

**From:** [Carol Porto](#)  
**To:** [Rhee, Suk](#); [Wheeler, Mayor](#); [Dennis, Kristin](#); [Council Clerk – Testimony](#); [Commissioner Hardesty](#); [Edwards, Karly](#); [Johnson, Kristin](#); [Commissioner Ryan Office](#); [Torres, Kellie](#); [Schmanski, Sonia](#); [Commissioner Rubio](#); [Miranda, Adriana](#)  
**Cc:** [Carol Porto](#)  
**Subject:** support for Ordinance 135 and Thanks  
**Date:** Monday, March 1, 2021 2:08:16 PM

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Mayor Wheeler,  
 Commissioners Hardesty, Ryan, Rubio  
 Director Rhee,  
 Kristin Dennis, Karly Edwards, Kellie Torres, Sonya Schmanski, and Andriana  
 Miranda  
 City Hall  
 Portland, Oregon

March 1, 2021

Dear Mayor Wheeler, Commissioners Hardesty, Ryan, Rubio,  
 Director Rhee, Kristin Dennis, Karly Edwards, Kellie Torres, Sonya Schmanski, and  
 Andriana Miranda,

I am writing to offer my thanks and support for Ordinance 135.

I am a former SWNI Secretary of several years and have been and am currently a board member and officer of my neighborhood association, South Burlingame. I have witnessed firsthand at what efforts and what great lengths SWNI Officers and board members have taken to suppress equity, deny poor governance, bad fiscal management and disain accountability for transparency and access – over and over again.

**But first, please allow me to share my deep appreciation for the ongoing support provided to me by Civic Life Director, Suk Rhee.**

Direct Rhee has been a huge help in assisting SBNA by allocating her time, staff and resources to assist me in fulfilling my role as SBNA Secretary and Treasurer. This help was invaluable as my concerns continued to grow regarding SWNI's behavior. Without her, I can confidently say that SBNA would have been lost on how to proceed from everything regarding governance and adherence to the OCCL Standards of Practice, Small Grants Project, to Fiscal Sponsorship and Insurance. She has responded quickly, diligently and with respect to all. I am so thankful for the time, care and help that she has shown me and SBNA.

**Second, I want to thank the Portland City Council for taking steps to ensure SW Neighborhoods are cared for with continued support and funding with Ordinance 135.**

SW neighborhood associations have deserved a better fiscal agent than SWNI for

years. Although I know that it takes time to move towards a more just representation , I appreciate that Portland sees that **the time is now**. **Thank you** for watching out for taxpayers and centering equity as part of what has informed your decision to move support for SW to Civic Life. I urge you to look at the model as part of a systemic problem that needs addressing.

Thank you,  
Carol Porto  
SW Portland

**From:** [Ravekin](#)  
**To:** [Council Clerk – Testimony](#); [Lawrence, Asena](#); [Commissioner Mapps](#); [Miranda, Adriana](#); [Commissioner Rubio](#); [Torres, Kellie](#); [Commissioner Ryan Office](#); [Rhee, Suk](#); [Johnson, Kristin](#); [Edwards, Karly](#); [Commissioner Hardesty](#); [Schmanski, Sonia](#); [Dennis, Kristin](#); [Wheeler, Mayor](#)  
**Subject:** Support for Ordinance 135 and Appreciation  
**Date:** Monday, March 1, 2021 5:16:45 PM  
**Attachments:** [City Council Ordinance 135.pdf](#)

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## City Council

City of Portland

1221 SW 4<sup>th</sup> Avenue, Room 140

Portland, OR 97204

**Council Clerk: Keelan McClymont** [cctestimony@portlandoregon.gov](mailto:cctestimony@portlandoregon.gov)

## Subject: Ordinance 135 Funding for SW Neighbors

Mayor and City Council Members,

Before I begin, I want to share my sincere appreciation for all that Civic Life Director Suk Rhee has offered in way of support and encouragement to engage in the process and believe in Civic Engagement. With the ordinance before you I am beginning to hold hope but only because she has sustained me that equitable outcomes are the priority of City Council. I cannot thank her enough and I hope City Council can recognize the talent she has and offer support to her in her continued work advancing minorities and minority voices in participation. We are a diverse Portland and need to be afforded opportunities to be represented.

I am an Indigenous man from the Choctaw and Cherokee Nations and I am writing because I have witnessed claims from numerous neighborhood associations and Southwest Neighborhoods Inc. (SWNI) that I am one of the 80,000 SW residents they claim to represent. I have lived in SW Portland for 17 years and **SWNI DOES NOT REPRESENT MY VALUES OR MY VOICE**; I am asking you to fight for my voice.

The system you have funded for 40 years has not served minorities or minority voices for civic engagement and instead has served a select few who have capitalized on the system to advance their narrow goals. I have attended neighborhood meetings and what is reflected back to me are **10 or so white faces and voices without concern for those who differ from them**. As many of you and your staff have attended these same meetings, I am certain you know that the math does not add up. If there are 17 neighborhoods under the SWNI umbrella and on average their meeting minutes and attendance reflect similar numbers; **SWNI represents hundreds of voices not thousands. Why is SWNI afforded \$300k annually to use their Land Use and Transportation committees to advance lobbying efforts that work against my interest and access to public transportation and housing?** I am not a homeowner and I fear I never will be; my access to land, to a safe and affordable commute have been prevented for decades by the lobbying efforts of SWNI documented in your own Bureaus report, *The Historical Document for Racist Planning*.

**I am asking City Council to fight for my voice today and the thousands of others who are not recognized by the system you have funded, who do not participate because**

**we are not heard, who have been bullied out of the room by SWNI Officers and board members, who have a desire to be a part of what makes SW great but have no representation.**

I woke up when I heard that City Council had asked for a forensic audit of SWNI and was paying attention to concerns raised by SWNI board members and citizens. The audit seems warranted as the findings are damning and reflect an accurate experience for many.

What leads me to believe and gives me hope City Council may act on behalf of taxpayers is the audit assessment found troubling issues on many fronts; not just for SWNI's past but for the willful financial neglect, disregard to the City contractual requirements, documented abuse/bullying, performative JEDI machinations and combative posturing that they have taken with the City. **If not in these findings, if not now; how bad of an assessment will it take for action? What faith can you restore to those of us relying on you to act for fiscal accountability and for the voices lost, suppressed, ignored who want an inclusive future for our livable Portland?**

In reading the report, I found the following troubling:

- **\$353,597.49 in mismanaged taxpayer funds** both past and present while also seeking and **accepting PPP monies without known COVID hardship** that disproportionately left minority organizations unfunded = **SWNI's white privilege**
- **Lack of minority representation on the SWNI board and a significant number of resignations from SWNI board members citing bullying including the Indigenous Equity Committee Chair stating she was resigning in June 2020 due to "threats and public denigration" by the current SWNI President**
- **5 SWNI board members have resigned from the SWNI board due to bullying or intimidation by SWNI Officers in just over a year - 2 of which were POC and from my assessment 1-2 POC remain of the 32 total SWNI board member positions**
- **SWNI currently mismanages 7.35% of their funding annually;** these are MY taxpayer dollars that are unaccounted for and in any company I work for this would be waste, abuse and potentially fraud that would REQUIRE accountability
- Troubling these findings is that the known embezzlement of a decade ago should have ensured greater oversight and accountability of SWNI who should be doing internal audit reporting and be the model coalition **instead SWNI has shown a pattern of behavior that demands action by City Council to secure our taxpayer funds with an organization that has a proven track record of fiscal management;** anything else emboldens SWNI to continue their flagrant disregard of unchecked abuse of money and power
- As a minority, access and transparency are the tools provided us to check white supremacy and the audit report found significant lack of compliance so the **checks and balances at all levels – the public, the media, the political institutions, are all being thwarted if you allow this organization to be funded**
- Worth noting, the same **white, older people have been on the board and held various positions of power for decades** leaving little room for others to join and advance positions differing from the majority position they hold

Please listen to the voices other than SWNI's who are screaming about injustice to the process, defaming the auditor, providing character assassinations to those with differing opinions who questioned the organization, who have driven out minorities and those who have supported minority positions. **When does equity become the priority especially when coupled with financial and governance abuse?**

**Please fight for the voices of thousands that SWNI claims to represent and give us a place to go and be a part of the change within the City and pass Ordinance 135 for change.**

Sincerely,

Shawn Strahan

Choctaw & Cherokee Nation Member & SW Resident of 17 Years

**City Council**

City of Portland

1221 SW 4<sup>th</sup> Avenue, Room 140

Portland, OR 97204

**Council Clerk: Keelan McClymont** [cctestimony@portlandoregon.gov](mailto:cctestimony@portlandoregon.gov)**Subject: Ordinance 135 Funding for SW Neighbors**

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Sincerely,

Shawn Strahan

Choctaw & Cherokee Nation Member & SW Resident of 17 Years

**From:** [Marianne Fitzgerald](#)  
**To:** [Wheeler, Mayor](#); [Commissioner Hardesty](#); [Commissioner Ryan Office](#); [City Auditor, Mary Hull Caballero](#); [Council Clerk – Testimony](#); [Commissioner Mapps](#); [Commissioner Rubio](#)  
**Cc:** [Dennis, Kristin](#); [Torres, Kellie](#); [Edwards, Karly](#); [Rhee, Suk](#); [Schmanski, Sonia](#); [Johnson, Kristin](#); [Williams, Andrea](#); [Meyer, Katie](#); [Lyons, Adam](#); [Adriana Miranda](#)  
**Subject:** City Council Testimony, Agenda Item 135, March 3, 2021, Office of Community and Civic Life  
**Date:** Monday, March 1, 2021 5:20:43 PM

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Dear Mayor Wheeler, Commissioner Hardesty, Commissioner Mapps, Commissioner Rubio, Commissioner Ryan and Auditor Hull Caballero:

Please accept this testimony for the March 3, 2021 City Council Meeting Agenda Item 135 to assign staff from the Office of Community and Civic Life to support neighborhood associations in SW Portland. Please also see my testimony for the December 9, 2020 City Council Meeting Agenda item 966 and email to you on November 20, 2020 because they are all relevant to your discussions.

1. Council Findings #2 based on the Marsh and Minick Forensic Audit are not based on facts. I noted several specific misrepresentations and omissions in the Marsh and Minick audit in the my emails below. Neither the Office of Community and Civic Life nor the commissioners in charge have contacted me to follow-up on the documentation in my emails. Southwest Neighborhoods, Inc. has not been given an opportunity to respond to the audit. It would take another 124 page document to respond to all of the obfuscations and undocumented allegations in the 124 page audit report. The wording in Finding #2, "to confirm or reject concerns about the misuse of public funds, abuse of power, conflicts of interest, lack of transparency, and inequitable practices" suggests that in September 2020 the auditors were told to begin with premise that SWNI was guilty until proven innocent.

3. Council Findings #3 is also not based on facts. I cannot determine how the audit found financial mismanagement of \$179,332.24 anywhere in the audit. A keyword search on that number found only two places in the entire audit--the cover letter and Executive Summary. There is only vague documentation to support that finding. I can state with certainty that the "financial loss of \$174,265.25" is not based on fact because I wrote that January 5, 2012 pre-sentencing report. I clearly documented \$130,000 in direct losses and \$18,833.25 in direct costs to recover the loss as well as almost 3000 of SWNI volunteer time spent conduct SWNI business and recover the loss. There is no documentation--now or ever--that these losses were city funds.

4. Council Findings #4 is also not based on facts, it is based on some perspectives but not others, as noted in my emails below.

5. Stakeholders directly affected by this ordinance were not provided an opportunity to discuss the audit nor Commissioner Hardesty's decision. The last communication from the Office of Community and Civic Life was an August 17, 2020 letter sent via email addressed to "Dear Neighborhood Associations, Business Districts and Small-Grant recipients receiving City-contracted services through Southwest Neighborhoods, Inc." The Office of Community and Civic Life did not reply to my August 17, 2020 follow-up email, nor the two emails below. Commissioner Hardesty attended the January 27, 2021 SWNI Board meeting and said she would not discuss finances during that meeting. Commissioner Hardesty attended the next February 24, 2021 SWNI Board meeting to announce her decision. The Impact Statement in Agenda Item 135 regarding community impacts and community involvement left stakeholders

like me with a sense of top-down closed door decisionmaking that does not meet the spirit of collaboration that was embraced in Code 3.96.

Neighborhood Associations rely on district coalitions to provide staffing and materials and services to facilitate communication and collaboration with the people in our neighborhoods and others affected by issues of concern. My neighborhood association has not received any information about what services the Office of Community and Civic Life will provide under this ordinance. Specifically, neighborhood associations need:

1. Communications and outreach support, including newsletters such as *SW News* that inform people about issues and events that affect people in SW Portland from a wide range of local, state and regional government entities;
2. Website support such as the [www.swni.org](http://www.swni.org) and [www.swni.org/crestwood](http://www.swni.org/crestwood) websites that are a source for people to obtain information about issues, meetings and events in our neighborhood;
3. Meeting space within Southwest Portland (i.e. Multnomah Arts Center where the SWNI office is currently located) to meet with our neighbors and discuss issues and projects that affect livability in our neighborhood as well as community gatherings to celebrate our successes;
4. Communications support including google groups and other means of electronic communication;
5. Meeting support via Zoom or other electronic meeting tools for virtual meetings, and paper materials and a/v equipment for in-person meetings;
6. Printing and postage for specific mailings, posters and meeting invitations to encourage participation in neighborhood association and coalition civic dialogue on issues of importance;
7. Public records management and retention for neighborhood association materials;
8. Event support, including permits and insurance, for work parties and events such as National Night Out and Multnomah Days;
9. Event support for open houses, candidate fairs that introduce candidates to the people in SW Portland and provide people an opportunity to discuss ballot measures, clean-ups, community policing recognition, and other public gatherings that encourage civic engagement;
10. Collaboration with other neighborhood associations and interested stakeholders through SWNI standing committee meetings and collaboration with other groups throughout the region;
11. Leadership training, research and technical assistance to help people understand a wide range of government proposals, and other support for our neighborhood volunteers;
12. Corporate support for compliance with the Oregon Secretary of State through CT-12 reporting;
13. Fiscal sponsorship, administration and compliance for the donations that have been made to our neighborhood associations for neighborhood projects through a district coalition bank account and 990 reports to the US Internal Revenue Service; and
14. Insurance coverage for neighborhood associations' Board of Directors as well as coverage for the meetings and events in our neighborhood.

I hope that the Office of Community and Civic Life will provide the neighborhood associations and business associations in SW Portland with as excellent service as SWNI provided for over four decades. These services are critical to encourage citizen participation in matters affecting the present and future livability in our neighborhood, maintain

communication between people and government agencies and provide opportunities for public dialogue on issues, and encourage and support projects and activities to maintain and improve the quality of life in our neighborhood and in SW Portland.

I am disappointed about the lack of public dialogue on the many issues identified in these three emails that people like me hoped would lead to a different outcome. I hope we have an opportunity to have an open dialogue with Commissioner Hardesty and the Office of Community and Civic Life about these needs as soon as possible.

Sincerely,  
 Marianne Fitzgerald  
 10537 SW 64th Drive  
 Portland, OR 97219  
[fitzgerald.marianne@gmail.com](mailto:fitzgerald.marianne@gmail.com)  
 (503) 246-1847

On 12/8/2020 1:00 PM, Marianne Fitzgerald wrote:

Dear Mayor Wheeler, Commissioners Eudaly, Fritz, Hardesty and Ryan, and Auditor Hull Caballero:

Please accept these comments and the forwarded email below (11/20/2020) for inclusion in the City Council record for Agenda 966, "Amend Grant with Southeast Uplift...." (December 9, 2020 City Council meeting).

