of moments with vera katz. I have never been prouder of her as a leader representing our city, and it made an indelible impression on the people of new york to have this feisty mayor get up and offer solace when it was needed. So I will never forget that, and all that she did for our city, mayor.

Fritz: I started my political awareness in Portland in 1991, so for the first 12 years of coming to this area as a community activist, there was mayor katz, the leader, the person with gretchen kafoury directing policy for the city of Portland, and it wasn't until later that I realized how few women have been on the Portland city council, that was the normal thing for me. She was a great role model for that. Two things I particularly remember, one she never learned to drive. She used tri-met and loved it like I do, although I can drive, and secondly people sometimes say that we have a weak mayor system in Portland. You think of Vera katz, that was not a weak mayor in the city of Portland, that was not vera she was a strong mayor.

Wheeler: Very good. I usually give a long statement about...

Fritz: There has been a condolence book placed in the lobby downstairs so if you would like to send a message to the family. Somebody did that for me in 2014 and it was really helpful for me so I encourage you to write your own remembrances down there.

Wheeler: If you want to write an email I will make sure it gets forwarded to the family. Ordinarily we talk about conduct. I don't think we need to do that today, I think that everybody knows the basics. You will hear differences of opinion at the microphone and that's ok. First issue is communications, call the first item.

Item 1317.

Wheeler: Good morning, sir.

Joseph Walsh: Good morning mayor wheeler and members of the council, great to be here in the friendly confines of the council chambers. It's been 30 plus years since I was

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here as a city employee. Again I am joe walsh, reside at 4035 southeast oak and have for more than 40 years. I am a member of the laurelhurst neighborhood association and their safety committee but I am here as an individual. I am also a member of an informal group of neighbors and small businesses called around this issue of illegal camping. So you can expect to see us here regularly on wednesday, sharing Stories of what we see out on the streets. I want to remind you of three things that you probably already know but need to be talked about on a regular basis. First of all, the extents of this illegal camping in Portland is disgraceful and dangerous. Second the city's response to too ad hoc, it's better than nothing but not up to what it needs to be, and third the city and it's partners, county and odot and others simply have to do better. No one that I talk to, no one has the least interest in criminalizing homelessness, harassing the homeless, and claiming otherwise really is a distraction from the real issue at hand which we think is the enabling of a lawless subculture on the public property. To the extent that there is a tremendous ground swell, obviously, of discontent over the increase in property crime, the health hazards, I have got a packet here with 28 stories from folks all over the eastside that we gathered just in a couple of days by word of mouth. You can go through those. In my case I am concerned but the health and livability aspects but in my own particular case as a person in long-term recovery from drugs and alcohol, somebody who devotes his time in retirement to the treatment world I am talking to folks with a lot more training and experience than i. They are unanimous. For folks in their addiction, with mental illness this is not compassion. For folks who combine their Addiction and the mental illness with criminality, it's enabling and dangerous. As to the ad hoc nature of the response, more than ten years with the city of Portland, like minded folks in the neighborhood association, we spent six months trying to get a concerted response to camping on the perimeter laurelhurst park. Imagine how hard it is for folks who don't have those resources and the kind of savvy with the rolodex or whatever the current version of a rolodex is to know who to call and to be persistent. So, but once the bureau of folks got on the same page, police, parks, and p-dot, at the district level on the, on the ground level they did a great job. And they also understand and articulate that this is an intolerable situation. They hate seeing their city and their city facilities, so ill used. Third point we need to do better. I am out of time. in this packet is a safe zone. The ordinance, a safe zone ordinance, that will allow the city to designate parks, schools, and playgrounds as no camping areas as in we really mean it this time. So please go through this and as I mentioned we'll be back on wednesday after wednesday talking about this issue. Thank you for your time.

Wheeler: Very good. I appreciate it, and if you are going to be back on wednesday after wednesday let me also tell You what would be helpful for us to hear because as you know we are pursuing a comprehensive response around homelessness, this administration along with the county has never invested more in prevention, rent assistance, emergency shelter, housing strategies, addiction, mental health treatment, on that side of the spectrum, nor has there been a more concerted effort in recent years around what I am describing as livability issues, enforcing codes and insuring safety and addressing public health and public safety concerns, environmental concerns. If there is more that you think that we should be doing that is not part of that spectrum of services, I would like to know specifically what. I have this meeting ten times a day where people tell me that they see the trash, the litter. They have the anecdotal evidence of criminality, but then they never say what I need them to say, which is what do you want us to do about it that we are not already doing. Are we on the right or wrong track? And remember it has to be legal and has to be constitutional.

Walsh: Better coordination among the city. I am a long veteran of the silos that exist in our commission form of government. There was good news in your op-ed but the resources.

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People at the front lines don't know about this. They are not seeing it, and we will dig into and can work with your office and figure out where The resources are, where they need to be going.

Wheeler: One moment commissioner. Speaking of silos, when I took office, you know, there's a lot of land-holders. The city, the county, tri-met, odot, union pacific railroad, there is lots of organizations and entities that have different rules. We're under the anderson agreement, odot is under the car agreement, and for the first time we're coordinating and trying to find compassionate and effective responses simultaneously, so I feel that's improving. It's not where I would like to see it yet but I acknowledge that.

Walsh: More communication about these efforts, an ability to find out what's going on, and again, the issue here is a very small subset of folks who are, in my anecdotal experience, choose this mode. It works for them. It needs to not work any more.

Wheeler: And I look forward to furthering the dialogue and I appreciate your presence. Commissioner Fritz.

Fritz: Which is the further question that I would somewhere if we were to designate places where people could not live outside, we would also need to decide where they could because there are not places, it's not an emergency, enough shelter for everybody overnight.

Wheeler: Thank you.

Walsh: To be continued.

Wheeler: Thank you.

Fritz: The mayor has a website with a single point of contact.

Walsh: We use it and abuse it.

Fritz: Have you seen the reporting on what has been done or will be done?

Walsh: We are following on an ad hoc basis but there is not, and maybe we could learn about where we can see the big picture, where the dashboard is.

Fritz: If you check the front page of my website I will make sure that that's there.

Wheeler: Next individual.

Item 1318.

Wheeler: Good morning.

Dean Aldridge: Good morning.

Wheeler: You brought props.

Aldridge: I am dean aldrige, a lawyer with a construction law office here at 621 southwest morrison. Suite 1050, 97205. Thanks for the opportunity to present today. I am here today presenting on behalf of j.a. Atwood corporation. Jim atwood is here with me. Early next year you will be receiving a recommendation from the unreinforced masonry, that's urm, building policy committee, the committee is expecting to issue is a final report soon. We don't have one yet. There are still unknowns, which is a problem. The committee appears to be scrapping the existing regulatory policy entitled "24" which requires seismic upgrades only when there is a change in use or sufficient improvements to a building, in favor of a mandatory or forced seismic upgrade. Even at the urm, otherwise being Improved, and even if the buildings are not critical facilities, schools or public are a catch-all, urm buildings are known as class 3 under the policy. The new policy. This mandatory seismic upgrade policy especially for these class 3 buildings causes more problems than it solves. Here are five examples. The real cost of the mandatory for seismic upgrades were not properly analyzed by the committee. The committee estimated the compliance costs were 20 to \$69 a square foot. This was based on the local anecdotal information for some information, and then fema standards for the rest. When we look at an example of the glade hotel, which is in the heart of old town, we see the problem. The hotel went through a study, and the cost was \$334 a square foot. That's approximately 1.88 million divided by

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5,225 square feet. The building is only worth \$940,000. That's the first reason for the failure to analyze the cost. The second is there is no viable funding option to pay for this. There is a senate bill 311 which provides some offsets by abating property tax for 15 years. For that is 5% the cost. Permit cost deferment may also be available. That's insignificant. With these property tax abatement and the permit deferment, probably needs that property tax money and permit Fees to pay for government services which may be a better use of -- than this mandatory seismic upgrade. Number three the policy on the right, the abilities and choices regarding the development of the property, and number four the committee appears to be locked into forcing new complex and costly regulatory schemes with the details to justify its work, and number five the retro application regulations to existing buildings invite numerous legal challenges. For these reasons we respectfully request the that the city, or the council reject the forest mandatory seismic upgrades and send it back for further study under the existing policy and using actual examples like the glade hotel. We have the numbers of the glade hotel passed out.

Wheeler: Commissioner Fish?

Fish: Thank you, by the way, two this pro-forma. Because not everyone will be able to see this, the take away that you want us to see from this is that if you compare the replacement value of the building, in other words demolishing it and replacing it, first is complying with this new urm mandate. This shows according to your numbers that it would be cheaper just to replace the building and the cost is from your point of view cost prohibitive so you are asking us to go back and look at these kinds of buildings to make sure that we are not encouraging demolition. Is that a fair comment?

Aldridge: That is a fair comment. Exactly.

Wheeler: Could I ask a follow-up question as well? There's been compromise after compromise on the recommended strategy. Originally it was under tier 3. There was not a tier 3 initially, and it was a fairly prescriptive, regulatory framework, and have been met with small building owners like the one that you have a photograph of right there, the glade hotel, which is a beautiful building, we backed off considerably while maintaining what we thought were the critical life and safety elements. So [inaudible] and chimneys. Is that all that's reflected here in your pro-forma?

Aldridge: No. If you look at the hard costs I tried to break them down based on the dos survey. So we got the tier 1, and the roof work and the wall work is secondary. One of the problems is trying to analyze as the numbers change and as the policy changes what happens to an existing building like this. That is, I think, where the main criticism is, how do these apply to actual buildings that are going to be impacted by it?

Wheeler: And we're going through a lengthy public process on this but I want to be sure where the because line, per pits, chimneys, and attractions around this subject, I believe the margaret will take care of some of the rest. As the probability of a catastrophic earthquake increases, the value of buildings that aren't Seismically upgraded are going to go down, possibly precipitously, and the ability to ensure those facilities also is going to go down precipitously. Regardless of what we do here. So there is a give and a take. I am trying to find the right balance. I would never ordinarily quote ed kotch but I will do it this once. When he chose to close the williamsburg bridge, which was hugely controversial because it needed an upgrade for this very reason, he was being yelled at and screamed at and the press was shouting questions and he said listen, at the end of the day, I would rather the people be inconvenienced and safe than inconvenienced and dead. We are talking about a catastrophic earthquake. I agree with commissioner Fish, I love the pro-forma because we have real numbers to talk about. I appreciate you taking the time and energy and money that you invested to do this, and it's a good place for us to build the discussion from. So thank you both for coming in. Really appreciate it.

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Aldridge: Thank you mayor and commissioners.

Wheeler: Next individual, please.

Item 1319.

Wheeler: Good morning, ambassador, welcome.

Ambassador Margaret Hepziban: Pardon me?

Wheeler: Welcome.

Hepziban: It's nice to meet you. I know I only have three minutes so I don't want to be derided here. Let's see here. It's hepziban, not hepziban, but let's see, and I don't mean to be snide. I have a bit of anger, and I think that the anger is an emotion as long as we don't do anything ridiculous from our anger, then it is an emotion, and there are very critical issues and heated things that we have to do with and I think that that's why we are all here usually anyway, right. So very emotional and/or harmful or not things. All right, so I am trying to see how I can quickly do this. It's nice to finally hear you and see you, mayor. I am an ambassador of god, which means and a lot of people don't know that, the churches do not preach structure of authority in the church. Very nice to hear you speak. You are definitely very intelligent, and I feel you are competent to do your work, but let's see here, so ambassador, I speak the voice of god. It's not me it's not my persona or anything, and I have good will. So I have good will, but there is a lot of serious things going on. My son was killed here by the kkk. I am currently homeless. I am being stalked and attacked every day by kkk as well as my own brethren, ok, which for some reason want to throw me in jail and keep throwing up in the face of god and his voice that they want to have their way, and god can't. So I think that I am going to carry that to the last part of your mention with this last earthquake seismic considerations. Most geologists, or some part of that science world, have now -- they are now saying that human behavior is related and connected, linked somehow with ecological disasters. So these things are happening, and I would state to all the council, hi commissioner Fritz, that these things are happening instantly. I have had someone literally shave my hair off while I was asleep. That's why I have to put all this in and the next day a flood happened where that person came from. The flooding in Texas. All kinds of things, and people can deny and blah, blah, but you know, it gets redundant after a while and again I have good will, I love you all. They don't love me, so that's my role that's kind of an ambassador prophet, apostle, and speaking to the u.k. and Ireland and their scenario with the e.u. and Italy and their terrible earthquakes and the basilicas down to the ground stones, just amazing. I have had a charcoal etching of the basilica all my life. So anyway let's see here. I want to say something quickly so kkk abolishment and what I was going to say. Racism, spiritual occult behavior and it goes into the homeless scenario as well. I want to mention the Christian institutions like mercy corps, red cross, as well as where I am, the harbor lights salvation army. Run by people hanging skeletons and the signs of Satan from their ceiling in their offices. Why is that? And their supposed to be Christian. I put myself on the line of sleeping in my car now and vowed to say that. How can these people get funding, and yeah I am talking about money because when you rob god you are going to have cursing. You are going to have ecological judgments. You can't listen to the voice of god daily ok.

Wheeler: I am sorry you will have to ask you to wrap it up.

Hepziban: So what I would like to say, this homelessness scenario, I would like to be a part of that, and as far as ku klux klan is concerned, again, I am not saying war against them. I would like to see that entity as criminalized. Their behaviors are criminal.

Wheeler: Very good thank you.

Hepziban: One last thing if I might, so here I just want to read this second chronicles 13:11-12. This is going to the brethren here. We're talking about not just the word, but the power to save our city. We're talking national security and city safety from isis.

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Wheeler: Ambassador Margaret last comment here.

Hepziban: And they burn onto the lord every morning and every evening, burn sacrifices and sweet incense. The show bread also set thee in order upon a pure table, not a mixed Wicca Christian church, and the candlestick of gold with lamps to burn every evening for we keep the charge of the lord our god but he have forsaken him the person we are not worshipping matter.

Wheeler: Thank you.

Hepziban: Last thing verse 12, behold god himself is with us for our captain and his priest with sounding trumpets to cry alarm against you, oh, children of Israel fight ye not against the lord of the god.

Wheeler: Thank you ambassador Margaret. We appreciate it and we will see you next time. Thank you.

Hepziban: What I'm requesting city council I'm sorry city council mayor. What I'm requesting mayor Wheeler is a sit down. I don't need three minutes just to kind of talk and show, I need to sit down to talk to you about some. would

Wheeler: I would be happy to do it outside of council session. Very good. I am happy to do that outside of city council session. We are on a session here. Next item, please.

Item 1320.

Wheeler: Good morning.

Sarah Hobbs: My name is sarah hobbs, and having spent the past year and a half, on my suicide prevention work partnering directly with the city suicide first responders there are a number of issues that I hear constantly that I feel need to be addressed. One is it is not ow problem to go to the county, especially with the high risk of suicide as it pertains to Portland bridges. Seeking information, I spoke to somebody at pbot and learned some interesting things, some genuinely surprised me when it came to where the jurisdictions is within the city of Portland lies. Any bridge is a connector to The state bridge falls under odot jurisdiction, that is the st. John's bridge, the markham bridge, the fremont bridge and the ross island bridge. The steel bridge is privately owned by the union pacific railroad corporation and it is their responsibility. The santa fe main line bridge, south of the st. John's bridge is the responsibility of the burlington northern santa fe rail corporation. The remaining seven bridges that go over the river are the county's responsibility, but the Portland bureau of transportation has a jurisdiction over 155 bridges, referred to as neighborhood bridges. The most well-known of these bridges that pbot has jurisdiction of because of the reputation of 90 years as Portland's suicide bridge is this bridge. As well, when we say it is just the county's responsibility, we don't acknowledge how suicide is respondent to what's in the city. And I would like to tell you a story about a suicide response that happened. A 20-year-old young man has made his way to the bridge on his cell phone, called his mother who was going to say goodbye, how his father was able to connect with the Portland bureau of emergency communication, I am not sure, just that he did. Police dispatch immediately sent officers from the Portland police bureaus behavioral health unit and crisis intervention team. They took a look at what was Happening, and they declared an extreme high risk, sent it to the crisis negotiation team. By the time all was in place, we had the bureau of emergency communications, Portland police and the intervention team, crisis negotiators.

Wheeler: Thank you.

Hobbs: And Portland fire and rescue. I know we're in a hurry because we're delayed because of the tribute earlier but it's city employees outside of the county river patrol. Please if you are not going to take it seriously for the people suffering, take it seriously for the city employees to which your responsible.

Wheeler: Point well made.

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Fritz: I need to ask a question, what was the outcome after the response?

Hobbs: This is one time that we can see what happened was the young man in crisis said he would come down if the crisis negotiator from the crisis negotiation team was there to meet him and hug him. And he was. And they got him down.

Fritz: Thank you. We need to have that more often.

Wheeler: Thank you, Sarah

Wheeler: It's my understanding 1329 has been pulled.

Fritz: One more communication title.

Wheeler: Go ahead.

Item 1321.

Wheeler: I don't see him here. I understand that there is one item that's been pulled from the consent agenda, 1329, is that correct?

Moore-Love: Yes.

Wheeler: Very good. And could you please call the roll on the remainder of the consent agenda?

Eudaly: Aye. **Fritz:** Aye. **Fish:** Aye. **Wheeler:** Aye, the consent agenda is adopted.

Fritz: I have staff here for the pulled item. We can do it in five minutes or less.

Fish: So we have a lot of people here for this time certain. Can we do the first time certain and shift to that?

Wheeler: Is that acceptable? Very good let's do 1322 please.

Item 1322.

Fish: Before I begin I had like to welcome our honored guests today. A dear friend and former steve lowenstein board chair michelle harper, and current board chair joe hertzberg. Michelle are you going to bring all forward? yeah. They are going to bring two honored guests forward.

Joe Hertzberg, Chair Steve Lowenstein Trust: I will fill this silence by saying lots of city hall stories, one of my favorite memories of vera katz is as a neighbor she was the first person that I ever saw who followed her dog with a plastic bag and picked up its poop, and I thought that she was nuts.

Fish: Mayor and colleagues, this is named for attorney, author, and civil rights activist steve lowenstein. Steve was the founding director of Oregon legal services, a peace corps volunteer, an advocate for social justice. He also worked in this building As the chief of staff to former commissioner mike lindbergh. Steve wrote that the recipient of the trust award quote, "shall be that person who demonstrated the greatest contribution to assisting the poor and the underprivileged in the city of Portland, Oregon." today the board has selected two great and deeply respected leaders in the community, and I will turn it over to the board chair.

Hertzberg: Thanks, I am joe hertzberg, the current chair of the lowenstein trust board, and michelle harper, next to me, I thought was chair for life but some how was able to pass the baton to me. Nick has given a summary of steve's life, which really was almost like fiction. He started working in the kennedy administration as a young lawyer in the early days of the war on, worked with the ford foundation in ethopia and chile, founded Oregon legal services and the Oregon law foundation, and wrote the definitive history of jews in Oregon. He was mike lindbergh's chief of staff for six years, and he was part of a generation of leaders that shaped this city. Vera katz was one of them, mike was certainly one of them, along with people like charles jordan, neil goldschmidt, bud clark, they all knew and trusted steve as a straight shooter, a consensus builder and a passionate advocate for the disadvantaged. More than 25 years after his death, his influence still is felt here, every one of you has people in senior leadership Positions in your bureaus that consider steve to be a mentor and a role model. This is the 26th time that we have come to city council to make

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this award, and it's the most humbling thing that I do every year because we solicit nominations and learn about people who are making unbelievable contributions to this city, most of them unsung. These two join a list of local heroes. I want to see, a couple may be here today. If they could stand up.

Fish: We are going to do a photograph afterwards.

Hertzberg: The one person who is a past honoree and member of the board had to leave for an emergency, mark jolin received the steve lowenstein award has been on the board for some time. Michelle will tell you about this year's honorees.

Michelle Harper: Good morning, michelle harper, past board of steve lowenstein trust. Thank you very much mayor and city council. It is a great honor to present these two gentlemen to you this morning. This is the best of Portland to be able to celebrate with you this morning. Dr. Bethel and dr. Haynes, to bring you these nominees this morning. They were nominated by fay burch, and dr. Carmen thompson, and also senator gordly that put together a compelling nomination for them to give us this award. We are honoring two extraordinary and unconventional leaders who just happened to be best friends. Individually they have achieved remarkable things just remarkable things that are just overwhelming. To go they are a very powerful force to be reckon said with. They have moved mountains in many areas of social justice. Their faith drives their compassion and opens their heart to help. You cannot help but to come away with and not, changed by their wisdom and experience. It causes you to examine yourself and be moved to action. I would like to introduce these gentlemen to you today. Reverend dr. Leroy haynes, from beaumont texas, has a daughter and grandchild. A degree with honors from the university of north texas in denton, and master's degree with honors in social ethics from dallas, texas, and the school of theology. Dr. Of ministry, christian university and seminary in fort worth, post doctorate studies at boston university and pastoral excellent university in boston, massachusetts, and he just happens to be my pastor that I am proud of. His career chaplain and professor of religion and southern university of new orleans, louisiana, dean of and chapel of religion in texas college in tyler, texas, and pastoral experience serving a senior pastor in beaumont, texas, tulsa, oklahoma, and a christian methodist. Presently serves as a senior pastor at allen temple church and presiding elder for the states of Oregon and Washington and alaska. Emeritus president for the north Portland bible college as well as past chair of the ecumenical ministries of Oregon. Dr. Bethel. Has served as senior pastor for 23 years served in boston and kansas city. He attended bayridge christian college and received a b.a. Of theology from kansas city college and masters in religion from south hamilton. Dr. Bethel serves on the national association the church of god in pennsylvania, long-time executive of 14 years of secretary and treasurer and currently a chairman of ministry. He's also the president of the albina ministerial alliance along with dr. Haynes. What I will say to you today about these two gentlemen that are -- have done an amazing amount of work that has shaped the fabric of our city, whether it is police reform, social justice, housing, feeding the homeless, clothing, finding people jobs. You know the foundation of the african-american church has been the place where we go where we have not had -- we have had our rights denied. So the church, african-american church has been the foundation of everything that we need to survive. That continues today, so even though the leaders have extraordinary organizations that they lead, they still have it in their hearts to be leaders for the city and for the state in more ways than can be counted. The current police reforms that are in and out under-- underway Are the result of these two gentlemen. There are so many -- I could give you a laundry list of the things that they have accomplished that is extraordinary. It gives me a great honor and pleasure to bring these two before you this morning, and in the challenging times that we live in right now where some people are filling rather hopeless,

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the best thing that I can tell you is that they are the light. They are the light, and they are leading us the way that we should go. At this time I would like turn it over to dr. Bethel and dr. Haynes. [applause]

Dr. T Allen Bethel: I am dr. T Allen Bethel senior pastor in Portland, Oregon, to mayor and all of our commissioners and to the lowenstein trust it is indeed a pleasure and an honor to receive such a recognition today for something that I do almost naturally. I was born january 31, won't give you the year, about 8:00 something at night in a segregated hospital in columbia, south carolina, in other words now known as the richland memorial hospital where my aunt was the first african-american or colored nurse to be in that particular hospital. Raised in the rural section of that capital city on a dirt road, with many instances and experiences of segregation. To be able to rise through and go to the segregated high school and eventually into a desegregated high school and graduate to be the only second of my family to graduate from High school, to go on and be the only one in my family of siblings to attend college and to graduate and to go to where I am today, there is a country boys come off the dirt roads, gone many places, seen many things. Above all I must go back and I just want to refer to two songs that would sum up where, and I believe what is my life and why I am doing the things that I have done to support the people in Portland and any place that I have been to make the fabric of life better for us all. A charge to keep the god to glorify, a calling to fulfill. I do believe that there is a calling upon my life, a calling upon my life to serve god with everything that I have, and a part of that serving is to serve that people and mankind will be able to walk around free, not only in a spiritual sense but to have the freedom of life to live in this city free, clear, safe, as brothers and sisters together. And secondly I would conclude that what I am trying to do, as I said earlier this week, is to just quote this other song just a part of it, if I can help somebody as I traveled along this way, if I could help somebody with a song or word, then my living shall not be in vain. So all of what I am trying to do is to help somebody to have a better life as I travel along this world. Travel along this road, put your hand in my hand, and together we can. Thank you very much again for such a prestigious honor. Thank you. [applause]

Fish: Dr. Haynes try to beat that. [laughter]

Dr. Leroy Haynes Jr.: To our illustrious mayor and distinguished members of this great city council, the city of roses, commissioner Fish, commissioner Fritz and commissioner eudaly, I am the very doctor leroy haynes jr., I am honored and humbled to be the recipient of the steve lowenstein trust awards. This award and many others of the past recipients represent a commitment to the service of humanity, the city, and the idea of freedom, justice, and the equality. At an early age, at the age of 13, my pastor was dr. Martin luther king, lieutenant in southeast texas for the southern christian leadership conference. I became a son of the freedom movement at the age of 13 going to jail every other two weeks to break down the walls of segregation in our city, experience our church being bombed by the ku klux klan because of our church being the headquarters. It was as a teenager I made a commitment to the movement for humanity of freedom, justice, and equality, and democracy in our country. That has led me into [inaudible], and eventually into the ministry itself. I, like many others, I stand on the shoulders of the many that have died with their blood, sweat, and tears in the civil rights' movement to make this nation a greater nation to bring out the best of humanity in our Nation, and I am delighted and have been delighted to be a part of this city in that it was, actually, mayor katz that engaged me into the city government and politics and coming here and nurture me and I serve as one of her counselors. We have a great city here, and we are committed to bringing the best out of Portland and to building the best. Mayor katz was one of those leaders that if it didn't work, she was going to fix it. If it was a new policy or whatever you need, she was going to keep fixing it until it got done, and in that same spirit we want the best for our city. We want

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to create a moral city for our nation, a moral police department, a moral housing, a moral healthcare, a moral city that will speak to the humanity of our citizens, and in the words of the late dr. Martin luther king, we desire to create the beloved community, a community where people will feel human and where they will feel free, feel just, feel equal, and that they will feel inclusive. This is my life legacy, and my commitment to the city and to the humanity. Thank you. [applause]

Hertzberg: I would say the same thing to reverend t. Allen bethel, the steve lowenstein award is presented to reverend dr. T. Allen bethel for service to the poor and underprivileged in the city of Portland, 2017, and these come with a check, as well. [applause]

Fish: It's \$7,500 here by both gentlemen. [applause]

Fish: Before we go, could the other recipients here please stand? [applause]

Wheeler: Commissioner Fritz.

Fritz: Thank you for what you have done for me as well as what you have done for our city. Because you talk and live for and work for justice, not only in police reform, but in so many other areas of people's lives that matter, and you are both rare in that you speak the words for justice and the truth, and things that can hurt a lot because they are true. And yet in a way that is inspiring and makes me want to do better and makes me want to find out what needs to be fixed in, as you mentioned, doctor, and also you bring the words of beauty and of peace and of inspiration, and always respecting the institutions, respecting people's right to be heard, respecting people's right to not necessarily have understood everything right away, and yet you persist, so thank you for what you have done for me and for our city. I appreciate it.

Dr. Bethel: Thank you.

Eudaly: Dr. Haynes, dr. Bethel it has been a pleasure to know both of you and an honor to work with you on some of our shared issues and values, and I also deeply appreciate the perspective you bring especially in moments where I am feeling tired and discouraged and like this road has been too long because you've been on it a little bit longer Than me, and you both give me hope and inspiration and congratulations and thank you for your service.

Dr. Bethel: Thank you.

Fish: A shout-out to michelle and joe and the whole lowenstein trust board. This is a true labor of love. It's really become one of the favorite and cherished events here at council every year, to honor the life and legacy of steve lowenstein through people in our community making a difference today. Two quick comments, dr. Bethel, you cited a song. My dad, just before he died, asked that the words of that psalm be placed on his tombstone. Those are words to live by and thank you for that, and then dr. Haynes, thank you for saying we're a great city. I think that we have allowed a toxic environment at the national level to undermine our confidence as a city. We're not going to make the progress that you challenge us to make unless we truly believe that we can be a model and a great city worthy of what you have said out as the marker. Let us aspire to be a great city and reject the negativity that has become the standard and norm in our culture. Thank you both. It's an honor to call you brothers and friends.