**I strongly disagree with the findings in the draft ordinance, forensic audit and impact statement in Agenda 966, and strongly oppose the Office of Community and Civic Life's proposal to transfer funding for the coalition support functions of Southwest Neighborhoods, Inc. (SWNI) to Southeast Uplift (SEUL).**

**I strongly support amending the ordinance and Exhibit C to grant Civic Life's full coalition funding to SWNI to serve the people of Southwest Portland for FY 2020-21 and beyond.**

Civic Life's proposal to redirect support of Southwest Portland's neighborhood associations to another coalition is in violation of the city's "Standards for Neighborhood Associations, Business Associations and District Coalitions and the Office of Neighborhood Involvement" adopted by Portland City Council on July 13, 2005 (ordinance 179418). Civic Life has not consulted with SWNI's neighborhood and business associations about this proposal and has not notified the groups that received the August 17, 2020 (Exhibit B) of this proposal to defund SWNI and provide coalition benefits through another coalition. Portlanders certainly deserve better dialogue on this draconian funding proposal and an opportunity to discuss and respond to the contents of Agenda 966 with more than five days notice.

The Office of Community and Civic Life shared its issues with SWNI in its July 9, 2020 City Council testimony rather than through dialogue with SWNI or

making any collaborative effort to improve performance. Civic Life contracted with Marsh & Minick to perform a forensic audit of SWNI in August 2020. Civic Life expanded the scope of the audit to include more than a 10-year period, and the audit makes several unsubstantiated findings aimed at discrediting SWNI that obfuscated actions taken at the time SWNI discovered theft of funds in October 2010 with the actions taken after strong financial controls were immediately put in place. I served on the SWNI Board during this time (2008-2014) and noted examples in the email below where Marsh & Minick manipulated information to come to its findings.

Civic Life's grants have enabled SWNI to provide valuable resources and support to the people of SW Portland (see Exhibit C). In particular, SWNI's monthly newsletter *SW News* informs people in our community about local issues and events from both local partners (i.e. Neighborhood House) and government entities (i.e. the Bureau of Planning and Sustainability, Bureau of Transportation, Bureau of Environmental Services, Parks and Recreation, Metro, TriMet and Oregon Dept. of Transportation). Civic Life's services (Exhibit B) do not notify people of local issues and, as Vice President of Crestwood Neighborhood Association, I can only recall one bureau using Civic Life's list to notify neighborhoods as required.

Civic Life and Marsh & Minick's allegations that SWNI has misused \$179,332.34 of city grant funding lack transparency in how the audit came to that conclusion. I did a keyword search on this number and it only appears in Civic Life's findings #4, Marsh & Minick's Cover Letter and Executive Summary, and Civic Life's Impact Statement. There is no documentation to base this allegation in the forensic audit report. Marsh & Minick did not perform a review of SWNI's current fiscal management system and how SWNI funds are managed, and instead made "findings" using language intending to discredit SWNI. Civic Life's Impact Statement mis-characterized the impact of this proposal on the people of Portland.

There has been no loss of money to the city of Portland. This is extremely important to note because SWNI staff and volunteers have worked diligently over the scope of the audit to make sure SWNI grant obligations have been met each year, and Civic Life has raised no financial issues until this year. The audit findings lacked context and documentation to support its findings of financial mismanagement for the scope period, particularly since SWNI learned its lesson and implemented strong fiscal controls beginning in October 2010. Audit claims of financial mismanagement are largely based on incidents that occurred 10 years ago and did not focus on the financial management system and controls in place today.

Civic Life's claims of dysfunctionality among SWNI Board members overlooked efforts taken by the SWNI Board in 2019 to improve communications among its Board members. Marsh & Minick did not quote language from the SWNI Board minutes, particularly during the September-October 2019 time-frame; instead it quoted language by the two Board members who rebuffed SWNI's efforts and became intent on discrediting SWNI.

SWNI demonstrated its commitment to ensuring diversity, equity and inclusion over the past five years by forming an Equity and Inclusion (E&I) Committee and initiating a series of educational programs and conversations focused on issues of race, place and civic life. SWNI had planned to expand on these efforts in the scope of work in Exhibit C. In September-October 2019 Shannon Hiller-Webb bypassed SWNI Bylaws and the E&I committee and issued a Request for Proposals without a budget or prior consultation with SWNI's E&I, Finance or Executive committees. This proposal was sent back to the E&I committee but never taken back to the Board, as documented in the minutes of SWNI Board meetings but mis-characterized in the forensic audit report.

Civic Life's proposal deserves more public dialogue. Please amend the Ordinance and Exhibit C to fully fund SWNI for FY 2020-21 to support the valuable services SWNI provides, and allow SWNI and Civic Life to work on resolving issues of concern. And please involve all Portlanders in dialogue about the role of Neighborhood Associations and locally-focused District Coalitions during the budget discussions for FY 2021-2022.

Sincerely,  
 Marianne Fitzgerald  
 10537 SW 64th Drive  
 Portland OR 97219  
[fitzgerald.marianne@gmail.com](mailto:fitzgerald.marianne@gmail.com)  
 (503) 246-1847  
 Vice President, Crestwood Neighborhood Association

On 11/20/2020 4:13 PM, Marianne Fitzgerald wrote:

Dear Mayor Wheeler and members of the Portland City Council:

I want to convey my perspective on what I believe is a very biased forensic audit report released this week by the Office of Community and Civic Life. I am Past President of Southwest Neighborhoods, Inc. (SWNI, 2011-2014) and Vice President of the Crestwood Neighborhood Association (2017-present), and serve as Crestwood Neighborhoods' alternate to the SWNI Board as of last fall. SWNI provides much-needed services for the people in SW Portland, and I am asking you to fund SWNI before the deferral of city funding forces the SWNI Board to lay off its staff members. SWNI enables people to work together on local issues, coordinates communication about local issues through its monthly *SW News* and electronic communication services, and provides assistance with neighborhood projects that improve and maintain livability in SW Portland. Civic Life cannot perform those functions for our neighborhood associations. Our neighborhoods and SWNI need to move forward

with SWNI's mission to support the people in SW Portland through these trying times.

Last fall I observed bullying behavior by Shannon Hiller-Webb and Marie Tyvoll during SWNI Board meetings. SWNI President Leslie Hammond and other Board members asked both of them to follow SWNI grievance procedures and they refused. Shannon and Marie created an atmosphere that was intimidating. They both demanded extensive records without explaining a reason for reviewing these records; many of the records they requested were not readily available and many are exempt from public disclosure. It appears they took their case to Civic Life Director Suk Rhee, who had already threatened city support for coalitions and neighborhood associations through the its Code Change project (which fortunately did not move forward) and it appears Shannon and Marie found a sympathetic ear within Civic Life.

At City Council's July 9, 2020 meeting Shannon Hiller-Webb orchestrated a 72-page power point presentation that contained numerous errors and materials taken out of context. I found those same errors and accusations in the Marsh Minick Forensic Audit which seemed to have biased their analysis. The MM audit report did not say who they intended to interview, but I was one of the people interviewed for the audit. I can state for a fact that I provided MM with information that seems to have been deliberately omitted in the final report. In addition, often the audit report discussion lacks context over its 10 year scope.

SWNI needs time to prepare a response to the audit. SWNI needs funding to continue to serve the people of SW Portland. Please provide both, as soon as possible.

Marianne Fitzgerald's Perspective on Marsh Minick's Forensic Audit: Findings Report for Southwest Neighborhoods, Inc.

The Marsh Minick (MM) audit is full of unsubstantiated allegations using inflammatory language that seems intent on damaging SWNI's reputation. Here are a few examples where I believe they manipulated information to justify a desired outcome.

1. The forensic audit statement that "The allegations of

harassment, bullying and feeling unsafe appeared to be a problem over the last decade" (p. 103) is unsubstantiated."

Page 102 contains two documents to support that claim.

Regarding the August 25, 2011 complaint, I emailed MM the documentation that SWNI took swift action on September 28, 2011 to remedy the August 25, 2011 complaint, but MM omitted this information from the report. The other document on p. 102 was dated July 6, 2020. There is no evidence that this has been "a problem over the last decade."

2. Former SWNI Board member Jim McLaughlin testified to City Council on July 7, 2020 that it was "his opinion" that "the fiscal mismanagement of taxpayer dollars stems from lack of oversight...". Shannon Hiller-Webb's July 9, 2020 testimony/presentation with doctored up information claims that Jim McLaughlin sent an email making this allegation to the SWNI Board on Sept. 28, 2011. I have a copy of Mr. McLaughlin's September 28, 2011 email, and it was never sent to the SWNI Board, nor did anyone ever make that statement to the SWNI Board. I sent MM documentation that the SWNI Board discussed the SWNI credit card in Executive Session in November and December 2010 that was omitted from the report. For your information, the Executive Director explained that in 2005 it was not clear any credit card fraud or theft occurred; it appeared SWNI had simply accumulated and failed to pay the principal on a high credit card balance and she took personal responsibility for not being aware that the debt had not been paid off. When the Executive Director discovered financial irregularities in October 2010, the Executive Director and SWNI Board took immediate action to remedy the issues. The SWNI Board was satisfied with the Executive Director's explanation in 2010, and no one raised it to the SWNI Board again, including Mr. McLaughlin. I sent MM documentation of Executive Session Minutes and a memo describing what happened that were omitted from the MM report. Instead, MM made unsubstantiated accusations in their findings based on Mr. McLaughlin's allegations. I also sent MM documentation of the SWNI Board's action on September 28, 2011 to terminate its Board Officer without cause (see #1 above) which was coincidentally the same day Mr. McLaughlin's sent his email to another individual, not the SWNI Board.

3. Regarding the forensic audit's Executive Summary, MM does not differentiate between actions that were taken prior to October 2010, actions taken between October 2010 and October 2011 to formally remedy financial management through the adoption of policies and recovery of funds, and actions taken in the recent past. MM uses inflammatory terms such as "willfully blind to noncompliance", "errors, mismanagement, waste, abuse and fraud of financials" and "financial mismanagement for the scope period" (p. 5) that are not supported by facts nor recognition that SWNI took corrective and preventive measures to address financial management issues prior to October 2010.
4. During October 2011, SWNI properly deposited insurance loss claim checks and managed its accounts. SWNI signed a confidentiality agreement regarding the insurance settlement and MM has violated that confidentiality agreement in this report. SWNI was in close contact with the Office of Neighborhood Involvement (ONI) at the time and ONI did not expect the money to be returned. SWNI documented thousands of volunteer hours to prepare and negotiate the insurance claim and manage SWNI affairs to address the theft and prevent it from happening again in the future, including rebuilding its accounting system. The document in the audit report page 23 is doctored up (see attached original, this letter is in the public record for the pre-sentencing report). MM asserts that the "methods of theft...directly affect expenses that SWNI would have passed along for reimbursement to ONI" (p. 24). I strongly disagree. SWNI staff and volunteers made sure that SWNI's grant obligations were met. As the attached letter notes, SWNI used salary savings to replenish the SWNI accounts that its former employee stole from and volunteer hours to provide its services to the residents and business in SW Portland and fulfill its city grant obligations.
5. The forensic examination of documents from 2010-2011 makes allegations about SWNI's financial management at a time the SWNI staff, Board and volunteers were doing their best to recover from being a victim of financial fraud, which is not relevant to SWNI operations today, yet it seems to be the basis of many of MM's inflammatory statements. During the past decade, SWNI has submitted regular financial and program reports to the ONI/Civic Life and none have raised any issues of

financial mismanagement.

These are just a few specific examples of bias in Marsh Minick's forensic audit about SWNI during the time I served on the SWNI Board. There are many others but it will take time to prepare a response. Please allocate funding to Southwest Neighborhoods, Inc. for FY 2020-2021 as soon as possible, and please allow SWNI an opportunity to respond to the audit.

Sincerely,

Marianne Fitzgerald  
10537 SW 64th Drive  
Portland, OR 97219

**From:** [Jennings, Gayla](#)  
**To:** [Council Clerk – Testimony](#)  
**Subject:** FW: SWNI SUPPORT  
**Date:** Tuesday, March 2, 2021 7:58:37 AM

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Testimony for agenda item 135.

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**From:** Don Q Baack <baack@q.com>  
**Date:** Monday, March 1, 2021 at 7:31 PM  
**To:** "Wheeler, Mayor" <MayorWheeler@portlandoregon.gov>, Commissioner Hardesty <joann@portlandoregon.gov>, Commissioner Mapps <MappsOffice@portlandoregon.gov>, Commissioner Ryan Office <CommissionerRyanOffice@portlandoregon.gov>, Commissioner Rubio <Comm.Rubio@portlandoregon.gov>, "City Auditor, Mary Hull Caballero" <AuditorHullCaballero@portlandoregon.gov>  
**Subject:** SWNI SUPPORT

I believe Marianne Fitzgerald has stated the case well, consider it carefully.

Don Baack q  
503-246-2088  
6495 SW Burlingame Pl  
Portland OR. 97239

**SW PDX has 280 mi of streets, but 210 mi have no sidewalks. That is why we designed the SWTrails Network to help people walk around SW on safer routes.**

**From:** [Kathryn](#)  
**To:** [Wheeler, Mayor](#); [Commissioner Hardesty](#); [Commissioner Rubio](#); [Commissioner Ryan Office](#); [Commissioner Mapps](#)  
**Cc:** [Council Clerk – Testimony](#); [Dennis, Kristin](#); [Schmanski, Sonia](#); [Edwards, Karly](#); [Johnson, Kristin](#); [Rhee, Suk](#); [Miranda, Adriana](#); [Torres, Kellie](#); [Lawrence, Asena](#)  
**Subject:** In support of City Council Meeting Agenda Item 135  
**Date:** Tuesday, March 2, 2021 9:54:00 AM

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Dear Mayor Wheeler, Commissioner Hardesty, Commissioner Rubio, Commissioner Ryan, and Commissioner Mapps:

Please accept this testimony **in support** for the March 3, 2021 City Council Meeting Agenda Item 135 to assign staff from the Office of Community and Civic Life to support neighborhood associations in SW Portland.

Neighborhood Associations do not need a district coalition to provide staffing and materials to facilitate communication and collaboration with the people in our neighborhood. My neighborhood association has received very little support from SWNI, certainly not \$17,000 which is our approximate NA allocation of city taxpayer dollars granted to SWNI each fiscal year. Our NA applied for 501c(3) status in September 2020, and have removed our funds previously administered by SWNI. Specifically, the services neighborhood associations can provide or require are:

1. Since SWNI cut funding for our communications several years ago, our **communication** efforts are being supported by our volunteer neighborhood association board and membership;
2. Our Arnold Creek **website** went live February 2021 so we do not require support for this online resource for people to obtain information about issues, meetings and events in our neighborhood (the SWNI website, and therefore all the dependent NAs websites, collapsed February 16, 2020);
3. SWNI provided meeting space for 2 of the 17 neighborhood associations. Since COVID, **no meeting space is necessary** at this time. We have experienced increased meeting attendance with the convenience of online communication tools;
4. Communication tools including website hosting, Google and Microsoft tools and MailChimp are **free for our 501c(3)**;
5. We supply **meeting support electronically**, conserving resources and saving forests;
6. SWNI discontinued postage support for mailings three years ago, but we would welcome printing and postage resources to encourage participation in our neighborhood association by those not as comfortable with technology;
7. Our volunteer NA board is able to provide **archival and public access records management** of neighborhood association materials;
8. Our neighborhood elementary school permitted use of meeting space and outdoor school grounds for our National Night Out, and someday **public gatherings** may return;
9. Pre-COVID, city bureaus hosted **Open House and Town Hall meetings** for the people in SW Portland and provide people an opportunity to encourage civic engagement. We look forward to when that is possible;
10. Without a district coalition, there is a new emphasis on collaboration with other community-based organizations which will be **issue-driven** and include other with interested stakeholders both in and outside the neighborhood association geographic boundaries;
11. The leadership **training provided** has been very limited in scope for the years I have been involved. The development of training programs on assorted topics would help people better understand and execute the Civic Life mission; governance, financial literacy, grant-writing skills and opportunities, equity and inclusion education, and other support for our neighborhood volunteers;
12. We will need resources for **compliance** with the Oregon Secretary of State through CT-12 and annual reporting. Our NA must pay fees of \$70/year for statutory reporting to the state of Oregon;
13. With our 501c(3) status, we have **no need for fiscal sponsorship**, administration and compliance;
14. We do require **liability and D&O insurance coverage** for our neighborhood association; and
15. We need a **mailing address**.