Wheeler: I will chime in as well reverend doctors bethel and haynes. I can't tell you how important your leadership has been in helping my administration getting its footing under it. We came in obviously with the Doj settlement agreement, and both of you gentlemen have rolled up your sleeves and gotten down into the nitty-gritty of that, and I appreciated your patience and leadership and the time compliment that both of you have put into that process. I always feel when I am hearing you speak that there is a refrain between the lines in what you are saying. That refrain that I hear is a very optimistic refrain. It's one that calls on us to achieve something greater and be something bigger than our own selves or

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even to not be mired down in these times or think about just the short-term issues that we are confronting. We have had our disagreement on the minutia of the settlement agreement but I also keep coming back to the reality that we have two incredible giant leaders in the both of you here in this community. I think that it's great the two of you are friends. I always think of you together. You come as a pair. There is a little part of me, and maybe this is the part I shouldn't speak of that wonders what were you guys like when you were young? I bet you were a couple of trouble-makers, weren't you? Now I look at you and I think that all of us are inspired by the many, many years of leadership that you have given us, and here's to many, many more. I hope that we come back again and again and again and have these conversations, thank you both and congratulations and Thank you to everybody involved with the lowenstein foundation for making this possible. It is really important as commissioner Fish alluded to, to take a deep breath and pause and be grateful for what we have in this community and who we have in this community. Gentlemen you represent the best of who and what we have in this community so thank you. Congratulations. [applause]

Wheeler: Colleagues what I would like to do as we move forward, I would like to get to the item that commissioner Fritz is already agreed will take less than five minutes on the consent agenda. That was 1329. And then colleagues I would like to get to sergeant barnum for 1338. He has a short time frame so I would like to move that into the next slot after that if you would not mind. If you could read 1329 please.

Item 1329.

Wheeler: Commissioner Fritz.

Fritz: Thank you mayor. I want to give a brief presentation and then we would like to find out whether we can respond.

Eileen Argentina, Project Manager Portland Parks and Recreation: Good morning mayor and commissioners, I am the recreation services manager and with me here today is todd melton, and he's going to share information about the item before you.

Todd Melton, Portland Parks and Recreation: Good morning, I am todd melton, a financial analyst for Portland parks and rec, and part of my job is to work with the golf enterprise fund, among other things. This item, we originally, council approved a loan from our sdc fund to redevelop the --

Fritz: Systems development charge.

Melton: Sorry, to redevelop the golf course in north Portland. Originally in the amount approved was up to 1.5 million. Originally stated in the resolution was that we would pay back the loan in five equal installments. This, we are requesting to amend the resolution to allow us to restructure the payments in order to allow us to realize the anticipated increase in revenues that will allow us to make the payments in a little more affordable manner. This request is to allow us to pay interests on the first three years and then a graduated portion of the principal back in the next six for a total of nine years.

Fritz: Thank you. That's fine.

Melton: Thank you.

Joe Walsh: I am joe walsh. I represent individuals for justice. We have a problem extending the loan. My understanding is this loan was supposed to be paid off on a certain day and now you are extending it to 29, is that correct? The paperwork that I read, that's the implication that you are extending the loan payment, and at least when I take loan data, you extend the loan, it's going to cost you more. I don't know why we are doing that. The second part of our objection is the whole concept of courses when we have people dying on the Streets. We weigh them on the scale of justice. If you image that, on one side we have golf courses, which is very elitism. The majority of people do not play golf. We have a very select group that does. So we look at it as all of this land on the golf course is

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going to waste. That's the way that we look at it. And periodically you have people running around and hitting a white ball in a hole. And they do it so well that they go on to another hole. And hit it again. On the other side of the scale, we have people dying. We have this loan on the golf course. On the city. Why are we doing this? Why does the city own the golf courses? It was such a great idea private industry would heat -- eat it up. It's a waste of land. It's so intensive. I mean you have 350 yards. In each hole times 18. I am not good at math. I am not going to do the math but it's miles. Miles of land, acres upon acres, and meanwhile you have a company complaining that people are in their driveway, in their hallway, and you have a golf course going to do nothing except guys, mostly guys hitting little white balls into a hole and picking it up and going to the next one. Duh. Think about that. So that's my objection to it. It is not an objection to parks and recreation. I know that you are very protective of your territory, amanda. But this is ridiculous. Some day people will start to realize it, that it is just ridiculous, and I know I am over time but you've been generous with everybody today so be generous with an old guy.

Wheeler: Thank you. Did you want to respond?

Fritz: I would like to respond

Fritz: The golf fund is an enterprise fund. It raises funds that have been dedicated to the purpose. This is one of the reasons for the restructure is that it's being used as a community center. The golf clubhouse is opposite street from the thomas cully park, so what's happening is that the community there is patronizing the clubhouse, as a place to have weddings and other gatherings. That's as intended and we expect over time that will become profitable and serve many purposes, not only the open space and natural habitat on the golf courses, so because we are not charging enormous fees for these, that facility because of the neighborhood where it is located in, and it turns out that when you repave the system development charges, the charges for parks cannot be used for other purposes. They cannot be used for housing people or anything else by state law. So this is really a very simple thing that says that we're not going to use general fund resources to pay the debt. We're going to make sure that the golf fund repays the debt.

Fish: Commissioner Fritz can I add from my bureau's perspective, the columbia slough bisects colwood and not only does the comprehensive plan place a premium on protecting the slough and the wetlands there, but also puts a premium on protecting open space. Something that the cully neighbors fought for. The compromise was worked out to keep a portion of it open and a portion to be developed. It is at the heart of our open space inventory. And if we talk when converting it, we will potentially be out of compliance with the comprehensive plan.

Fritz: Thank you for reminding everybody. The northern part has been converted to industrial land, very much needed for providing good jobs.

Fish: Personally, not that it matters, I am not much of a golf fan but the only reason I watch it is because of tiger woods. He changed the game, and I watch him. But the -- just as Portland parks and rec offers tennis and offers mountain biking and hiking and basketball and all kinds of sports, we also have an enterprise business that offers golf. Will the demographics of the golf-playing public over time make that a sport that is less viable? Time will tell. But let me assure you that our first impulse should not be to take open space and necessarily develop it because that is that -- that is the -- almost the equivalent of a park in the middle of certain neighborhoods in the city, and people would be very upset if we took away their open space so thank you.

Wheeler: Call the roll.

Walsh: Can I answer?

Wheeler: No. Call the roll.

Eudaly: Aye. **Fritz:** Aye. **Fish:** Aye.

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Wheeler: Aye, it is adopted. Thank you. And could we please move to item 1338, please.

Item 1338

Wheeler: As you know this is a grant program that reimburses the city of Portland for the traffic division's direct enforcement that's focused on reducing the impaired driving and improving traffic safety. I think that we're all aware that there have been a number of high profile pedestrian deaths in our city as of late, and this is one of the programs specifically targeted towards reducing those kinds of conflicts between vehicles and pedestrians. We have sergeant barnum here this morning to share a few highlights of the program. Good morning, sir.

Sergeant Bret Barnum, Portland Police Bureau: Good morning mr. Mayor and council members. Thank you very much for your time. This grant is provided to the Portland police bureau through The Oregon impact which is a community group. They have been providing this grant to the city of Portland for, and other municipalities throughout the state for well over 15 years to my knowledge, and year to year, we find that this grant really serves a city very well. Just case in point last year, on grant overtime, funds that we had with officers working, we took 201 impaired drivers off the road which are both alcohol and marijuana impaired drivers, drug impaired drivers, that's 19% of the total custodies that we had, the total arrests that we had for the city that were not a part of the grant. All together our total statistics for the year on impaired driver arrests were over 1,000, almost 1100 drivers arrested in the city of Portland, what this equates to is 1100 people who had the opportunity to maim, kill or injure community members in our city, this grant does provide a viable livability issue, which where we're at trying to reach the goal of vision zero by 2025, we really do need these funds, and we monitor these funds closely to make sure that our officers are not being overworked, and we coordinate with from what we call high visibility enforce times, which we actually have one that starts is this friday. So as a part of the grant, there are a few specifics that we have to work, and in order to be in grant compliance, and one of those is a high visibility enforcement through the christmas and new year's season, Which starts beginning on the 15th of this month. Overall this will provide over 1,000 patrol hours at no cost to the city, so I can't help but to think that it is a benefit for our community members.

Wheeler: Very good. Any further questions on this item, commissioner Fritz? did you have a question?

Fritz: Just more of a comment that being aware that we have in the past had a challenge with racial profiling and with people of color being disproportionately stalked, I hope in that there will be a mindfulness that these are sent out to bring it to that attention because some of these biases are almost subconscious, and I just want to make sure that everybody is safe this holiday season.

Wheeler: Very good. Any public testimony on this item, Karla?

Moore-Love: One person signed up. Shedrick wilkins.

Wheeler: Come on up, sir.

Shedrick Wilkins: I am shedrick wilkins, and I think it was a year ago I took the unpopular viewpoint about, in cases where there is a crash of a car that the driver and ambulance shows up that they should be of a mandatory blood test. Also it's important to find out where people are getting a lot of alcohol and drinking around, so some of this information or the increased use of the police to pull people over will find out which restaurants or bars are letting people out. So there are some statistics there, and I really think that impaired driving there is an illusion, too, I think that I drink beer, and the first hour you drink beer it peps up your brain and you feel good, which enhances the skills but then after about an hour you tank. You are not awake and not alert. So alcohol is tricky again it's like a

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stimulant at first. You are relaxed and then it hits you and then you are just dangerous to everybody.

Wheeler: Thank you. Any further questions? Please call the roll.

Eudaly: Aye.

Fritz: Another thought that occurs to me in response to wilkins' question, I don't know if we ever coordinated between the office of neighborhood involvement liquor control section and the Oregon liquor control commission and enforcement efforts like this, so I am sorry that I didn't ask you that before you had an opportunity to respond but it certainly is an area that we should be doing a lot of wrap-around thinking so that we do keep people safe. Thank you for your work. Aye.

Fish: Aye.

Wheeler: Aye. The ordinance is adopted. Thanks very much. Appreciate it.

Barnum: Commissioner Fritz we partner with olcc and when we have these establishments, that's a part of the document and the written report so that's all captured by olcc. If there is action to be taken by somebody being overserved by a establishment there is focused attention and collaboration between the Portland police Bureau and olcc.

Fritz: I appreciate you putting that in for the record.

Barnum: Thank you.

Wheeler: Colleagues we're doing a bit of an agenda rodeo to accommodate schedules. We are going to start with 1324-1, the 4/5 agenda. Karla?

Item 1324-1.

Wheeler: December 15 marks the 50th anniversary of the federal age discrimination and employment act, sometimes known as adea. The adea protects applicants and employees 40 years of age and older from discrimination on the basis of hiring promotion discharge compensation or terms, conditions or privileges of employment. It's an important policy to promoting an age friendly nation. When I think about us building as a community I reflect on my dedication to building Portland as a community for all ages. We must engage people of all ages socially, civically and economically. Older adults are a renewable and largely untapped resource, our only growing natural resource, I would argue, and in Portland we're working to maximize their skills and talents through our age friendly Portland initiative, which has been recognized both nationally and internationally. I believe that age friendly cities will be more desirable, more successful, and economically more viable than those cities that are not. Portland can and should continue to be a leader in the global age. Friendly -- the friendly city's movement is an important part, we need organizations and individuals, both young and old, and everybody in between working together. We can build a community that truly is a place for people of all ages. Commissioner nick Fish has had a long standing commitment to this issue and has long been a supporter of our age-friendly initiatives here at the city of Portland. Commissioner Fish would you like to say a few words to kick us off?

Fish: In the interest of time let's invite our honored exists forward and just say that I am proud to live in a city that uses as one of its organizing principles the idea that we are welcoming and accessible to people of all ages and abilities. And that's reflected in everything from harpers playground, is a place for young and old to enjoy, to how we build our buildings, organize our parks, and our walkways and our trails, how we think about our economy, and we are blessed to have strong partners here in the city. It's sort of a perfect storm. We have a mayor who has county chair took the lead and in looking at how we capitalize on being a center for older adults, and we have partners at elders in action, aarp, Portland state university, at the county and the state and many other places working together very collaboratively to think about how we capitalize on this advantage of being a destination Place for older adults, and as someone who is recently, well, who will soon turn

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59, I am thinking more and more about these issues about an age friendly city. Anyway I just am pleased that we have this alignment between leadership on the council, leadership in the community, and that we have a council that's willing to invest in this important work and turn it over to you. Thank you for your good work.

Wheeler: Very good. Good morning.

Margaret Neal, Portland State University, Institute on Aging: Good morning. Thank you very much for having us here today. My name is Margaret Neal from Portland State University Institute on Aging along with Allen Delatorre, the co-coordinator of the age friendly advisory council. What we want to do today is to run through a progress report of our activities over the last year but before I started I would like to ask the members in the audience who are part of our community partners who are members of our community partners to just raise their hands at least. We will acknowledge them. Thanks so much. So Portland is now a member and has been for several years of the World Health Organization's network of age friendly cities and communities. There are 541 members of this global network. 37 countries representing 179 million different people and there are 13 affiliated programs including the Canadian program and AARP in the US. There are 194 members in the AARP network of age friendly cities, so an age friendly community is one that is livable and friendly for people of all ages and abilities. What we are doing through this initiative is trying to sharpen Portland's approach to livability specifically looking at the physical environment, the social culture environment as well as the service environment which includes health service and communication. In terms of our timeline we've been at this for some time. We began in 2006, Commissioner Fritz will remember that, she was our initial champion of this effort. The World Health Organization asked us to participate in its global age friendly cities research project to identify what makes a city age friendly, what are barriers to age friendliness and what suggestions people had for change. So that's a number of years ago. In 2011 and 2012 Portland joined the brand newly created WHO global network of age friendly cities. In 2013 the action plan for Portland was developed by our advisory council and ratified, approved by city council. In 2014 Multnomah County joined the global network and the U.S. AARP network, and from 2016 to present we have had a great deal of support from the city for our action plan implementation. To date although we have ten areas of focus in our action plan, we have five working committees. It's essentially a volunteer effort. We began with civic engagement. Our working committee on that. We have employment and the economy, health services, prevention and equity. Housing and transportation. Those are our five working committees. Essentially what we're doing through this effort is bringing together community partners to align our various efforts. You can see that each individual organization makes an important but isolated impact. When we can align the efforts of different organizations we can accomplish so much more. It provides a structure so that we can get our organizations together and make decisions together about how to move the action plan forward. The advisory council adds value and an identity to the efforts related to older adults in our region through our age friendly label, through local, national and international networking through public engagement and community story telling and gathering of data and conducting research to inform local policies. So our action plan was accepted in 2013 by resolution and it was related to long term planning and capital improvement in the city. The resolution directed the advisory council to oversee and monitor the implementation of the action plan. I'll turn it over to Alan to talk about highlights from the last year.

Alan DeLaTorre, Portland State University Institute on Aging: Thank you for this opportunity to present. Before we get started I wanted to thank Deborah Stein for helping

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compile the annual report. She did a good job of stripping a little of the academic out of us and into something more concise.

Fritz: I was just noticing that. Well done.

DeLaTorre: Growing partnership and kind of fine tuning some efforts. I would also like to thank the liaisons from each of your offices working with us. Jamie dundee and michelle plumbeck who have guided us to be more effective. I'm going to touch on some of the highlights from the report. First with respect to physical environment we have focused on advocacy and consultation. Want to highlight the work really that marches back all the way to the Portland plan but has come to a head with the comprehensive plan and the projects that have emerged from there and the residential infill project and housing by design we have had an opportunity to draft what is innovative policy being looked at from other places in the world, in the u.s. In particular, we're sharing some of that with seattle. They are interested in what we're doing and how we're moving forward the concept of visibility, basic accessibility concept with zero step entrances, wide hallways and doors and a bathroom on the ground floor that can be used by those with disabilities. We're working with aahp, vision zero and the adaptive bike program. Also with bps have been working on a more inclusive public outreach component doing focus group research with end users of homes as well as designers and developers to try to get multiple perspectives on how to accomplish certain things. I want to note here with respect to the physical environment just a call out to suzanne stall, who passed away last month. I worked with her for more than seven years in the accessibility and built environment and commission on disability. She was a strong advocate and a leader and we'll miss her dearly. I know there's an opportunity to honor her but this seemed an appropriate place to do that.

Wheeler: Thank you for doing so.

DeLaTorre: I would like to move on to social environments and highlight one major thing that just occurred in october. We held our 2017 aging well conference which had over 200 attendees. We focused on community resilience but moved beyond the idea of just emergency preparedness as a component of resilience and looked at housing and healthy housing including feng shui and aging which is the first time we have seen something like that. There were stories of resilience and day-to-day experiences that people were carrying out. About two-thirds of the folks who were involved expressed interest in continuing to be involved in some way, shape or form. It's with respect to service environments I think it's incredibly important to highlight that we launched this fall our new website. Also trying to clean things up, streamline processes, provide people with important information so we don't have to answer those interesting calls and emails saying, how has Portland done this or what's the story? We feel like the new logo is actually quite good thanks to Multnomah county for that free consultation and work. I want to highlight a couple of other service related issues. We have been working with the water bureau on affordability and crisis vouchers. Appreciate commissioner Fish reaching out to us on those issues. Have been training community health workers who are front line with communities on age specific approaches and our increasing involvement in advocacy opportunities throughout the community. So opportunities that are ahead. We would like to continue to be on the leading edge but are recognizing we have fallen behind with respect to some of the work happening in other communities. Investments from different municipalities including statewide efforts are things that we would love to explore. We have the need to continue to implement the action plan that was accepted in 2013. We have made solid progress on housing accessibility, healthy aging, communication and information. But we're primed to advance. Employment and the economy as the ada proclamation mentioned today as well as transportation and civic engagement but there's substantial work to be done with inclusion, equity, understanding community services and

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housing options for older adults. People of all ages and abilities. I think that's important to note. This is not just about people over a certain age but really thinking more inclusively about our community. We would also really like to find out ways this year to work more closely with bureaus and offices in the city. We found success at most of those efforts and so if we can use the beginning of 2018 to figure out how to be more effective and align more appropriately that would be incredible. We would love to suggest exploring an age friendly position within government and see if that's something that can move this forward differently and more holistically. Just a couple of ideas for cross organizational synergies we're exploring age smart employer award that would maximize opportunities for an aging work force which is happening in government and other organizations within the community and would love to start exploring what this age filter, an idea now, we don't want to recreate the equity lens in the city but to find out how an age equity may complement what's happening and then as i'm sure barbara bernstein will talk about trying to enhance involvement. They have an exciting new series called civics 101. I'm wondering if I can sign up for that actually. I want to leave with the last slide here to read a quick quote. What we do now to make our communities good places to grow up and grow old will yield returns not only for today's elders but also tomorrow's. That is for all of us. I really think that this resonates with folks to say this initiative is about older adults. People with disabilities. Mothers and parents with strollers, folks on their bikes and everyone in between. For folks wanting more information please visit agefriendlyPortland.org. This is barbara bernstein.

Barbara Bernstein: Thank you. Thank you, mayor, commissioners, for giving me this opportunity to talk about volunteerism and how it's integral to this movement and to the community's health and well-being. As we know studies know and as we know instinctively volunteerism has all sorts of benefits for aging well. It improves health and well beings, provides meaning and purpose, it creates opportunities for physical activity, for intergenerational activity, it reduces depression, reduces isolation. It creates an opportunity for a transition from work structures to volunteer structures that maintain social networks and it provides all sorts of benefits to the community that older adult volunteers are serving. In effect, i'm going to say that volunteerism is the secret to aging well. Elders in action, we have about 10,000 volunteer hours logged every year and if you translate that into a financial number it's about \$200,000 that the city is leveraging through your support of elders in action. If you multiply that across all volunteer activities throughout the city you can see how volunteerism and civic engagement are integral to how we how the city evolves or -- what's the word? Works. Thank you. And I do want to bring up, however, that times are changing. We have added 30 years to the life span in our memory and that means that work life is changing, work volunteerism is changing. People are living into their 80s and 90s and that will challenge how we do public policy and how we think about volunteerism and civic engagement. Many adults are living on limited incomes in a time of reduced wages and disappearance of pensions older adults are having to think about how they will make limited means stretch.

Fish: I can stick in the record that I think I heard from one of you, every day in this country 10,000 people age 65 or older retire. And less than half of them have retirement savings of 10,000. So when you think about it, it's a ticking time bomb of a demographic wave of people that are going to be retiring without the resources to fund their retirement and then they are going to have housing needs, health care needs, all kinds of needs. It's in Oregon, around the country. Just think about that statistic and how staggering that is.

Bernstein: Thank you. When you think about the answers to the questions volunteerism is one way. When you ask us to reach out to diverse communities to link them to resources in the community we do that with volunteers. When you ask us to work with the water

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bureau we do that with volunteers. One you bring up a point about the home share program. That revitalization is a really amazing answer to one of the challenges that you just articulated. We did that advocacy with volunteers. Additionally, civic and faith community membership shrinks then there are fewer places for that civic engagement and volunteerism ethic to evolve and to be nurtured. Volunteerism has been a part of our community and this country but it's not a given. It really needs to be supported, nurtured and cultivated. The question for us can be what are we doing in the schools? I'm really proud to live in a city that has a bureau dedicated to involvement. Civic involvement. It's called office of neighborhood involvement. I think of it as the office of community engagement but that support is incredible to the nurturing and maintenance of the structures that allow older adults to be engaged in our community. In a time of change, I want to say thank you to that support. The volunteerism and the civic engagement of our community is essential to health and well-being of our city and it's what makes the city age friendly. Thank you.

Wheeler: Thank you. With that I would like to read the proclamation. Whereas december 15, 2017, marks the 50th anniversary of the age discrimination and employment act, enacted by the united states congress to protect individuals 40 and over from discrimination in employment on the basis of age and whereas the city of Portland recognizes that no one should be denied work or should lose work based on assumptions or stereotypes related to age. And whereas the Portland city council age friendly Portland and Multnomah county initiative and community partners such as elders in action, venture Portland, aarp-oregon and Portland state university are committed to a shared vision of Portland that is welcoming and inclusive to people of all ages and abilities. Whereas recruiting and retaining older adults in the work force as employees, mentors and business owners can create more economic opportunity and livable communities. Whereas age friendly communities flourish when people of all ages contribute their knowledge and skills, experiences, time, respect, and services. Now therefore i, ted wheeler, mayor of the city of Portland, Oregon, the city of roses, here do proclaim december 2017 to be the 50th anniversary of the age discrimination employment act of 1967 in Portland and encourage all residents to observe this month. Thank you and congratulations.

DeLaTorre: Thank you. [applause]

Wheeler: We're going to do 1324 next, please.

Item 1324.

Wheeler: Commissioner Fish.

Fish: Colleagues, we welcome two honored guests, colleen johnson and alan warman, co-chairs of the Portland utility board. This is their second annual report to council. As my colleagues will remember, in 2014, the city charged a blue ribbon commission with improving oversight of our public utilities. The blue ribbon commission ultimately recommended a new committee, citizen led, called the Portland utility board, to replace three existing oversight bodies. In its second year, the Portland utility board provided extensive input on the bureau's budgets and informed policy positions in areas such as the bes strategic plan, disposition of terminal one and water quality. This report includes an overview of the board's activities for fiscal year 2016 to 2017 and some goals for the next year. Alan and colleen, thank you for being here. Thank you for your patience. We look forward to hearing from you.

Allan Warman, Co Chair Portland Utility Board: Good morning, mayor, commissioners. I'm alan warman, co-chair of the public utility board.

Collen Johnson, Co Chair Portland Utility Board: I'm colleen johnson, co-chair.

Warman: As advocates for the citizens of Portland, the pub members need a broad understandings of utility management, bureau operations, and the city's budget process,

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which in some cases is difficult. If in our second year for the pub we have dedicated the members that is have dedicated over 450 hours of service. We have held 14 board meetings, eight subcommittee meetings, offsite tours at the Portland -- bull run watershed, Portland water pollution control lab, and the columbia boulevard wastewater treatment plant.

Johnson: What we want to do was to give you some highlights of the report that you have. I'm sure you have all read thoroughly at bedtime. [laughter] the first issue is communications to council. As part of its role as the budget advisory committee for both bureaus, pub submitted its initial observations of the fiscal year 17-18 request. We also provided comments on the final decision packages and a supplemental letter on request for two bes staff that were added late in the process. Over the past year pub has been developing a more robust process to review the requested changes in the budget monitoring process. This year we have allocated time during the regular board meetings for all members to participate. This fall we provided you with our concerns about the expectations from nongeneral fund bureaus during budget adjustments and articulated five principles we felt would be useful guides for evaluating mid year changes to the budgets of these bureaus. Those five principles are technical changes and requests for unanticipated or emergency needs would be expected requests in the bump process. Staffing should be part of an annual prioritization discussion. Bureaus should use management techniques to prioritize new needs and reallocate existing resources mid cycle. Bureaus should refrain from building internal capacity for central service needs and finally approved requests for new resources should be coupled with metrics and communications of outcomes. Finally other policy considerations come before the board as commissioner Fish mentioned for fiscal year 16-17, this included the disposition of terminal one and crypto spore cryptosporidium and for the current year the board discussed the hydroelectric power contracts, water quality issues and filtration. We have provided you with our concerns and recommendations for those issues.

Warman: We're very interested in making sure our public involvement is expansive. We have established a website that includes all our public meetings, agendas, minutes, bureau presentations, and all five members or many of the board, five members, have participated in 11 administrative review hearings for members. Four members stepped out into the community and went to five community meetings that were specifically there to talk about filtration. For the current year pub is committed to gathering further outreach. We're also trying to beef up our website to be more public friendly.

Johnson: In the area of challenges and opportunities, pub spent the year working with the bureaus as they updated their strategic planning processes to allow for pub input earlier in the planning and design phases. As 9 recently approved filtration treatment illustrated pub and the bureaus can improve public outreach and education on large scale processes. We appreciate the mayor and commissioners Fish's requests for bureaus to prioritize their budget requests. For pub to provide meaningful input to city council we need to ask the bureaus for information on the relative priorities of bureau requests as well as how choices to not fund activities will affect service level and performance of the bureaus. As chairs we feel this prioritization of projects assists the bureau management to manage their budget in light of scarce resources and will also facilitate a public discussion on the value and benefits of utility investments at varying costs to the residents of Portland. In our second year pub began working to address more complex recommendations by addressing real and perceived issues of public concern and trust, improves transparency, communication and education, working with city council to adopt new standards of practice regarding utility oversight and providing for strong and consistent public involvement in decision making, viewing the bureaus' activities with an eye toward innovation and cost-effectiveness and

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thoughtful consideration of the investment requirements and policies that may be appropriate and necessary to retain high bond ratings for both bureaus. Pub has in order to do all this has reserved a sicked meeting time during the month to allow for greater reflection and discussion of issues and staff has institutionalized a process for better information flow between pub and bureaus. Finally, the board saw improvement over the last year and the opportunity for pub input in the city's deliberations and will continue to work with the bureaus and the council to refine that process.

Warman: Going forward, the proposed fiscal year 17-18 work plan is basically designed to help the bureaus integrate the pub into the work flow. This is sort of changing cultures a little bit but it's the right way to go. This includes getting us involved in the strategic planning, capital improvement budgeting, and the operational budget process. In an effort to increase our efficiency, pub has identified eight key areas for engagement for the coming year. Number one equity. Two, public and community engagement. It three, regulatory compliance. Four, strategic planning, five green infrastructures, six, operational efficiencies. Seven, resilience, and eight is emergency prepared nears. Enter bureau coordination in addition to our regular being involved with the budget process. Looking forward, the pub understands both bureaus have a concern for aging assets. With that said, the water bureau faces a number of costly programs. The willamette park, willamette crossing, I meant to say Washington park and the willamette crossing now a treatment plant. We believe the bureau's management team need to apply budget constraints in light of these major projects and their financial future. Bes now has a strategic plan in place and will need to apply their plan to continue to make wise and strategic decisions for a cost effective future. We both say thank you for your time and please enjoy our annual report.

Wheeler: Thank you.

Fish: Comment? This got moved a couple of times, and then we kept you waiting, so apologies for that. This is a lot of great work. The bureaus that I had the honor of leading have reviewed this carefully. I have read it. I need to ask two questions and highlight three things. Are you getting all the staff support you need to be able to perform the functions that you have been assigned?

Warman: I would say yes. You're well aware both bureaus have cultures and I think they are changing to bringing in the pub as a third party to help the process going forward.

Johnson: Could I add internally our staff has had great help from our staff support, melissa, and also from shannon, who is with the cbo, and does the analysis for the bureaus.

Fish: By the way, that was one of the recommendations of the blue ribbon commission that students start contrast to the frustration of other citizen led bodies that felt they were given a mission without staff support. So you have dedicated staff support that's funded. And i'm glad to hear you're getting what you need.

Fritz: Just a reminder about that those staff are located in the City Budget Office. so they're in the office that reports to all of us, and i'm glad to hear that you are getting good service from them.

Fish: The second question, you alluded to it a little bit but from the bureau director, from the leadership point, are you getting the kind of cooperation you need going into this season where this will be your first year in which from soup to nuts you're involved in reviewing the budget and in providing guidance? Are you getting the kind of high level buy-in from leadership to be successful?

Warman: I believe we are. I think as I repeat this we're going from a set of bureaus that have not had the integration of citizen input and so that culture takes a while to change slowly. I think both directors are helping that process go forward.

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Johnson: Could I add, we had a meeting I think last week for the preliminary operating budgets for both bureaus, and the difference in the detail, in the narrative that they provided us from over last year, was enormous. So they quite clearly showed they put an amazing amount of work in bringing those preliminary budgets to us.

Fish: I would like to compliment you for a moment. You mentioned community engagement and neighborhood involvement. It was really at your request that particularly the water bureau went out and talked about the filtration proposal for the various options for complying with It2, and they took those to coalition meetings and got very interesting feedback. That will become more institutionalized in terms of big ticket issues going out to the neighborhood and you challenged us to do that and I thank you for that. The final thing I want to thank you for the leadership you provide in the low income discount program. We have gotten a lot of community feedback on that and I know we have some exciting announcements in the new year. The one other thing I want to clarify and do so with the mayor here in case he disagrees with what I'm about to say, when the mayor was providing his budget guidance this year, he had conversations with his colleagues. Because there is a possibility that we're going to have a shortfall on the general fund, and also because I think this mayor believes that a forced choice exercise is good for general fund bureaus to identify what's core and what isn't, he has asked people to plan for a scenario where we could have up to 5% cuts. My own view it's highly unlikely we'll have to do that but he has said do that and in the process help us understand what's fundamental and what you can live without. It's what we call a modified zero based budget; it's not zero based budget we don't take it down to the studs. When it came to utilities the mayor did not make that same request. Instead the mayor said that, my guidance echoed this, said that we should continue to look for a combined rate increase under 5% with the goal of getting us close to 4% as possible. The reason, I had conversations with the mayor about this, the reason that we chose not to go further than that is that the council has already spoken in directing the utilities to undertake these larger capital construction projects. When we said do a 100 year plan on filtration, plan for resilient pipe under the willamette, complete the reservoir deal, council did not say, and simultaneously degrade your work plan on all the stuff you're doing to build capacity. It was understood that it's cumulative, but we have been challenged to use every tool in our tool kit to get this under -- keep it under 5% as close to 4% but it was never our intention to have the bureaus after being directed by council to take on new work to have to cannibalize existing work. I know there's been some conversation about that. I think it's terrific for the public to have a better understanding of a tradeoffs. So if the bureau of environmental services this year will be operating at inflation. The water bureau can't because it's taken on a lot of responsibilities. The combined rate increase can come down well below 5% and using rate stabilization funds and other tools we could shave that down even lower. I want to be clear neither the mayors nor I contemplated that the bureaus would have to degrade their existing cap or operating budgets to also meet the requirements of the new regulatory requirements that the council has placed on them. I ask you to consider that as you are evaluating budgets.

Warman: I think that's great insight. Speaking for two lefthanded economists up here, we believe in the word choice. You can't necessarily have it all. It's not an end. It's a choice of maybe delaying something, and perhaps if indeed you expect to put together your infrastructure and you want to take 50 years to replace that, that's good. You don't say, well, maybe I could do it in 20. Those are the kind of choices we look at that aren't regulatory at all. They are good professional financial choices and I think that's where the pub is coming from.

Fish: Thank you.

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Johnson: I hear what you're saying. I agree but I also think alan makes an important point. What we have asked from the bureaus is in delivering their budgets that we have some idea of priorities, and maybe even more so that we have as you put it tradeoffs so if we're going to pursue a 300 to \$500 million filtration project, what does that mean in terms of tradeoffs. I would say, in recognition of the water department, they did exactly that. They did prioritize their operating budget for us. I think that helps the pub have a more deliberative and robust discussion of what is coming down the pike in terms of the budget.

Fish: Thank you.

Wheeler: Thank thank you I want to throw in one comment and just say thank god for people like you who want to step forward and be part of this process. To have people who are willing to really get into the nitty-gritty of the operations, the nitty-gritty of the budget process, open up and converse throughout this dialogue as we define what our priorities truly are. I'm really grateful that we have people who are willing to take the time and the energy and i'm 100% certain you do not do it for the money because there is none. I just want to keep reminding people if they listen to this commentary, this is a group of volunteers. These are people in the community who have an interest in these issues and are willing to spend some time working alongside city council and representing interests of the communities, being one more set of eyes on the process. I'm really grateful for it and I always enjoy the testimony you provide, particularly during the budget process but certainly some of the capital construction proposals as well. Thank you both for that important report.

Fish: So moved.

Fritz: Second.

Wheeler: We have a motion and second. Further comments? Please call the roll.

Eudaly: Thank you for the report and for your service. Aye.

Fritz: Thank you very much. Thank you, commissioner Fish, for conceiving this and bringing back public trust in the utility bureaus with the assistance of the public utility board. It certainly is achieving more than I thought you were going to. Particularly want to thank the two retiring from service, gwen johnson, julia person, Janet hawkins, cindy Deitz, and Marie Walkiewicz and to kendra smith who was the cochair. The fact that these people have completed their service is another testament to the need for this body. I particularly appreciated in your report that you included all of the previous letters that you send over the course of the year. While I read them as they come in it's helpful to have them compiled so the public can see them as well. That also reminded me of several of the ways you have provided guidance one being the equity positions and I appreciate you have supported commissioner Fish in making the resources available within the bureau without asking for extra to prioritize equity. I agree with your urging for city-wide conversation because I want to see all the bureaus doing that. Thank you again. Aye.

Fish: Thank you very much. We deeply appreciate the partnership. 5.5 years ago when then mayor hales assigned me both utilities and that was somewhat of a surprise to me because there are not been an immediate precedent for that. Turns out many, many years ago dan Saltzman briefly had both utilities in his portfolio. But when the mayor said I want you to lead both utilities I was caught off guard. A hearing like this five and a half years ago even to receive a report would have been a full house. There would have been a lot of vinegar in the room, and I would not have been the most popular person in the room. What I deeply appreciate since then, since we weathered the storm on the water district, since we did the blue ribbon commission, since we adopted new policies, since we went back to the public and showed them that we can be trusted to focus on basic services, since we have come now close to resolving the lawsuit that's been hanging over us, what I appreciate is over this period of time we have been helped by people like you in restoring

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some public trust in how the utilities run. Your report and your independent guidance is crucial to maintaining that trust. For that i'm very grateful. Aye.

Wheeler: Thank you. This is very well done. I vote aye. The report is accepted. Thanks for your hard work. Colleagues i'm going to go through the two second readings before the final time certain. Could you call 1333.

Item 1333.

Wheeler: Any further discussion or questions on this item? Please call the roll.

Eudaly: Well, I wasn't here last week as all of you know. But I have reviewed the item and the testimony. I would say it was almost equally split between those for and against. Maybe leaning a little more towards the against side. Our constituent contacts to my office leaned more in the for side. I was especially compelled by the testimony from a woman who is 93 years old and who has been volunteering at the museum for 40 years, which is pretty close to half her life, and was recently developed a mobility challenge. She shared her challenges and frustrations with accessing the museum as well as testimony from the docent who leads tours for visually impaired and blind visitors. I'm really excited about the potential of this pavilion both to overall accessibility and user experience for all visitors to the museum. I understand there's some resistance and cynicism in the community. I listened to that carefully. I trust that the museum is offering in good faith and that we as a council will be here to ensure that the commitments to the community are upheld. So i'm very pleased to vote aye.

Fritz: I very much appreciated everybody participated in the public hearings in the spring and last week. People who came believing they could make a difference. Even though it seems certain approval was going to be given. It's very clear to me that the benefits to the art museum are obvious and many. The benefits to the community of closing off the right of way are undetermined at best and i'm disappointed that we are not able to get some more of a win-win situation. We have already got one superblock on the next two streets over, and it's difficult to find one's way to the streetcar except by going on the main thoroughfares, and those are not pleasant places to walk or go with a wheelchair or stroller or other places. Although I appreciate the stated intent to make this enclosed space welcoming, the current space is welcoming. The sculpture plaza is beautiful, a place where people can sit and reflect and that really entices people to go inside because of the sculptures visible to people walking their dogs through that plaza. I do hope that as the project moves forward the museum will consider and implement living wages for its custodians and security staff and again it's very obvious that people care a lot about the art museum and as do i. I am disappointed that this is another, the third cut that takes away from the street right of way that was established by the people who put together the city of Portland. I do appreciate Brian Ferriso and the art museum to continue in their dedication and in their stated willingness to embrace community members from all walks of life and from all parts of the city because to me this should still be a place that is used most by Portlanders while still recognizing the art museum is a regional natural and international draw. Unfortunately i'm not able to support this decision. No.

Fish: Well, we have had a really I think robust and thoughtful discussion about this issue. I appreciate everyone who has taken the time to share their views. I have watched with a lot of encouragement the leadership of brian transform this museum for what -- from my point of view used to be a little on the stuffy side to being now a much more accessible institution. I say that with all due respect to your predecessor and to people who have served on the board, but the institution to me, i'm a member, I buy a family membership and I love the art museum, it felt to me a bit exclusive. A little stuffy. I think this new director are has done a wonderful job opening up this institution to our community and I think he has captured a kind of the vibe of Portland in both what he's done in programming

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and in how he's made it more accessible. I was also not one of those who was much of a fan of the mark renovation because even as an able-bodied person I found it extremely difficult to navigate the two buildings. To get to the film center, to get over to see the modern art in the mark building, even to get to the native american collection and the historic building. It's a warren of stairways and elevators and hallways and it's not very welcoming. So along comes this once in a generation opportunity to leverage private philanthropy to solve a fundamental problem of connectivity between two buildings. I came to this with an open mind had some skepticism. What I have learned over time is that the public interest in my view overwhelms what I think is the inconvenience this may cause to some people who live in the neighborhood. That's because we have a chance to have an art museum which sets a standard for accessibility on the west coast and way beyond. And we have an opportunity through the commitment that the art museum has made to expand and protect the easement that gives people unfettered right to traverse the property beyond even the hours of existing easement and the amendment we adopted last week expands the hours to conform to the streetcar schedule. So what it comes down to is the fact that some will have to enter the glass pavilion where before it was open, to me the public benefit is we finally have a main entrance to our museum, we have an accessible entrance, we have cured the circulatory problems which have dogged the historic building and the new building, and what I think for me ultimately is the tipping point as the liaison to elders in action and the city's arts commissioner I think this has a chance to further burnish our reputation. I thought it was interesting we began today by talking about vera katz and the fact that vera katz always loved long term. She was looking long term about the river, long term about the river district, looking long term and she was not thinking just short term. This is going to require some change in the short term. I think on the long term it has a chance to real provide a tremendous public benefit. And it's being paid for by very generous private donors who want to see our museum enhanced. So for all those reasons today i'm proud to vote aye. Thank you.

Wheeler: I think this is a great vision and i'm appreciative of the fact that the museum brought it forward. We had about four and a half hours of testimony in this room last week. I heard the arguments that people raised. I am convinced that this is the right step forward. It addresses the connectivity issue and we had a number of architects talk about the original problems that this rectifies. We had people discuss the building flow situation and how the elevation of the first floor significantly improves access, and flow through the building as well as direct access to the elevators. This corrects what I think is an egregious problem with regard to ada access in the current facility. There's no way putting it differently in my mind. Currently the way the art museum is set up ada access is through the back door, it's second class access to what should be a world class community facility. This overcomes that effort. A number of the people who testified in opposition said they felt that we were supporting with a public contribution meaning the right of way a private and elitist institution. To me if people believe that, and by the way I don't believe either of those things, I think it's very much a public institution. We had a lot of people who were docents and volunteers and others share their experiences, the museum director expressed his support port for free access which he's already implemented and other opportunities particularly for youth. He talked about how this new entry could be used as a better opportunity for youth to gather and begin their experience in the museum. If you believe that this is still an elitist institution and you believe that community engagement is not sufficient, I have an easy solution. Volunteer. And help make this institution better rather than pulling your chair away from the table, turn it around and slide it in and participate in what is very much a public institution and has the opportunity to be one of the great museums in the united states of america and brian personally I want to share my gratitude

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for what you have done. To you it probably seems like a relatively long tenure. To me it seems relatively short period of time you have really begun this process of acknowledging that this has to be a community based institution. Finally, a number of people mentioned security issues in the vicinity of the building as being a concern. We heard from one of the security personnel. We also heard discussions around lighting. We heard discussions around security. And the museum has agreed to keep the hours of public access from 7:00 a.m. To 11:00 p.m. Which I think addresses a lot of the public access issues. But I also want to personally commit as the mayor I have said loudly and clearly we need to address the liveability issues in our community. We need to address things like drug dealing, littering, the disposal of needles in public right of ways, concern around public safety. I will commit that as the museum goes forward with this project we will continue to look at the issues that are in that immediate neighborhood to help make people feel safer. The fact that people said I have to go through that existing public access point because I don't feel safe going the other way, that's a bigger problem than just whether or not we should build this entry way. That's a question about the broader sense of security in the neighborhood. I think we need to collectively work together to address those issues. I'm committed to it. So as I said it's a great vision. No great vision comes without some disagreement. But I vote aye. The ordinance is adopted. Thank you, everybody. Next item, 1334.

Item 1334.

Wheeler: Any further discussion on this item? Please call the roll.

Eudaly: Aye. **Fritz:** Aye. **Fish:** Aye.

Wheeler: Aye. It's adopted. Back to our second time certain, which is 1323, please.

Wheeler: Commissioner Saltzman is out today. He asked if I would read an introductory statement on behalf of this item so I'll do some of the this local improvement district is to comprehensively investigate street, storm water and sewer infrastructure in a single project stretching lid dollars and bureau of environmental service ratepayers lid dollars further. A great example of the city working together is what this is. This also includes our partners at Portland public schools and bridger elementary, a title 1 school with a high proportion of low income students who will benefit from this project and help our equity and vision zero goals. Today we have pbots capital project manager andrew aebi with us with details on the project.

Andrew Aebi, PBOT LID Administrator: Good morning. Andrew aebi, local district administrator. David hammond is my colleague from bureau of environmental services and ryan webb, an engineer from the Portland bureau of transportation. Ryan received his p.e. License earlier this year and is already making a positive impact. Joining ryan is olivia grenier who joined us from corvallis. She will graduate from Oregon state university next year with a degree in engineering and interned with pbots last summer. She handled every curveball that I threw her while she scoped and estimated the project and responding to property owner concerns. She along with david and ryan played key roles in helping put this together. I want to show you some of the staff behind the scenes that make these LID projects happen. With that, karla, if we can switch to the presentation I need your help. Thank you. So the first slide today is the picture what mill street looks like. This project went on hiatus from an unsuccessful petition effort in 2006. Earlier this year I received a plea from a property owner in what is now the proposed lid. We have been struggling with who to talk to and address the crazy water pond we refer to as mill street. I have written countless emails to city departments pleading for help so any advice you you have would be great. You can see from the pick the background the signal was recently installed by odot. Thanks to the partnership the property own letters not need to replace the curb ramp. Once behind the new vehicle detention loops that were installed by odot you have a truly dreadful street. Here is future bridger elementary student, a picture of a father of a future

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bridger elementary student going for a walk. This little boy's mother said we are trapped inside our property due to the standing water and no sidewalks which forces to us climb through a neighbor's bushes with our son to get out. When the time comes for our son to go to school we will unfortunately have to drive one block because we cannot leave our home by foot. Moving to the next side southeast mill street is among the 306.8 center line miles in the city paved without curbs. This is an example. 14.1% is about 10% lower than the city-wide average of 15.4%. 306.8 miles may seem daunting but keep in mind five years ago we had 2.1 more miles of these types of streets so we have been able to slowly chip away at the backlog. I was asked by an elderly property owner who could not be here today who is a care-giver to her husband to provide a personal story behind these statistics. She said my family and I are caring for my husband who is in the later stages of dement ya. His care-givers often have to push a wheelchair down the middle of this road amid heavy afternoon traffic to avoid the massive puddles and potholes. It can be an unnerving experience for all concerned. Just quickly moving to the next slide I want to thank commissioner Fish for this, the catalyst for this project is pending sanitary sewer replacement in mill street. But if you thought that a software program would have told pbot and bes to work together you would be wrong. Earlier last year I got together with the city engineer to look at current projects around the city and on our way back to the office we found utility locates on the street and put in a phone call to bes, found they were planning to replace the sewer. To bes's credit they were willing to delay their project for one year while we worked on a possible lid. The goal was for bes mo spend the same amount of money but otherwise would have been throw-away on trench repair. A 12 foot repair around the existing sanitary line shown in red on this diagram would temporarily result in a nice 12 foot swath of street but over time it would crumble just like the pavement around it. Then the day after bes would do the trench repair my phone would ring and people would ask why couldn't we fix the whole street while the sanitary sewer was replaced. Instead we can apply that money toward the new pavement section shown on the right while reduce reducing the lid obligation for property owners.

David Hammond, Bureau of Environmental Services: So our project i'll be here here in the afternoon reading authorization to go out for bid for these projects. This is a small piece of one that will be able to package with the pbot work and put out at a later time. The rest of the project will be on schedule. It will be a good way to improve the neighborhood, community in coordination with pbot and get a much better final result than with a normal street repave and patch.

Aebi: Thank you, david. What I just passed out is I had a meeting with the city of bend earlier. We were talking about infrastructure issues and they brought to my attention a missed opportunity in bend where they did a major utility project on the east side of bend and they didn't try to put a sidewalk in at the same time and they got quite a bit of blowback from the community. When I got back to Portland and this project was taking shape we thought we would err on the side of trying to build sidewalks in this area.

Fritz: I thought when leah treat first became director of transportation she had had similar - she had software in chicago or somewhere that she had worked where everybody entered each bureau entered in their projects and red alert. Do we not have that yet?

Aebi: We do. This one just for whatever reason fell through the cracks. We have more work to do on that to be candid with you.

Fritz: At least we have people doing thinking rather than machines that can sometimes not give us the answer we need. Thank you.

Aebi: Thank you. I'll try to move quickly through the rest of it. I just wanted to show you the next slide that we are going to as much as possible minimize impacts to trees. I showed a concept diagram on the right side of the slide of a way that we're thinking about possibly

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preserving the three trees in the picture on the left. I just wanted to share with you the just a few excerpts of that testimony that is shown on the slide. We have a woman by the name of kara christiansen who feels unsafe walk ago short distance to bridger school and to the closest park, which is harrison, because of lack of sidewalks, having to share the road with vehicles and bicycles, vandalism, graffiti, gang tagging, drug paraphernalia, dumping stolen vehicles, abandoned vehicles and stripped vehicles, and you can see most of that on this next slide.

Fritz: Back to the previous slide, the curb to save the trees would tend to diminish the amount of gathering and cut through activity on that street.

Aebi: Yes.

Fritz: That's brilliant. I hope you can make that work.

Aebi: Thank you, commissioner. We are planning to do that. This is 80th between grant and stevens, part of an amendment that i'll pass out. This is an example of a 55.8 center line miles of streets in the city that are unpaved. About one quarter higher than the city-wide average of 2.8%. Again, this may seem like a daunting number but keep in mind five years ago we had 59.5 miles of unpaved streets. Block by block, project by project approach, lids have reduced the backlog by 3.7 miles in five years, 6.1% reduction city-wide. Let me provide a personal perspective behind the statistics. A nearby middle school principal said to watch my students come to school with wet shoes, knowing that those are their only shoes because they have a journey to school that involves walking through water is heartbreaking to me. I think it is an assault on basic dignity to have to live like that because there are not amenities that most communities take for granted. So this is a map of the lid as we started the discussion in september. We're proposing through this amendment to expand the lid so that project limits instead of stopping at stevens and not addressing those problems you saw in the last slide with pictures come down to 100 feet north of grant street. I also wanted to megs as you look at the larger area we are also going to partner with some other funding to upgrade curb ramps so that we can address the accessibility issues to bridger school, not just from the east but from the other direction as well. So here is a quick recap of the financing of the project. We did look at a number of funding sources to make this project go including general fund capital set-aside we ultimately settled on the bes funding with that partnership. I'm deeply appreciative to commissioner Fish and his bureau for coming through so that we can build a much better project for approximately the same amount of money. Then I just wanted to wrap up before I get to the amendment I want to show you this video which I really think kind of shows what we're looking at. And doesn't seem to be -- there we go.

Video:

*****: I got a phone call early this morning. One classroom. [audio not understandable]

*****: Switch to the correct one. Thank you.

*****: I walk to school every morning with my brother from my house. The there's no sidewalks and there's a lot of cars so we always have to walk in the middle of the road. My mom is always nervous when we walk to school because some cars don't pay attention.

*****: Come two blocks to school. Half of our walk is unimproved road with one foot mud puddles. The other half of our walk is a block with no sidewalks and cars parked along the side of the road, which forces us to walk down the middle of the road.

*****: My mom drops me off at a friend's house. Me and gwen walk together. Sorry.

*****: The way of getting to school is. [audio not understandable] [laughter] [speaking in foreign language]

*****: A bunch of water puddles, mud puddles and no sidewalks. Really hard to get to school.

*****: How do you get to school?

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****: With my scooter.

****: Tell me about your scooter.

****: Well, I like to use it but I haven't did it for a long time because it was vacation.

****: We always walk to school. We live really close. But we're on an unimproved road, so sometimes cars are around, feel nervous about that.

****: It's pretty dirty. After practice. [audio not understandable] you can't see nothing and with the puddles and stuff you may see stuff in it. It's hard to see. [audio not understandable]

****: So we live on 80 in and division between division and clinton. We don't have a safe, easy spot to cross to walk to school. We have to drive, we go down to 76th and take 76th. If we had a place that was ada crossable we would totally walk.

****: I try to get out of the bus a car is going very fast so it takes a long time to get in the lane and go. Then when you get around the block. [audio not understandable] cars are going really fast. It takes a long time for the bus to get in so most of the time we're a little bit late. The bus gets to our stop earlier, so we're not late.

Aebi: And that concludes our video. I appreciate your time. I'm happy to answer any questions you might have.

Wheeler: Could you reiterate homeowners will or will not receive a bill for this?

Aebi: Homeowners are contributing towards the lid. We also have Portland public schools contributing.

Wheeler: The average contribution will be --

Aebi: For the average single family home generally in the 10 to \$15,000 range. \$2.40 per accessible square foot.

Fritz: There are financing options available?

Aebi: Yes. We're offering low income deferral. We can repay the fund. I did pass out an amendment to take care of all of those streets including the streets you saw in the video. If you want to take roll call on the amendment they would have a complete project.

Wheeler: How does the low income deferral program work?

Aebi: I'm sorry?

Wheeler: How does the low income deferral program work?

Aebi: The way the low income deferral program will work is final assessment we have not developed the agreement yet but we used to do this with pdc, now prosper Portland funding, where we substitute an lid lean for a deferral lien then on sale of the property the what used to be a lid obligation is a deferral lien due and payable on sale of the property. There's interest associated with that but it's a way that people can realize the benefits of the infrastructure and not have a financial hardship before they sell their property.

Wheeler: So I support that because I obviously we don't want to push an lid that forces people out of their housing. That's not the goal here. But then how do you capitalize the project up front?

Aebi: We basically do that through all the other funding sources and pbot sdc's. We temporarily over fund the project with pbot sdc's. As they are paid back we repay the sdc fund and bring the funding contribution in line with our typical 30% funding ratio. In effect the lid and the bes funding is providing that 70% local match that we need to make this project go.

Wheeler: So my guess is that the improvements to the streets and sidewalks, drainage, enhances property value more than the individual property's contribution to the project initially. Do we have any data to support whether that's true or not? It's an impression I have but I don't know if it's true.

Aebi: I haven't looked at it -- I have a lot of anecdotal examples. I did a cross collateral situation ordinance where we did a lid on northeast 148th avenue that resulted in very

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significant increases to property value. I would just give you another analogy which is on my own personal property I had to hire somebody to deal with drainage from my uphill neighbor. I spent more hiring somebody with no survey, no set of plans, none of the formal stuff we go through on this just to redo my backyard to handle the problem. I suspect from those pictures that you saw there's property owners who are spending their own money trying to put in home-grown drainage solutions and instead we can build a very comprehensive improvement to deal with it.

Wheeler: Here our chance with a new lid or some of the ones we have supported, let's do a data collection. I understand it will take years but I feel like this is data we need. I need to know the answer to that question. Somebody will be sitting in the seat in ten years maybe, maybe somebody else, they will be asking the same question. But if we could definitively answer that question and if it turned out to be true, that would certainly reduce whatever resistance might be out there. On the other hand if we're wrong maybe we need to rethink the financing structure.

Fish: Mayor, can I comment?

Fritz: I want to move the amendment.

Eudaly: Second.

Wheeler: Moved and seconded. Does anyone care if we call the roll on the amendment?

Eudaly: Aye. **Fritz:** Aye. **Fish:** Aye. **Wheeler:** Aye.

Wheeler: Commissioner Fish?

Fish: Just a cautionary flag. I think it's ultimately going to be extremely difficult to measure the benefits to property owners, mayor, because we don't control the business cycles. This is currently property, these are currently homes in an area where because of the white hot housing market that has essentially moved into east county those homes are going to be doing better now. A recession could hit, interest rates could spike, it could change the whole valuation. It has nothing to do with basic infrastructure. I don't know how you screen for that, for location, for timing, for other things. The other thing I want to do is just to answer something commissioner Fritz asked earlier. I don't know the status of this project that Leah Treat was leading of putting all the inputs on one electronic database, public utilities, private utilities, everything else. What I do know is that within the constraints of the budget, what this represents is send senior leadership of pbot, bes, saying here's an opportunity, let's pool our resources. So it's wholly opportunistic. If not for those conversations this wouldn't happen. Being on a spreadsheet would not advance that conversation. This is both sides saying this is a priority, it meets values, safe routes, and the bes has to do the works, pbot has to do the work, so we pick them. It's on the opportunistic side I think.

Aebi: Last year council passed something called the value capture ordinance resolution 37205. We will be tasked with bringing our first report to council so we can frame these issues like this question, mayor. I would also just point out I appreciate commissioner Fish's comment. We do a lot of planning and that's a good thing but lid as commissioner Fish said are very opportunistic. You can't pick the group that says we want a project.

Wheeler: Let me politely disagree with you. I don't think there's any process here that is so precious that it is exempt from our best faith effort around data collection. In the real estate industry people use comps. They say you have whatever, two bedroom, one bath house here and one here. They compare the relative value even in a current market environment. Can somebody tell me if you're on a street with crosswalks, paved sidewalks, and the street doesn't have foot deep potholes as described in the video, what is the added value to that house or that neighborhood relative to the other that doesn't? I'm not saying I have the right answer but I don't believe we should shake our heads and say we can't ever collect that data -- [speaking simultaneously]

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Fish: I have served on this council for nine years and this is the first time someone has ever disagreed with Andrew Aebi. Andrew I'm going to make a note of this. The mayor will be counselled on this. We hope it doesn't happen again.

Wheeler: Respectfully disagree. [laughter]

Fish: Not long as sold his house I found the cost uniquely irrelevant. There was such a shortage of available homes and there were so many market distortions that the crappiest house in my neighborhood was valued above my house was barely standing just because it was the only house available. Let's collect the data but I think you'll find market forces make that data less than compelling.