I look forward to the Office of Community and Civic Life providing our neighborhood association with services identified above-to encourage community participation in matters affecting the present and future livability in our neighborhood. These services can be better provided by the City, without the expensive inefficiencies, lack of transparency and SWNI mismanagement. With the conservative resources we request, we will build a more inclusive communication channel between people, community-based organizations and government, provide opportunities for robust discussion on issues, and encourage and support projects and activities to maintain and improve the quality of life in our southwest Portland neighborhood.

I am pleased with Commissioner Hardesty and her staff office encouraging public dialogue on these matters and am delighted with the outcome. We are looking forward to this new partnership with the Office of Community and Civic Life and request your support for and vote in favor of City Council Meeting Agenda Item 135. Thank you for your attention.

Sincerely,  
Kathryn Daly  
Portland, OR 97219  
[rainrainpdx@yahoo.com](mailto:rainrainpdx@yahoo.com)

**From:** [Marie Tyvoll](#)  
**To:** [Council Clerk – Testimony](#)  
**Cc:** [Rhee, Suk](#); [Commissioner Hardesty](#); [Johnson, Kristin](#); [Edwards, Karly](#); [Commissioner Rubio](#); [Miranda, Adriana](#); [Commissioner Ryan Office](#); [Torres, Kellie](#); [Wheeler, Mayor](#); [Dennis, Kristin](#); [Schmanski, Sonia](#); [Lawrence, Asena](#); [Commissioner Mapps](#)  
**Subject:** Testimony in support of Ordinance 135  
**Date:** Tuesday, March 2, 2021 11:04:34 AM  
**Attachments:** [2 March 2021 ORD 135 Testimony.pdf](#)

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2 March 2021

City Council and the Mayor:

My name is Marie Tyvoll and my pronouns are she/her. I want to acknowledge that my white privilege has allowed me to spend 100's of hours over the last 1.5 years in an attempt to hold SWNI accountable for their use of taxpayer funding.

I am writing today in support of Ordinance 135 to direct funding and support for Southwest neighbors to Civic Life. I also implore City Council to ultimately examine the entire system of district coalitions and neighborhood associations. In my experience as a former board member of the Hillsdale Neighborhood Association, I often found myself the target of bullying and harassment to the same degree that I experienced this behavior from SWNI. The entire system enables and perpetuates a white supremacy culture and is broken beyond repair. I have to believe this is self-evident to you as well now that SWNI is the third district coalition to be taken over by the City.

I am here today in support of Ordinance 135 for many reasons but I would like to highlight that SWNI received a Paycheck Protection Program (PPP) loan for \$66,300.00 that they didn't need. To quote from the Forensic Audit report, page 39: "Forensic examination findings were that SWNI had marginal direct impact from COVID and that SWNI's employee job security and paycheck funding was not in jeopardy due to COVID."

Here's why SWNI did not need the PPP loan, again from the audit report, page 7: "These [PPP] monies were spent mid-May to August 31 for payroll, rent, and utilities. Civic Life's grant would have covered payroll for this period and therefore the PPP loan created a surplus of money for SWNI who had decided to establish a new grant program called CEAP."

The audit goes on to state that "SWNI mismanaged the decision-making and oversight of the PPP money. There were inequitable employee payouts that were not accurately disclosed to Board members. SWNI had not received approval from Civic Life to reallocate payroll expenses saved from the PPP loan toward the new CEAP

grant. And here's my favorite quote from the audit: "SWNI inflated their budget with CEAP to create the illusion of a shortfall as a result of COVID."

So what was this new program, CEAP, that SWNI created to use up this surplus money? It stands for the Community Engagement Allocation Program, and SWNI gave each Neighborhood Association \$1000 to spend in "response to the COVID-19 crisis," which presumably meant that we were charged with providing support to people in our community who are most impacted by COVID-19.

Here's how my NA, the Hillsdale Neighborhood Association, a majority of white-identifying board members, responded to the call to support under-represented and Black, BIPOC and Indigenous communities in Southwest Portland:

They proposed to plant "A memorial Oak Tree for this pandemic time in our community. The preferred choice for this "Pandemic Tree" would be on the south side of Capitol Highway... Estimate: \$200." Yes, the Hillsdale Neighborhood Association proposed to lessen the impact of COVID-19 on our most vulnerable citizens by planting a tree.

It's also well-documented that The Paycheck Protection Program was disadvantageous to smaller businesses, especially businesses owned by people of color. To quote from the Center for Responsible Lending: "At the outset of the program and during the first round of funding from April 3 to April 16, it was clear that structural inequities were built-in to the administration of the program, the application process, and the fee structure. These structural inequities made it extremely difficult for small businesses—and particularly businesses owned by people of color—to qualify for assistance or receive it in time to save their businesses and the jobs of the employees that depend on them."

<https://www.responsiblelending.org/research-publication/paycheck-protection-program-continues-be-disadvantageous-smaller-businesses>

Finally, I want to thank Director Suk Rhee. *I cannot emphasize strongly enough that we wouldn't be here without her.* She gave us a fair hearing from the start and has exhibited the highest standards of professional conduct throughout and continues to do so. It has been a distinct pleasure to work with Ms. Rhee and I look forward to continuing to do so in the future.

Please vote to support Ordinance 135. Thank you.

This testimony is also attached.

Best,

**MARIE TYVOLL** (she/her)

Director of Operations

Catalyze

[503-998-6338](tel:503-998-6338) / [mtyvoll@gmail.com](mailto:mtyvoll@gmail.com) / [www.linkedin.com/in/marietyvoll](http://www.linkedin.com/in/marietyvoll)

**From:** [Richard Freimark](#)  
**To:** [Clerk General](#); [Leslie Hammond](#)  
**Cc:** [Richard Freimark](#)  
**Subject:** Richard Freimark's item 135 testimony  
**Date:** Tuesday, March 2, 2021 12:59:49 PM  
**Attachments:** [Richard Freimark's Testimony against Item 135 \(ver1.2\) 03012021.pptx](#)  
**Importance:** High

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It was a pleasure speaking with you, on the phone, earlier today regarding my City Council testimony tomorrow morning, regarding City Council item 135.

I would like to thank you for arranging for my testimony to be as early as possible tomorrow and for Leslie Hammond to follow my testimony in case I time out and Leslie can finish the screen shared PowerPoint testimony.

Your cooperation in scheduling will allow me to make my first Covid-19 vaccine appointment on Wednesday, in Woodburn.

Richard

Richard Freimark  
4151 SW Bancroft Street  
Portland, OR 97221

C- 503-539-0771  
O- 503-459-4774

Attachment: Richard Freimark PowerPoint Testimony Item 135

# City Council Testimony

**Richard Freimark, Portland Oregon 97221  
Former Deputy Mayor, Binghamton, NY  
Former Deputy Commissioner Public Safety  
Former President Local Development Corp.**

**March 3, 2021**

**Ordinance No. TBD**

**Council Agenda Item - 135**

**Sponsor – Commissioner Jo Ann Hardesty**

**Speaking against implementation of Item 135**



190321

Commissioner Jo Ann Hardesty  
City of Portland

MEMO

To: Mayor Ted Wheeler, Commissioner Mappes, Commissioner Rubio, Commissioner Ryan  
From: Commissioner Jo Ann Hardesty  
RE: SWNI Next Steps  
Date: February 24, 2021

Colleagues,

Due to ongoing concerns about a continuation of suspicious activity, abuse of power, conflicts of interest, a lack of transparency, and inevitable negative impact on the community, I am

# This Email went to City Council on February 24, 2021

## It contains misinformation

### I am here testifying to set the facts straight

a total loss of \$174,265.25. The Executive Director waited 5 years before reporting any theft and converted unauthorized spending on a SWNI credit card in the amount of \$19,570 into personal debt. That incident involving the Executive Director was not investigated any further.

- Transition of Bank Accounts (Restricted and Operational) – SWNI switched banks from Key to Umpqua. In doing so they commingled funds from their operating and restricted (individual neighborhood association accounts) such that \$16,789.26 that should have been deposited to Neighborhood Association restricted accounts ended up in operations.
- Tracking of Money in Restricted Accounts – Forensic examinations of account activity in the Umpqua Restricted account from fiscal year 2015 to 2020 shows that SWNI does not adequately apply internal financial controls in its reporting, resulting in inaccurate Board reports with such limited detail that they could contribute to future opportunities for embezzlement and hinder the opportunity of the board to identify discrepancies in association funds.
- Paycheck Protection Program (PPP) and CEAP – SWNI applied for and received a federal PPP loan under false pretenses, in the amount of \$66,300 despite a minimal COVID impact of just under \$3,000 at a time that they were receiving full funding from the City. The loan was



Commissioner Jo Ann Hardesty  
City of Portland

MEMO

To: Mayor Ted Wheeler, Commissioner Mappes, Commissioner Rubio, Commissioner Ryan  
From: Commissioner Jo Ann Hardesty  
RE: SWNI Next Steps  
Date: February 24, 2021

**Since 2019, the Council Members and the Executive Director in charge of the Office of Community and Civic Life (Civic Life) FAILED to meet with SWNI Leadership or the Executive Director a to discuss their department's alleged concerns of Abuse, Fiduciary Responsibility and financial controls.**

**Civic Life staff has actually worked against neighborhoods and Civic Life Standards over the**

**past 36 months.**

- the opportunity of the **State to identify discrepancies in association funds.**
- Paycheck Protection Program (PPP) and CEAP – SWNI applied for and received a federal PPP loan under false pretenses, in the amount of \$66,300 despite a minimal COVID impact of just under \$3,000 at a time that they were receiving full funding from the City. The loan was



190321

Commissioner Jo Ann Hardesty

# IF CIVIC LIFE'S CONCERN ABOUT SWNI IS REAL, LET US SIT DOWN AND HAVE A CIVIL DISCUSSION INSTEAD OF A

RE: SWNI Next Steps  
Date: February 24, 2021

## ZOOM WAR.

Colleagues, Since the Forensic Audit.....

In January, SWNI has provided City Council with a 10 point improvement plan, and we have had zero feedback from Civic Life and were summarily dismissed in this memo. Let's discuss the plan's merits and implementation strategy.

ALLOW SWNI DUE PROCESS - Let SWNI publically defend itself from all false and misleading findings in the 2020 Forensic Audit and allow SWNI to show that financial checks and balances have been in place since 2011. Major money transfers are approved by the SWNI Board and also their Civic Life Contract Manager.



190321

Commissioner Jo Ann Hardesty  
City of Portland

MEMO

To: Mayor Ted Wheeler, Commissioner Mappes, Commissioner Rubio, Commissioner Ryan  
From: Commissioner Jo Ann Hardesty  
RE: SWNI Next Steps  
Date: February 24, 2021

# THE THEFT WAS PRIOR TO 2011!

The theft of **\$174,265.25** was the primary focus of the 2020

Marsh and Minick Forensic Audit Report.

This was a misdirection away from current operations. It is old news and the theft was fully adjudicated in 2011. SWNI immediately changed accounting practices that have been in place since 2011 with ONI approval.

# THE 2020 AUDIT REPORT DID NOT FIND ANY ABUSE, FRAUD OR EMBEZZLEMENT AT SWNI

loan under false pretenses. In the amount of \$66,300 despite a minimal COVID impact of just under \$3,000 at a time when they were receiving funding from the City. The loan was

## SINCE 2011

1221 SW Fourth Avenue, Room 230 ♦ Portland, Oregon 97204-1998  
(503) 823-4151 ♦ TDD (503) 823-6868 ♦ JoAnn.Hardesty@portlandoregon.gov



190321

Commissioner Jo Ann Hardesty  
City of Portland

MEMO

To: Mayor Ted Wheeler, Commissioner Mappes, Commissioner Rubio, Commissioner Ryan  
From: Commissioner Jo Ann Hardesty  
RE: SWNI Next Steps  
Date: February 24, 2021

# DELAYED REPORTING

## SWNI took over 5 years to report theft **NOT TRUE**

### This misdirection implies cover-up

Under the old accounting system, the embezzler was clever, she controlled the books and no one could easily prove where or when funds were stolen prior to **October 2010**. The theft caused SWNI to immediately change established financial practices. **SWNI adopted strict financial management policies in May 2011**. SWNI also opened the Umpqua Bank Account shortly afterward. Marsh and Minick deliberately obfuscated that write-up to ignore the fact that SWNI's bank account transition occurred in response to the earlier theft and was consistent with GAGAP.



190321

Commissioner Jo Ann Hardesty  
City of Portland

MEMO

To: Mayor Ted Wheeler, Commissioner Mappes, Commissioner Rubio, Commissioner Ryan  
From: Commissioner Jo Ann Hardesty  
RE: SWNI Next Steps  
Date: February 24, 2021

# THE PPP FUNDS

**PPP application was not appropriate  
NOT TRUE**

**This misdirection implies fraud**

SWNI did not have a contract with Civic Life at the time the PPP application was submitted.

SWNI received a memo from the City stating because of Covid that they did not know what actual funding would be available for the coalitions use in 2020. SWNI notified Civic Life they were then seeking out other funding sources, including PPP.

The PPP application was based on future economic uncertainty in accordance with the PPP Program.



190321

Commissioner Jo Ann Hardesty  
City of Portland

MEMO

To: Mayor Ted Wheeler, Commissioner Mappes, Commissioner Rubio, Commissioner Ryan  
From: Commissioner Jo Ann Hardesty  
RE: SWNI Next Steps  
Date: February 24, 2021

# COUNCIL MEMBER HARDESTY IS NOT TO BLAME

or at fault for drawing these false conclusions. Council members must trust their department management and staff. Unfortunately, the common thread over the past two years is the Civic Life staff and management that promote their own agenda, and self interests over those of the 95 Portland neighborhoods. This is done in clear violation of Civic Life's own codified **practices and standards**. Plus, **why did the Commissioner's Financial Policy Advisor not meet with SWNI and discuss financial concerns, over the past few years?**

- Paycheck Protection Program (PPP) and CEAP – SWNI applied for and received a federal PPP loan under false pretenses, in the amount of \$66,300 despite a minimal COVID impact of just under \$3,000 at a time that they were receiving full funding from the City. The loan was



190321

Commissioner Jo Ann Hardesty  
City of Portland

MEMO

To: Mayor Ted Wheeler, Commissioner Mapps, Commissioner Rubio, Commissioner Ryan  
From: Commissioner Jo Ann Hardesty  
RE: SWNI Next Steps  
Date: February 24, 2021

# COUNCIL MEMBER HARDESTY INHERITED A MESS AT CIVIC LIFE

The office of Civic Life is currently under a formal City Audit. The Director has successfully squelched previous department investigations since assuming her role at Civic Life. Civic Life has ignored their own governance standards. Now, Civic Life wants to take over Southwest Neighborhoods, without following their own rules, in an unmitigated power play. Civic Life needs to be reined in before casting judgment or assuming any more neighborhood responsibilities. ([Section IV.E.4 of ONI Standards](#))

- Tracking of Money in Restricted Accounts – Forensic examinations of account activity in the Neighborhood Association restricted accounts ended up in operations.
- Umpqua Restricted account from fiscal year 2015 to 2020 shows that SWNI does not adequately apply internal financial controls in its reporting, resulting in inaccurate Board reports with such limited detail that they could contribute to future opportunities for embezzlement and hinder the opportunity of the board to identify discrepancies in association funds.
- Paycheck Protection Program (PPP) and CEAP – SWNI applied for and received a federal PPP loan under false pretenses, in the amount of \$66,300 despite a minimal COVID impact of just under \$3,000 at a time that they were receiving full funding from the City. The loan was



Commissioner Jo Ann Hardesty  
City of Portland

MEMO

To: Mayor Ted Wheeler, Commissioner Mappes, Commissioner Rubio, Commissioner Ryan  
From: Commissioner Jo Ann Hardesty  
RE: SWNI Next Steps  
Date: February 24, 2021

# 135 MUST BE DISMISSED

## Clean your house before dismantling SWNI

The Office of Civic Life has been under investigation, for mismanaging labor practices. Now they want to hire 2 more people.