Wheeler: Somewhere there's a smart master's student at Portland State or University of Portland or somewhere I have to say that because Tom is in the room. There must be a way for us to at least before we walk away and say we can't answer that question because there's a value proposition that we are making to this neighborhood. We're saying we want you to invest your hard-earned cash in this local improvement district, and they are going to say, why? And you're going to say, well, the sidewalks and the road is not potholed and it's easier. They will say, not interested. But if you could come to them and say every dollar you invest returns \$1.15 in added value give or take some standard deviation, I'll acknowledge that, that's a better value proposition. We have already spent too much time on it.

[Comment from audience. Audio not understandable]

Fritz: Could you come and -- you have to say it into the microphone otherwise the captioner can't get it. Thank you.

Aebi: I have a way I can thread the needle between you and Commissioner Fish. I won't go into it today, but I have some ideas on some past projects that I could do some research on and do that.

Wheeler: All right.

Eudaly: May I? So the conversation about the impact on property values brings a concern that I have heard from low income residents from east Portland to St. John's, which that is they don't welcome improvements like this because they are concerned either with rents rising, property taxes rising, and displacement. So while -- I understand it would be great to be able to present this proposition to a homeowner as a net gain for them, we also have to sell it to other communities, members who -- a net gain is not necessarily beneficial. I'm glad to hear that there's funding options. What was it?

Aebi: Deferral.

Eudaly: Do we help people who may not qualify for that low income deferral? Do we offer someone who doesn't qualify -- they don't have \$10,000 or they can't qualify for a conventional bank product. What do those people do? They don't qualify for our low income deferral.

Aebi: All the property owners automatically qualify for financing. Over and above that we will offer a deferral as well.

Eudaly: If they can't secure financing?

Aebi: They don't have to secure the financing. Even if they -- they will already have the option to finance but if they don't want to because they are trying to put food on the table they can sign up for the deferral and not pay until they sell their home.

Eudaly: Okay.

Fritz: I would like to remind everybody that the city, environmental services is putting in over \$700,000 and transportation is putting in over 750,000. So to a certain extent it's irrelevant about where else should we be doing this. We don't usually put this kind of money into this. Also Portland public schools is paying in.

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Aebi: The main thing I have always felt that we shouldn't consign people to being stuck with third world streets not to have property values go up. Thank you.

Wheeler: Thank you. Public testimony.

Moore-Love: Yes, I show five people signed up.

Wheeler: Good morning.

Lars von Sneideir: Good morning. I'm lars, here with my wife heather sitting back there. We are residents of the block in question. We personally live at 8058 and we lived there for ten years, the entire time we have been in Portland. We have seen the neighborhood change extensively throughout the years and when we heard that this was a possibility to take advantage of the money that was being offered we were absolutely ecstatic. We love our house, we love the neighborhood but that's the one thing I can point to that I just have all kinds of anxiety about the street and about the condition. We have spent thousands of dollars over the past few years to both fix and to prevent water coming into our basement. Not necessarily from the street but just in general. We can see that the weather patterns are changing and that as more rain is coming there's a chance that would happen again. We support this. We think that the work of the various organization have been amazing and would love it to go through. Of course we want to have sidewalks on our streets but why should you care? The point that was just made reminds me of a comment a friend of mine made that he lives off of 50th and southeast hawthorne and the comment that he made that resonated with me was that everything that's east of 60th might as well be afghanistan. What he meant is that many people especially newer residents get towards 82nd they see streets like this they think Portland is not what they thought it was. This is a chance for us to take advantage of the funding provided to help the kids that have to walk to school and this is one of these efforts that I think to leave money on the table would be foolish. We support it more than anyone could. Thank you for your time. Thank you for having us here. Thank you for the chance to speak.

Wheeler: Thank you for being here.

Hillary Bourassa: I'm hilary. I'm up next but his wife was called. I represent myself and my partner. We live on mill street. I'm also a realtor so I can speak to the values a little bit. I don't have any numbers specifically but the intrinsic value by what's added by this proposed improvement is so valuable both to the students that go to bridger -- it's crazy pulling out of my driveway every day. Worrying about these children walking up my street. I'm worried about them. I think they are worried about me that i'm going to hit them that they don't have a safe place to walk away from puddles. People walking their dogs, it goes beyond the school. This is just an unsafe street for a really long time. I lived in the neighborhood for 12 years. I have been a realtor for 12 years. I watched the Portland market go crazy. It's going to be difficult to come up with numbers because the market is the ultimate driver but what I can tell you is that if someone is looking for a house to buy they have two similar properties, two comparable properties. One has sidewalks, one has safe streets, the other doesn't, they are going to buy the house with sidewalks. Putting a number value on it is difficult but it does give value. Not only to the homeowners but potential future purchasers.

Wheeler: Thanks for that perspective. Good morning.

Dustin Furseth: Good morning. I'm dustin. My wife hannah and my son were in some of those photographs. He's 18 months old and will be attending bridger elementary that's also in the lid. I think andrew and everybody did a great job of covering the issues. I think that's very clear. I just want to give a personal perspective. I think that our street is different than a lot because we have three things happening. It's a place for children because of the elementary school, it's a city greenway that's dedicated as a bike thoroughfare that connects lincoln and downtown to 205. We have kids and bikes then cars whether they are

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there or not for a reason going to school or just cutting through the neighborhood it's a dangerous combination in its current state. When it rains all you you have to do is go out there and you'll see it. The bottom line here is that we don't want to wait until anyone gets hurt. I'm a homeowner that acknowledges that I will be contributed and it's worth every penny from my standpoint. The dialogue that you were having about property values we have been having with the neighbors that were not on board and people are coming around to that even along withstanding neighbors are starting to see the fact that this is something happening outside of your property that will help the neighborhood. It's worth your money. Thank you.

Wheeler: Thanks all three of you for being here. We appreciate it, next three, please.

Fritz: Did you want to say something on the record as well?

Wheeler: Good morning.

Rebecca Hamilton: Good morning. I'm rebecca hamilton. I live in north Portland but i'm an advocate for safe places to walk in our city. I'm a member of the pedestrian advisory committee although i'm just representing myself today. I'm here to ask for your support of the proposed lid for transportation improvements on southeast mill and particularly the -- extends the lid to southeast grant. It would create safe connective walking routes to significant institutions, bridger elementary and the church emanuel. And it would connect with improvements made by pcc earlier so we could create a complete network of sidewalks in this neighborhood. Coordinating creates an opportunity for huge cost savings on a sidewalk network that this neighborhood would have little chance of affording on its own. Creating this lid and implementing these projects now when so much of the cost burden can be shared between bureaus is the only chance this project could be done in the foreseeable future. So I strongly encourage you to allow the neighborhood to take advantage of this opportunity to build sidewalks for their kids at a price they can afford. I would also like to encourage you to direct pbob, bes and the parks bureau to look for these cost sharing opportunities or to take a look into why efforts to do that already, why they are not as effective as they could be. These opportunities save taxpayers money and can make st. Sidewalk infill projects possible in places where they otherwise wouldn't happen. Finally I wish to share something with you. For over 25 years the city has sponsored the traffic and transportation class. It's a class started by earl blumenauer with the goal of teaching citizens of Portland how to be effective community advocates, how to work cooperate cooperatively with government, city staff, to implement needed transportation projects in their neighborhood. I'm a graduate of the class myself and have been volunteering for several years. One of the students, amy run, a resident of montavilla and a graduate of last year's class, was a driving force bringing this project here today and in organizing her neighborhoods to get behind this project. I just wanted to let you know that your continued investment in educating the citizens of Portland in productive civic engagement through the traffic and transportation class continues to pay dividends. In conclusion please support the lid particularly its extension to grant so we can make complete sidewalk network in this neighborhood. Plus actively look for these opportunities and let's keep supporting public education and productive cooperative citizen engagement.

Fish: Ms Hamilton, I want to do just a quick shout out for a former colleague. When steve novick had pbob and he hired leah, this was very high on their radar. This idea of collaboration with BES. And I'm very pleased you acknowledged the benefit to ratepayers of aligning the work so it is a win-win. And Andrew will tell us otherwise, but the senior cip managers have been directed to look for these opportunities. We'll make sure we're doing it at a high enough level. This is now our third or fourth year of this being baked into pbob looking for these opportunities. So we'll follow it to be sure we are seizing every opportunity.

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Fritz: Parks does too.

Wheeler: Thank you everyone. Please call the roll.

Eudaly: I just want to clarify for people in the room that my concern I expressed has nothing to do with my support of this lid. It is obviously an excellent opportunity for the neighborhood. It's just that when we talk about increasing property values, we have to talk about the potential for displacement. And we're about—I hope we're just about to adopt a comprehensive plan that includes eleven anti-displacement measures which is wonderful. I'm just concerned about how we continue to be held accountable for those. So I'm happy to vote aye.

Fritz: Usually when people stay two and a half hours beyond the time that their item is scheduled to be discussed, is because they are furious and want to speak against it. I want to really thank you very much for still being here at 12:30. Particularly our representative from the advisory council, to live in a different neighborhood, and kind of say what a good project this is, I think is evidence that people of Portland care about each other. I live in the deep southwest Portland, and I have served on the council for almost nine years. Deep southwest has similar streets, compared with east Portland, very few sidewalks and despite Andrew's best efforts to remedy that situation, to the extent that it can happen, and I have never seen and, the local improvement district, that is more commendable or more needed. Particularly the frontage of the school, in such terrible shape, how did this not happen before? That's a question. I also want to commend former Portland commissioner on the disability commissioner sue starr who used a mobility device and was very active in promoting accessibility in the built environment, and I am sure that this is something that gives her pleasure even now. And I also thank Andrew Aebi. We should not confine people to live on third world street, for fear their property values will go up. We want people in all parts of the city to have safe, accessible streets and have access to opportunities that create a better, a better life and a better future for them and others. Aye.

Fish: Well another superb piece of work by Andrew Aebi. I am very proud of the work that PBOT do to coordinate these projects. It was not always the case, I want to thank the folks who took three hours out of their life or more to be here, we ought to have a system that says if you get hurt two hours, if you get hurt two hours over a time certain we should pick up the parking tickets but I don't have PBOT in my portfolio. And you know, I have a 13-year-old at home. We're very lucky. His safe route to school is crossing the street in front of our apartment building and getting on a bus. So I know that he's safe going and coming. But looking at these pictures, this is not -- there is not acceptable to our city. That young people have to dodge puddles and streams and other kinds of things and other safety hazards. So this is a great project. I am very pleased to support it. Aye.

Wheeler: We can quibble but the data and I will always raise questions about data but that's the minor point here. The larger point here is we have neighborhood streets and sidewalks as Andrew said that are not safe, and they are not up to standard, and they are not acceptable to this council, and they are not acceptable to the community. So we need to find creative ways to be able to address these issues. As has been stated by all of my colleagues, the larger issue here is safety, particularly for kids who are making their way to school. That is the larger issue and the more important issue. Andrew always is a diplomat and statesman with a withering intention to the details and an ability to bring people together to support these kinds of transactions, and I know having heard you discuss other maybe more contentious lids, this one is really masterful work. I want to acknowledge the Portland public school system for their efforts and contributions to this as well and the bureau of transportation, and commissioner Saltzman who couldn't be here today but I want to acknowledge his leadership on this important issue as well. This sets -- this is a good road map for other lid discussions and partnerships around this kind of improvement,

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and the parts of the community that desperately need it. I vote aye. The resolution is adopted as amended. Colleagues we're now into the speed dating portion of our agenda. Could you please Karla please read 1335-1336, 1337 together.

Items 1335, 1336, 1337.

Wheeler: Colleagues I have invited all three of these appointees to attend today, all three had hardships -- oh.

Terry Whitehill, Bureau of Development Services: I am your staff.

Wheeler: Let me get through this and we will see what we need. They all had hardships related to their employment, and we know that is an important consideration. However they have all provided me brief statements, and I would like to read these both in terms of what they do and why. The building code board of appeal, hears building code issues appealed beyond the bureau of development services administrative appeals board. The bds administrative appeals board consists of managers and staff from bds, the Portland fire and rescue, while the building code board of appeals consists of private industry professionals from a variety of designated backgrounds. The board provides an alternative to appealing code issues directly to the state. Thomas juon is recommended to fill an alternative position fulfilling the membership category of builder, so he is qualified as a builder and that is why he's on being appointed. The electrical code board of appeal hears issues appealed beyond -- beyond the bds appeals board, consists of prior to industry professionals from a variety of designated backgrounds as well. The board provides an alternatives appealing code, an alternative to appealing code decisions directly to the state. Robert, is it bruene is recommended to fill the membership category of journeymen, electrician, and which is what he is, they advise and assist bds with the development procedures and administrative guidelines for implementing title 28, the city's code on floating structures. The -- and I assume that means docks, is that right? What's a floating structure.

Whitehill: Docks and also floating homes and anything that would support a marina.

Wheeler: The committee consists of industry professionals and floating structure community members. Terry glenn is recommended for appointment filling a yacht club member, membership category. So that's it. I will turn it over to you if there is anything else to add.

Whitehill: I don't have anything to add. You said what I was going to say. They all -- all of the commissions serve three-year terms. We're slowly but surely getting these commissions, the membership up. They were not fully -- we did not have all the positions filled so we are slowly getting that up to the required number.

Wheeler: So if I am at home and listening and I am so bored I am watching the Portland city council on television, I am thinking wow I really could be on one of these boards, where does one go in order to apply?

Whitehill: One can call the bureau of development services. We have several different boards and commissions and they are all staffed by different managers so you would want to just get in touch with bds and we can put you in touch with a list of all of the commissions and the contact person appropriate.

Wheeler: Commissioner Fritz.

Fritz: I think to call 823-4000, and the staff at the information referral line would help them. We do now have a coordinated application with the office of neighborhood involvement.

Whitehill: Thank you.

Fritz: That's hopefully going to be a way to make it easier for the community members to apply and for staff to process applications.

Wheeler: Great. Any further questions? I will accept the motion on 1335.

Fritz: So moved.

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Wheeler: You will accept a motion on 1336. Do you second that commissioner eudaly?

Eudaly: Yes.

Fritz: How about I move them all.

Eudaly: I will second them all.

Wheeler: Perfect call the roll on 1335 Karla.

Eudaly: Aye.

Fritz: Thank you for being here, aye.

Wheeler: Aye. The report is accepted and the nomination is accepted. 1336.

Eudaly: Aye.

Fritz: I understand your reasoning for putting these on the regular agenda. I did wonder about the 15 minutes requested for each of them. I thought that was generous.

Wheeler: It was. Agreed.

Fritz: Aye.

Wheeler: Aye. The report is accepted. The appointment is accepted. 1337 please.

Item 1337.

Eudaly: Aye. **Fritz:** Aye. **Fish:** Aye.

Wheeler: Aye. The report is accepted and appointments are all approved. Thank you to our appointees and thank you for bringing this very good, for bringing us good people. 1339.

Item 1339.

Wheeler: Good morning.

Susan Hartnett, Manager, Spectator Venue Program: Good morning, susan [inaudible] program manager. The contract in front of you is actually a contract with the city attorney's office but the costs are paid out of the spectator venue program. Thus my appearance.

This contract provides outside legal support for our work to amend the agreements related to the providence park, the stadium, in relationship to the planned expansion which you will be hearing more about next week. We are looking to add dollars to the contract, 150,000. We're also looking to extend it until june 30, 2019 which will get us through the anticipated two-year construction. We're not expecting there will be any legal issues during that period of time. We figured that we might as well provide that capacity within the contract. So it's straightforward amendment to an existing contract. I am happy to answer any questions.

Wheeler: Colleagues? Any public testimony on this item? Please call the roll.

Eudaly: Thanks for being here, aye.

Fritz: We need to have good counsel to help us get through this contract. It is unfortunate that the other party was not able to help us get to a speedier conclusion. Thank you for your work.

Fish: Aye.

Wheeler: Aye. It is adopted. Thank you. 1340 please.

Item 1340.

Wheeler: Colleagues we're here to review and accept the guaranteed maximum price contract amendment for the howard s. Write contract to reconstruct the Portland building across the street. The project is on budget with the total holding at 195 million as set by the council in 2015. Howard s. Wright started construction and this amendment will guarantee that they deliver this project as defined in the contract documents for a maximum of 147,350,000. This includes the scope already completed such as the design preconstruction services and buildout and moved to the temporary locations as well as the construction for the Portland building and the move back in for the employees. The city is directly contracting and providing services which make up the remaining portion of the project such as the owner's representative, project management, specialty consultants, telecommunications leases and utilities. The 195 million budget also includes additional

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owner-controlled contingencies to manage any unforeseen conditions not in the defined contract documents with Howard S. Wright. Joining us today is obviously our chief administrative officer Tom Rinehart. Good morning, Tom.

Tom Rinehart, Chief Administrative Officer: Good morning Mr. Mayor and Council. Tom Rinehart, CAO, and we're asking Council to accept the guaranteed maximum price today, and I think that the Mayor did a fine job outlining it and now that this is, I think, the fourth consecutive time I've been in front of this body over the lunch hour and in which you are fatigued, I am going to do a brief overview. The budget has two primary sections of the contract with Howard S. Wright and the owner's responsibilities and we are the owner so the way to understand the guaranteed maximum price is now we have a contractual arrangement which cannot be exceeded which guarantees that the city's risks on the hard construction costs are born by the contractor. To reiterate one point the Mayor said that's important, we did shift some of the technology work, some of the temporary space costs and other costs from the owner's responsibility to Howard S. Wright, which is why the original cost is a little higher. We are still tracking below the 195 million budget item. We are on track for the gold certification, we had very aggressive equity goals, which I briefed all your staff on, and the oversight committee continued to do an excellent job working with myself and my team to unearth issues and address them as they come up. I am happy to answer any questions that you might have.

Fish: This is like mind-boggling-detailed stuff about all the systems. At some point subsequent to the hearing today could you just send me an email telling me where we would find the key references to the work we are doing?

Rinehart: Absolutely. One point I want to make on the complexity is that we have lists of literally hundreds of items that if we need to tap into the contingency we'll be up for consideration so I am confident that the team has looked at every potential item that could be reduced if we need to do that to stay under your budget direction.

Wheeler: Thanks for watchdogging this and keeping it on-time and on budget. It's a lot of work to go.

Rinehart: You are welcome.

Wheeler: Anything else? This is a report, I will accept a motion.

Fish: I move to accept the report.

Fritz: Second.

Wheeler: We have a motion from Commissioner Fish, a second from Commissioner Fritz, and please call the roll.

Eudaly: Thank you Tom and good afternoon.

Rinehart: Good afternoon Commissioner.

Wheeler: I stand corrected.

Fritz: I was thinking it's the mark of an excellent staff person to say good morning when it's 1:00. So nicely played. Thank you very much for your work on this. Aye.

Fish: I was actually going to take you to task because the other day I tried to get in the building and someone had put up a wooden wall, what the hell is going on but --

Rinehart: They won't let me any either. It probably isn't. You keep better company.

Fish: Thanks for your good work. Aye.

Wheeler: Aye. The procurement report is accepted. Thanks for your great work. Last but not least 1341.

Item 1341.

Wheeler: Good afternoon.

Larry Pelatt, Chief Procurement Officer: Good afternoon Mayor. Commissioners. I am Larry from Procurement Services and you have before you the procurement report recommending a contract award to Wildish Standard Paving Company for the Lombard North

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oil road project 1,754,559.53 for the north time oil road project. The engineer's estimate was 2,335,000. The confidence level was high, 2,635,000. The council approved 188382 for procurement services to competitively solicit this project. I am not going to go through the name again. The project was advertised in the city's electronic procurement system bids opened October 24, 2017, three bids were received, and wild you know wildish standard paving company is the Lowest responsive bidder at 11,754,559.53. This is 33.4% under the original engineer's estimate, which in today's bidding climate is quite a surprise, a pleasant one. The project is a federally funded highway project, and as such the city's standard goals of 20% for disadvantaged minority women and emerging small businesses is not applicable. Federal projects recognize the dba or disadvantaged business enterprise certification only. The Oregon department of transportation as the grantor or project manager, fund manager assigns a goal to the project for the disadvantaged business enterprises. This project had a goal of 10%, which is actually higher than our normal goals. We usually see goes in between like 4% and 8% as they come forward, and pbob has been asking for higher goals and they have gotten them, this one we got 10% which like I said is kind of a, for odot to give us 10 is kind of significant. There is 423,910, 24.1% committed sub-contractor participation for the project of which 176,400 or 10.05% is committed to five disadvantaged business enterprises. Wild standard paving is located in Eugene OR. They are not a certified disadvantaged minority women or emerging small business contractor, they do have a current city of Portland tax registration and if council has any questions relative to the procurement process I can answer those or I believe Winston Sandino from pbob is here, he said he was going to be here. I will do my best.

Fritz: Normally your reports tell us exactly what was subcontracted out for the disadvantaged businesses. This report doesn't. So can you tell me a why it didn't and where is that -- what kind of work is being done?

Pelatt: I can tell you that the firms, it does not specifically identify what their scope is.

Fritz: Is that because it's an Oregon department of transportation-led process or what?

Pelatt: Well, yes. Odot reviews all of the subcontractors as they are presented. The certified, the dba certified firms, and they confirm their certification, put in everything in their format and we know what is committed on the, for the disadvantaged which is the only certification recognized. I can tell you that there is a jack of all trades which is flagging, brothers concrete cutting, which seems kind of self evident. Ecome construction, I don't know what their scope of work is. Bent enterprises, same thing, and phase-on construction, we're familiar with, is in there, too. The total there is as I said 176,400. Between the five firms.

Fritz: Thank you.

Wheeler: I will entertain a motion.

Fritz: Move to accept the report.

Wheeler: Commissioner Fritz moves and eudaly seconds.

Wheeler: Call the roll.

Eudaly: Thank you for the report, aye.

Fritz: Thanks for your perseverance and being here and also the person who waited all morning. I saw you in the back. Would you like to come up? So that we can thank you properly for being so patient and then needing to leave for two minutes, give us your name for the record.

Winston Sandino, Bureau Of Transportation: I'm Winston sandino a project manager for pbob.

Fritz: Thank you for being here. So it's such a good project. We did not have any further questions so I am happy to vote aye.

Fish: Aye.

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Wheeler: Great report. Thank you. Aye. The report is accepted and we're adjourned until 2:00 p.m.

At 12:55 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.

December 13, 2017 2:00 PM

Wheeler: December 13, 2017. Karla, please call the roll. [roll call taken]

Wheeler: Commissioner Fritz indicated she will be here very shortly. Please call the first time certain item.

Item 1342.

Wheeler: Ken and michelle are here to talk about the comprehensive financial report which we call the cafr, for short. Good morning.

Ken Rust, Chief Financial Officer: Good afternoon. Mayor wheeler, member of the council, i'm ken rust, chief financial office and director of the bureau of revenue and finance services. Michelle kirby and I will be presenting the cafr for the fiscal year ending june 30, 2017. You're asking yourself didn't we have one already this year? The answer is yes, you did, but that was for the prior year. We have been engaged in an attempt to produce it more timely and the result is we get to present to you that cafr in the calendar year we complete it. A unique event today. We're celebrating the fact that you get to hear two cafr presentations in one calendar year. At this point I would like to have michelle walk you through the process that we used to complete it.

Michelle Kirby, City Controller: Good afternoon, mayor, members of the city council. The preparation of the annual cafr is quite an extensive process which as you can see by the photo here takes many hands to make it a success. The accounting division of brff has the responsibility bureau of revenue and financial services. Has the responsibility of preparing the cafr, ensuring its accuracy and working with the auditors throughout the process. However, involvement is also needed from all the city bureaus, the city auditor's office as well as our external auditor moss adams to ensure completion of this report. Several members of the accounting division team are here today and if you would allow us I would like to recognize them for their hard work on this project.

Eudaly: Please note it took five people to hold this report up.

Kirby: They will now stand so they can be identified. [laughter]

Wheeler: Thank you for your hard work. Excellent job.

Fish: I'll offer my colleagues \$1 if they can tell me where this photograph was taken.

Wheeler: South waterfront and it's taken from --

Eudaly: The tram?

Wheeler: No, it's not. It's the --

Fish: Not throw you -- throwing you a lifeline?

Kirby: Want to shout out? Call a friend?

Wheeler: No. It will come to me. [laughter]

Kirby: It's our new home, the 22nd floor of the congress building, which has beautiful views.

Wheeler: I lost.

Kirby: I'm very pleased to be able to report to you that the june 30, 2017 cafr was published on november 1 or 120 days after fiscal year end. This marks the earliest cafr completion date in recent city history. In fact, by working more efficiently, we have been able to reduce the time it takes to prepare the cafr by 49 days over the last three years.

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The initiative to produce the cafr within 120 days was a goal set by our cfo in the spring of 2015 to establish the city as leaders in financial reporting and now we're within the top 10% of all local governments in terms of financial reporting excellence. So why is this important? Timeliness is a major objective of financial reporting in that it ensures the information is relevant and useful for decision making. Preparing the cafr in less time also allows the accounting division to work on other important reporting initiatives such as the popular annual financial report or pafr, produced for the first time last year. Now I would like to discuss the highlights of the fiscal year 2016-17 cafr. The good news is that our external auditors gave the city an unmodified or clean opinion and found no weaknesses or deficiencies in the city's accounting processes. In addition, the cafr complies with state law, generally accepted accounting principles, fund balances continue to grow, and we receive government finance officers association award for excellence in financial reporting for the 36th consecutive year. Now, the not so good news is that our declining net position in governmental activities during fiscal year 2016-17 the city's net position in the governmental activities area declined approximately 150 million, which brings it to a negative 1.6 billion. This negative trends is primarily the result of gatsby accounting rules for pensions but there are also other factors. I'm now going to turn it back over to ken who will provide you with a more detailed assessment of the fund balance decline, net position decline, excuse me, and the city's long term financial health.

Wheeler: Could you give me a couple of sentences, the short version, in terms of the treatment of the pension liability? I assume you're referring to pay as you go system for police and fire pension and disability.

Kirby: Well, the city has two pensions that it has to record in the financial statements. The Oregon pers is one and the fpdr, fire and police that you mentioned, is the other one. It's the larger factor. It's the largest factor of our liabilities because like you said unique funding.

Wheeler: Could you again and just put this in an abridged version with regard to the nonpers pension liability which is pay as you go, so there's really no risk of us not meeting that pension liability, and in my opinion, i'm just one opinion, it does not jeopardize the over all financial standing of the corporation, how do they treat that liability?

Rust: Maybe if you would indulge us i'm going to walk us through that and I think we will address that question. If I don't, certainly come back and ask me. As michelle indicated, we have this interesting anomaly on our financial statements, this real large negative net position. I presented this chart to you in past sessions when we presented the cafr. You can see the ten-year trend. We have two major areas for measuring that position. Governmental activities, the blue line, which is basically our general fund and transportation program. They are governmental activities under our accounting rules. Then under our business activities or the orange line, if you think of the water utility and waste water utility, bes, those are major enterprise business activities. Really reflecting the fact that they are spending a lot on capital and it's not all borrowed money but they are actually adding ratepayer cash and equity into that investment. What you see with governmental activities is in particularly the sharp drop in 2015 we were required to put on to our balance sheet the full unfunded liability for all of our pensions both pers and fpdr. As I have discussed with you over the years, fpdr is this interesting legacy pension system that probably no other government has quite like ours. We have a pension system for all plan members closed in 2006 when we reformed fpr that requires us to pay pensions when due, not when the benefits are earned so we don't put money away. The charter prohibits us specifically from putting money away. In fact we can only maintain a reserve of \$750,000. So we don't have assets that back the pension liability but we do have a dedicated property tax levy that can be levied by the city council up to a maximum of \$2.80 per

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thousand of real market value in the city of Portland. What we have learned over time is that that tax levy has always been sufficient and generally much more sufficient than necessary to pay all the liabilities we do. In fact the actuaries for the fpr fund routinely analyze that levy and it's the capacity of that levy to fund all obligations when due, and what they have found through their extensive simulation process, very, very small probability that the levy would ever be insufficient. In fact we know from our reform of fpr in 2006 that for a while we were carrying the old pension program and all the new hires going into the pers system that a lot of our other employees are covered by. We knew we would be adding a little bit of cost to that levy and it was a modest way to unwind the old plan. In about 2033 we hit a crossover point and the levy requirements decline really for the rest of the forecast period. What that means is our period of risk is greatest between now and about 2033. Right now we have way more capacity than needed to make good on those obligations and as long as real market value continues to grow as it has been that capacity actually increases over time. So the question you asked, mayor, about owe our unique pension system, yes, we should be worried about it but we have taken steps necessary to reform that plan. That's one of the interesting things. You have 1.6 billion negative. The city is a triple-a bond rated credit. The rating agencies and others look beyond just the presentation of net position in the cafr to the kinds of things that we have that are not captured by standard gatsby and gap accounting to understand whether we have a problem in our ability to pay all of our costs and liabilities when due. Those are some of the interactions. This chart is something we have been showing you and presenting I think for the last three or four years.