### Stop the insanity!

Get Civic Life once again serving the people of Portland's neighborhoods, coalitions and business associations, stick to the City Code rather than the current free wheeling practices at Civic Life.

- **Tracking of Money in Restricted Accounts** – Forensic examinations of account activity in the Umpqua Restricted account from fiscal year 2015 to 2020 shows that SWNI does not adequately apply internal financial controls in its reporting, resulting in inaccurate Board reports with such limited detail that they could contribute to future opportunities for embezzlement and hinder the opportunity of the board to identify discrepancies in association funds.
- **Paycheck Protection Program (PPP) and CEAP** – SWNI applied for and received a federal PPP loan under false pretenses, in the amount of \$66,300 despite a minimal COVID impact of just under \$3,000 at a time that they were receiving full funding from the City. The loan was





190321

Commissioner Jo Ann Hardesty  
City of Portland

MEMO

To: Mayor Ted Wheeler, Commissioner Mapp, Commissioner Rubio, Commissioner Ryan  
From: Commissioner Jo Ann Hardesty  
RE: SWNI Next Steps  
Date: February 24, 2021

## I ASK CITY COUNCIL TO ADOPT THE FOLLOWING POINTS FOR CONSIDERATION

- Not approve item 135 before you today.
- Keep our neighborhood Office in our neighborhood not Downtown.
- Our neighborhoods should hire the people to work with our 17 neighborhoods through SWNI, not Civic Life .
- SWNI should continue with their sound fiscal systems and ask Civic Life for 1 hour a month to audit SWNI's monthly finance meetings.
- Civic Life needs to fund SWNI to continue our mission for the neighborhoods with our focus on Climate Justice, Equity Justice, Racial Justice, Transparency, Communications and Collaboration with our stakeholders including the Office of Civic Life.
- Give SWNI the right to publicly explain itself against the distortions of the 2020 Forensic Audit to stop the lies and manipulation of facts.

under \$3,000 at a time that they were receiving full funding from the City. The loan was



190321

Commissioner Jo Ann Hardesty  
City of Portland

MEMO

To: Mayor Ted Wheeler, Commissioner Mappes, Commissioner Rubio, Commissioner Ryan  
From: Commissioner Jo Ann Hardesty  
RE: SWNI Next Steps  
Date: February 24, 2021

Colleagues,

Due to ongoing concerns about a continuation of suspicious activity, abuse of power, conflicts of

**We can be simple, or we can be fair,  
but we can not be both, lets be fair.**

**THANK YOU**

**in advance, for your full  
consideration.**

- apply internal financial controls in its reporting, resulting in inaccurate Board reports with such limited detail that they could contribute to future opportunities for embezzlement and hinder the opportunity of the board to identify discrepancies in association funds.
- Paycheck Protection Program (PPP) and CEAP – SWNI applied for and received a federal PPP loan under false pretenses, in the amount of \$66,300 despite a minimal COVID impact of just under \$3,000 at a time that they were receiving full funding from the City. The loan was

**From:** [DEAN S SMITH](#)  
**To:** [Wheeler, Mayor](#); [Commissioner Hardesty](#); [Commissioner Mapps](#); [Commissioner Ryan Office](#); [Commissioner Rubio](#); [Clerk General](#)  
**Subject:** City Council testimony re Calendar Item 135  
**Date:** Tuesday, March 2, 2021 1:34:20 PM  
**Attachments:** [Dean Smith testimony to City Council 3-2-2021.docx](#)

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Dear Mayor Wheeler and members of the Portland City Council,  
My testimony regarding City Council's consideration of Item #135 is attached. Thank you for your consideration.

Kind regards,

Dean Smith

Southwest Portland

[smithd1111@comcast.net](mailto:smithd1111@comcast.net)

cc: Council Clerk

March 2, 2021

Dear Mayor Wheeler and members of the Portland City Council,

I am writing to express my opposition to Calendar Item 135, scheduled for hearing before City Council tomorrow, on March 3<sup>rd</sup>.

First, I would like to express my appreciation to Commissioner Hardesty for attending the February 24<sup>th</sup> meeting of the Board of Southwest Neighborhoods, Inc. The Commissioner was very straightforward about her decision to shift responsibility for providing District coalition services to Southwest Portland's neighborhoods from SWNI to the City of Portland's Office of Community and Civic Life (OCCL). She also was respectful in answering the many questions she was asked and in responding to concerns raised by those in attendance.

Having said that, I am greatly disappointed by Commissioner Hardesty's decision. I believe it was not the right decision, will not well serve the interests and needs of residents of southwest Portland, and will have significant impacts on grassroots citizen involvement. Moving the District coalition within City bureaucracy will have a chilling effect on public participation in my view and undermine the independence of our neighborhoods and business associations – which is an important construct the City's adoption of a neighborhood-based approach to public engagement in the early 1970s.

The Commissioner's decision is based largely a City-funded forensic audit that SWNI has pointed out was seriously flawed, biased and did not incorporate much of the information SWNI shared with the audit team that would have shed a much different light on the so-called "fiscal mismanagement" of public funds that the audit report asserted. I am particularly disappointed by the lack of opportunity for SWNI and the City to jointly review and discuss the findings – especially before they were made public – so that SWNI could clarify what it feels was incorrect in the report and its accusatory tone, as well as the overreaching of the audit into a decade-old embezzlement of funds perpetuated by a rogue employee. Current practices, not an old, discrete event, should have been the focus of the audit.

What I feel should be recognized by the City Council at this juncture is that, however flawed the audit is, to my reading there was no finding that any City funds were missing or unaccounted for, that no public funds were spent outside of the bounds of SWNI's contractual responsibility, and that no fraud, illegality or malfeasance has occurred other than that of the rogue employee who was caught embezzling funds from SWNI over a decade ago. As you know, the steps SWNI undertook in the aftermath of that unfortunate incident have prevented any future problems of the security of the finances entrusted to SWNI.

Further, the Commissioner's inability to clearly define at this time what services OCCL will be offering to our neighborhoods is a significant concern. As one Board member commented, "My question is that you say you support the neighborhoods in southwest Portland but what exactly is Civic Life going to do for us because all of the things that SWNI does [for us] you're telling me your guys aren't going to do." The Commissioner's response was essentially to work with OCCL to discuss neighborhood association needs, saying she did not have all of the answers now nor did she have a plan currently for how the entire District coalition process will be revamped down the road, saying she has not made any definitive decisions about that at this point.

While it's not clear what support for neighborhoods the City is willing and able to provide, there are some vitally important things we know the City may not or cannot provide, such as:

- Fiscal sponsorship
- Banking and account management
- Website support
- Neighborhood meeting support
- Support for and creation of committees not directly tied to recognized neighborhood associations, such as Equity and Inclusion, Schools, Watershed, Parks and SW Trails
- Event support
- Monthly Southwest Portland-specific newsletter on a range of topics including relevant City news as well as information beyond the purview of the City of Portland.

Letter to City Council re Item 135  
March 2, 2021

In my opinion, after 45 years of active involvement in three different neighborhood associations in Portland, this year-long and regrettable episode, which has sullied SWNI's reputation along with that of its staff and volunteer Board, has led to decisions I believe are detrimental to citizen participation and community-wide attention to common issues, opportunities, ideas and concerns, and overall sense of community in southwest Portland community. This entire matter, including the process by which it has been adjudicated, has not been a good example of fair and open public decision-making, including fulsome public review and discussion. In other words, it has lacked transparency and equity.

**I urge the City Council to not endorse Commissioner Hardesty's plan until she and the Office of Community and Civic Life have (1) sat down with SWNI's leaders to jointly discuss and review in detail all materials that led to the Commissioner's decision, including the forensic audit and its annual reports to OCCL, and (2) developed a well-vetted and public decision-making process about the future of District coalitions and the neighborhood and business associations they serve. Further, since Council acted last July to suspend funding for SWNI, it should now act to either affirm that decision or restore at least partial funding to SWNI so it can maintain its operating systems and necessary staffing to serve the community for the remainder of the fiscal year and until such time as the City makes determinations of the future of District coalitions citywide.**

I cannot speak for SWNI or its Board, but I am certain that such steps would do a great deal to restore public confidence – on all sides on the question – in the City's current and future actions.

Thank you for your thoughtful attention and consideration of this extremely important issue.

Sincerely,

*Dean Smith*

Dean S. Smith  
5720 SW 52<sup>nd</sup> Avenue  
Portland, OR 97212

Cc: City Auditor  
SWNI Board of Directors  
SWNI Committee Chairs  
SWNI Neighborhood and Business Association Chairs

**From:** [James Peterson](#)  
**To:** [Mayortedwheeler@portlandoregon.gov](mailto:Mayortedwheeler@portlandoregon.gov); [Commissioner Hardesty](#); [Commissioner Mapps](#); [Commissioner Rubio](#); [Commissioner Ryan Office](#); [Council Clerk – Testimony](#)  
**Cc:** [Jim Redden](#); [Courtney Vaughn](#); [Allan Classen](#)  
**Subject:** Item 135  
**Date:** Tuesday, March 2, 2021 2:20:09 PM  
**Attachments:** [Item 135 Civic Life 3.2.21.pdf](#)

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The Ordinance in Item 135 is flawed and needs to be rejected in its current form.

In this difficulty time of a pandemic SWNI has been able to provide the required functions of a District Coalition outlined in Portland City Code 3.96.040. Unfortunately SWNI staff in December is only receiving 60% of their pay. Now in January all of SWNI Staff except for the bookkeeper have been laid off.

The forensic audit found nothing wrong and only amplified details of a 10 yr old embezzlement. In the yearly renewal of SWNI the city grant for operations Civic Life or ONI has not discovered financial problems that have not been corrected.

It is Responsibility of the Office of Civic Life under 3.96.060 to promote open communication, assist District Coalitions in budget review and dispute resolution. Unfortunately this is not happened.

The Office of Civic Life has failed its Responsibilities under 3.96.050 to notify all Neighborhood Associations affected by their actions that are affecting the livability of the Neighborhoods. They should have given all Neighborhood Associations in SWN 30 days notice the passage of this ordinance that cut off SWNI funding and this proposed Ordinance in Item 135.

SWNI Leadership actions intensified a difficult conflict that should not have gotten to the point it is today. The Office of Civic Life has failed in its Responsibility under 3.96.060 to assist in a dispute resolution.

Not restoring SWNI funding and replacing SWNI with a City-staffed District Coalition is inconsistent with the procedures in ONI Standards Section IV.

Page 20 ONI Standards

***Section IV: District Coalitions***

***E. Process for change in organizational affiliations of Neighborhood Associations and District Coalitions***

Change in organizational affiliations for Neighborhood Associations and District Coalitions is a major issue which entails considerable time, communication and dollars. Such action must not be undertaken lightly nor as a result of momentary problems or personality disputes. Such action will

require extensive coordination and communication between multiple Neighborhood Associations and District Coalitions. In addition, such action may result in disbanding of an existing legal non-profit corporation and/or the formation of a new one. Many things will be affected and will have to be addressed including, but not limited to, the following: fiscal, corporate, and fiduciary considerations and consequential matters such as changing maps, brochures, and mailing lists.

Page 23 ONI Standards

#### **Section IV: District Coalitions**

#### **4. Changing from a City-staffed District Coalition to a Non-profit District Coalition and vice-versa**

Changes to the structures developed for the delivery of Neighborhood Association services must meet the following criteria:

- a. Shall be proposed in writing to the Office of Neighborhood Involvement at the request of a minimum of 3/4 of the recognized Neighborhood Associations within the same District Coalition area at the time of the request.
- b. To join such a request, any Neighborhood Association shall have previously ratified its approval by a vote at a duly scheduled, publicized, and conducted general membership meeting. Unless the bylaws of a Neighborhood Association state differently, the vote shall require a simple majority.
- c. A public meeting shall be held allowing for input. The public shall be afforded the opportunity to provide comment.
- d. Shall have the concurrence of the Director of the Office of Neighborhood Involvement or her/his designee to ensure compliance with City policies and procedures.
- e. Shall be capable of delivering comparable or better services-- in kind, quantity, and quality-- to those being delivered at the time of the request and/or contracted for at the time of the request.
- f. Shall assure the Neighborhood Associations' continued and on-going compliance with the Office of Neighborhood Involvement Standards;
- g. Shall be cost-neutral, unless additional funds are specifically provided by City Council or other sources.
- h. Participating District Coalitions must:
  - i. Maintain liability insurance for their Neighborhood Associations comparable to that held in the existing structure;
  - ii. Acquire a federal tax ID number as necessary for the transfer of funds;
  - iii. Incorporate under the laws of the State of Oregon if necessary for legal or financial reasons;
  - iv. Develop and sign a letter of agreement for operations with the Office of Neighborhood Involvement, including an annual Action Plan; and,
  - v. Meet all requirements of District Coalitions as set forth in these Standards, except those specifically referring to service delivery structural issues.
- i. Shall be reaffirmed by vote one year after its original approval, at a general membership meeting, of each of 3/4 of the individual participating Neighborhood Associations and be re-approved by the Office of Neighborhood Involvement Director. If reaffirmed following a one-

*year period, the new structure may not be substantially altered for a minimum of three additional years unless "unusual circumstances" (as decided by the Office of Neighborhood Involvement with advice from the Bureau Advisory Committee) arise. Any such subsequent change(s) must meet the criteria of the original change, with the exception of changes due to reductions in funds or other emergencies.*

Thank you for your attention to this matter that affects all residences of Southwest Portland.  
PLEASE RESTORE SWNI FUNDING IMMEDIATELY

Please add this to record

James Peterson  
2502 SW Multnomah Blvd.  
Portland, OR 97219

Sent from [Outlook](#)

To: Mayor Ted Wheeler  
 Commissioner JoAnn Hardesty  
 Commissioner Mingus Mapps  
 Commissioner Carmen Rubio  
 Commissioner Dan Ryan

The Ordinance in Item 135 is flawed and needs to be rejected in its current form.

In this difficulty time of a pandemic SWNI has been able to provide the required functions of a District Coalition outlined in Portland City Code 3.96.040. Unfortunately SWNI staff in December is only receiving 60% of their pay. Now in January all of SWNI Staff except for the bookkeeper have been laid off.

The forensic audit found nothing wrong and only amplified details of a 10 yr old embezzlement. In the yearly renewal of SWNI the city grant for operations Civic Life or ONI has not discovered financial problems that have not been corrected.

It is Responsibility of the Office of Civic Life under 3.96.060 to promote open communication, assist District Coalitions in budget review and dispute resolution. Unfortunately this is not happened.