Fish: Again, just because we have new council and we have had this conversation in past years, we have a unique pay as you go system which when these new rules kicked in, required us to show it as unfunded, which was a drag on our net position, but it may be unfunded but it's not unsecured.

Rust: That's correct.

Fish: Secured against the assets of the city. So why isn't there a compensatory asset or security position shown to net that out?

Rust: That's a very good question under gasb accounting rules government accounting rules that we're required to follow they don't allow the recognition of that tax levy and the future value to be placed as an asset on our balance sheet. I'm going to walk you through a couple of things that are important to get to your question -- your question. At the crux of it what's really important to understand is this is a very big negative number. But at the end of the day is it impairing our ability not to just meet that obligation but deliver other services as well. I want to put up a framework how I thought about it and what we should be focused on and worrying about. The next chart talks about what effects net position. Net position is basically assets minus liabilities. Couple other adjustments but that's basically what it is. What are the factors that decrease our net position by that revenues less than expenses on a generally accepted accounting principles basis. The things that could result in our net position declining is increases in pensions and other similar liabilities. That increases or decreases net position. We increase -- [audio not understandable] I talked with you good that. We have noncash expenses like depreciation that affect our income statement, if you will, but contribute to expenses exceeding revenue. These things can result us on a gasb gap measurement basis having expenses that exceed revenues. On the other side, what can increase our net position? The things that can increase our net position are things like external grants. If we got a grant to build a capital asset the assets set is on the balance sheet but we don't have a liability. If we increase capital assets that helps increase our net position. We have an asset and a liability. Or if surplus revenues are simply held in a fund balance that increases our net position. That's some of the

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dynamics going on here. What we have seen over time is that the things that have really driven up the increase, the decline in net position has been our pension liabilities and our basically underinvestment in things like transportation assets. Last year for the fiscal year we actually ended up on governmental activity basis with investments in capital assets exceeding depreciation. That's the first time that's happened in a while but we still had more depreciation of pbot assets than we put in the ground by about \$119, 120 million. We're sometime underinvesting. These are some of the dynamics that are going on and what I have shared in the past is trying to figure out what we should worry about requires us to restate the net position calculation to take into account some of these unique positives that the city enjoys. For example, I have taken those same net position figures and for governmental activities I have added back the value of the net pension liability for fpdr. Why? We have a dedicated property tax levy available to pay that. It's always been sufficient, our actuaries tell us it has a very, very high degree of possibility of always being sufficient. I deem that something that should be treated as an asset so have adjusted net position accordingly. I added back the value of debt increment that doesn't result in us getting an as set back. The city is the bond issue were in urban renewal. Bond liabilities sit on the balance sheet. What do we do with that money? We give it to prosper Portland and they execute their renewal plans. We estimate 75% of that liability is -- we get about 25% back as a city asset, 75% on their books or elsewhere. But creation of the urban renewal district means we get a stream of revenue to pay those bonds so therefore it can only be used for those so there isn't any inability to service that debt. I think it's a reasonable thing to adjust net position accordingly. Finally we have done transactions where we enter into agreements with other governments and we have for example metro we gave \$100 million to expand the convention center. We get tax revenues from the county to pay debt service on those bonds. Those intergovernmental revenues are not treated as an asset but assets allow us to service the liability. I think it's fair to take that off. When you do this adjustment you find that our net position in governmental activities has been relatively stable and over all combined with the business activity growth you see a slight increase in net position over time. I think that that's a more fair reflection of our financial condition and strength and squares up better with the way outsiders view us when they take into account these kinds of factors. People like rainy day season investors, et cetera.

Fish: How many other cities have a pension system like ours which creates such an anomaly?

Rust: I don't know that there is one. If there is it's not of the magnitude of Portland. I have talked with the rating analysts and asked that question. They can never give me an example.

Fish: The second question, if we're already qualifying for triple-a credit or close it in key categories, isn't that in some ways the best indicator of how the -- third party evaluators view our balance sheet?

Rust: I think it's a very important indicator. Clearly people have raised issues about the accuracy of those ratings. In 2008 there was a lot of things rated triple-a that didn't perform very well but on the municipal side there's a general understanding and agreement that those ratings are valuable and a good assessment of the creditworthiness and ability to pay obligations when due. I think that what they do, I know I have talked with them, they make these adjustments and calculations they well understand the fpdr liability and they are not worried about it because of the tax levy that backs it and the capacity of that tax levy to be sufficient over time. So I think the credit rating is a good assessment and I think when you adjust our net position to take into account things we're not allowed to capture under gasb accounting it starts to give you a better idea of our credit strength and financial condition at the moment. That doesn't mean we don't have some issues. We need to be

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aware of that. That's where I get what does this mean and what should we do? We want to make sure we focus on the right things. If you just looked at net position without any adjustment you think we should be dealing with fpdr, clearly that's driving us so far negative. The answer is we have done that. We're monitoring that. That's not the worry area. The worry area for us really is our underinvestment in capital assets. When we start tearing apart and teasing out this information we start to see that's the one area that systemically is creating a negative and a draw on our net position. That's something we focus on and something over the last couple of years. What I have been trying to do, we have had a really good conversation, a segue of what does this mean and what should we do and how are we doing long term, I prepared this fiscal health snapshot. We talk about some of the big financial issue areas that we're dealing with and how well we're dealing with them now and what that future looks like. I broke it down into three categories. Long term liabilities in the form of pers, fpdr, other post employment benefits that we're obligated to paid. Our infrastructure liabilities in the utility area, in parks, and in public safety and housing, and then our legacy liabilities like Portland harbor and the levee system and employee costs. You can see my assessment currently and into the future. This is the same picture I shared with you february 1 of this year. I don't see much change. You'll note that I have pers as a red indicator and frankly I was concerned about -- more worried about it now. Pers year over year on our financials, net pension liability is up 340 million and it's going to go higher. As a general rule of thumb for every 100 million increase in that unfunded liability that's about a \$10 million increase in payroll costs, 40% comes to the general fund, that's 4 million. So 3.4 times that maybe 12 million more cost coming our way with pers. The thing is it's dependent on earnings. We had a change in earnings rate recognizing that long term they may not earn as much money. Those are things we have to pay attention to and there's not much we can do about it. Fpdc, on the other hand, we understand well and we know we have enough capacity to pay for it. I have that in green. As long as our tax system stays stable i'm not worried about that. We talked about infrastructure financing, utilities are doing well. They have big obligations, we have regulatory requirements to meet but i'm comfortable those kinds of obligations will be met and we have a plan for it.

Fish: Can I ask you about that? We have had this conversation every year about whether we need a fourth color. The point I would make is according to the auditor's annual survey, if you look at bes, something like 60 to 70% of the assets are in good or better condition. That's a good trend line. They have dedicated revenue in terms of their financing mobile and the council has agreed to a strategic plan for bes, in particular, which promises over ten years to get to fully sustainable infrastructure. Is it still yellow because you're discounting the possibility we get another It2 or other unanticipated cost?

Rust: For bes, the shade is closer to green although the rates and charges I would like to see them trending down and close to inflation levels and we're getting there but we're not there yet. On the water side we're starting to ramp up with compliance for treatment facilities. I think over the last year they may have been further away from green, still in yellow. If I was going to add another color I would add purple because of my concern about pers. I would make it as deep a color as I could.

Wheeler: What percentage of payroll is pers. What percentage of payroll is pers?

Rust: Well, it gets more complicated because we have debt service on pension obligation bonds that fall into that.

Wheeler: Can you get that?

Rust: I would expect it's in the 20% range plus.

Wheeler: If you could get me the current and projected return assumptions.

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Rust: Yes. So bottom line is that as good as we're doing at the moment we have many challenges in front of us and we shouldn't forget about that. We have them in the area of long term liabilities, infrastructure, and we're making improvement there. Things like 'build Portland are helpful. They will improve the investment infrastructure but won't help our net position because if we borrow we have an asset, offset by a liability. Net position won't get better but our assets will certainly be better. So what I have talked with you about in the past is that we basically have a math problem. Our expenses, operating capital are growing faster than revenues. That's been the case for a while so we know that that's a systemic issue and we're looking at it now. Here we are the best revenue picture in the city's history and we're in a position where we're looking for reductions from bureaus to balance all the needs that we have. Operating costs, capital costs and new programs. You are -- we're wrestling with that but we have to be mindful of that because if we don't and try to bring that into a better balance, through a combination of more revenue, left costs, we run into a a position where we're impairing the financial well-being of the city. That's the important take-away. We need to be constantly mindful of some of the systemic issues that we're wrestling with. In summary, michelle talked about what the cafr presented to you. We're in full compliance with all the required accounting and standards. We have an unqualified or unmodified opinion. Our financial position is strong, fund balances are growing. But we do have issues that affect our long term health that we have to pay attention to. We have track record of doing that. I know that's going to provide us the capacity to deal with it going forward. It's the same story we have been telling you, it's a continuation of that story. But if you indulge me for a few minutes this is the last time I get to talk to you in my capacity as chief financial officer. I would like to conclude with some thoughts about the financial operations of the city and what I have been able to help contribute to you over my career. Over the past few months I have had a chance to reflect on the more than 35 years that I have worked for the city in a variety of capacities on a broad range of projects and programs. One area that i'm really the most proud of is the contribution that I have made to growing and improving the city's financial management capacity. Particularly in three foundational areas that I would like to discuss with you today. First i'm really proud of the city's financial and policy framework that I inherited, an edifice built by my predecessors and mentors, mark gardner, steve bauer, david smith, tim gruen and others, they laid down the structure and taught me what it takes to maintain, improve and protect it. The names of these individuals soon to be joined by myself will fade and be forgotten i'm confident the foundation and legacy of excellence created will endure and continue to guide the city's decision making. I want to acknowledge the vital role that you, the city council, and the council members that preceded you have played in the city's financial success. Without your willingness to support the development, adoption and implementation of sound financial policies and practices the city would be facing a far different financial future. Balancing the wants and needs of our community within the fiscal boundaries that we operate within is never easy, however when faced with the truly tough financial decisions you have always erred on the side of financial prudence and i'm deeply appreciative for that. I recognize the role our internal and external auditor play in identifying issues and weaknesses and recommending ways in which we can improve. We may not always agree on every issue or finding or how best to proceed, I do know that our auditors are motivated to help the city continue improving its financial performance. Second i'm proud to have help maintain and improve the city's credit ratings, critically important to the city's financial operations and integral to almost everything we do. Credit ratings are a shorthand way for financial professionals to measure how we're doing as it provides an independent assessment or grading of our work. Early in my career when visiting moody's investor services in new york on credit rating visits I was struck by the artwork that adorned

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their entry way to their building at 99 church street in lower manhattan. An imposing melt freeze depicting two allegorical figures atop the inscription credit, confidence in man. When I started working for the city I it had already earned its triple-a bond rating and it has not lost it under my watch. During my watch the city has never had a downgrade of any of its direct credit ratings. W&i we have had numerous upgrades but never a downgrade, recessions, great recessions and citizen initiatives that threaten our fiscal health and stability. The city has fulfilled and continues to fill that underlying credit credit premise man's confidence in man and has earned the financial integrity that comes with it. Lastly, i'm proud to have worked with so many dedicated, talented finance managers, bureau directors, city attorneys and staff over the course of my career and for the opportunity to help grow, develop and lead the city's financial services. Since returning to the city in 2014 I have been committed to creating a high performing financial services organization and establishing the bureau of revenue and financial services as trusted advisor and voice on city financial matters. With the support of my bureau of colleagues each of whom has my deep respect and appreciation, I believe I have achieved that goal. With a solid foundation in place i'm confident the city will continue the strong financial management that supports all we do to serve the citizens of Portland. Looking back on my career at the city, it surprises and humbles me to see all the things I have been part of made more special by the fact that I was born and grew up in Portland. I'm proud of having made Portland a better place for Portlanders and i'm proud to be a public servant. Thank you for your support and the opportunity to serve the city of Portland.

Wheeler: Ken, thank you. I know everybody here wants to say something as well. Why don't we accept the report and dispense with the business.

Fish: So moved.

Fritz: Second.

Wheeler: Any further discussion on the report? Please call the roll.

Eudaly: Thank you for your report. I'm sad that I haven't gotten to pick your brain more this year, but maybe i'll be able to do that even after you're gone. Depending where you're headed. Aye.

Fritz: Thank you for the report. It's sobering in some ways that we do need to continue figuring out how to pay for the obligations in years to come. Thank you for your work for making that more likely and more possible. Thank you for all you've taught me over the last nine years. I half expected you to end your speech, i'm filing for commissioner Saltzman's seat. It would be a solid resume for any ongoing service to know what you've done for the city of Portland and you actually have the dollars and cents to approve it. I'm very glad I have had the opportunity to work with you and I wish you all the best. Aye.

Fish: Well, ken, I want to join my colleagues in thanking you for your public service. We live in a time when public service has been degraded and attacked tacked, the very idea of public service, yet if it were not for people like you and for governmental institutions people would not get the services they have come to expect. The confidence that people have in their government is in large part a reflection of the confidence they have in the systems set in place. I think commissioner Fritz would join me in the following sentiment that during our service together I served a little over nine years, she almost nine years, there have been a number of reforms that have been adopted during our tenure which I think we would both agree have had a significant impact on improving the quality of the work that we do and the public attitudes towards our city and other things. For me, three of the top reforms are creating an independent budget office, supporting the independence of the elected auditor, and reestablishing the chief financial officer position and making sure that that office was independent and reported both to the cao and to the city. Excuse me, to the council. I think those three reforms have had and will continue to have a significant impact on the very

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issues you have addressed in your farewell address. On personal note I will say that I can think of only a couple times in my service where I was undecided on an issue and the last person I spoke to was the person that convinced me that I should go back to my basic instinct on something and on a very high profile issue that we will not belabor publicly you were the last one I spoke to. You gave me very candid advice and because of my great respect for you it was the tipping point to get me to the point where I could not support the then proposal. We owe you a great debt of gratitude. I want to does you before you lost the mike out outside of pers what's going to keep you up at night but from the chart and the red lines I think I know what will keep you up at night. But we owe you an enormous debt of gratitude for your work. Speaking as one commissioner has that has worked with you on very challenging issues it's been an absolute pleasure. Thank you, aye.

Wheeler: Long before I had the privilege of working directly with you, ken, I heard about you from a number of people. As people may remember, maybe they don't, I actually used to have another job with the state for six years as the state treasurer. During that time pers was very much front and center. My piece of that puzzle was really the investment side of the equation and making sure our pension system continued to get the top returns amongst our pierce in the united states which we did then and which we continue to do to this day. But the reality is the structure of the pension system is very problematic when we look at long term liabilities and we look at what it does to school districts and county municipal government budgets. It is a problem that has not been fully addressed and which must be fully addressed for the sake of all of the services that we provide to the community that the community expects and wants us to provide not just here but all around the state. A whole host of issues your name would always come up as somebody who I should speak to, who I should consult with, somebody trusted both amongst professionals in the finance community as well as people who were maybe laymen. Your job is a unique one and has been unique in that you walk in both worlds. You don't get to just go and talk to the people at moody's and very senior brian hall, technical conversations around bond ratings or unfunded liability. You have to come into this chamber and work with all of us and we have varying degrees of technical expertise on the matters which you have outlined today. You have to explain it to the public and explaining some of this complex financial mash machinations to the public is time-consuming and can be frustrating but you've done it with calm and directness. You've worked for the city for 20 years. You've provided sterling public service and I will tell you I understand people retire or move on to other parts of their lives and they should and you should and you have lots of potential and really any direction you want to go, I will miss you. This institution will miss you and the shoes that are left to be filled in your absence are substantial. I'm just going to put out your summary as where you think we should be going and what you think we should be putting front and center and assure you I will continue to fight hard on all of those issues to make sure that we address these issues. One final thought. The finance shop, I guess i'm speaking broadly to your colleagues as well, largely invisible to the rest of the world. I felt that way when I was the state treasurer. I would sit in my office and wait for people to come and visit and nobody ever would.

Fish: And he ran for mayor. A little more action:

Wheeler: It's like the backbone to a body. It's critical but you don't know it's there until you have cracked it. The same is true with financial services and financial operations of the city government. What you do is critically important. It's the backbone. It's the revenues. It's the support for a bonding mechanism, our ability to pay for capital construction projects and other improvements and nobody notices it until it's on the front page of the paper. Believe you me there's never any article going, oh, my god, for the 17th year in a row the city has a triple-a bond rating. Read below. Nobody cares. But the mountain that won't raiding is

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squandered and the cost to taxpayers for every capital construction project goes up substantially, then people are going to notice and are going to care and you always operated as though you clearly understood that it's not just about the ledgers and the spread spreadsheets and pro formas. You understood that's what's represented in those numbers and columns and complex calculations is our ability to serve the most vulnerable people in this community. That was what was at stake and boy will I miss you. Great job. I vote aye. The report is accepted. Thanks for your service. To all of you in finance. Thank you for your service as well. Next up, 1343.

Item 1343.

Wheeler: Madam auditor, good afternoon.

Mary Hull Caballero, City Auditor: Mayor, commissioners. I'm city auditor mary hull caballero. Mr. Lanzarotta is with moss adams which audited our financial statements. Ms. Howell earl is principal auditor in my office and she oversees the accounting contract and is liaison between moss adams and city bureaus. These statements are important resources for community members, taxpayers, investors and decision makers to understand what fiscal shape the city is in at a moment in time. Once management has prepared the financial statements federal and Oregon law and city charter require an independent audit be conducted to determine if the public can reasonably be assured they fairly represent the financial position of the city. It's important to note what financial audits don't do. They don't provide opinion whether the city is spending appropriately, making the decisions or what the long term future may hold. We have to rely on other types of assessments to determine the answers to those questions. So jim is going to present the audit results now and fiona is also available to answer any questions that you have.

Jim Lanzarotta, Partner, Moss Adams LLP: Mayor, council members, thanks for the opportunity to come before you and present the results. Wow. Hard to follow that. I'm reminded of a few years ago presenting to metro. We do metro's audit as well and I followed a group of about six 5th grade girls who had just completed an amazing science project to deal with a problem in our landfill. Styrofoam. They came up with a solution that ate styrofoam so it wouldn't stay in our landfills and I had to follow that. These girls were eloquent and did an amazing job and then I follow up with the audit results. I feel that way a little bit, ken, after following this discussion of a long and storied career for recognize the financial professionals across the nation. I'll do the best I can. Obviously we performed an audit for the city. I would say our audit could probably be broken into about six phases for you. So the first phase I think you have a pretty good understanding. An audit is that independent verification of the numbers that appear in these financial statements. How accurate is this? Does this contain all of the footnote disclosures and bells and whistles that are required by the governmental accounting standards board that ken mentioned. So that's looking at source documents, that's talking directly with your bankers and custodians of your cash and investments, talking with your elm council, and obviously looking at things that verify these numbers. A second phase, which may not be quite as evident, that is obviously it requires a lot of what we call internal controls. What are those checks and balances that management uses to ensure that they can put this document together accurately. We have an obligation to evaluate those. Are they properly designed? And in fact is management following those internal controls? So a second phase is doing that evaluation then telling you if there are weaknesses. Are there things you need to be worried about in terms of their ability to get this right? A third phase since you're an Oregon municipal corporation you're required to follow a number of state laws and i'm required to do testing of a few of those. There's about six or seven specific areas and two that we spend the most time. One is how well you administer the budget so the public process to which you put your budget through, the changes to that budget after it's

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adopted, and so forth, is a big emphasis for us to determine how well you've done that. A second area is upward purchasing. It's a very transparent process, you have a whole department dedicated to procurement, and there's a number of other areas. Testing your compliance with certain state laws. A fourth area is in testing your compliance with federal grants. So as you know you're very fortunate. You've got a number of folks that write grants that help fund the various services that you provide. We have an obligation to do testing of those grant programs and make sure that in fact you are complying with the applicable requirements to those. A fifth phase is really you have the staff as ken mentioned and thoughts and recognition for the team of individuals, you have people that put this document together something a lot of my brethren have to actually prepare this document in addition to auditing it so we have the luxury of not preparing it in your case, thank goodness, our role is to do that technical review. Does this match what we audited? Is it meeting all the bells and whistles and does it meet the additional requirements of that certificate of excellence that michelle mentioned 36 years -- 36 years in a row. Pretty impressive. Then finally a sixth phase is what I would call reporting. So we do all this work and we have an obligation to report to you the results. You're helping me meet that final phase. Let's get to it. Actually you've heard the results, so this is anti- anticlimactic. On page 13 you'll find our opinion. In technical terms we call it an unmodified opinion, so basically we did not have to modify it for any of the things that we identified through our audit process. I think michelle mentioned we call it a clean opinion is a good way to refer to it. I think that's something that can resonate with most of us. So we have done a lot of work to get there. But we're very pleased to say that at the end of this we're satisfied that this is materially accurate and we got to a clean opinion. On that internal control issue that I mentioned to you, so as a result of our work to look at how well those internal controls are be designed and in fact is management following those, again we have no issues that we're required to bring to your attention so your folks are doing a very good job at identifying appropriate internal controls. They are designed effectively and there weren't any significant weaknesses that we believe are important to bring to your attention. Another excellent result. On state legal compliance, so state laws that I mentioned to you, so all the areas that we tested we did not identify any areas of noncompliance. The unique thing about the state law testing is it's a pass fail test. You could be out of compliance by a dollar and I have to bring it to your attention. It's not like there's a materiality we can apply to that but we have identified no areas of noncompliance. You might recognize, you've been a victim of this in the past, the most common type of noncompliance is overexpenditure. Somewhere in the multitude of funds that you manage, somewhere we're going to slip up and a bill will come in at the ends of the year and we didn't adequately provide for it in the budget and we have an overexpenditure. This year you had zero funds that resulted in overexpenditures. That's a pretty nice milestone for you. On the federal grant, so you received over \$29 million, I should say you spent over \$29 million of federal grants this last year and we actually tested over 89 million when you include some of the grants you received in prior years are loaned out so the value of the loan receivable on the books becomes a number we need to pay attention to. So the total breadth of grants that we looked at was over \$89 million. We ended up testing three of the larger grants this year on a risk basis. The homeland security grant, weed hazard reduction grant and home investment partnership grant, which I think houses most of those loan programs. Within those, again, we did not have any findings of noncompliance that we were required to bring to your attention. That's also a nice milestone. You have had some instances of noncompliance in prior years but no instances of noncompliance. We also have to look at internal controls that you use that help you in meeting the compliance requirements on those grants and if you have weaknesses we need to tell you about it. We didn't identify

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weaknesses over managing those grants. So that's another pretty phenomenal result. So in addition to the reporting phase, we do have some required communications that we make to governing boards and we have issued a letter. You have already seen that. I don't know if you have had a chance to read it. It's not my intention to read it. There's probably seven or eight areas in there. I thought I would hit on just a few that you might want to know about. For example, it's oftentimes that you want to know, did we have any problems? The course of our audit? Are we asking questions and management is not being forth right or transparent or causing any problems for us and we encountered no difficulties. I think as you can tell from ken and michelle, no one likes to be audited but I think they see the value in it and embrace it and we have never experienced any particular difficulties in performing our work. Another area that boards want to know is do we have any audit adjustments. So we came in, we did our work and we found an error in management, needed to post some adjustments. You can probably already tell we didn't identify any errors that required management to post corrections. In fact sometimes we have to identify maybe smaller errors that are not material, but there weren't even smaller errors that were required to report to you. Another area that our boards like to know did we have any disagreements with management. Maybe they don't like a particular accounting treatment. No one likes that pension liability. When that had to be booked in its fullest intent. I'm happy to report we had no disagreements with management about any technical issues or application of our audit procedures. We have had some good spirited discussions which I would put in the healthy category but nothing that I felt would be important to bring to your attention in terms of something that would not be good. So a lot of work, and a pretty quick summary for a fantastic result to your audit and hopefully I bet you can probably appreciate the amount of effort that goes into it in order to have that type of result so I hope you feel good about those -- this report from me and the result from your audit. With that I would just be available to answer questions that you may have.

Wheeler: Commissioner Fritz.

Fritz: I'm wondering about the mind of an auditor. [laughter] when you get to the end and it's all clean do you think, I should have looked a bit harder and found that one thing, or if you find the one thing, yes, I got it: What goes through your mind as you're doing this due diligence?

Lanzarotta: You know, it's a mixed bag. Obviously it takes a team like ken mentioned. You have a team of very qualified people in the finance department. I have very qualified team of individuals that it takes to do the audit work. We have some youngsters trained to find errors. They are ready. You know? They want to glom on and oftentimes in their angst to find an error they may report something that really isn't an error. We have to calm them down and say, nice effort, so part of it is that we want to encourage our people to really hang on and find those errors and you feel good when you find one in a sense because that's what we're trained to do. So when we don't find one, it can be a mixed blessing.

Fritz: Take them for ice cream or something.

Lanzarotta: The nice thing about it is it's like your doctor. You go there and you pick one. He's very qualified, right in they do a thorough and at the end you hope for that clean bill of health. When you walk out you feel good about it. I feel good when we can give our clients a clean bill of health. We know the level of effort we put them through to get there so it's a mixed blessing. Our staff maybe is a little disappointed but it feels good to find folks that care about what they do and they do a good job in the performance of their duties.

Fritz: That's a very helpful analogy. Thank you.

Fish: I have a question. Curious about your view much something. In management's discussion in the cafr it says that in the first six months of 2017 inflation risen 4.8%, which is pretty astonishing. Now that doesn't mean it's going to be annualized over the course of

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the whole year, but obviously there's been an uptick in cost of living here. When we bill Portlanders for utility services we provide them with a combined bill. It's part water, part sewer storm water. Water is about a third, storm water sewer about two-thirds. From your points of view when you look at these numbers, is it fair for us to treat that as a combined bill and refer to the fact that combined, and weighted, it's about a little over 4% in terms of cost which would currently be above the rate of inflation.

Lanzarotta: Tough question. I don't know if I have a good answer for you. Obviously those are related services. I don't know anyone -- there are not many people that provide water independent from stormwater services. It doesn't surprise me that it's a combined bill. Or that you would look at a rate or rate increases together and ultimately it seems to me you ought to feel good about the comparative rate that you have compared to other utilities around you and how well you're doing and what's your trend line compared to others and how well you're managing the long term sustainability of your capital assets in repayment of your debt.

Fish: I'm not trying to put you on the spot and ask as a certified auditor here but we sometimes get pushback when we send a combined bill. But the way we look at it is these are services that are folded in. It's one bill. What people really want to know is how is my bill going up. They don't actually calculate what's my water rate, my this, that, weight it. They look at am I paying any more. We have kept rate increases about 4% which used to be above the rate of inflation but I was really struck by the fact that the rate of inflation has spiked and so we may be in an environment now where utilities -- the analyzed rate increases for utilities in terms of combined bill is actually below the rate of inflation.

Lanzarotta: That's surprising. That's probably an excellent place to be and probably unusual for a majority of our clients for that to be the case. I would say a majority of our clients are dealing with aging infrastructure and bills are going up by much pace larger than inflation because they are playing catchup.

Fish: One other question. This is your -- how many years have you come before us?

Lanzarotta: I think that we have bid on doing your audit three times if I remember right and have been successful in that bid process and we're in the first year of the current contract.

Fiona Howell Earle, Auditor's Office: I think this would be the sixth year we have had the financial audit presented.

Fish: Six years. My recollection is in many years ago you dinged us a couple of times on how we booked grants. I think the lesson for me was it's complicated how you book it, how you allocate it. And it was a couple of bureaus. Pdc, housing bureau, in particular that you singled out. Does the absence of a finding about any problem with how we book grants generally, does that indicate that sort of the city folks who have to administer this now have a better understanding of what's required?