The Office of Civic Life has failed its Responsibilities under 3.96.050 to notify all Neighborhood Associations affected by their actions that are affecting the livability of the Neighborhoods. They should have given all Neighborhood Associations in SWN 30 days notice the passage of this ordinance that cut off SWNI funding and this proposed Ordinance in Item 135.

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Page 23 ONI Standards

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- c. A public meeting shall be held allowing for input. The public shall be afforded the opportunity to provide comment.
- d. Shall have the concurrence of the Director of the Office of Neighborhood Involvement or her/his designee to ensure compliance with City policies and procedures.
- e. Shall be capable of delivering comparable or better services- -in kind, quantity, and quality--to those being delivered at the time of the request and/or contracted for at the time of the request.
- f. Shall assure the Neighborhood Associations' continued and on-going compliance with the Office of Neighborhood Involvement Standards;
- g. Shall be cost-neutral, unless additional funds are specifically provided by City Council or other sources.

- h. *Participating District Coalitions must:*
  - i. *Maintain liability insurance for their Neighborhood Associations comparable to that held in the existing structure;*
  - ii. *Acquire a federal tax ID number as necessary for the transfer of funds;*
  - iii. *Incorporate under the laws of the State of Oregon if necessary for legal or financial reasons;*
  - iv. *Develop and sign a letter of agreement for operations with the Office of Neighborhood Involvement, including an annual Action Plan; and,*
  - v. *Meet all requirements of District Coalitions as set forth in these Standards, except those specifically referring to service delivery structural issues.*
- i. *Shall be reaffirmed by vote one year after its original approval, at a general membership meeting, of each of 3/4 of the individual participating Neighborhood Associations and be re-approved by the Office of Neighborhood Involvement Director. If reaffirmed following a one-year period, the new structure may not be substantially altered for a minimum of three additional years unless "unusual circumstances" (as decided by the Office of Neighborhood Involvement with advice from the Bureau Advisory Committee) arise. Any such subsequent change(s) must meet the criteria of the original change, with the exception of changes due to reductions in funds or other emergencies.*

Thank you for your attention to this matter that affects all residences of Southwest Portland.  
PLEASE RESTORE SWNI FUNDING IMMEDIATELY

Please add this to record

James Peterson  
2502 SW Multnomah Blvd.  
Portland, OR 97219

**From:** [Frank Rudloff](#)  
**To:** [Mayortedwheeler@portlandoregon.gov](mailto:Mayortedwheeler@portlandoregon.gov); [Commissioner Hardesty](#); [Commissioner Mapps](#); [Commissioner Rubio](#); [Commissioner Ryan Office](#); [Council Clerk – Testimony](#)  
**Cc:** [Jim Redden](#); [Courtney Vaughn](#); [Allan Classen](#); [James Peterson](#)  
**Subject:** RE: Item 135  
**Date:** Tuesday, March 2, 2021 3:55:53 PM

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**Agenda Item 135** Authorize the addition of two coordinator positions in the Office of Community and Civic Life and authorize a grant agreement with a nonprofit organization to provide liability insurance coverage for neighborhood associations and place-based community groups in Southwest Portland (Ordinance)

The proposal presented in Agenda Item 135 on the City Council Agenda for March 3, 2021 is only made necessary because of previous decisions by the City Council related to the withdrawal of funding for Southwest Neighborhoods, Inc. (SWNI) in the summer of 2020. The actions taken at that time were not in line with the ONI Standards under which the Office of Community & Civic Life (OCCL) – which replaced ONI, SWNI and all other District Coalitions operate. The City Council asserted that SWNI had broken their agreement with the City, so the City could withdraw funding to SWNI (immediately – and retroactively as well, I believe).

This Council decision left Neighborhood Associations in southwest Portland without support as laid out in the ONI Standards because the City left the organization through which that support was designed to flow, without the means to facilitate and provide it.

Agenda Item 135 continues to not follow procedure established in the ONI “Standards for Neighborhood Associations, District Coalitions, Business District Associations, And the Office of Neighborhood Involvement”. To move forward, the Council should return to the rules laid out in the ONI document, cited below.

From Page 20 of the ONI Standards:

#### ***Section IV: District Coalitions***

##### **E. Process for change in organizational affiliations of Neighborhood Associations and District Coalitions**

Change in organizational affiliations for Neighborhood Associations and District Coalitions is a major issue which entails considerable time, communication and dollars. Such action must not be undertaken lightly nor as a result of momentary problems or personality disputes. Such action will require extensive coordination and communication between multiple Neighborhood Associations and District Coalitions. In addition, such action may result in disbanding of an existing legal non-profit corporation and/or the formation of a new one. Many things will be affected and will have to be addressed including, but not limited to, the following: fiscal, corporate, and fiduciary considerations and consequential matters such as changing maps, brochures, and mailing lists.

Additionally, considering the OCCL and City Council procedural failures of last summer, I believe it is right that the City Council RESTORE SWNI FUNDING IMMEDIATELY, and retroactively.

Please add this to the record.

Frank Rudloff  
2635 SW Hume Street  
Portland, OR 97219

**From:** [Leslie Hammond](#)  
**To:** [Wheeler, Ted](#); [Commissioner Hardesty](#); [Commissioner Ryan Office](#); [Commissioner Mapps](#); [Commissioner Rubio](#)  
**Cc:** [Council Clerk – Testimony](#)  
**Subject:** Testimony from SWNI President for March 3, Agenda item 135  
**Date:** Tuesday, March 2, 2021 4:25:16 PM

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Dear Mayor Wheeler and City Commissioners,

I find it painful to disagree with the Commissioner Hardesty's memo to City Council of February 24th. I assume that it was not written by Commissioner Hardesty herself but by a staff member or the director of Civic Life. But it misinforms you.

We were advised not to discuss the Marsh Minnick examination but because of what has been written and because Commissioner Hardesty based her decision largely on the audit, we are forced to write a rebuttal.

The report did not find any embezzlement, fraud or abuse after 2011 which is clearly stated in their report. Instead there are a series of allegations and innuendo of what might have happened with our current financial polices, none of which happened. To address just a few.

Restricted Board Funds:

The Board identified and addressed the \$10,000 line item two years ago, discussed it and determined it was not restricted neighborhood funds but operating funds. The Board determined that the 10K number was money used to pay for upfront grant costs before it was reimbursed by the city which was legitimate. We moved it from the restricted funds area to the operation going funds area. The allegation that the reports were unbalanced is unfounded.

Adjudicated theft and restitution.

SWNI acknowledged the embezzlement in 2010 and worked with the police, the District Attorney, outside accountants, our insurance company, and the director of the Office of Neighborhoods to thoroughly adjudicate the event. It was adjudicated properly. The ONI director felt the funds that SWNI received from insurance should remain with SWNI to rebuild the organization. The Board did address whether the Executive Director should remain and decided that there was no intent from her to harm SWNI. She was retained. The forensic report misstates the amount of money which was taken by thousands of dollars.

Transition of Bank Accounts (Restricted and Operational.

There was no commingling of funds. The examiner failed to understand our accounting system or to incorporate our answers which explained how the two accounts were handled.

Tracking of Money in Restricted Accounts.

Each neighborhood gets a full report of how much money they have in their account each month and what has been added or spent. Each neighborhood has their own treasurer. The Board sees a full report each month of money in the restricted accounts. Our internal controls have been applied. There has been no embezzlement, fraud or financial mismanagement of restricted funds since 2011 when the fiscal polices were changed. All questions about details of the restricted neighborhood accounts have been answered when asked.

Paycheck Protection Program and CEAP.

SWNI applied for PPP funds in April 2020 after we had received no contract and the city had sent a memo stating they did not know what money was available for coalitions among other groups for fiscal year 20/21. Funding was not offered until June. **The basis for PPP funding was to keep people employed and based upon a certification of future economic uncertainty- not showing impacts of Covid.** We had Covid impacts but the application for money was based upon future economic uncertainty which we had at the time we applied and remained when the city suspended funding. The Federal time line changed for the use of the Federal money and we finished using our city contract money by the end of June 2020. The city funding for the new fiscal year was then suspended on July 9th.. And funding and economic uncertainty remains for SWNI to this day.

Budget and Actual Analyses.

SWNI, changed the use of some of its budgeted monies as circumstances dictated a better use for the money. Those changes to the Budget were approved by the city contractor and by the Board. An example was to move unused money into our publishing an all household mailing each year which we thought met the requirement of communication duties under our contract. All budgets change over the course of the year and Boards make adjustments. But the money we had was spent directly in line with our duties under our contracts and larger sums were approved by our city contractor as well as the Board.

Internal controls.

The examiners alleged findings that **are not based upon facts.** Our internal controls and adherence to those controls has been tested through an IRS audit in 2014 and then last December, 2020. SWNI was neither dysfunctional or absent or deficient. This is pure supposition. There are no actual cases based upon facts that support their suppositions.

**There has been a lack of due process for SWNI.** Allegations have been made with little or no facts. We request a chance to sit down with a city auditor and our treasurers (former and present) to discuss the allegations made. The information we gave to the examiner was not included in the report which makes the report one sided, flawed and inadequate.

For the city to take control of a functioning coalition, under Code 3.96, there must be a vote from the neighborhoods that support that action. No vote has been taken or asked for or supported as necessary. See Civic Life Standards which created coalitions- for the rules surrounding making neighborhood coalitions into city managed offices.

There is nothing substantive in our records that warrants removing our southwest voices in civic engagement. Making this coalition into a city managed office has a chilling effect on the open and honest dialogue the city should want with its citizens. We have been supportive of many of the city's policies and your policies have been adjusted to include our input to make the policies better. Once your decisions have been made, we have supported the results.

We proposed a ten point plan that the SWNI Board wrote to the city to address the concerns that had been raised about our fiscal responsibility and management. We offered it in good faith as a beginning platform to discuss the City Council's concerns with respect to our

management. It is summarily dismissed in the Commissioner's letter.

We ask that the city attend our one hour a month Finance meeting to assure themselves that we are complying with city standards and ordinary accounting principles. We ask that we sit down with someone from the auditor's office, **an independent body**, and subject our records to their review over the last two years. We ask that our neighborhood office-where people come for information and to volunteer-be retained in the Multnomah Art Center which is the hub for community activity. We ask that we be able to hire our own employees who often come from the neighborhood. Please consider voting down Agenda Item 135 and return funding to us.

We want to continue to work on climate equity, food insecurity, anti-racism, collaboration, equity, transparency and communication among ourselves and the city. Please free us from this flawed report so we can continue our good works to be more inclusive and sensitive to the people who live in our neighborhoods. The census report is out and we plan to use it to more closely discover the diversity we have in our neighborhoods. These are good citizens who deserve a chance to prove their responsibility. Please do not close our offices in the neighborhood which is a magnet for volunteer activities and energies which benefit the city and all the neighborhoods.

We are open to your suggestions for management that might be different than we have exercised in the past. There is always room for improvement. We are small but complex. Help is always appreciated.

Respectfully,

Leslie Hammond  
SWNI President  
503-504-1125

**From:** [Tom Hickey](#)  
**To:** [Council Clerk – Testimony](#)  
**Subject:** Agenda Item 135 Wednesday 3/3/21  
**Date:** Tuesday, March 2, 2021 5:07:49 PM  
**Attachments:** [hickeyt+bn@pdx.vcf](#)

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Regarding Commissioner Hardesty's Proposal

[135](#) Authorize the addition of two coordinator positions in the Office of Community and Civic Life and authorize a grant agreement with a nonprofit organization to provide liability insurance coverage for neighborhood associations and place-based community groups in Southwest Portland (Ordinance) 30 minutes requested

The model for this proposal is the same as that used by the NPNS coalition, and I assume, the EPCO coalition as well.

It is a functional model and I support its implementation, but only if OCCL is directed to provide sufficient support for the program. In recent years, OCCL policy has undercut functionality at NPNS by reducing access to our city staff from 2.0 FTE to 1.6 FTE while ostensibly replacing that loss with 0.4 FTE in supervision. The reality is that the supervisor assigned to NPNS has been missing in action since her appointment due to an informal policy of diverting all of her attention to EPCO, and North Portland has suffered as a consequence. Our 1.6 FTE do the work of twice their number and OCCL provides little, if any support.

If Southwest deserves 2.0 FTE, so does North Portland. Please restore our staffing level to match this proposal

Tom Hickey  
2021 chair  
Bridgeton Neighborhood Association

**McClymont, Keelan**

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**From:** Tamara DeRidder, AICP <SustainableDesign@tdridder.users.panix.com>  
**Sent:** Tuesday, March 2, 2021 6:26 PM  
**To:** Council Clerk – Testimony  
**Cc:** Hardesty, Jo Ann; Wheeler, Mayor; Commissioner Rubio; Commissioner Mapps; Commissioner Ryan  
 Office; Stoll, Alison  
**Subject:** [User Approved] Opposition to Item 135 on March 3rd Portland City Council Agenda

Dear Honorable Mayor and City Commissioners,

I oppose the proposed dissolution of the SWNI Neighborhood Coalition and the redirecting of funds to manage the associated SW neighborhood associations internally at Civic Life. I do so based on my over 30-years of experience as a professional Land Use Planner and participant in the public involvement with the City of Portland's neighborhood system. The language justifying Item 135 is based on flawed data. Further analysis is needed, neighborhood coalitions allowed time to respond to these flawed arguments, and capabilities of internal organization assessed prior to making this decision.

The following are my findings of fact:

1. The SWNI Auditors that were selected by former Commissioner Chloe Eudaly who openly disliked the SWNI Coalition;
2. The SWNI Auditors focused on an embezzlement that had been addressed and resolved over 10 years ago after which very strict financial management protocols have been instituted;
3. The SWNI Auditors identified a postage "slush fund" having been established as fiscal malfeasance. However; standard practice by former ONI Directors has been to encourage all Coalitions to spend down their funds by the end of the fiscal year by banking remaining funds in the purchase of postage for future mailings.
4. The Office of Civic Life's is currently being reviewed by the City Auditor for procedural failures and City of Portland's HR Department has continued to receive complaints about Suk Rhee's management style. It is important that our friends and neighbors in SW Portland are not forced to become ensconced in a office that is suffering under such turmoil.
5. The City adopted Standards for Neighborhood Associations, District Coalitions, Business District Associations, and the Office of Neighborhood Involvement and the City Code 3.96 regulate District Coalitions. These documents clarify the need for Coalitions to serve separately from the offices of City Hall to allow them the ability to act and offer recommendations without bias. Taking away that autonomy serves to silence the voices for all those who live in South West Portland.

Please, do not proceed with this Ordinance nor this path. Until the Charter Review committee is able to establish City Council representation by geographic district Portland's Neighborhood Coalitions and Associations are the sole source for vital geographically based feedback to the City Council on all the City services and programs.

Please, vote NO on Item 135.

Respectfully,

Tamara DeRidder, AICP

Tamara DeRidder, AICP  
 Principal, TDR & Associates  
 Land Use Planning & Public Engagement  
 1707 NE 52nd Ave.

Portland, OR 97213

503-706-5804

and

Chairwoman, RCPNA - speaking solely as an individual, not as a RCPNA rep.

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"Never doubt that a small group of thoughtful, committed citizens can change the world;  
indeed, it's the only thing that ever has." Margaret Mead

**McClymont, Keelan**

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**From:** Steve Mullinax <stevemullinax57@gmail.com>  
**Sent:** Tuesday, March 2, 2021 9:15 PM  
**To:** Wheeler, Ted; Commissioner Hardesty; Commissioner Ryan Office  
**Cc:** Council Clerk – Testimony; Commissioner Mapps; Commissioner Rubio  
**Subject:** Testimony, SWNI 1st Vice President for March 3, Agenda item 135

Dear Mayor Wheeler and City Commissioners,

The seventeen neighborhoods and eighty thousand people of SW Portland have been served for the last 40 years by Southwest Neighborhoods, Inc.