Lanzarotta: I would like to think so. You're right, that's a very complicated area. When you think about your utilities you know when you're entitled to that revenue. You deliver service. You deliver water, you're entitled to be paid for. That you know the timing. Deliver some water this month I'm entitled to that revenue. When it comes to grants those generally are not exchange transactions. A grant or agency is giving you dollars which you go out and deploy, you may build an asset, you might provide service. The timing is different from the time you might receive the check and the accounting rules are complicated as to when you get to recognize that resource and when you recognize the revenue. It's one of the probably most common areas that we see mistakes in financial statements is the timing of when do I recognize the resources and the revenue from those. You have done a good job of accounting for that. We have had some issues in the past and we haven't had an issue in that regard for some time so I would like to think, yes,

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you've got some smart people that really understand those accounting rules about when it's appropriate to recognize those resources.

Fish: Thank you.

Wheeler: I had a question, James. You heard the CAFR in the prior presentation. Punch line for that was that expenses are growing more rapidly than revenue structure. That was a concern. The auditor notes in her letter to the council that you had also indicated in communications your concern about this but you said it did not rise to a material level.

Lanzarotta: Correct.

Wheeler: At what point would it rise to a material level?

Lanzarotta: I have really appreciated Ken's report to you. I think this is the third time I have heard this particular version or idea of presenting this information, and I would have to echo his comment. At the time it would concern me is the point in which you're not able to meet these obligations when they become due. Fpdr, if you didn't have a dedicated property tax stream to pay that, you would be in a world of hurt. You have a dedicated revenue stream I would say I'm in agreement with Ken, right now you don't have an issue there. At the point in time that if there's another property tax limitation measure, if all of a sudden you're subject to compression, if you have a decline in the value of property here in Portland, that might be problematic. I might amp up our level of disclosure with you about that. I'm not worried about it as an auditor for some of the same reasons I think Ken is telling you he's not worried about it because it feels like you're taking appropriate steps. You changed the plan 2006. You put all the new members into Oregon pers, which is funded on a current basis, so you'll work through this problem over time. The other thing is that you're receiving I believe it's every two years an evaluation of that property tax stream. So you're getting someone that's projecting out what's happening with property values and with property taxes so you're going to know in advance I would like to think you'll know in advance if you start seeing trend lines that will be problematic and hopefully you'll get that in enough time you could take steps if necessary I would like to think that you've got enough information to be able to take some steps well in advance of an actual shortfall of cash to make those payments.

Wheeler: Now I'm going to take you down one of my famous rabbit holes. You don't necessarily need to follow me. Commissioner Fish is responsible for utility bureaus. There is a significant capital requirement to be able to keep those operational. I'm responsible for emergency responsiveness and resiliency bureaus. What do you guys do and what happens to a community like Houston in the wake of a massive disruption to the property tax system? What happens?

Lanzarotta: Yeah. I don't know if I can answer that question, if I have experienced such a thing in my tenure. In terms of the financial statement and an auditor's opinion we have to look at the revenue streams, what's the cost of providing service? What are the revenues you have available if there's a significant shortfall. What we're looking for is for management to adequately disclose those facts within this document. If they disclose the facts in a very transparent manner you would probably still get a clean opinion.

Wheeler: Do you have a specialized team that works in that arena that you could connect me with?

Lanzarotta: I probably can help you out with that.

Wheeler: It's part of our overall resiliency plan, obviously fiscal resiliency is an area I would like additional information. I appreciate that. Very good. I'll accept a motion. We have a motion from Commissioner Fish, a second from Commissioner Fritz. Any further questions? Comments? Great. Report presentation. Last word, madam auditor?

Hull Caballero: No.

Wheeler: Please call the roll.

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Eudaly: Thank you for report. Aye.

Fritz: Thank you for your report and making it understandable and thanks especially for explaining the mind of an auditor at least at times. Aye.

Fish: I appreciate that you were respectful but creative tension between your office and our team and going through this process. So the goal is to get it right. The fact that some of the things we used to get dinged for are not showing up with the same regularity is certainly a point of pride for those of us on this side. Thank you for your good work, sir. Aye.

Wheeler: Great report. Clean report. I vote aye. Thank you. We appreciate that. We are not able to move on to -- if we can do 1346, do you have all the people you need?

Fish: We did. Do we have the best team here? Why don't you come forward.

Wheeler: 1346, please, Karla. Bes

Item 1346.

Wheeler: Commissioner Fish would you like to read 1347 or hold off on that?

Fish: Let me see.

Wheeler: We could also do 48.

Fish: Totally different. I just have a brief introduction. It will take me a minute to tee it up then we'll get started. Mayor, colleagues, we're joined today by aaron lawlor, an engineer with bureau of environmental services soon to be joined by paul sudo, of bes also. This would authorize the city to obtain price agreements through a competitive process for small and medium scale maintenance projects needed at the city's two treatment plants and nearly 100 pump stations. By the way if any of my colleagues would like a tour of a pump station of your choice, it's actually one of the coolest things in our capital inventory.

Eudaly: I think I already signed up.

Fish: The price agreements with the city's prime contractor development program will provide minority and women certified contractors an opportunity to gain experience while providing a model for the city's equity goals can be more predictably met or surpassed. These small to medium projects occur throughout the year and are required to provide reliability wastewater treatment service essential for protecting public health and our environment. I welcome paul and aaron to walk us through the presentation. Are you going to do the power point?

Aaron Lawlor, Bureau of Environmental Services: I am. We'll just jump right in. Good afternoon. I'm aaron lawlor, engineer with bes wastewater treatment engineering group. Paul suto is principal engineer now at bes. We're here today to talk about our ordinance request for a price agreement furnishing on call construction services at columbia boulevard wastewater treatment plant, tryon creek wastewater treatment plant and associated pump stations. This will be for on call construction services at the columbia boulevard and tryon creek, pictured here. Columbia boulevard is on the left. This is the city owned and operated treatment plant with a capacity of 450 million gallons a day. It's the largest wastewater treatment plant in Oregon. On the right is tryon creek, located in lake oswego and operated by the city of Portland. We will also be using this contract to maintain our pump stations, the city of Portland operates nearly 100 pump stations for pumping wastewater. These are two examples. Side note the one on the left there is alder pump station, under construction. What's completely different is that whole building is gone. This contract will be used to administer on call construction services for improvements and maintenance. Bes's facilities are aging and require ongoing rehab, repair and modifications. We call that the r.m. Program to maintain an adequate level of service for our rating payers, our customers. The projects are typically for our line of work small to medium size. We're defining that as less than \$750,000 in construction costs and they are often requiring an accelerated schedule and a lot of that cost is typically

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equipment and materials. The wastewater treatment engineering and pump station engineering group need to deliver projects efficiently and effectively and this enhances that ability. On call construction services price agreement would allow the engineering team to be more responsive and effective on smaller scope projects, improving quality of service that city provides the ratepayer. This photo here is one of our engineers at columbia boulevard observing the wet weather clarifiers and those are new scum skimmers that she put in. Through this program we will be able to issue individual task orders to pre-selected contractors on an on call construction services to efficiently and effectively do their projects. The task will be 750,000 or less issued to pre-selected contractors on a rotational basis. On this slide here we have examples of some projects that would be good candidates for this, so topics there is the dry weather clarifiers at tryon creek, components associated with that need to be replaced and there's a short window of dry weather time that we're allowed to do that. The bottom picture is a typical valve vault at tryon creek. There were some safety hazards raised by staff there and we needed to effectively mitigate those concerns quickly. The right there is the waste gas burners at columbia boulevard, which are 40-plus years old and need to be replaced. Again, some more projects that we are targeting or would have been good candidates for this type of delivery we have hypochlorite lines bottom left that are leaking and need to be replaced quickly. This is the middle picture there is a giant 42 inch flow meter at columbia boulevard relatively small project. Also do small pump stations for stormwater treatment and hvac work as well. Project benefits: This program will improve our responsiveness and effectiveness for the engineering group to deliver smaller scale projects. The price agreement will allow engineering to bring contractors on board during the design phase allowing for constructability reviews which allow for cost savings during design and construction. They will be paid on time and materials basis which allow for flexibility during construction if change conditions are encountered. Importantly it will allow disadvantaged minority women owned and emerging small business construction firms to build experience on typical wastewater treatment and pump station projects with the city because we will be advertising this to the sheltered markets, prime contractor development program. So the current budget estimated for this is \$6 million. The invitation to bid will be sent to the prime contractor development programs creating an opportunity for dmw esb contractors to gain experience with the city. It will be a competitively bid price agreement and selection will be based on the low bids. The rates submitted in the bid forms will be the basis for the awarded task orders in future. That's how time and materials will be paid. Up to three contracts will be awarded at \$2 million each. That's assuming that we get three responsive and responsible contractors. The max task order amount is 750,000 but it's believed the majority of the task orders will be \$500,000 or less. The majority of that is equipment and material costs. This slide is just a summary of what I just went over. So we're here in front of you today with our recommendation to authorize advertisement of an invitation to bid dmw esb market for on call construction services at columbia boulevard wastewater treatment plant, tryon creek wastewater treatment plant and associated pump stations.

Paul Suto, Bureau of Environmental Services: Paul suto, principal engineer, bes. I just want to say a couple of things. Basically the on call construction price agreements are a tool for bes to deliver projects for the treatment plants and pump stations and it's been an effort that's been very thoughtful over the past two years. We started this two years ago. We engaged utilities outside of the Portland area that have been doing this for years. We also looked at similar processes within bes to come up with this approach and then we spent a lot of time working with staff at procurement services and attorney's office to come up with this process. I just wanted to put that into perspective. Thank you.

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Wheeler: Thank you.

Fritz: Question. As I understand the need for on call contracts and that what this does. I was struck in the presentation by the limit being 2 million, which is a lot of money for each contract, and I know that bes in particular had great success in the past instead of doing low bid with construction manager general contractor way of doing things. So i'm wondering about putting this amount of money out in low bid when we might be able to do better on some of our other goals by the other method.

Suto: So we bes haven't done cmtc that often. It's been a newer effort we're looking into. Low bid. Most of the projects that we do low bid on, they are in i'll say one to two, \$3 million range with the floor closer to half a million dollars. This helps us with kind of our entry level projects which seems to marry well with the contractor development programs.

Fritz: Clearly the size of the budget and the kinds of projects are pervasive. I would invite you to talk to people in parks about some of the even though it takes a bit longer to do the cmgc, we have found it does provide more opportunities to bring in subcontractors to help with our emerging small business women minorities numbers. Just something to think about for the future.

Suto: Okay. Thank you.

Fritz: Thank you.

Wheeler: Very good. Any questions for the panel? Is there any public testimony on this item? You can cool your heels. You don't need to sit up here if you don't want to. Good afternoon.

Lightning Super WatchdogX: Good afternoon. I'm lightning. I represent lightning super watchdog x. Number one I want to make it clear that when you call certain things reports you do have the discretion to also have public communication. That is your discretion. So keep that in mind on the last resolution. Public does like to speak. Moving on with the issue is that I want to make sure we have emphasis on these type of jobs now that it is a buy america requirement. As you know on the federal grants that you're beginning to review, the terms in the federal clauses are very clear that they want an fta regulation buy america requirement, and we need to follow those rules, especially when looking at the federal grants which I didn't have the opportunity to speak on these other issues which is a very important issue when you do have an accountant going over these type of clauses and terms and exactly what they are looking for and to understand that when it does say that, you need to follow those terms plain and simple. If you don't you are in violation. So again, I just want to make it very clear on these type of restoration type agreements, contracts, that they do understand it is buy america requirement. I would like to have more local companies obtaining this type of work. I think it's very beneficial to see the surrounding businesses have the opportunity to be funded for supplies, to keep their workers working, and to improve our local economy, which as you can see on our financial budget over all budget, that 1.6 billion scares me. I am surprised you're still getting the triple-a bond rating to be honest, but that's just my opinion. I didn't get to speak on that and address those issues due to the fact at your discretion you don't want the public to respond. Thank you.

Wheeler: Thank you. I will respond to your response. You're correct it is at our discretion. Generally speaking we do not take testimony on reports because we are requiring certain bodies to report back to us as the city council. So typically we do not take public testimony on those items but I hear your point.

Lightning: It's at your discretion. When the public requests to have the opportunity it would be --

Wheeler: Got it. Thank you. Could you please call items 1344 and 45 together.

Items 1344 and 1345

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Wheeler: Colleagues we held a work session with the office of government relations to review and discuss drafts of the city of Portland's 2018 federal legislative agenda and 2018 state legislative agenda. I understand staff has submitted a revised substitute report on the federal agenda, so colleagues, I would like to make a motion to consider the substitute report on city of Portland 2018 federal legislative agenda. Commissioner Fish seconds. [speaking simultaneously] we're going to vote on it but give karla just a second to get back to her spot. Thank you, karla. Please call the roll on the substitute.

Eudaly: Aye.

Fritz: Put it on the table. Aye.

Fish: Aye.

Wheeler: Aye. The substitute is on the table. We will be also discussing our federal legislative agenda in quick success as the current congress moves into its second year it's more important than ever the city of Portland regarding the prioritization of superfund sites congress and the current presidential administration are pivotal in our ability to address community priorities like investing in affordable housing and moves forward with the Portland harbor cleanup. The administration and leadership in congress have made it clear with this tax bill that their priorities are not supporting working middle class americans. Additionally it's clear that local government is going to need to further step up as the federal government retreats from addressing issues like affordable housing and mental health services at the community level. Lastly, as the epa has issued a list prioritizing the Portland harbor superfund site will be working closely with other interested parties to make sure this process does indeed move forward and commissioner Fish and my chief of staff maurice henderson had an opportunity to meet with them this morning. I'll let him report out as he sees fit. The state legislative agenda focuses on what I believe are the most pressing issues for the short session, continue to promote affordable, stable housing in particular the state constitutional amendment that will allow local governments to leverage bond proceeds with funds from other community partners continues to be important. I'm obviously very supportive of the clean energy jobs legislation to reduce carbon emissions and I know we had a long conversation about that here. Climate change is very real and Oregon needs to continue to be leading on this front. At the same time we have to continue to reduce emissions of air toxins to protect public health. Finally I think it's important that we remove statutory barriers which prevent us from effectively coordinating with odot to promote public safety, health and liveability on these issues. With this I will turn it over to elizabeth edwards, who is our government relations director. We also have nils tilstrom from the office of government relations and dan eisenbise is here as welcome. The three musketeers. Welcome.

Elizabeth Edwards, Interim Director Office Government Relations: Thank you so much, mayor, commissioners. Appreciate the introduction. Since you've already announced who we are i'll kick it off we're very pleased to be here today to present the 2018 federal and state legislative agendas respectively for your consideration and acceptance. I'll start with a reminder of the process we use to develop both agendas then we'll go through the federal agenda then to the state. We were here before you on november 7th in work session. Before that we had issued a call out to all bureaus and offices in august on the state side, and we worked closely with liaisons both bureau and council offices to work with those issues. Part of the voting process included outreach to our federal legislative delegation and our state legislators as well as a wide range of stakeholders. Through that process we're looking for potential areas of alignment flagging potential hurdles. Turning to the federal legislative agenda, this report is similar to what you saw at the work session in november. But it's formatted. Glossier than it was in november. I'll reiterate them for council. Once again, the top right is affordable housing.

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Homeless assistance, mental health and support services all packaged in one big omnibus priority. You also have response to the opiates crisis, immigration, investment and urban infrastructure, the urban area security initiative. Tax reform and Portland Harbor Clean up are the two new additions to the priority list from the 2017 agenda because we use that as a baseline. 2017 was the first session of the 115th congress, 2018 is the second session. Since November's work session, I'll note the following changes that occurred: Page 3 of the agenda you'll see the header of immigration. When we came to you in November this was a sanctuary city, so we have broadened the direction of this priority and now it includes references to comprehensive immigration reform, the dream act and guest worker program.

Wheeler: Can I interrupt you for one moment? I have to take care of a piece of homework here. Item 1346 is still open. A first reading of a knowledge emergency reading. Second reading. Continue.

Edwards: Not a problem. Turning to page four and five, that's where you will find the tax reform priority. This continues to be a moving target, so it's been updated since we were before you during the work session. Added to this header you have the private activity [indiscernible] which we were talking about last week. We have two additions under the federal policy position, so on page seven we now have supporting access to legal services, further recommendation of commissioner Fish and on page nine there is the addition of human trafficking prevention and recovery. Both of those came up during the work session and they have been added to reflect the council. Those are all the changes from the version that you have before you in November, and I can pause here in case there are questions before moving on to the state side.

Fish: Just a couple of comments if I could. On Portland harbor superfund cleanup, on the off chance that it's not likely congress is going to support the reinstatement of the [indiscernible], it is though our collective desire to make sure that region ten and the EPA have the resources they need to actually oversee all the 21 priority superfund sites that they have identified and said they are going to move on. When the mayor, chief of staff, met with Kelly, the special assistant to administrator Pruitt, to actually oversee implementation of our superfund cleanup, and so is it -- is this broad enough so that it encompasses some kind of bipartisan effort to make sure that there is adequate resources at the region to implement the existing records of decision in those 21 superfund sites? My guess is this is a bipartisan, my guess is our delegation would be supportive of making sure the region has those resources. I just want to flag that because that was one of our three most pressing concerns, that they not, that they do have adequate resources to implement the record of decision.

Nils Tillstrom, Office of Government Relations: Thank you for that question. I believe item is broad enough, and I think that, first for the record, Nils Tillstrom, office of government relations We would be happy to work directly with delegation to formalize that and when it is time to make those appropriations requests for the 2019 funding.

Fish: I know congressman has put in the bill again to reinstate the superfund tax, but a steep climb, so just to make sure that where we may have an agreement here is adequate funding for superfund, and that may be something that our delegation, our two centers, may very well agree with that.

Tillstrom: Great.

Fish: So thank you.

Edwards: Thank you.

Fish: The other thing I wanted to flag is at page six, and I am going to raise the same issue with our state agenda, in the smart and emerging transportation technology regulation, it says that we will -- that federal regulation must not preempt city's ability to put

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in place regulation. When I had the pleasure of being with a couple of you last time in dc, what we heard on the radio and in the media in dc was that there was a bipartisan consensus around preempting us from doing exactly that. Do you have a sense of where that is?

Tillstrom: We are currently working with other interested parties, other cities, to work on what's called the av start act, a senate bill, to make sure that there is language that would not preempt -- I mean wouldn't block any preemption of federal laws. We had numerous calls over the last couple of days. There is actually a number of senators who have an interest in both that preemption and also how it would impact the california air quality standards that we in this state rely on as well.

Fish: Good. It was alarming to me on our trip there were these allies of silicon valley, technology companies, who were democrats who were generally supportive of the idea of preempting cities like Portland from being able to regulate autonomous vehicles, so to me that would be a disaster.

Edwards: Commissioner I think that speaks to the value of having local commissioners coming to DC and actually telling the on the ground story because the 30,000-foot view might make a lot of sense when not faced with the other side of the story about what it's like to actually run and regulate city streets and the impact it has on traffic safety and livability.

Fish: Thank you.

Edwards: So with that I will turn to the state legislative agenda. Also formatted a little bit glossier than what you saw in november. This is actually the content is very, very similar. For the upcoming short legislative session the top priority continues to be affordable and sustainable housing, followed by a healthy environment, community livability and public health and local funding and authority. So there are two changes since the work session, and it starts on page two. There is a technical edit to the way that the description of the municipal bond is in concept that was very minor, and then on page four the first subheading here under the community livability and public health priority has been the subheading and the concept description have been updated in order to more accurately reflect the desired policy outcome to coordinating management of public safety and services. Before it was more of the funding request and it's through the vetting process has been determined to be strictly a policy ask. And those are the two of changes from the work session draft. I would also note that the drafts have been up on our website for public review since we met in november.

Fritz: What kind of feedback have you been getting?

Edwards: It's been fairly quiet, although we did have the public input session before, shortly before the work session.

Fritz: And the input from that went into the agenda?

Edwards: Yes.

Fritz: Thank you.

Fish: On page five under the sort of blanket opposition that we normally include to being preempted, the closest thing to tnc that I see here is regulation of emerging technologies, but given our history with the tnc seeking to explicitly preempt us from regulating them, is that -- would it be useful to meet these specific to tnc or do you view emerging technologies as encompassing tncs?

Edwards: So the language was crafted here to say emerging technology because there is overlap when it comes to tnc's autonomous vehicles. We look at tnc's own fleets and there is legislation on that side that impacts how we regulate tnc.

Fish: This is intended to cover both autonomous vehicles and tnc?

Edwards: Yes, that's correct.

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Fish: Thank you.

Wheeler: Very good. Any further questions?

Edwards: I will briefly describe next steps.

Wheeler: Yeah, please.

Edwards: Next month we will be back down in salem for january organizational days. That's when bills will be introduced and 260 bills for the 35-day session, after organizational days we will have three weeks before they actually gavel in on the start of session for february 5th. In that three-week window we will be reviewing and analyzing the bulk of legislation for its impact on the city. We will be referring out to you and your bureaus for input before the session. We will host our annual legislative breakfast and invite members of the Portland delegation to city hall to discuss our agenda and look for areas of collaboration. Wanted to put a reminder out there january 23rd is a special election, so less than two weeks before the start of the february session we may find out whether we have a big hole in the state budget outlook or not, so that's a large question mark. And then finally looking nationally also in january, which is going to be a very busy month, the u.s. Congress of mayors will be convening and will also be arranging meetings for the west coast mayors to discuss areas of common interest and talk with our federal delegation as well. So I wanted to put that out there. And also just to say thank you, thank you to you all for your help through this process, thank you to the legislative liaisons, thank you to my team for the long hours it took to put this together. We are really excited to help push this ambitious agenda on behalf of the city.

Wheeler: Commissioner Fritz.

Fritz: Just for everybody watching at home, what are the rules for the short session of the Oregon legislator? What can each legislator do?

Edwards: Absolutely. So for a short legislative session it's constitutionally limited to 35 days. Based on chamber rules the senators will get one bill apiece. House members will get two bills. Committees will get three. The governor and the judicial branch will each get five. You have a couple of committees that have an ability to introduce more, like the ways and means committee, but those are the parameters and that's how we calculated approximately 260 bills for the upcoming session. You also have chamber deadlines. If I am a house bill I need to move out of the house policy committee before the first chamber deadline, and that's going to occur in less than two weeks, which means you have a finite number of hearings in order to actually have your idea heard before a panel and then moved forward to maybe three meetings. So it goes very, very fast. It is a sprint. That's it in a nutshell.

Fritz: Why do representatives get two bills and senators get one? You would think it would be the other way around.

Edwards: You would because the house ends up with four times the number of bills than the senate does.

Fritz: Yeah.

Edwards: My impression is the senate is trying to really restrict the scope of the short session. The house doesn't necessarily take the same perspective.

Fritz: They each get to set their own rules.

Edwards: Correct.

Fritz: I see. Thank you. And remind everybody what's the balance of representation in the two houses.

Edwards: One vote shy of a super majority in both houses, so that threshold for revenue raising or tax increases. You are looking at a 17-13 split in the senate, and 25-35 in the house.

Fritz: With the democrats having the majority?

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Edwards: Correct, yeah.

Fritz: Thank you.

Wheeler: I will take a motion on the substitute for 1344.

Eudaly: So moved.

Wheeler: We have a second from commissioner Fritz. Plea call the roll.

Eudaly: I have a toothache, mayor. So sorry for my lack of enthusiasm.

Wheeler: Sorry for that.

Fritz: I know we are -- thank you for continuing to work with commissioner eudaly and me on the legislative agenda setting forum that we hold for community members. It does really make a difference, and hopefully after this short session we can have maybe a community event after the session before the summer so that we can tell folks what happened and start a lot earlier in 2018. Knowing that there will be an actual capacity for doing different things in the state house, in the state legislator at least, in 2019. So i'm delighted to continue to work with you. Aye.

Fish: Is this on the substitute or the final?

Wheeler: Substitute.

Fish: Aye.

Wheeler: I will accept a motion. A motion from commission Fish, a second from commissioner Fritz. Please call the roll.

Eudaly: I want to thank the government relations for preparing me for a wonderful first trip to Washington, d.c. I managed to at least meet six of the seven members of our congressional delegation and meet with five of them, and I wasn't sure what to expect or didn't necessarily even understand the importance of bringing the voice of Portlanders to dc, and as it turned out i'm given the passage of the tax bills in the house and the senate, it was quite friendly, and our focus was primarily on the potential devastating impact on affordable housing development with the loss of private activity bonds and low income housing tax credits. I don't think I have additional comments on the federal side, so i'll just say aye.

Fritz: I appreciate your ongoing connection with us over the federal delegation when they visit back in Oregon during the sessions and over the course of time, too. I feel like we have good relationships between members of the council and our delegation and certainly as well as in Washington, d.c., and I very much appreciate the work you do. It must be quite hard to know what words to use at this point, but certainly challenging and disappointing and difficult to keep one's optimism, although there are occasional bright lights, so thank you very much. Aye.

Fish: I am completely confused by what we are voting on, so I am going to assume I am making comments about both agendas, and thank you for the good work you did in compiling the federal and state agenda. In the nine years I have been on the council we have had some tough years where clean years where we've had big needs but politically been harder, yet I think we always outperform, and so even if these perilous times hopefully we will find agreement on some of the things that at least in Washington now the balance of power has shifted to four united states senators of the republican party, let's hope that we can, you have know, build some bipartisanship around some common sense things that we care about, housing, cleaning up the environment, a number of these things. It appears that the deficit reduction is no longer an issue of concern in Washington. Hopefully we don't have to do any offsets, anything new we want under the new rules, but who knows, but it is a pleasure to work with you and your team and thank you for your good work, and let's go to it. Aye.

Wheeler: Great report. We spent quite awhile narrowing this down to a few issues knowing that it's a sprint, the short session, 35 days seems like a lot, but once you get to

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it's actually a blink of the eye, and we picked appropriate strategies, we are putting pressure on the right policy initiatives, and concerning the list we started out with at our work sessions, I feel like collectively we have done an excellent job. I vote aye. The report is accepted. Thank you.

Eudaly: We don't have to do the state separately?

Wheeler: We did.

Fritz: We have the move to accept the state report.

Wheeler: I will accept a motion.

Fritz: I will do it.

Eudaly: Second that.

Wheeler: Call the roll.

Eudaly: We touched on the short session and the limitations of the number of bills that can be brought forth by various entities. I just want to state that my personal agenda will continue to be tenant protections and I want to acknowledge that they are not included in this short session agenda in a big or meaningful way because there wasn't a sense that there was a pass forward in this short session, but I am very pleased to see the focus on local funding and authority, which I would personally prefer to call state interference with local power, and that includes the state interfering with our ability to regulate our housing and rental markets. So thank you for that. And thank you for your work. Aye.

Fritz: My comments over these last three votes illustrate how helpful this to have government relation people who know what we were intending to talk about even if we weren't actually testifying or speaking on the right item. For all of the ones, though, I also wanted to comment about the financial impacts and public involvement statement. They were all very clear and it was included how the public input was responded to and included in the agenda. So I hope that community members share my trust in you that that their voices are heard and they can make a difference in lobbying at the state and federal level. Aye.

Fish: Aye.

Wheeler: Aye. Report is accepted. Item number 1347. If you could read it first.

Wheeler: Karla, could reread that in tandem with 1348.

Items 1347 and 1348.

Fish: We are joined by scott gibson, and david hammond, these ordinances will authorize the bureau of environmental services to move forward on the montavilla sewer rehabilitation program for both the north and the south parts of the montavilla neighborhood. Bes needs to rehabilitate, replace and construct about four miles of sewer pipes in the montavilla neighborhood. The existing pipes are about 80 years old and at risk of failure. The project is necessary to protect water quality, public health, private property and our environment. Scott and david, please take it away.

Scott Gibson, Manager for Design Services, Bureau of Environmental Services:

Thank you, commissioner Fish. I am scott gibson and these projects are going to rehabilitate a portion of failing sewers. They are both a part of a phase two pipe rehabilitation line item in the budget. To date we spent \$104 million on that program to rehabilitate about 37 miles of the sewer. That's roughly 1.5% of the sewer assets that we have. David will go an overview on the two projects we are requesting here today.

David Hammond, Project Manager, Bureau of Environmental Services: I am the project manager for these two, montavilla north and south, montavilla north and south items. These are some photographic images from the pipes in these neighborhoods and a good indication of the types of defects and need for rehabilitation that we have come across in examining the sewer. As stated by commissioner Fish the projects were installed between 1910 and 1960, with a wide variety of materials out there. We also have homes in

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the service areas that are not properly connected to the sewer system, and the improper connections include items such as shared lateral or unclear ownership of laterals, which we are trying to resolve and clean up with these projects. By replacing or rehabilitating these types of sanitary sewer mains, these projects will increase the system capacity and reliability as well as protect public health, property and the environment by reducing the risk of sewage releases to homes, businesses and streets. On montavilla north this project will replace or rehabilitate highly deteriorated sewer pipes and includes resolving 32 non-conforming sewer connections. We have a variety of proposed construction methods in this, which includes open cut trenching, cured and placed pipe and horizontal directional drilling. There is about 6100 lynn mall feet of open cut pipe and 2000 lineal feet of pipe bursting. As well as 200 lineal feet of spot repairs. This map shows the project boundaries for the montavilla north and the montavilla south projects. As you can see north was defined to be bounded by northeast wisteria drive on the north, southeast 88th to the east, southeast stark to the south and 35th to the west. There is 42 project site locations in montavilla north project, and as you can see the south will be picking up and taking on more parts of the community. The montavilla south will rehab or replace sewers, six sewer extensions to resolve non-conforming sewer connections currently. The proposed construction methods on the south project includes open cut trenching, cured and placed pipe and horizontal directional drilling. In this project there is about 3800 lineal feet of open cut, 2600 feet of cipp and 85 lineal feet of horizontal directional drilling. The boundary for the montavilla south project is stark to the north, southeast 82nd to the east, southeast taggart to the south and southeast 71st to the west. There are 25 work sites in the south project. Because of these projects being geographically next to each other, the outreach for these have always been combined throughout the life of the two projects. Bes public involvement staff has done extensive outreach to homeowners, businesses, schools, neighborhood associations through personal contact, flyers, website, newsletters and presentation at neighborhood association meetings. Over the past years it's been directed to more than 8600 property owners, occupants, residents and businesses in the combined project areas. They have also attended meetings and talked with neighborhood business associations schools, churches, parks, theatres, restaurants and small businesses in the areas. The website was created and is still being kept up to date, through the life of the projects, to continue to disseminate information. The outreach is trying to explain the impacts that may be encountered when a project like this takes place in the neighborhoods. Some of those would be noise, dust, vibration, staging of pipe or other materials on streets, some parking removal, traffic control, and there could also be delays because of the traffic controls or construction that's happening. There are also three locations that have been identified and received permits for night work and noise variances. Montavilla north will be having night work on halsey and 71st between northeast gilliam and 69th avenue and Broadway and schuler streets between northeast 35th and 36th avenue. On montavilla south one location requiring night work at southeast 82nd and mill street and continues 284 feet west along mill street. The engineer's estimate as shown for north is 6.225 million and 4 million for montavilla south. The project level of confidence is high on both projects. Both projects are residential rehab projects, typical of other ones we have done in the past. We believe we've got possible issues of construction and expect to receive reliable unit prices as far as the cost estimating of the projects goes. We were hoping to advertise in december but obviously it's probably going to end up being in january with holidays coming upon us. Construction is expected to last about 12 months on montavilla north as it's a larger project and eight months for the south. That's all.

Fish: Scott, are we assuming we can stay close to these timelines, are we still planning to do some event in or around march, like a coffee or something at the bipartisan or

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someplace in the community like we did in hawthorne?

Gibson: That's a good suggestion. David, do you know? I don't know if it was planned for these.

Hammond: I have heard it mentioned, but I haven't heard of anything scheduled. We will follow up on that.

Fish: The last time we did it in hawthorne, we caught some people that sort of roughly knew about it, in front of their business where people were in pods where it was supposed to be quiet, they were doing drilling, so we were able to make a few tweaks. This is a very disruptive project, as my colleagues can see from the map. We have had the a team of people doing outreach but there are still people that are going to be surprised to find out we will be doing it. They will be delighted that we are spending 10 million.

Gibson: Thank you.

Fritz: Does one of these project include the area we talked about the local area improvement project.

Hammond: The montavilla project, in that cost estimate not knowing if it's going to be approved or not, so we are proceeding on planning with doing the work and now it looks like -- once we know for sure it's going to happen, which it sounds like it will, then we will remove that from the scope of work on south.

Fritz: And would you be able -- I don't know how long each individual section takes, but would it be possible to do the section near the elementary in the summertime so it doesn't disrupt kids school?

Hammond: That will be a requirement of the project documents, that anything in the vicinity of the school has to take place when the school is not in session.

Fritz: You might want to use the pta forum.

Hammond: That's a good idea.

Wheeler: Very good. Any public testimony on 1347 or 1348?

Moore-Love: No one signed up.

Wheeler: Hold on, you guys. 1347 is the first reading of a non-emergency ordinance, and the second reading, 1348 is the first reading of the non-emergency order, it also moves to second reading. 1349 is the second reading. Could you please read item? Any further discussion, colleagues? Please call the roll.

Eudaly: Aye. **Fritz:** Aye. **Fish:** Aye.

Wheeler: Aye. The ordinance is amended. Last item, 1350. Do we have anybody from the transportation bureau here?

Item 1350.

Rich Newlands, Project Manger, Bureau of Transportation: Yes.

Wheeler: Come on up.

Fritz: A most patient person.

Wheeler: No kidding. At the 12-6 council meeting, there was a property owner request, to redesign a portion of the north lombard avenue sidewalk and we wanted to carry this over to hear the results of the conversation, although the record is closed on this item.

Newlands: Rich newlands, the project manager. Yes, we talked with the property owner about moving the curb out to build the sidewalk in a way that does not need any acquisition of right-of-way.

Fritz: We don't need any temporary easements either?

Newlands: In that particular location, we don't even need a temporary. For the rest of the project there is sidewalk further to the north, we do need temporary.

Fritz: So, I move the amendment to remove the words permanent from the title and to remove exhibits 25, 26, 27, 28 which all pertain to the same property who testified at the hearing.

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Fish: Second

Wheeler: We have a motion on the table contained in the december 7th letter to the city council from pbot. Any further discussion on that item? First let's call the roll on the amendment.

Eudaly: Aye. **Fritz:** Aye. **Fish:** Aye.

Fritz: I would like to move to add an emergency clause to read the council declared that an emergency exists because delay in property acquisition at this location may result in a delay in construction and impacts the overall project completion, therefore this ordinance shall be in full force and effect from and after passage from the council.

Wheeler: Please call the roll on the amendment. [chorus of ayes]

Wheeler: Aye. The amendment is adopted. Is there any further discussion on the main motion?

Wheeler: Please call the roll.

Eudaly: I would like to say I really appreciated the property owner who came and testified on december 6th. She certainly had reason to be unhappy, but she came in well informed and presented in an incredibly pleasant and help film -- helpful manner and it was a refreshing experience. I wanted to acknowledge that.

Fritz: Aye. Thank you to Rich Newlands, you have been a person that's been in transportation for a long time and known for being a good listener and wanting to work things out so I appreciate that very much. I wanted to thank Jeanine Gates on my staff who brought the issue to my attention within the exhibits in hopes of working beforehand and I am very glad that we got to the resolution. I know the community is going to be very happy to have the project done. Thank you for that aye.

Fish: Aye.

Wheeler: Great work. I really appreciate it. I vote aye. The ordinance is adopted as amended. We are adjourned until thursday at 2:00 p.m.

At 4:06 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.

December 14, 2017 2:00 PM

Item 1351.

Wheeler: This is the wednesday, december 14 afternoon session of the Portland city council. We're now in session. Karla, please call the roll. First item, 1351, please. There's no council action required on this. This is a report. The annual report from the Oregon sports authority on their efforts. Their accomplishments to help build the Portland economy through sports, sports events and increase national and international attention on our city and our state. We're also going to hear about the exciting things that they are working on for this year as well. This is the osa's first presentation of an annual report to the city council and gentlemen, we're honored to have you here today. An annual report is included in the 2016 agreement with the osa, that also increased the city's support for the organization. I for one am looking forward to this report. I had the honor of serving on the board of the Oregon sports authority many years ago and it was a dynamic and growing organization and they have only made things all the better. Since then we're joined by doug obletz, board president and drew Mahalic, executive director. Doug, I understand you're going to kick things off. If you all want to come up and introduce yourselves for the record. Drew, I understand this is the last time you'll be presenting a report.

Drew Mahalic: This is my last report here but i'm not done working for the city of Portland.

Wheeler: Very good.

Doug Obletz: Mr. Mayor, you thought you got rid of me but i'm back. Great to be back in front of city council. I'm the president board of directors of the Oregon sports authority. The Oregon sports authority is a nonprofit organization working to augments the economy and quality of life for Portlanders and Oregonians through sports development effectively we are the chamber of commerce for sports in Oregon. I'm joined today by drew Mahalic and kate, one of our staff members that drew will introduce, then I have another introduction I would like to make in a few minutes. I want to make a few comments to introduce drew's part of this. We have had a terrific partnership with the city that has allowed us to make Portland a national and internationally renowned destination that have generated over \$300 million in economic impact since our inception 25 years ago. Drew will cover our partnership over the last year made possible by our partnership in coordinate confederation with the city of Portland. First of all, I want to talk about something that's near and dear to me, which is a program called the track town youth league, something I helped found with the Oregon sports authorities and track town usa five years ago. It's free middle school track meets around the state that culminates in a championship meet at hayward field every year. Last year we were in 14 cities around the state including Portland but also in places like hermiston and underserved communities and we gave kids the chance to run in a track meet and a chance to qualify to come to the mecca of track and field, hayward field, where they are treated every year to a meet of their own as part of a championship meet, last year the ncaa, year before the olympic trials, year before that the world junior championships. They get the full championship treatment. Video board, championship timing, iconic voice of paul swagert and it's an unbelievable event that gets better and better every year. This year -- in 2018 we expect to expand to two or three

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additional cities including part of the grand ronde, on the grand ronde reservation next year. We have not announced that publicly but I guess I just announced. We couldn't do this without providence health and services, one of our terrific sponsors. That's a program that has really, really showcased the efforts by the Oregon sports authority and the foundation to impact the youth of our state and our community and to help encourage healthy lifestyles, which is a big part of our mission. Secondly, I did want to introduce jim edsel, who is behind us here. Jim was just named executive director and ceo of the Oregon sports authority at our board meeting tuesday night. After an extensive process we're thrilled to have jim take over for drew and his large shoes that need to be filled, but jim is a Portland native, a u of p graduate. He previously served on the osa board of directors and founded and led the edsel agency, which is a live event agency that produces major sporting events including the u.s. Olympic track and field trials, iaaf indoor track and field championships and the college football playoffs. Jim's depth of knowledge and connections come binds with his deep local connections and strong relationships in the Oregon corporate community set him apart as a candidate and we're absolutely thrilled to have him. Of course this means that drew will be ending his 22-year run as our our director and ceo. Drew is a fixture on the local sports scene. He's been the go to guy for city council on all sports related matters and the fundamental success of the Oregon sports authority really is because of drew's involvement with the agency over two decades or more. We wish drew the very best. He will be working with jim during the first part of next year on the transition and then he's off to be a teacher, writer and who knows but we thank him for all his work over these last two decades.

Finally I wanted to not miss the opportunity to thank the city council for its support of the Oregon sports authority and we look forward to making our first annual report truly an annual report. We'll be back in coming years to report on our progress and I also wanted to give a shout out to our city program manager susan hartnett, who has been working very, very closely with us to advance our program and sits on our board. Thank you and with that i'm going to turn it over to drew.

Drew Mahalic: Thank you, doug. Mayor wheeler, commissioner Fritz and commissioner Fish, my pleasure to be here and give this report. I echo the remarks of doug and our gratitude for the partnership of the city of the Portland. I echo his remarks about jim edsel. I couldn't have hand picked a better candidate myself to take the baton. So thank you for that. Here is our report on some of the major events that we were involved with in the last 12 months for the benefit of the city of Portland and our community. The first one is the 2016 world roller derby championships. We held this, please note, it was at the veterans memorial coliseum. We tends to have a lot of our key events at the vmc, and this is one where we had 300 roller derby champions coming last winter with an economic impact of 1.2 million and it was a legitimate world championship and we made great connections with the local roller derby community and we foresee another world championship down the road. Secondly, -- i'm actually really proud of this. I went to columbus and with our lgbt community bid for the gay softball world series and we won that bid. We brought 4,000 softball players to our city. You may chuckle a little bit that because of the hurricanes in florida some of those softball players stayed an extra week a because they couldn't fly back to florida but it was a terrific event with 4,000 people here and frankly attending our hotels, our restaurants, and just a terrific event with a \$4 million economic impact. I think we have established ourselves well with that community to welcome them back in the future as well. This one may also make you economic will because we held and helped the world footbag championship, which is hacky sack. It was at the Oregon convention center. One thing you may not know is that the inventor of hacky sack is actually right from this area. Which is frankly why the event was held here. Once again it's using the Oregon

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convention center, using our Portland hotels, it had over 1 million unique internet viewers and well over 100,000 economic impact.

Wheeler: I was looking at the photograph and chuckling. I'm thinking what a great cocktail party conversation. I'm a hacky sack world footbag referee. I'm just looking at the guy on the chair going, what kind of training did he have?

Mahalic: You got to be extremely coordinated and understand the intricacies of the sport. Everybody knows what it is but who knew they had a world championship.

Wheeler: That's great.

Mahalic: It was here in our own convention center.

Fritz: The other thing that occurs to me, they had a competition called spot the ball where they showed a photograph of a soccer game and you wrote in saying put an x where the ball was going to be. That would be a really good one to take the hacky sack ball out.

Mahalic: Absolutely. This is one of my favorites, the little league softball world series at alpenrose. There are cities always trying to steal that event from the city of Portland. This is on espn, it's got great coverage and shows Portland extremely well because frankly it's during the summer when we are looking better than any other city in the country. But we get ten teams that come from each section or region of our nation plus we get a european representative, a south american, an african and asian representative and a canadian representative. So it really is an international little league softball world series that is just great and really the --

Fritz: Knowing there's other cities around the world who would like to host the little league softball world series for girls, what are some of the points that make it so the little league softball world series chooses Portland?

Mahalic: We try to make it as attractive as possible with headquarters hotel that we place them at university place in downtown Portland. We give them the signage and notoriety, the banners. The cavanaugh's give them a pristine field that they cover a lot of the cost of that themselves. It's a terrific venue where nobody charges for parking. I think the snow cones are a dollar apiece. It's got a great crowd following. People come even when they don't have children playing to give it the kind of atmosphere present in williamsport, pennsylvania, for the little league world series. I think we have generated momentum and a relationship with actually their headquarters in williamsport, that they really have confidence to continue to come back. The way we do business and we play a supportive mechanism in this, we try to make sure there's never a reason for them to change their mind on their selection of Portland. We always try to find reasons for them to say, wow, we got treated really nicely. They really do appreciate our selection of Portland. It's a great event for us.

Fritz: Has a Portland or an Oregon team ever won it?

Mahalic: Not recently, but we do have a representative. Those teams in texas are pretty tough to beat. Draw from a lot more young girl athletes. Yes. This is one, mayor wheeler, that you actually presided at at a recent press conference. This is one that I didn't think would come to Portland. It what was a long shot but sometimes long shots work and now there will be a major indy car racing event coming labor day. They are projecting a \$12 million economic impact. We did our small part in facilitating recruitment of it and we're still helping them now. We think that this will be attended by people from all over the northwest and really the whole western region. There are huge auto racing fans in this country, and we have been without a major race like this for well over a decade. So we're expecting big things and I believe there's a three-year contract in place for this which will give it a chance to really get its roots going and really be successful over labor day, which is the perfect weekend when we want our hotels filled up that normally wouldn't be. It's another great event.

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Wheeler: That's great. Thank you.

Mahalic: Now, this is really for the next reporting period but because it happened so recently, the phil knight 80 invitational basketball event, we're the only city in the country that could accommodate this, having 24 games, three days, 82.2 million people reached worldwide. We'll have the economic impact next year. I expect it's going to be an overwhelming impact and it got huge reviews and the games were terribly exciting. We couldn't be more proud to be a part of that. This last weekend we were part of helping host the u.s. Fencing north american cup. We had nine olympians fencing. 2,000 fencers, well over \$2 million economic impact. Coming up in february once again in the vmc, we'll have 5,000 skaters, coaches and families and fans competing for the u.s. Synchronized skating championships, well over a \$2 million economic impact and one of the most entertaining things you'll ever see there. Bids for future events, we were the only city that actually won three ncaa bids for basketball. Two women's regionals coming up in 2019 and 2020 will be held at the moda center and the men's first and second round also to be held at the moda center. We feel very proud, our partner is Oregon state, rose quarter and travel Portland. Currently bidding for the national association of sports commissions symposium, a huge convention with over 1,000 attendees. This is one of the first bids we're making with the new headquarters hotel and the Oregon convention center. We're optimistic on that. Other activities I am very delighted to be on the oversight committee along with susan hartnett for construction of a 4,000 seat expansion so commissioner Fish can enjoy the soccer games even more than he normally does. I don't -- commissioner Fritz, you're a soccer fan as well.

Wheeler: You don't think i'll enjoy it?

Mahalic: I have seen you enjoying it with your family and the timbers scarves.

Wheeler: And thorns too.

Mahalic: Absolutely. This will look spectacular from the inside and outside and I know the city is a partner in this. We couldn't be more excited to be a part of it. Lastly there's a small local group that has tremendous credentials that is pursuing major league baseball for Portland. We have helped guide them and they recently -- their work has resulted in the commissioner of major league baseball saying Portland is on their radar for expansion. This is a long-term proposition but Portland at some point we have the demographics to justify major league baseball, it's only a question of time when major league baseball decides whether to announce an expansion and if they do we will be ready.

Fritz: The importance of the moda center and vma, i'm sure you've told them the coliseum is off limits.

Mahalic: Absolutely.

Fritz: Just wanted to clarify.

Mahalic: This last slide may be my favorite. Really, mayor wheeler, it addresses something you just wrote about, the problem of homelessness and mentioned that it's not an issue easily tackled but it's multifaceted in terms of its solutions. Well, as a small sports authority we're playing a small part. We're partnering with street soccer usa to identify homeless youth or kids who are likely to be homeless and introduce soccer to them. We're doing this in east Portland and other places and this is really to get them into a sport where they feel valued, they develop friendships and feel more part of the community and it really is something in our small way to address a problem that I know that is something that is very important to the city and hopefully that yields great results. This is a very rewarding program and we're just really getting started. We got started on it this year and we hope that it blossoms.

Fritz: Have you been in contact with the new parks and Portlanders folks?

Mahalic: We will be.

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Fritz: That started with refugees and refugee camps playing soccer as one thing they could do for fun. It really would --

Mahalic: Seems like it would fit perfectly. Yes.

Fritz: Anything my staff could do to help would be great.

Mahalic: That's great input. Thank you for that, commissioner Fritz. The summary is that obviously there's a terrific partnership we have with the city of Portland and with Susan, the city program manager. If you added up all the actual and projected economic impact over the last year it's about 30 million and we have become nationally and internationally renowned as a sports destination. I want to make sure that the three of you and our missing commissioners feel that the success that we're kind of bragging about is our mutual success. It wouldn't be possible without the partnerships that we have had with you because I have learned that no one entity can do it on their own. It's a team and you have been great team players. So thank you very much.

Wheeler: Thank you.

Fish: When we accept the report we'll get to say embarrassing things about you, Drew, but I want to ask you a few things off the report.

Mahalic: Sure.

Fish: Will we see grass at Providence Park in my lifetime?

Mahalic: I would hope so. I think to the extent -- as you know they are offering the state of the art turf that's better than any turf in the world. And they make sure that that is the case every other year. To the extent that engineering can come up with a grass that will grow in the shadows of the stadium and maintain durability for the use, I think there's a possibility of that. I think that the chief concern right now is that it is a community field, and.

Fish: That would have to be --

Mahalic: I'm not sure that's what they are interested in sacrificing but I know I have ultimate faith that the Timbers will do the right thing for what's possible.

Fish: So you have your crystal ball.

Mahalic: Okay.

Fish: In the next ten years, is it more likely we'll have a baseball team, a football team or hockey team?

Mahalic: Well --

Fish: Just reading the tea leaves.

Mahalic: Sure. The the easiest is an NHL team. We have the venue ready to go.

Fish: Then why did Seattle just ace us out for a team?

Mahalic: I don't think that's the case. No matter what they do with KeyArena, it's not a better venue than Moda Center. Major League Baseball and the NFL are certainly in the cards. We have got another group that's interested in the NFL. I believe that -- the major league president is a classmate of mine. I know he will want to have a legacy of expanding the league by at least two teams. I gotta believe Portland will be one of the two.

Fish: Two other questions. First a comment just to you and to Susan and everyone who is involved in Phil Knight PK80. How exciting.

Mahalic: It was terrific.

Fish: I watched most of the games on TV. They were fantastic. The quality of the games, the drama. Who knew Duke was so great. It was fantastic. Here's the other thing. I didn't go to any of the games live, but I ran into fans everywhere in Portland. Wherever I turned there were people. I knew they were fans because they were wearing their college colors. Downtown was packed. Just the idea of leveraging Nike and Mr. Knight's presence here for an event like that was extraordinary.

Mahalic: Well, thank you, and we were a small part of that as well. But it was a great way to honor a legend that's been very generous, Phil Knight, to this community, 118,000

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people showed up at the games. The games themselves wound up with the number one and number two team winning in the nation and we couldn't be more pleased. The rose quarter did a fabulous job. I mentioned that our our board meeting last night with the blazers and chris oxley that that was as hard or harder than running the olympics basketball tournament because you had 24 games in two different venues within three days. It was just running and there were no hitches. It all worked fabulously. The most common comment i'm getting now is when can we do it again.

Fish: When does he turn 160? I want to just put something on your radar and on doug's radar and jim's radar. In 2020 tokyo is going to have the olympics.

Mahalic: Yes.

Fish: There's already talk of how can we in Oregon leverage the relationship that we have with japan, obviously we're a prime destination of japanese tourists, and the mayor and I both had visits from one of the mayors that has -- of a city within tokyo. He is the mayor that has all the colleges and universities. They talked about doing some exchange where maybe we send some culture there, they send something back and we do a plan. But you know, given what we learned with the major league all-star game where we started planning over a year before the event it's newt too soon to see how we capitalize on tokyo 2020 and in particular go beyond sports and think about art and culture. So I ask you to put that on your radar and we start early on convening some meetings to talk about how we capitalize.

Mahalic: As I recall you were a major part of the committee for that mls all-star game years before it came. You saw the results, that it was ago terrific event. I think you're right on the mark to think that we might have a chance to partner with that 2020 olympics and do some exchanges. Great idea.

Fish: Thank you.

Wheeler: Colleagues, unless you have any other questions i'll enter entertain a motion.

Fish: Move to accept the report.

Fritz: Second.

Wheeler: Please call the roll.

Fritz: Thank you for taking time to come and do the report and thanks to susan hartnett, it was probably her idea that the air conditioners -- sports is obviously not the biggest challenge facing our city today. Maybe not even the biggest opportunity. What is, though, is the great leveler and something to play soccer all you need goal posts and a ball. People don't have to speak the language to be good, the best at that. So that's one of the reasons that I have been a life lifelong sports fan, another being that when i'm watching a game i'm not thinking about the rest of the problems that are my job to take care of or are facing other people. For all of us having that space is really important. And then as a city commissioner, economic impact of all these people coming to Oregon, to Portland, spending their money in the restaurants, it's fabulous. People say we shouldn't waste time on that, well, we're investing money to get that economic benefit, that is jobs. Thank you very much for the work that you do. Thank you for your ongoing volunteering. Drew, mayor wheeler said yesterday that he always respected mayor katz and thought of her as jesse's mother because they went to school together. I always think of you as joey's dad. Joey and my son played football in the pil football team and that's another of the great things about sports and about Portland is that people are not in one category. We see each other in other places. I'm also mindful that I have seen you in a lot of places that I was not expected to see you at so when it comes to mind is when we were successful in getting the african-american leaders to play their golf tour here. It was 100 degrees, they were from the south and quite used to that. They probably appreciated the breeze so thank you for all that you have done. I look forward to seeing what's next in your career. Aye.

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Fish: Well, first thank you for this annual report. We look forward to celebrating these achievements every year. Doug, thank you for all the time that you've volunteered to make these things happen. I have been involved in a number of complicated things in the city, and I have often wondered if there wasn't someone at the table would we have gotten there. Really appreciate your contribution really to the over all civic pride and your volunteerism. So thank you. Jim, welcome to the new job. It's a great relief to hear that you're a u.p. Graduate. We got the grass field thing solved easily. If they can figure it out, we can figure it out. To my friend drew, we could spend all afternoon telling stories. I think drew was the only professional football player I ever met and knew personally. Over the last nine years of my service on the council and amanda's you have been the singular cheerleader for sports. You once said something to me I have never forgotten. You asked what is our strength in sports in Oregon and you said one of the challenges is we're so good in so many areas it's hard to brand Oregon. You explained we're a world class destination for golf, world class destination for track and field. How do you establish and identity when there are so many things we do well. Well, the fact is you have been a tremendous leader at the helm of the Oregon sports authority and a great colleague of everyone who sits up here. I want to personally thank you for your great work. You know, up until now we had to pay you to do this job. The fact we can recruit you to be a volunteer is unbelievable.

Mahalic: Count on me.

Fish: Thank you for your service and for making Portland a better place. You have had a unique impact on our city and we're grateful for that. Aye.

Wheeler: Drew, I will miss you in this capacity. You have had a good run, a long run. I know this isn't the ends, by any stretch of the imagination. I know you'll be actively involved. I want to reiterate again that I appreciated serving on your board even though it was only briefly. That gave me a keen appreciation for what it is that you do. Number one, you are opportunistic and you see boards as an opportunity for economic prosperity for the community. I appreciate that you're always looking at opportunities for access as well. I think the program that you mentioned that tries to engage homeless or potentially homeless youth in sports is an opportunity to bring them in and help them feel appreciated and loved and part of a bigger community I think speaks volumes not only about the mission of the Oregon sports authority but about you and your leadership personally. Access has always been fundamental. Third and finally, I want to thank the Oregon sports authority for not always chasing the brightest and the shiniest object. When it comes to pursuing sports opportunities for our community. I was smiling as I was looking at some of these -- you don't call it hacky sack. I'm sorry, what is it called.

Mahalic: Footbag.

Wheeler: Foot bagging. There's a story there that i'm sure you'll share with me over a later later date but it's great that we find opportunities for sports that maybe are not as broadly seen in combination with those that are. Like the pk80 opportunities. Remembering that not everybody participates in football or basketball or baseball but there are many, many other opportunities to get people active and engaged and being part of a participant, part of a team, part of something larger than themselves and engaged in athletic activities that are good for their health and their minds. That well rounded approach to sports has served this city and state extremely well. Your leadership has been fantastic. Jim, I welcome you in this new capacity. You obviously have big shoes to fill. But as everybody around the table said you're the right person for the next phase of the Oregon sports authority. Doug as always, thanks for your altruism and focus on the community and your leadership with the Oregon sports authority. It's greatly appreciated. I vote aye. Obviously. The report is accepted. Thank you. We'll see you soon.

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****: Thank you, sir.

Wheeler: Thank you very much. Next item, please.

Item 1352.

Wheeler: Commissioner Eudaly is unable to attend today's council session. Her failure to participate in today's session would jeopardize the public interest. [audio not understandable] what I'm reading isn't something of my own concoction. This is 2.25 attendance by electronic communication. Commissioner Eudaly is unable to attend the council session. Her failure to participate would jeopardize the public interest, health, safety or welfare. Unless there's an objection Commissioner Eudaly is participating in this hearing by teleconference for agenda item 1352. Is there any objection? None. Good. Commissioner Saltzman was provided the opportunity to appear by teleconference or other electronic communication. He was unable to participate. Hearing no objection, please have Commissioner Eudaly participate by teleconference which I believe she already is doing.

Moore-Love: Commissioner, are you on the line?

Eudaly: Yes.

Wheeler: Excellent. Hello, commissioner.