They rely on SWNI for professionally provided services, including web hosting, the monthly Southwest News, fiscal sponsorships, support for community events, meeting space, an office in SW Portland, online conference service and insurance coverage, just to name a few examples. Standing committees engage residents in dialogue with City bureaus about issues of shared interest. A letter from Southwest Hills Residential League of 1 September 2020, gives a more detailed summary SWNI's services. Other neighborhood associations, and over 150 citizens have written to Council supporting SWNI, based on these required services.

Since July, 2020, the City of Portland has provided no funds to SWNI. SWNI has continued to provide some services, though constrained by dwindling resources. This required, ultimately, laying off our entire staff, with the exception of a part-time bookkeeper.

During this period, the burden of providing services has increasingly fallen on volunteers, as our staffing was reduced. This volunteer effort continues: dozens of volunteers do our best to provide services, though certainly nowhere near the amount or quality formerly provided by our capable staff.

Marianne Fitzgerald reinforced the importance of SWNI's continuing benefits to SW Portland, writing, that:

“These services are critical to encourage citizen participation in matters affecting the present and future livability in our neighborhood, maintain communication between people and government agencies and provide opportunities for public dialogue on issues, and encourage and support projects and activities to maintain and improve the quality of life in our neighborhood and in SW Portland.”

I ask that you consider the points Richard Freimark proposed, of a neighborhood office in SW Portland, with staff hired by our neighborhoods, and related points. The engaged residents of SW Portland neighborhoods can and should be the "boots on the ground" advocating and acting for our quality of life here.

Thank you, and I ask that you not approve item 135.

Sincerely,

Steve Mullinax  
 SWNI 1st Vice President

**From:** Shannon Hiller-Webb  
**To:** Wheeler, Mayor; Commissioner Rubio; Commissioner Mapps; Commissioner Ryan Office; Commissioner Hardesty  
**Cc:** Council Clerk – Testimony; Lawrence, Asena; Miranda, Adriana; Torres, Kellie; Rhee, Suk; Johnson, Kristin; Edwards, Karly; Schmanski, Sonia; Dennis, Kristin  
**Subject:** Support Ordinance 135  
**Date:** Wednesday, March 3, 2021 9:34:11 AM  
**Attachments:** Leslie Pres COrner March 2021.png  
 ATT00001.htm  
 Email 1.pdf  
 ATT00002.htm  
 Screen Shot 2021-03-02 at 6.46.40 AM.png  
 ATT00003.htm  
 Screen Shot 2021-03-02 at 6.45.32 AM.png  
 ATT00004.htm  
 Screen Shot 2021-03-02 at 7.02.02 AM.png  
 ATT00005.htm

Dear Mayor Wheeler, Commissioner Hardesty, Commissioner Rubio, Commissioner Ryan, and Commissioner Mapps,

My name is Shannon Hiller-Webb and I am writing in support of Ordinance 135. I am a SWNI Board Member as the Representative for South Burlingame Neighborhood Association President and writing as a concerned resident of Portland. I would like to provide a brief timeline of events that should provide context as you vote. My concern has always been my fiscal oversight responsibility to the SWNI organization funded by a contract from Civic Life/BES providing 85% of its annual funding from City contracts of taxpayer monies. The grant contracts require equity be centered in the work of SWNI, adherence to the ONI Standards of Practice and sound fiscal management and reporting. In addition, for the good of the organization it is my duty to comply with SWNI's own Policies/Procedures and Bylaws. I raised concerns in June 2019 that actions taken by Officers of the Board and supported by members of the board would potentially put the Civic Life Grant and BES Grants at risk if not addressed. I will document the highlight reel of events to present day and annotate with documentation below for reference. Certainly, there are NUMEROUS other examples of the problems the Officers of the Board, Executive Director and Board Members have hazarded the organization - those have been documented extensively to City Council, the forensic auditors, to various stakeholders and decision makers in the nearly 2 year process leading to this Ordinance that have informed the recommendation of Ordinance 135 before you now. Hopefully, these highlights support their findings at a glance:

[2006] - Initial embezzlement though police report suspects as early as 2003, Executive Director, Sylvia Bogert did not disclose to the board & transferred \$20k to her personal credit card debt initially lost

[October, 2010] - Long-standing embezzlement revealed due to bounced paycheck, investigation and determination \$170k was embezzled (forensic audit)

April 7, 2019: Watershed Committee Chair resigns stating she was bullied by SWNI Officers

June 2019: President Leslie Hammond states "equity is a red herring" & Transportation Chair, David Martin states "projects are already subjected to a lot of equity and for SW Portland it hasn't worked in our favor" (email below & video excerpt).

July 2019: Equity & Inclusion Best Practices adopted prior to a Code Change vote at City Council and it has never been referenced within SWNI work since

September 2019: Racial Equity Policy passes after 4 years and nearly no change in language in the 4 years, SWNI passed it right before a projected Code Change vote and it has never been referenced within SWNI work since passing

September 24, 2019: SWNI Secretary states she was "pressured" to alter meeting minutes by President Leslie Hammond

October 15, 2019: SWNI voted down a motion for the board to receive Equity Training (\$5000 in free training by a local expert)

October 23, 2019: President Leslie Hammond suggests the board change the SWNI bylaws to prevent future [detractors] from being on the board

May 2020: SWNI applies for and receives \$66k PPP Loan, President Leslie Hammond has since stated they did so knowing they had "no known COVID hardship"

April 23, 2020: Civic Life requests records from SWNI by May 8th, SWNI claims no access offices/records due to COVID, however Parks records confirms SWNI visits offices 22x between mid March 16 - July 21

June 26, 2020: SWNI Officers and Executive Director Sylvia Bogert send the City of Portland a \$31,885 estimate to produce records they are required to produce for free, had not provided 12 of 15 records requested at this time

June 23, 2020: 1st VP Maria Alexander Ramirez resigns due to legal exposure and liability concerns SWNI Officers have placed her in after one month of service on the SWNI board

June 24, 2020: SWNI Equity & Inclusion Committee Chair Laura Campos resigns stating President Leslie Hammond issued threats and publicly denigrated her

July 9, 2020: City Council withholds grant contract and \$300k in funds to SWNI and requests forensic audit

July 2020: BES and West Multnomah Soil and Water permanently remove contracts and staff from SWNI and place with West/NW Coalition, totaling \$106k in contracts moved from SWNI

July 23, 2020: SWNI Board retains an attorney, Simon Whang, to represent them against the City of Portland, board approves spending \$15k

August 2020 - February 2021: Teddy Okonkhua, SWNI Treasurer, did not provide a Treasurers Report to SWNI board at 4 of the 7 SWNI Board Meetings (DOJ states top 10 most important items to provide a board) in the midst of a forensic audit

November 2020: Forensic Audit Results \$350k in mismanaged funds, 97% error rate for internal financial procedures, mismanaged 7.35% of grant funding (should be 0 and embezzlement starts to occur between 3-5%), SWNI Treasurers/Officers and board members have submitted numerous statements refusing the findings of the audit are accurate, denying the need for change within SWNI, disparaging the credibility of the auditor and have not made a single change to the SWNI organization since the report came out. The SWNI board has never reviewed the report as a board beyond each board member being given 1 minute to speak 2 days after the 116 page report was provided to them.

January 2021: SWNI Officers refuse to use their official SWNI addresses and instead only use personal email addresses that prevents and preservation of SWNI business in archives and security through the SWNI site, SWNI board agenda initially has 2nd PPP loan listed and is removed prior to Commissioner Hardesty confirming attendance to the meeting

February 16, 2021: SWNI website security certificate not renewed, board was never informed the website needed investment, Executive Director was aware from July 2020 it was needed, at the time \$66k in PPP money, \$80k in "rainy day fund" and \$40k in donations since could have been allocated

February 24, 2021: SWNI Board Meeting Noteworthy Moments  
<https://www.youtube.com/watch?v=SKBADfcGS0E&feature=youtu.be>

- Bridlemile Rep, Richard Freimark the Bridlemile NA Rep to SWNI stated to JoAnn Hardesty when she shared SWNI would not be funded "I think because we pay more taxes than anybody else, you're jealous. I think that we're not being represented by you, in this organization, and I think you're lying to us."
- South Burlingame Neighborhood Association who requested to remove monies from the restricted account held at SWNI supplied the required form and supporting materials in compliance with SWNI's current Financial Procedures and was refused distribution of funds until their new process which required significantly more material be provided was complied with. The new procedure applied to SBNA and others has never been approved by the Finance Committee or the SWNI board and the Officers of the board refused to provide an answer as to the merit of doing so
- Charlie Van Rossen SWRHL NA Rep presented a Motion to remove any neighborhood that does not have funds held at SWNI, it was identified that SBNA and ACNA recently removed their funds to their own bank account after receiving their own 501c3 status since the audit results, the motion was tabled
- Treasurer, Teddy Okonkhua did not provide a Treasurers Report (4th time), provided inaccurate financial reports that have continued to be inaccurate for several months and the budget projections continue to be inaccurate and incomplete to inform the board how to act, a motion of no-confidence re the Treasurer was tabled

February 25, 2021: SWNI Board Member Maria Thi Mai, the Multnomah NA Rep, suggests in an email the SWNI Treasurers provide less financial information to the board

March 1, 2021: SW NEWS published article by SWNI includes President Leslie Hammond's article DENYING audit findings yet again (attached)

This timeline shows a pattern of behavior spanning years. I have included years that I can personally account for as a representative to the board that shows as recent as 2 days ago, Officers of the board and board members are incapable of changing their behavior or the direction of SWNI as they have purported in their numerous lobbying efforts and recent 10 Point Plan provided to City Council members. Their words are largely performative in an effort to secure the funding (\$3.174 million in the last 10 years) they have been provided in a no-bid, 5-year contract for nearly 40 years. The 2016 assessment of the City Auditor found District Coalitions lacked oversight and required City Council and Civic Life take action that to this day in 2021 still has not happened. The District Coalition model presents a systemic problem and lacks accountability to neighborhood associations and taxpayers. We deserve a better model for civic engagement for all!

I will note that myself and nearly 30 others who have shown up to testify for accountability regarding SWNI have been denied twice opportunities to testify. We opted not to sign up for public testimony this 3rd time as the civic engagement process has clearly not allowed our voices to be heard in public. This is an injustice that I hope will NEVER happen again especially given that several BIPOC youth were present, engaged and frankly excited to share their testimony with City Council as their first experience with civic engagement and when turned away feels the system does not work for them.

A final note of gratitude to Civic Life and especially Director Suk Rhee for her significant effort and support in navigating these challenging waters over the last year. The bullying and abuse directed towards her has been significant from the Officers of SWNI, board members and community members who have been misled and misinformed about this process. There have been targeted, repeated character attacks that no one should suffer and I would hope the city would take a stance against the bullying that many have sustained but none greater than Director Suk Rhee. The city should show their gratitude for her fortitude and set a standard of no tolerance.

Please support ordinance 135 for the greater good of SW neighborhoods and the work session to study the coalition model and its inherent systemic problems so that all residents of Portland feel served.

Best,

Shannon

Shannon Hiller-Webb  
 she/her  
 Capergirl  
 503.928.9539 c  
[capergirl20@yahoo.com](mailto:capergirl20@yahoo.com)

## President's Corner: A Perspective on our future

Dear Neighbors,

Commissioner Jo Ann Hardesty, as noted on Page 1, told the Board late last month that she has decided not to restore SWNI's funding and, instead, that her Office of Community and Civic Life will support the neighborhood and business associations SWNI historically has served.

As most know, the City Council suspended SWNI's funding last July pending completion of a City-funded audit. We were quite confident at the time that the audit would confirm we have been prudent in handling our fiscal responsibilities, but instead it turned out to be a one-sided and inaccurate view of our fiscal management practices.

**The only thing good about it is that it confirmed that no fraud, illegal activity or malfeasance has occurred.**

Without going into the long story about all that was wrong with audit, including that SWNI was not allowed to review it or correct its flaws and unsubstantiated allegations before it was published, let's suffice to say it destroyed our reputation as an honorable organization that has worked diligently over the years to fulfill our contractual responsibilities in an ethical way.

Indeed, most of our Board members believe the audit was deeply flawed, biased and disregarded important information we shared with the auditors but was not reflected in their report.

### Looking to the Future

Having said all that, what's next? As you know, we have had to lay all of our staff, except for our now part-time bookkeeper. The bulk of the work that has allowed SWNI to continue serving the community is done by unpaid volunteers.

We plan to continue to provide support to our community. To that end, SWNI will conduct its annual retreat on Saturday, March 13, from 9am to noon (postponed from February 20).

At the retreat, SWNI Board members and SW Portland residents will discuss the status of SWNI and how we can better serve our neighborhoods in the future – with or without support from the City.



Let's be clear: We will leave no neighborhood or business association adrift and without crucial back office support, including handling their banking, supporting their

meetings, providing communications, and bringing our website back up to fully operational status.

Prior to Commissioner Hardesty's announcement, we had been negotiating with the City, including Mayor Ted Wheeler and other members of City Council in an effort to restore our funding. As part of that negotiation, at the request of the Mayor we prepared a 10-point plan that focused on fiscal responsibility, transparency, equity/anti-racism, and communication and collaboration.

That 10-point plan remains a guidepost for our future. While we had hoped to continue working with the City and were looking forward to having our funding restored, we now need to focus on rebuilding our organization, positioning SWNI to continue to serve the community we love, and restoring the community's faith in us – including the City's.

### Full Speed Ahead

Even though we await the full City Council's consideration of our fate this month, we are intent on continuing the process of preparing for our future.

Step 1 is our March 13th Board retreat. By then, our near-term role with the City will have become abundantly clear and, as a result, our options for the future also will become more evident.

We are changing the retreat agenda to allow us to reflect on Commissioner Hardesty's announcement. We intend for it to be forward-looking and still in keeping with our original theme, "Planning for Impact and Positive Outcomes".

Instead of primarily focusing on our role as fiscal agents, which remains a very important role for us to play, our focus will

include discussing shared concerns and responses to them – including a discussion on the value we can continue to offer our community groups and neighborhoods.

We look at this as a fresh opportunity to redefine who we are and how we operate – and with what partners – as we move forward with a positive outlook on our future. To that end, we will be discussing a number of topics:

- What SWNI services do our neighborhoods and community partners value most?
- What services can we provide that Civic Life is not as well positioned, or unable, to provide?
- How should we expand our spectrum of services to incorporate and help advance public priorities such as social justice, equity and inclusion?
- What changes should we make in our governance, organizational structure and procedures to resolve differences of opinion constructively?

### Moving Forward Responsibly

Meanwhile, as we coordinate with Commissioner Hardesty's team, we plan to continue providing services to neighborhoods, including supporting online meetings, financial services as a fiscal agent, and producing our monthly *Southwest Neighborhood News*.

We have funds to pay part-time wages for our remaining employee through March and hopefully beyond through the generosity of the community.

SWNI greatly appreciates the flow of donations and volunteer efforts allow us to continue to serve our community. Please consider making a donation to SWNI at [swni.org](http://swni.org).

Thank you for all of the support we have received and for hard-working volunteers who have kept us running over the last eight months. We pledge to be there for all of you into the future.

Sincerely,

*Leslie Hammond*

SWNI President

## SWNI Response to Public Records Request by SWNI Board Members, Residents & Civic Life

Attorney \$325/hr  
Sylvia Bogert,  
SWNI \$40.81/hr  
225,000 sheets

Dear Suk,

Thank you for the reminder. It is nice to hear from you.