Wheeler: There she is by photo. Colleagues, the parties began their work last October and through a collective effort reached an agreement which benefits the city and the employees covered by the contract. I want to thank the city's bargaining team and the union for coming together to bring this to a successful completion. The hard work paid off and made sure that both the workers of our city and financial sustainability were both protected. I also want to thank the union for working with us to bring language in to expand equity for our workers and for working collaboratively to get to better solutions. The city secured several important changes. Meteorology, the adoption of the wellness health insurance which incentivizes employees to have a preventive examination at least every two years, a change in promotion language which reduces barriers to equity in our work force, the addition of recruitment so the city can compete for qualified, experienced employees. The union secured several improvements and enhancements for its members. A cost of living adjustment of between one and 5% on July 1 of the next three years, wage adjustments for selected classifications, early wage increases for police, administrative applications retroactive to July 1, 2015, and a 1.65% increase to all other duty classifications, those not already receiving market or equity wage adjustments. Thank you for being here. Welcome.

Serilda Summers-McGee, Director, Bureau of Human Resources: Thank you, mayor, thank you for allowing us to present.

****: There's something I wanted to bring up.

Wheeler: You're out of order. If you disrupt you'll be asked to leave. I'm sorry you have to leave. [shouting] excuse me this is not your living room. Is this a business environment. [shouting]

Wheeler: Good afternoon. Welcome. Sorry for that brief interruption.

Summers-McGee: No problem. [shouting]

Wheeler: Excuse me. This is a violation of council rules and you have to leave. No, you have to leave. [shouting]

Wheeler: This is not your chamber, sir, you're in violation of the rules. You have to leave. [shouting]

Wheeler: If you do not leave you'll be arrested for trespassing. [shouting]

Wheeler: That's exciting. Sorry.

****: Didn't see that one coming.

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Summers-McGee: Thank you, mayor, commissioners, for allowing us to talk about the bctu new contract. I'm Serilda Summers-McGee, bureau of human resources h.r. Director. Joining me is john uto, chief negotiator on the contract as well as rob wheaton, council representative for afscme. I would like to start by thanking Anna Kanwit. She played a huge role in bringing this contract to conclusion and was an invaluable resource to the city during that time so we were incredibly grateful that she was here for that process. I would also like to share a little bit of information about myself as your new h.r. Director as it relates to labor. I grew up in michigan and my family were all members of the union. We worked in the factories for ford and g.m. Most of my life. We had a really sound livelihood because we were members of a union. So union played a huge role in my life. I used to be a part of the union as a summer laborer in the factories and foundries in michigan and I have also had long standing relationships with the unions in Oregon since I have been here, at kaiser permanente and prosper Portland before I came to the city where I had wonderful relationships with all those stakeholders. I want to transition to talk about our future goal, the bureau of human resources as it relates to our relationship with the union. We want to establish and build a sustainability relationship with them that is based on being mutually respectful of one another and hearing each other out. So I shared that with the labor team and it's a major priority in my life and I believe for the city. I wanted to make sure I shared that with you all today. We're going to share a few highlights from the contract where he was chief negotiator then wrap up to a vote.

John Uto, Bureau of Human Resources: Human resources we're presenting the collective bargaining agreement. It's a three year contract that continues to provide a competitive total compensation package which includes wages, benefits and retirement security. It targets labor dollars that best supports recruitment and retention of a highly qualified work force. It removes language seen as an equity barrier and reduces administrative burdens freeing up resources that can be reinvested into the bargaining unit. I'm here if you have any questions.

Fish: That was the most succinct statement I have ever heard. Thank you.

Summers-McGee: That's why he's here. He's masterful at that. We thank the unions for their willingness to compromise. Each side made concessions where we think we got to a beautiful bargaining agreement. We would thank rob wheaton, to my left. Donna hammond with ibew, and pat christensen who represents the pipefitters. With that being said may I pass the baton to rob.

Rob Wheaton: Thank you. Over all we're very happy with the agreement. Always a few things we feel like we left behind but we feel like we have got a very decent agreement this time. Really appreciate the help on the part of john and h.r., as well as city council in reaching that agreement.

Fish: Can I make a request? I know we have some union presidents and leadership here. Can we have them acknowledged and identified and ask them to stand. Rob is president of local 189, afscme. Who else is here?

Wheaton: I don't think anyone else is here besides pat.

Fish: You took the time to come.

Wheeler: Thank you for being here.

Summers-McGee: That concludes our presentation. Do you have any questions for us?

Wheeler: Any questions, colleagues? Is there anyone signed up for public testimony?

Moore-Love: No one signed up.

Wheeler: Please call the roll.

Eudaly: Aye.

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Fritz: Well, welcome, I appreciate that you were able to come in and close this out. It's not usually -- it's often disruptive like that at the beginning but not always. Don't take it personally.

Summers-McGee: I won't.

Fritz: These were very difficult negotiations. I think that needs to be said. I'm thankful that an agreement was reached and we avoided the potential strike. I'm very glad that members of the union have ratified the agreement and for the leadership for recommending ratification. The city's wellness plan now has I believe for all the unions for all employees an incentive for employees to get a primary health care provider and see that person every at least once every two years. I want to take this opportunity to remind any city employees who may be watching that that deadline for having that wellness check is coming up. There are still some workplace appointments available, and our goal on council is to encourage every single city employee to continue receiving 95% coverage of their benefits by having that wellness check. Working together we can both have healthier employees and decrease the cost to taxpayers. I think that's what everybody wants. This is an expensive contract. There are some important changes that control those health care costs. I personally was disappointed that the longevity increases that had been proposed by the city were changed with an across the board increase. As someone still a member of the association I received step increases for the entire 22 years I worked at ohsu. I think it's important that we show financially that we value employees who don't want to advance into management, who want to be really, really good doing the job that they do. It shouldn't just be cost of living increases as soon as you top out at the maximum schedule for that. There are more conversations to be had. I'm particularly happy to see the increased pay for police board specialists. [audio not understandable] that is beginning of equity for one of the female dominated positions in the city and there's many more that needs to come. Thank you as was mentioned the director, Anna Kanwit and who did the lion's share of work on this agreement. I know the unions would say didn't always agree with her but you always knew where she was coming from and that's a really important attribute. As the city is engaging in bargaining that it's up front and there are no hidden agendas. Thank you -- sorry. Gerald Gaddis and the mayor's office who helped reach the final agreement. Thanks to Tim Crail on my staff, now my chief of staff. For nine years he's been my labor liaison and will continue to be so. All the union members know if you need to talk to me I understand how the bureau of human resources is designated by code and charter to be the bargaining entity. I also know sometimes listening and understanding the concerns can -- helping translate those from one side to the other whichever way it might go is an appropriate role for me as a city commissioner and one I'll be honored to continue to do. Thank you, everybody. Aye.

Fish: First of all congratulations to the parties, to the city's bargaining team and to our district council trade unions. Congratulations for reaching a deal. There was a lot of hard bargaining on both sides but this is a fair deal. One that I am going to enthusiastically support. We have a new h.r. Director. We have a new contract. We have a new mayor. And we are starting today to begin to lay the groundwork for the next contract. And I think I appreciate the comments that we have heard so far about the spirit in which we are going to enter into these new discussions. New negotiations. This is a perilous time to be in public service and to be a public employee. We don't have to belabor that. In d.c., in the courts, in states like Wisconsin this is a very difficult time to be a public employee. I'm proud to live in a city, however, that set a standard for how we treat the public servants that work for us. We have by policy mandated strict neutrality in any organizing campaign. We have been in the vanguard of using card check as a way of allowing people to express their preferences and I think if you look over all the city and compare us to other local

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governments we probably have a pretty good track record in terms of number of grievances and arbitrations and ulps that are pending. It varies by bureau but in the utilities we have very few because there's a lot of problem solving going on. This contract required a lot of work at the end. A lot of stretching. A lot of creative thinking so again, thanks to all of our partners. Mayor, you played a role at the end to bring this together and I want to thank you for doing it. This has been your first year a significant accomplishment. I want to thank on my team sonia schmanski, my chief of staff and labor liaison and who spends a lot of time with our labor partners talking about current issues and how we can get them right. We don't always agree but we have an open door policy and I think that has produced a lot of good. This took a long time to get here and yet as I jokingly said earlier, tomorrow we begin to prepare the grounds for the next collective bargaining agreement. In fact the duty to bargain is not limited to a contract or a contractual period of time. A duty to bargain extends to every day of every workday of every workday of every year. I want us to continue to work towards what we aspire to be, an employer of choice, place where people want to come work, and a place where we treat our employees fairly and where we provide great services to the people we represent. Thank you all for a job well done. Aye.

Wheeler: I'll just extend my thanks. Thanks to the bureau of human resources. Thank you to the labor negotiations team. Thank you to dctu and your bargaining team, rob and rob. It was good work that was done together and we had lots and lots of conversations. Some of them dynamic. All of them important. So i'm very appreciative for the work that we did and i'm appreciative of the time that we spent together. I'm appreciative of my colleagues. None of this gets done in a vacuum. All of us had the opportunity to be heard and have a say. And consider ideas and options. And I want to thank the dctu bargaining team for flexibility and working with us to ultimately get to where we all wanted to be, which was in agreement. This was a hard fought agreement all around and I think it is a fair agreement and all of us had to bend a little bit. All of us had to compromise. All of us had to give something to get to where we are today but ultimately I think it's in the best interests of our employees and of the community that we serve. So thank you all very, very much for sticking to this even through the more challenging times. Thank you. Thank you at large to all of our employees. You are appreciated and I hope that our coming together on this contract is tangible evidence that you are appreciated. I vote aye. The ordinance is accepted. Thank you.

*****: Thank you.

Moore-Love: Commissioner eudaly will be disconnecting.

Wheeler: Thank you, commissioner eudaly. We appreciate it. Next item, please.

Item 1353.

Emily Tritsch, Portland Bureau of Transportation: Good afternoon mayor wheeler, commissioners. I'm Emily tritsch, Portland bureau of transportation asset manager.

John Wilson, Portland Bureau of Transportation: John wilson, traffic engineer with pbot.

Jan [last name?], Portland Bureau of Transportation: Right of way coordinator.

Wheeler: Emily, I apologize. I mispronounced your name. Sorry about that.

Tritsch: I go by anything.

Wheeler: Thank you.

Tritsch: I'm delighted to share the report from the get moving Portland pilot program 2017. Around this time last year council approved a resolution to enhance coordination and communication efforts in the right of way responding to an historic year of construction instruction in the central city the pilot was formed to identify impacts and solutions to maintain mobility in all modes. This is done at the regular meetings and by employing existing technology to support the timely delivery of capital projects, address maintenance

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needs, reduce congestion and preserve safety for all. Today we'll speak to the successes of the pilot and express our interest in continuing this enhanced coordination work city-wide. We'll also introduce the solutions that will help us be successful. You will hear that the whole city, agencies, utilities, residents stand to benefit from advancing investment in right of way management. Between the city's aging infrastructure, rapid growth, celebrations and events that make Portland unique and livable more than 70 activities in the right of way were anticipated in 2017, everything from sewer and street maintenance, improvements to pioneer square to light-rail and bridge improvements travel across all modes were impacted.

Fritz: I'm assuming you're just showing a section of the city. There are project everywhere.

Tritsch: Absolutely. In march of 2017 leaders from the city of Portland, odot, Multnomah county, trimet and Portland street car came together to kick off get Portland moving to bring a new effort of coordination to construction and maintenance work on the streets of the central business district. More than 30 conflicts and opportunities were identified. By responding to these needs we're able to deliver projects more efficiently and some of the major work performed this year in coordination with agency partners include the pioneer courthouse square maintenance, max improvements including signal and rail upgrades as well as drainage and asphalt repair, repair to 3200 feet of 140-year-old public sewer pipes, and maintenance work on or underneath five of the 12 county bridges crossing the willamette. This includes the Broadway bridge, burnside bridge, and also the morrison bridge. It includes coordination around the Multnomah county courthouse development and pbot's capital paving project at 1st and main on the west end of the hawthorne bridge. In addition to these there were about 30 lane miles of preventive maintenance paving and street lights converted to led city-wide. Some of the success in coordination include add drugging our needs basically the ability to get the work done. We also saw cost avoidance by piggybacking on another agency's traffic controls, public outreach, sharing a trench or performing pavement once. We're able to see substantial cost not incurred by public agencies. We estimate approximately \$3 million of cost avoidance due to trench restoration in 2017 and another 2 million in shared closures, traffic controls and outreach. These are real savings to Portlanders resulting from enhanced coordination, leveraging opportunities as they arise and avoid voiding conflicts that would previously require last minute schedule changes or shift shifting around of crews. In addition we were able to minimize mobility impacts by maintaining multi-modal access, campaign efforts in public outreach and ensure consistency in traffic controls and temporary fee use permits.

Wilson: You may remember last summer was quite busy with construction downtown, and in managing all these projects we identified a couple folks that weren't following the rules so we were not able to coordinate their work and maintain mobility. One of these in particular got a lot of attention. Lane closure across the burnside bridge and it resulted in issuing some fines. Some of the first fines we issued for such violations of the right of way use.

Fish: Can I ask you a question? This slide is great. Let's take the violation that occurred on southwest 12th avenue. I know that corner because on the west side to the south is where I get what's left of my hair cut. Turner construction is not just some new player in the scene. They are highly regarded company, does a lot of work. So I think it's great that they were fined for violating their permit, but what did we learn about the genesis of something like this happening? What went wrong that gave them the impression that they could take out two lanes when they were only given a permit for one?

Wilson: That's a great question. Thank you much, commissioner Fish, for that. It's interesting. We met -- I issued the fine on that in particular. My group manager informed me about this action, said I saw this closure and it seemed like it was dangerous. We

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recognized that it was not permitted work. We issued a fine to turner. Their executive team met with us and said, what went wrong? We asked the same thing. You're aware that you have to have permits for lane closures and that type of thing. It turned out that there was a decision was made amongst the crew that was working on that particular day they had to get some work done, and they didn't have the appropriate permits in place, but the damages to their schedule would be so much that they were willing to take the risk, see if they didn't get caught. Well, they got caught.

Fritz: Did they know that they were wrong?

Wilson: They did know. In that particular case they were allowed -- there's three lanes going north. They were allowed to use the right lane and they decided they needed the right and middle lanes. It looked really unsafe. My group manager said this doesn't look right. The executive team was very apologetic. They said what do we need to do differently. We outlined that if you had gotten the permit or if you had been maybe in closer contact we could have helped respond like urgent need. I think that just by establishing those relationships with their team as well as with our team of inspectors and engineers, we can help be more reactive to allow them to complete their work safely. Just kind of the central concept of get Portland moving I would say, having everyone on a map so we're all around the table whether it's virtually or in real life, so when something comes up we know who to contact to figure out how we can get all of our work done. Doing it safely.

Fish: You know, sometimes we end up going after the party that's the most accessible. But construction companies are also under a lot of pressure from developers to stay on schedule and the like. Did we determine in this instance that there was any culpability by the developer?

Wilson: In this particular instance absolutely not. The developer did not make the decision. It was truly the construction manager, the superintendent of the site, said I have a crane delivery coming in, I underestimated how much street I would need to take this delivery, and so I don't have a permit, what am I going to do? I delay the crane, set back my project schedule two weeks. I don't know if I would attribute that to the developer. It's reasonable to expect that they set their project schedule and their contractors need to give thought into what actions they need to complete to meet that schedule. In my opinion this was really turner construction's fault, their site superintendent. They should have said, well, I guess they should have done a better job anticipate wag closures they needed, but in the future now that they have -- we have a closer relationship, we'll be able to help them react quicker.

Fish: Thank you.

Wilson: So while get Portland moving isn't directly part of our enforcement and finding actions we support that by helping show all the different projects that are on the map. Who to get hold of in order to resolve issues so that we don't end up -- we don't really want contractors to slow down their work. We want everyone to complete all the tasks they are asked to do. Thanks.

Tritsch: Moving forward with get Portland moving we see 2017 rather than being an outlier could be the new normal for Portland. We expect the amount of right of way use to continue to grow particularly as Portland continues to grow, as our access continues to degrade or deteriorate. Also our capital programs are growing as well. Bes and pbob both anticipate growth in capital work in coming years. So in order to address these needs going forward we would like to expand this effort city-wide in 2018. We would also like to recommit the city bureaus and our partner agencies to continue this work in coordination and communication together to help us accomplish our goals, shared goals of maintaining aging infrastructure, responding to rapid growth and minimizing travel disruptions.

Fritz: How are you going to do that?

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Tritsch: Well -- glad you asked. I promise i'll answer that. What we need to do to find success --

Wilson: I can give you one very specific example of how we do. That earlier this week you heard a lid. I think one of the questions that came up was well, when andrew did the site visit he recognized some paint on the ground. That was his only indication there was another project happening in the area. We get Portland moving we were focused only on the core this last summer. In the future we hope to expand city-wide. Andrew will be able to use that map to see what other capital projects are happening and bring in those potential lids or lids on the back burner to help move those other projects forward. But without sort of central clearing house, a map really that just shows all the different projects, he's got to discover it by just finding paint on the ground.

Fritz: Were you about to go into in terms of how you would do that coordination?

Tritsch: Yes. To find success we're looking at technology tools to improve when and how we coordinate and identify the champions within each agency to help us to gather and report the data. Where that is concerned we have already received letters of support for renewing and broadening the get Portland moving effort from water bureau, bes, trimet and Multnomah county and where technology is concerned pbot is in the process of evaluating off the shelf right away management solutions that together with the business processes and coordination strategies in the pilot will help better maintain right of way use. So as an example, this indicates how our technology is evolving. On the far left side this is our current cip map. This is city bureau cip activities. For the get Portland moving pilot that's the middle graphic we used a web map showing capital and maintenance activities and goes beyond just city. It includes other public agencies as well. Moving forward we would like to move into a system that allows dynamic data entry, participation by private utilities as well as public agencies, and automatic notification of conflicts and opportunities in the right of way. This new technology would reduce staff time in meetings for this pilot year we have had more than 50 meetings to talk about the different activities upcoming. It would help all users understand what's going on in the right of way and help us all to quickly and easily resolve complaints. If your office or mine gets a phone call from a concerned citizen about a project we're not going on a wild goose chase trying to find out whose project it is and how long it will last. It would all be in one place. I can tell you that other cities around the country have already implemented such solutions. City of chicago for example is already enjoying \$17 million of cost avoided each year from better managing their right of way. That's through better preserving their assets. And then our friends in seattle just implemented their system in august and in two months have already seen more than \$500,000 in savings. So this shows that managing work together both decreases disruption on our roads and also saves taxpayer dollars.

Jan: Looking ahead in 2018 and 2019 we noted that bes and pbot and among other agencies are ramping up capital improvement work and paving work and get Portland moving helps support that work through information sharing and coordination of meetings. We hope that all the bureaus commit to keeping their databases up to date to share that information and make it accessible to everyone within the city and outside the city with our agency partners. Some 2018 highlights that we started collaborating on is the burnside bridge maintenance which will be two lanes will be closed each direction and we collaborated with murc, pbot collaborated with Multnomah county and trimet to stream trimet bus through the construction zone. Odot has approached pbot on a collaboration for their i-5-i-84 interchange ramp maintenance. There will be closures of the ramp the for two weeks 24/7 this summer. Pbot is working to mitigate traffic on local streets. The park expansion and press blocks, trimet, city bureaus and Portland public schools and in that meeting trimet and pbot avoided a potential conflict. Bes and water got early notification

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that Portland public schools rebuild over existing assets. There's another project five week closure of ohsu tram in which it's been asked for street closure moratorium during the detour route and also with the division transit project coming up in construction in 2018 and putting together meetings about the other potential work that is going on in division and collaborating on those efforts. I wanted to acknowledge all of the agencies and partners involved committing their time and effort in coordinating work including leaders, staff, public information officers, project and construction managers that all met throughout the year to coordinate work and also trimet for bringing us together around their west side max closure. I think that this Portland really enjoyed seeing the collaboration on their streets. Thank you very much.

Fish: So on behalf of the city's utilities and I see some letters attached, we appreciate being full partners in this and we're obviously sold on the benefits. There is an irony here, though, because the idea is to coordinate, limit the adverse impacts and save some money but the thing that we have the least control over is the bridge closures. We had a situation in the past year where seemed like almost every bridge was impaired. It was virtually impossible to get across. Now, the challenge on our bridges is they are owned by multiple different agencies combined with the fact that the sole authority to raise bridges resides with the coast guard, and they have unfettered discretion and this can have significant impacts. Do you have thoughts as to how we can better sequence the work on the bridges in concert with what you're doing so we don't create a gauntlet for people trying to cross in and out of the city?

Wilson: I can take that. That's a great example. I think one of the things that we didn't hear about and I want to say thank goodness we didn't hear about it was there were some proposals for the Multnomah county courthouse to accept delivery of a crane during one particular set of dates that two of the other bridges were at full closure, right? Because we were all around the table and we got a request from I believe it was hoffman, the contractor for the Multnomah county courthouse, we identified that and met with the county's leadership team to say can we adjust one of these schedules or another to help avoid that? Now, I think that was just like one success story we didn't hear about. Could have been a disaster that probably would have made the news but regarding I guess your real question, we don't currently have a mobility policy that says you must keep so many bridges open but I think it's all in the back of our heads. There's only so many accesses, west side we have cornell, we have highway 26, we have barnes, burnside, germantown. I think we want to move forward with the mobility policy. We approached our city traffic engineer about that and we're investigating smart ways that other cities have created that policy. It might be as simple as saying we can only accept so many lanes closed at who one time.

Fish: I would encourage you to look at that. As you know when a lane is taken out of burnside, when a couple other bridges are closed, this is all important work that has to be done, what you end up is I live in goose hollow so burnside is backed up beyond 23rd. That's not good. With the kinds of behavior you see is not very healthy. There are challenges in old town chinatown that get compounded where you can't -- I have been in gridlock because of the bridges. Mayor, I would urge us, this is truly a cross-jurisdictional thing because we don't have final say, but if we're doing all this great work to coordinate the timing of our work and who is doing it at the same time I think we ought to be thinking about the sequencing of the work on our bridges.

Wilson: I completely agree.

Fish: There are times literally you can't get across the river in the past year because of several bridges being worked on simultaneously. Maybe it was essential but for example at bes we rate the work based on the greatest risk of failure but as I looked at your map, it

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does seem to me that we still make adjustments based on capitalizing the fact that we can do a project with pb0t even if it isn't the most at risk piece of infrastructure. This seems to me purely a question of coordination with other jurisdictions.

*****: Right.

Tritsch: Our friends at the county have recommitted to expanding the get Portland moving involvement and they have been a very present force at all of our meetings bringing sometimes more than half the meeting size is made up of county membership. Also their commissioner has endorsed this effort in coordination and I think they have been willing to work with us for example on some of the work on burnside that we recommended shifting the schedule or modifying closures to accommodate other uses of the right of way.

Wison: I agree. They have been really great partners through this and i'm sure if we wanted to work together towards creating a mobility policy regarding lane closures i'm certain they would be happy to come to the table and discuss that.

Fritz: Thank you for the excellent report. I note it says we saved \$5 million through coordination of closures and alignment of projects. Make sure people know that. We're talking about seattle saved 7 million or whatever it was. We did really well. So it saved taxpayers money and the ratepayers money. I appreciate your explanation about how are we going to coordinate this moving forward. I was actually happy when andrew said he was the one that noticed the markings because we rely sometimes too much on technology. There's no substitute for having people this with brains in the room who can scope out a lot of things much quicker and more thoroughly than relying on a computer program. I do hope that you will keep that in mind and continue figuring out who needs to be at those meetings. I do commend commissioner Fish and the who, that you've done on that lid project by bridger school where we have been able to benefit the community as well as the taxpayers at large and the ratepayers. With that in mind, how are we going to go about getting input from Portlanders about how we have done? This so far has been very much an internal discussion, in your impact statement you say the impact is we're trying to make less impact by coordinating.

Tritsch: Sure.

Fritz: Moving forward could we build into it for instance in an lid project as a pilot project could we go back to the community that was affected? How did we do? What traffic control measures could have been better? Was the timing of the projects at the best possible time compared with school closures and such like that.

Tritsch: That's wonderful feedback. Yes. During this whole pilot program we had we spoke with other modal communities quite a bit including pedestrian and bicycle groups as well as the freight committee. We also put together an external public facing website that shared information on closures. It's on the power point just now. As well as dedicated email address so that any citizen or business owner can contact us and get a response straight away and several did. In fact there was some work on east burnside where some business owners didn't understand what was going on, e-mailed pdx and received a response about everything that was going on. I share your interest with getting additional feedback from residents about what works and what they would like to see. I would like to continue to do stakeholder outreach and community discussions. We have been in touch also with the Portland business alliance and venture Portland and some of the other key stakeholders that had interest in the central city. We hope to broaden that as well and as we expand to reach out to community groups.

Fritz: One of the improvements commissioner Fish has made has been community outreach. I know that we're all continuing look at how do we find more ways to get information to and from people who don't know what is the email address or didn't know this project was coming. Can we use ptas, community organizations, other than

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neighborhood and business associations. I do think that that's a piece that can make this project even better. It's good that we're doing things more efficiently. Cost effectively. It's even better if people know that we are. If we're taking input from them if they have suggestions for what could make it better I would have to say once we get the 311 system up and running that will certainly be a tool that should make coordination a whole lot easier. Still I believe this will continue to need to be thoughtful people who are figuring out who to talk to who have not yet known to come in and ask the questions. Thank you for the report. That's really helpful.

Wheeler: Just an observation, I think the main point that makes the most dinners is coordination between bureaus and different government agencies making sure the left hand knows that the right hand is doing coordinating. That's super common sense. So thank you for that. A necessary first step. I had a question about the technology. As I look through this I see google, ways. Seattle has an app that does something similar. Is the seattle app, is that also ways based or is that a different technology platform?

Tritsch: It's a different platform that actually sits on top of a google map. It's currently for internal use. The different utilities are able to sign into the system and have different access control so your verizon can't see what your comcast is doing necessarily but the city can better manage what's in the right of way.

Wheeler: Is there any economy of scale on working with other jurisdictions -- does Portland need to invent its own and seattle its own, denver its own, or is there some collaborative process to be had here.

Tritsch: Absolutely. Were in close conversations with our friends nhl seattle, chicago and boston as to their technology tools they have been using. Chicago that been using theirs for more than seven years. Seattle and Portland have been in discussions about how we get together all of our interest and tell the company what it is we want instead of what is available. We're looking at getting more products through better collaboration with jurisdictions as well. We're very keen on sharing best practices and learning from other cities that have been doing that.

Wheeler: Great. This is a subject I didn't know that much about prior to the presentation and I appreciate it. I appreciate the collaboration between pbot and bes and trimet and others. I think this is really great work. I'm appreciative.

Tritsch: Great. Thank you for the opportunity.

Wheeler: Any further comments or questions? This is a report.

Fish: So moved.

Fritz: Second.

Wheeler: Please call the roll.

Fritz: I think something that's really important when you're doing something like that is reporting in on a regular basis so I hope you'll give us another presentation next year this time tell us how much even better you've done. Aye.

Fish: Colleagues, my favorite cautionary tale on this was when I was a young person living in new york city, yes, once upon a time, I was a young person living in new york city, and I lived in an apartment that was right over 14th street which is a heavily traveled east-west street that gets a lot of truck traffic. The equivalent of pbot in new york decided that the road which was in terrible condition needed to be upgraded and replaced, reconstructed then paved. So it was one of the longevity and noisiest and most inconvenient capital construction projects I have ever lived through. Just as they finished the project and repaved 14th street and we all were like thinking, god, this is over, the agency that runs the subways in new york that has nothing to do with transportation came into each of the intersections and dug them up because they wanted to do an infrastructure project with the subway.

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****: Oh, no:

Fish: It was a classic example of the left hand and the right hand not coordinated. And what I love about this is to the extent we're able to we try to coordinate the left and right hand and particularly the city's lead -- the three primary infrastructure bureaus although under commissioner Fritz parks has become the fourth, our four major infrastructure bureaus talking to each other and coordinating. The chart you showed with the green lines around the bes work, colleagues, that of course was work that you have given the green light to. That's all tabor the river was. As we're doing tabor the river gray or green here comes transportation how can we do our piece with a minimal disruption to the residential and business districts along the way? So well done and i'm pleased to accept the report. Aye.

Wheeler: Great work. I vote aye. The report is accepted. We're adjourned.

At 3:25 p.m. Council adjourned.