As we stated in the previous letter to you, we have ten years of financial documents (990 Tax Reports) online for anyone who wishes to see or download them. We have all of our board minutes, motions, bylaws, business correspondence etc., online for the years 2015 to present for anyone to see or download them.

The minutes and records for SWNI from 2010-2014 are on paper and stored in our office and the City Archives building. Both buildings are currently closed and access to physical files is not possible. We have been told that instead of opening June 6<sup>th</sup>, the Multnomah Arts Center building will not reopen until September 2020.

Our executive committee has discussed an estimate of producing the requested documents. We recently had a quote from an attorney who is familiar with nonprofits who advised us the hourly fee is \$325.00 per hour. Attached is our estimate for document production for the years which are not already online for Ms. Tyvoll request.

We estimate five years of paper documents could be more than 45 + boxes, which will need to be reviewed by our executive director and in some cases reviewed by an attorney, and then duplicated or scanned by a staff person. We are copying Ms. Tyvoll on this email so she has the estimated costs for her consideration.

When we have access to records again, we will collect the fee and begin the work. Note, the stated cost covers only financial cost of assigning SWNI staff to produce documents. It does not cover the substantial impact to SWNI programs of reassigning our executive director and staff for approximately two months to the production task. Ms. Tyvoll will have the opportunity to narrow the scope of the work if she chooses, which would reduce the cost. We will provide documents that are not determined to be privileged, based on legal advice, per her request.

Thank you for your inquiry.

Cordially,

Leslie and Sylvia

2 months reassign  
Executive Director  
& Staff to produce  
records

Southwest Neighborhoods, Inc.  
Estimate of Organizational Document Production  
June 26, 2020

Note: We will require consultation with our legal counsel for any documents that we believe may be privileged information, e.g., Attorney-Client consultations, Board meetings held in Executive Session, and some SWNI personnel records.

### Staff & Estimated Time Allocation to Review & Prepare Documents

SWNI Personnel & Attorney Time for Document Review and Preparation	Hourly Rate + Benefits	Estimated Hours for Project	Total Cost Estimate:
Executive Director Document Review and Staff Supervision	\$40.81	150 hrs.	\$6,121.50
Program Coordinator Document Screening & Review	\$29.06	100 hrs.	\$2,906.00
Office Specialist (Photocopying/Scanning)	\$25.54	200 hrs.	\$5,108.00
Attorney	\$325.00	20 hrs.	\$6,500.00
Photocopy Fees (estimate 45 boxes)	225,000 sheets	.05 per scan/copy	\$11,250.00
Estimated Total for Project			\$31,885.50

\$31,885.50 Total  
Provide Records

## 2016 City Auditor Finds Grantees Not Held Accountable; Nothing Has Changed

SUBJECT: Audit Report – Community and Neighborhood Involvement: Accountability limited, rules and funding model outdated

In this audit we found a lack of accountability for how community engagement funds are spent and an outdated City Code and funding model. The Office of Neighborhood Involvement can take immediate action to improve its oversight of grant-funded programs and better plan and prioritize their own work. But ensuring that all Portlanders have equal access to City decision-making and City capacity building grants will require the attention of the full Council.

We will follow up in one year with the Commissioner-in-Charge and the Director of the Office of Neighborhood Involvement for a status report detailing steps taken to address our audit recommendations.

We appreciate the assistance we received from the Office of Neighborhood Involvement and Commissioner Fritz's office as we conducted this audit.

*Mary Full Caballero*

Mary Full Caballero  
City Auditor

Audit Team: Drummond Kahn  
Kari Guy  
Bob MacKay

- The Office of Neighborhood Involvement does not hold grantees accountable to performance and contract requirements
- Core tasks assigned to the Office of Neighborhood Involvement remain incomplete
- The roles and responsibilities of the City and community organizations depend on outdated City Code, standards, and funding model

## Department of Justice - 20 Questions Board Members Should Be Asking. SWNI Treasurer Teddy Okonokhua Has Not Provided Treasurer Reports During Forensic Audit and Would not Commit to Doing So

### 5. Do the directors receive a treasurer's report with periodic financial statements?

Such reports should be available at every board meeting and should include:

- an income statement explaining revenue and expenses for the statement period.
- a balance sheet explaining assets and liabilities.

The treasurer or another officer should be available to explain the report. Don't be afraid to ask questions.

### 6. Are all financial statements prepared in a consistent matter?

Accounting changes should be rare. Be sure you understand whether your organization uses a cash or accrued basis for its accounting.

### 7. Does the organization receive "restricted" donor funds? If so, how are they accounted?

Donors may "restrict" how their donations are used. Restricted funds should be tracked separately from general funds to ensure they are used only for the donor's designated purpose.

### 8. Are liabilities paid on time?

Review the treasurer's report and look for signs of larger-than-normal liabilities. At year's end, conduct an internal audit. Review billing statements for delinquent balances and investigate them. Late payments may indicate cash flow or other serious administrative problems.

### 9. What are the policies regarding expenditures, and are expenditures adequately documented and reviewed?

More than one person should be involved in the disbursement cycle. All expenditures should be backed by receipts.

### 10. Are financial transactions done in secret?

Transparency is important. Each director has a right to all financial information.

All past SWNI Treasurer's of SWNI have historically provided a Treasurer Report accompanying financials at every board meeting. However, current SWNI Treasurer, Teddy Okonokhua, has not provided a Treasurer report to the board during the forensic audit for the months of August and September and has not committed to the board he would do so going forward.

SWNI Board members continue to have concerns regarding the handling of "restricted" donor accounts.

SWNI Board members requested access to PPP loan request documents and to date have been denied.

**To:** [Commissioner Hardesty](#)

**190321**

**From:** [James Peterson](#)

**Cc:** [Mayortedwheeler@portlandoregon.gov](mailto:Mayortedwheeler@portlandoregon.gov); [Commissioner Mapps](#); [Commissioner Rubio](#); [Commissioner Ryan Office](#); [Council Clerk – Testimony](#); [Cc: Jim Redden](#); [Courtney Vaughn](#); [Allan Classen](#)

**Date:** Friday, March 5, 2021 10:34:33 AM

**Subject:** Fw: Pamplin Media Group - Neighborhood groups await answers as City Council vote looms

**Attachments:** [Item 135 Civic Life 3.2.21.pdf](#)

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The City Code 3.96 and ONI Standards need to be amended in order for City Council to take action on the ordinance in Item 135. City Council is guided in their actions by the City Code and the administrative rules that they have adopted. There are significant process problems with the Forensic Audit of SWNI and now in the replacement of SWNI with a City run District Coalition.

<https://na01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fpamplinmedia.com%2Fsc%2F499951-400764-neighborhood-groups-await-answers-as-city-council-vote-looms&data=04%7C01%7C%7C5830449fb97741e181e908d8dff6fce%7C84df9e7fe9f640afb435aaaaaaaaaaaa%7C1%7C0%7C637505635468851582%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6IklhaWwiLCJXVCI6Mn0%3D%7C1000&data=8kKn0SI6hr3X%2F6yclZa5rsAtoYrC89lBmGJcOxMYrk%3D&reserved=0>

James Peterson

To: Mayor Ted Wheeler  
 Commissioner JoAnn Hardesty  
 Commissioner Mingus Mapps  
 Commissioner Carmen Rubio  
 Commissioner Dan Ryan

The Ordinance in Item 135 is flawed and needs to be rejected in its current form.

In this difficulty time of a pandemic SWNI has been able to provide the required functions of a District Coalition outlined in Portland City Code 3.96.040. Unfortunately SWNI staff in December is only receiving 60% of their pay. Now in January all of SWNI Staff except for the bookkeeper have been laid off.

The forensic audit found nothing wrong and only amplified details of a 10 yr old embezzlement. In the yearly renewal of SWNI the city grant for operations Civic Life or ONI has not discovered financial problems that have not been corrected.

It is Responsibility of the Office of Civic Life under 3.96.060 to promote open communication, assist District Coalitions in budget review and dispute resolution. Unfortunately this is not happened.

The Office of Civic Life has failed its Responsibilities under 3.96.050 to notify all Neighborhood Associations affected by their actions that are affecting the livability of the Neighborhoods. They should have given all Neighborhood Associations in SWN 30 days notice the passage of this ordinance that cut off SWNI funding and this proposed Ordinance in Item 135.

SWNI Leadership actions intensified a difficult conflict that should not have gotten to the point it is today. The Office of Civic Life has failed in its Responsibility under 3.96.060 to assist in a dispute resolution.

Not restoring SWNI funding and replacing SWNI with a City-staffed District Coalition is inconsistent with the procedures in ONI Standards Section IV.

Page 20 ONI Standards

**Section IV: District Coalitions**

**E. Process for change in organizational affiliations of Neighborhood Associations and District Coalitions**

Change in organizational affiliations for Neighborhood Associations and District Coalitions is a major issue which entails considerable time, communication and dollars. Such action must not be undertaken lightly nor as a result of momentary problems or personality disputes. Such action will require extensive coordination and communication between multiple Neighborhood Associations and District Coalitions. In addition, such action may result in disbanding of an existing legal non-profit corporation and/or the formation of a new one. Many things will be affected and will have to be addressed including, but not limited to, the following: fiscal, corporate, and fiduciary considerations and consequential matters such as changing maps, brochures, and mailing lists.

Page 23 ONI Standards

**Section IV: District Coalitions**

**4. Changing from a City-staffed District Coalition to a Non-profit District Coalition and vice-versa**

Changes to the structures developed for the delivery of Neighborhood Association services must meet the following criteria:

- a. Shall be proposed in writing to the Office of Neighborhood Involvement at the request of a minimum of 3/4 of the recognized Neighborhood Associations within the same District Coalition area at the time of the request.
- b. To join such a request, any Neighborhood Association shall have previously ratified its approval by a vote at a duly scheduled, publicized, and conducted general membership meeting. Unless the bylaws of a Neighborhood Association state differently, the vote shall require a simple majority.
- c. A public meeting shall be held allowing for input. The public shall be afforded the opportunity to provide comment.
- d. Shall have the concurrence of the Director of the Office of Neighborhood Involvement or her/his designee to ensure compliance with City policies and procedures.
- e. Shall be capable of delivering comparable or better services- -in kind, quantity, and quality--to those being delivered at the time of the request and/or contracted for at the time of the request.
- f. Shall assure the Neighborhood Associations' continued and on-going compliance with the Office of Neighborhood Involvement Standards;
- g. Shall be cost-neutral, unless additional funds are specifically provided by City Council or other sources.

- h. *Participating District Coalitions must:*
  - i. *Maintain liability insurance for their Neighborhood Associations comparable to that held in the existing structure;*
  - ii. *Acquire a federal tax ID number as necessary for the transfer of funds;*
  - iii. *Incorporate under the laws of the State of Oregon if necessary for legal or financial reasons;*
  - iv. *Develop and sign a letter of agreement for operations with the Office of Neighborhood Involvement, including an annual Action Plan; and,*
  - v. *Meet all requirements of District Coalitions as set forth in these Standards, except those specifically referring to service delivery structural issues.*
- i. *Shall be reaffirmed by vote one year after its original approval, at a general membership meeting, of each of 3/4 of the individual participating Neighborhood Associations and be re-approved by the Office of Neighborhood Involvement Director. If reaffirmed following a one-year period, the new structure may not be substantially altered for a minimum of three additional years unless "unusual circumstances" (as decided by the Office of Neighborhood Involvement with advice from the Bureau Advisory Committee) arise. Any such subsequent change(s) must meet the criteria of the original change, with the exception of changes due to reductions in funds or other emergencies.*

Thank you for your attention to this matter that affects all residences of Southwest Portland.  
PLEASE RESTORE SWNI FUNDING IMMEDIATELY

Please add this to record

James Peterson  
2502 SW Multnomah Blvd.  
Portland, OR 97219

**From:** [Jennings, Gayla](#)  
**To:** [Council Clerk – Testimony](#)  
**Subject:** FW: Audit done by Marsh Minick for SWNI Has Past history of FALSE documentation and audit-flawed.  
**Date:** Monday, March 8, 2021 3:38:43 PM

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For agenda item 151.

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**From:** comcast <eclaire27@comcast.net>  
**Date:** Monday, March 8, 2021 at 3:22 PM  
**To:** "Wheeler, Mayor" <MayorWheeler@portlandoregon.gov>  
**Cc:** Commissioner Hardesty <joann@portlandoregon.gov>, Commissioner Mapps <MappsOffice@portlandoregon.gov>, Commissioner Rubio <Comm.Rubio@portlandoregon.gov>, Commissioner Ryan Office <CommissionerRyanOffice@portlandoregon.gov>, "City Auditor, Mary Hull Caballero" <AuditorHullCaballero@portlandoregon.gov>, "Williams, Andrea" <Andrea.Williams@portlandoregon.gov>, "Becerril, Ed" <Ed.Becerril@portlandoregon.gov>  
**Subject:** Audit done by Marsh Minick for SWNI Has Past history of FALSE documentation and audit-flawed.

March 8, 2021

Please read this article before you cast your vote this wednesday on 151 Please vote NO  
<https://mailtribune.com/news/top-stories/forest-products-firm-demands-apology-calls-audit-flawed>

"We have no reason to believe that your firm intentionally libeled our company's good name and reputation, but it is obvious that your conduct was clearly negligent and probably even reckless since you failed to even contact the management of this company to give them an opportunity to correct your obvious erroneous findings," the letter reads.

SWNI was never contacted or given an opportunity to correct what has been documented in their audit. I find it hard to believe that OCCL didn't even give SWNI a change to explain the audit and I keep asking myself WHY?  
 This sounds like what is happening to SWNI...yet no one is allowing SWNI to explain!!!WHY?

Vote NO on 151 <https://www.portlandoregon.gov/auditor/article/781598> there has not been

enough time to notify the general public on this matter. Violation of city codes and 3.96, Oni Standards IV.E

Why is this all happening so fast? and OCCL is under an audit currently due to complaints from employee about bully and threats etc. What for OCCL audit to come out yet its not going to be what the City Osbudman asked for in her request to investigate this matter. These employee asked for help and now with a new commissioner in charge, we don't know what the outcome will be but if the same management staff in place I see more of the same ahead in the future.

<https://www.wweek.com/news/2020/08/31/records-show-city-received-city-ombudsman-received-unprecedented-volume-of-employee-complaints-about-office-of-community-and-civic-life/>

<https://nwexam.wixsite.com/nwexaminernews/post/investigation-of-civic-life-dysfunction-turned-into-pro-management-tool>

Respectfully submitted

**Claire Coleman-Evans**

**503-740-7460 cell**

[eclaire27@comcast.net](mailto:eclaire27@comcast.net)

**From:** [Janet C Hawkins](#)  
**To:** [Council Clerk – Testimony](#)  
**Subject:** Council Item #151 - Written Testimony  
**Date:** Tuesday, March 9, 2021 8:20:47 AM  
**Attachments:** [SWNI Equity & Inclusion Policy and Program Response.pdf](#)

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Please add this document to the public testimony for Item #151 for the March 10, 2021 Council Hearing.

Thank you,  
Janet Hawkins  
4675 SW Cullen Blvd.  
Portland OR 97221

Sent from [Mail](#) for Windows 10



**190321**

**Southwest Neighborhoods, Inc.**

7688 SW Capitol Highway, Portland, OR 97219 (503) 823-4592

[www.swni.org](http://www.swni.org)

December 1, 2020

Mayor Wheeler  
Commissioner Eudaly  
Commissioner Fritz  
Commissioner Hardesty  
Commissioner Ryan  
Auditor Caballero

**RE:** Southwest Neighborhoods, Inc. (SWNI) Response to Marsh Minick Audit  
SWNI Equity & Inclusion Programs & Policies 2015-2020

**Dear Mayor Wheeler, Auditor Caballero, and Commissioners:**

The Office of Civic Life's audit of SWNI conducted by the Marsh Minick, P.C. firm includes a 7-page section on SWNI's "Equity Policy and Practices" that grossly misrepresents SWNI's demonstrated commitment to ensuring diversity, equity, and inclusion in its programs and policies over a five-year period beginning in 2015.

### **SWNI's Demonstrated Commitment to Ensuring Diversity, Equity, and Inclusion**

The Marsh Minick audit omits the critical content that SWNI's equity work was described in its Grant Agreements with the city of Portland Office of Civic Life and detailed in its regularly submitted program reports. Reports to Civic Life were also submitted for SWNI's Small Grant program, in which SWNI formed vital community partnerships and provided needed funding to community-based organizations in SW Portland. There is no record of the Office of Civic Life (formerly known as ONI) questioning any of SWNI's reports that detailed its work or partnerships to further equity and inclusion.

The audit condemns the SWNI Board of Directors for a "lack of integrity and ethical values" for a delay in implementing its Equity and Inclusion Policy, but this biased analysis is uninformed, and intentionally damaging. SWNI's equity commitment extends back to 2015.

The "delay in implementing its Equity Policy" mentioned extensively in the audit didn't hamper SWNI's equity practices. The audit wrongly labels the Grant Agreement amendments FY 18-19 as "compulsory inclusion goals" and commingles this with SWNI's Racial Equity Policy. Grant Agreements are based on contract performance and SWNI submits reports to the city of Portland detailing performance against contract. The city monitors and evaluates performance, factoring this information in future contract award decisions. The city's Grant Agreement terms can be changed each contracting cycle depending on the city's goals/purpose for the funding. This contract award process was separate from SWNI's organizational development of its internal Racial Equity Policy.

## Equity & Inclusion (E & I) Committee Created in 2015

SWNI staff and volunteers attended an Intertwine Alliance workshop series in 2015 to learn about how local government and nonprofit organizations could work together to create more inclusive park and nature experiences for under-represented communities. The work of the Coalition of Communities of Color was a centerpiece of the training and provided a framework for community organizations to achieve the goals of equality of opportunity, fairness in access, and resources for all. The SWNI staff and volunteers agreed that this work could be transformative in bringing a greater diversity of community voices and involvement to SWNI's community work.

SWNI's Board of Directors recognized that it would need a new committee to work within its existing committee structure – Parks, Transportation, Watershed, Public Safety, Land Use, Schools – to bring a strong organizational focus on equity and inclusion issues. So, SWNI formed the Equity & Inclusion Committee as a "Special Committee" per its bylaws in 2015. The new E & I Committee invited participation from SWNI's seventeen neighborhood associations, three business associations, and community advocates.

In addition to creating the E & I Committee, SWNI revised its hiring practices to place greater emphasis on recruitment of diverse candidates for employment who had demonstrated experience in working with under-represented populations.

## Equity & Inclusion Committee Programs

The E & I Committee began to meet monthly in 2015 and developed Action Plans in accordance with SWNI's bylaws' requirements for all committees. The committee's work was reported in SWNI's 6-month and Year-End reports to the Office of Neighborhoods/Office of Civic Life during the past four years. [See "*Grant Reports to Civic Life*" at [swni.org](http://swni.org)] The Equity & Inclusion Committee also began to develop partnerships with community-based organizations, including AYCO, NAYA's All Nations Canoe Family, and Portlanders United Against Hate.

The E & I Committee also initiated a series of educational programs on topics of diversity, equity, and inclusion. In 2018, Laura Foster, a local Portland author, was invited to conduct a workshop on storytelling to build a shared sense of community. The attendance included representatives of neighborhood associations and diverse community organizations in SW Portland. During 2019-20, SWNI sponsored educational events through the Oregon Humanities' Oregon Conversations Project. Six Oregon Conversations events were held that focused on issues of race, place, and civic life, which SWNI felt were most important in its work to build diverse community engagement with city of Portland programs and services. The conversations were open to all in the community and had an estimated attendance of over 150 participants.

## **Equity & Inclusion Committee Policy Development**

SWNI's policy and planning work has supported the city of Portland bureau planning initiatives as well. A SWNI staff member serves on the SW Corridor Equity Coalition. In July 2019, SWNI partnered with the Bureau of Planning and Sustainability to host a community screening and discussion forum on the film "Priced Out," which highlights gentrification issues in Portland.

The Equity & Inclusion Committee conducted work on the Equity & Inclusion Policy beginning in 2016. The E & I Committee's development of the policy brought forward a variety of views and perspectives, including whether to focus on all under-represented communities or focus on a particular, impacted group. The policy was developed with an emphasis on race and ethnicity reflecting Portland's long history of racial and ethnic discrimination in housing, employment, and public accommodations, which has unfairly impacted people of color for decades.

The SWNI Board of Directors adopted the Racial Equity Policy in September 2019. The SWNI Board Retreat planned for May 2020 was going to focus on implementation of the Equity & Inclusion policy, but the Board Retreat was cancelled because of the COVID-19 crisis.

## **Equity & Inclusion Committee Training Proposal**

After the SWNI Board of Directors adopted the Racial Equity Policy in September 2019, the Equity & Inclusion Committee discussed increasing SWNI Board members' understanding of diversity, equity, and inclusion through education and training. An E & I subcommittee was approved to work on a training proposal. Unfortunately, what should have been an effort to build a draft training outline to be approved by the E & I Committee, expanded into an informal contracting process. This mis-guided, informal contracting process did not follow SWNI's established process for Finance or Executive Committee review/recommendation before there was an attempt to present it to the SWNI Board.

The "dysfunction" described in the Marsh Minick audit was largely due to two individual SWNI Board members who initiated the informal bid process and built their advocacy for the process on a foundation of bullying, lies, and verbal attacks on others. This effort skirted SWNI's formal fiscal policies and placed stress on the organization. A special meeting of the Board was conducted on October 15, 2019 to discuss and deliberate about the training proposal. At the conclusion of the meeting, the Chair of the Equity & Inclusion Committee withdrew the proposal to conduct further work on it at the committee level.

The SWNI Board has indicated an interest in training during the ensuing months, but the COVID-19 crisis has pushed other Board concerns to the forefront. There has been discussion about focusing on implementation of the Racial Equity Policy at the planned Spring 2021 Board Retreat.

## Statements in Support of SWNI and its Equity & Inclusion Initiatives

SWNI's Equity & Inclusion Committee has engaged many SW Portland community members in its five-year history. Personal statements in support of SWNI's initiatives on equity and inclusion follow:

**First Comment:** "One reason SWNI and Equity are so important to me is that I am a 68-year-old gay man. I have not always felt accepted in my life. However, this has absolutely never been the case at SWNI. My sexual orientation has never been an issue at any SWNI activity and I think I have put in thousands of hours of volunteer time with SWNI in the past 25-30 years. When my partner of 25 years died it was very rough for me. But I got tremendous support from SWNI and my Neighborhood Association. People from both organizations came to the memorial. It tremendously helped me in my grief to have a place of acceptance where I could spend meaningful volunteer time. "

**Second Comment:** "When I participated in Equity & Inclusion Committee meetings, I was encouraged by seeing a diverse group of individuals around the table each month. We each brought a different perspective, but kept a central focus on the work to improve community conditions in SW Portland, especially for under-represented populations. SWNI's E & I Committee works to bring more community voices to the issues that impact our neighborhoods."

**Third Comment:** "Southwest Portland is richly diverse. Families of all types and sizes gather here, find community and enrich each other's lives. When times of need show up, residents can look to the website SWNI maintains or call a staff member to find quality referrals. Current events are regularly reported on because all seventeen neighborhood associations submit articles to the SWNI monthly newsletter made available free of charge, both online and in print. Many neighborhood groups take advantage of SWNI's community calendaring tool to make Portland more livable, SWNI makes it easy for neighbors to initiate locally driven projects, such as setting up outdoor work parties or holding discussions that serve the public interest.

Let us not minimize how profound it is to gain a new perspective. For many of us who opened our ears at a neighborhood meeting, we had our hearts opened as well. With minimal staff and mostly volunteers, SWNI moves mountains to make those meetings happen. As a result, elected officials, community-based advocates, and subject matter experts have the privilege of hearing directly from the people they hope to serve. It is no secret that we are striving to create a Portland where you can walk with kings and still not lose your common touch.

After forty years of community collaboration, SW Portland residents know that SWNI can provide support when questions about livability or land use arise. We know that our neighborhood associations prioritize people above property values. We know that our neighborhood coalition upholds the values of people who feel love and attachment to the Westside.

The volunteer ranks of this coalition and the associations under its umbrella, are filled with passionate volunteers sharing their talents and time at a local level because we are being the change we want to see in this world. Naturally, we will have conflict because of our diversity and we choose to press in, not give in. Our community has invested blood, sweat and tears to create a cooperative, not competitive, environment. In that spirit, we reach out and help that neighbor in need even if it causes personal sacrifice. Our resilience as a community is worth the effort, the hassle, the cost.

We sincerely hope those in power will use their position to provide financial and technical help to SWNI during this difficult season. It is our hope that the decision makers will ultimately and unabashedly support neighbors helping neighbors. Every day funding is withheld from a neighborhood coalition, members of the community are doing less gathering, less engaging, and less growing to their full potential. We certainly need money to deliver services, but we also need words of encouragement to share with all the volunteers who have given of themselves asking nothing in return. It is because of them we are here, we are intentional and we are SWNI.”

We have submitted this letter as a counterpoint to the misinformation on SWNI's equity and inclusion programs and policies contained in the Marsh Minick, P.C. forensic audit report. SWNI's actual record on these matters deserves consideration. We request an opportunity to respond to the audit and elaborate on the content discussed above.

Sincerely,

SWNI Board of Directors Officers  
Leslie Hammond, President  
Steve Mullinax, First Vice President  
Sam Pearson, Second Vice President  
Janet Hawkins, Secretary  
Teddy Okonokhua, Treasurer  
Sylvia Bogert, Executive Director

**From:** [Leslie Hammond](#)  
**To:** [Council Clerk – Testimony](#)  
**Subject:** Fwd: SWNI Finance Leadership Letter to Portland City Council Item 151 on March 10th agenda  
**Date:** Tuesday, March 9, 2021 8:36:58 AM  
**Attachments:** [11-29-2020 SWNI Finance Leadership Letter to City Co 11-29-2020.pdf](#)  
[ATT00001.htm](#)

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Dear Clerk,

Please put this letter into the record for tomorrow's hearing on item 151. This was written in rebuttal to the examination by Marsh Minnick which the Office of Civic Life ordered for City Council's consideration. This is the letter from present and former treasurers on the handling of city money for the last several years.

Cordially,

Leslie Hammond  
 SWNI President  
 5907 SW 47th Ave,  
 Portland, Oregon 97221

**From:** Sylvia Bogert <sylvia@swni.org>  
**Date:** November 29, 2020 at 6:50:01 PM PST  
**To:** mayorwheeler@portlandoregon.gov, Commissioner Amanda Fritz  
 <amanda@portlandoregon.gov>, Commissioner Chloe Eudaly  
 <chloe@portlandoregon.gov>, Commissioner Dan Ryan  
 <CommissionerRyanOffice@portlandoregon.gov>, Commissioner Jo Ann  
 Hardesty <joann@portlandoregon.gov>,  
 auditorhullcaballero@portlandoregon.gov  
**Cc:** kristin.dennis@portlandoregon.gov, Karly.Edwards@portlandoregon.gov,  
 tim.crail@portlandoregon.gov, Marshall Runkel  
 <marshall.runkel@portlandoregon.gov>, Kellie.M.Torres@portlandoregon.gov,  
 Teddy Okonokhua <iokonokh@gmail.com>, Charlie Van Rossen  
 <chazvr.cpa@gmail.com>, Lee Buhler <leebuhler@gmail.com>  
**Subject:** SWNI Finance Leadership Letter to Portland City Council

Dear Mayor and Commissioners,

Southwest Neighborhoods, Inc. (SWNI) continues to work to deliver on the mission of our organization and the commitment we have made in our partnership with the City of Portland. The Office of Community and Civic Life (Civic Life)'s recent forensic audit of SWNI pointed to a previously known issue that took place nearly a decade ago and was prosecuted by the appropriate state authority. It's important to note the discovery and prosecution of this incident was driven by SWNI's discovery, not an external third party. Following this incident, SWNI implemented many new procedures which were reviewed by the City of Portland, and the IRS. The

reviews resulted in the approval of new procedures and processes.

At issue now is the revival of previous problems/litigation as a concern of the current organization. There were no substantiated allegations of problems with the SWNI organization today. Certainly, there are places where the SWNI organization could improve as we strive for continuous improvement. We accept that more work can be done by our organization to drive equity and inclusion within SWNI, SW Portland, and the City of Portland. Recent events have made it clear that we need to do more.

Another accusation made within the review was concerning the PPP loan, Restricted Bank Account, and the Board Operating Account. Without specifics, there is a blanket accusation against the organization concerning possible misuse of these funds. This accusation appears to be driven by a misunderstanding of the full scope of SWNI's funding.

1. While SWNI obtains the majority of its funding from ONI/Civic Life, this funding does not cover all of SWNI's costs. SWNI's funding from ONI/Civic Life is covered by a grant agreement and reviewed annually by the City. These reviews have consistently found SWNI in compliance with the grant agreement, resulting in renewed funding each year.
2. Over the years, SWNI and the SWNI Board have worked hard to develop additional sources of funding to cover operations not covered by the ONI/Civic Life grant and providing additional support to its member neighborhood organizations. This work has resulted in an operating fund of \$80K+. This success is a result of goal setting by the Board and execution by the organization leadership. The Board takes its role seriously and works to put SWNI in a position to weather periods of uncertainty, a responsibility of all corporate boards, for-profit, non-profit, and not-for-profit.
3. SWNI's Board restricted account was created for a specific purpose, the needs for the funds placed in the account never fully materialized. The account remained in place to maintain transparency and reviewed regularly like all other accounts.
4. As concerns surrounding the COVID-19 situation worsened, the Board began reviewing options to mitigate potential funding risks. Without certainty on Civic Life funding levels, we pursued the PPP program created by the US Treasury. SWNI's PPP application was reviewed by both Umpqua Bank and the Small Business Administration and approved. SWNI has applied for forgiveness with accompanying documents proving compliance with program rules.

We believe much of the misunderstanding in this "audit" may be a product of a lack of familiarity with organizations like SWNI. A review by a CPA firm familiar with neighborhood organizations would be more suited to

accessing SWNI's finances and processes. The work by Charlie Van Rossen (former Treasurer and current Board Member) an Oregon CPA and certified auditor places SWNI in a position of financial leadership when compared to non-profits across the city and the state.

It is important to note that despite having every financial document requested and available from 2010 - 2020, Marsh Minick found no new issues. The concern about "potential issues" contains no detail or examples, meaning there was no specific issue or examples cited. We have to assume if there were specifics to highlight, it would have been addressed at some point within the 100+ page report unless we are to assume they ran out of space or funding for the review. We hope to continue our relationship with the City of Portland and help the City of Portland in service to the people and the residents of Southwest Portland. Please provide SWNI with bridge/grant funding as soon as possible and an opportunity to discuss the forensic audit findings and our response with you further.

Thanks,

SWNI's Current and Former Finance Leadership:

Teddy Okonokhua, SWNI Treasurer  
Charlie VanRossen, Former SWNI Treasurer  
Lee Buhler, Former SWNI Treasurer



November 29, 2020

Mayor Ted Wheeler  
Commissioner Fritz  
Commissioner Eudaly  
Commissioner Jo Ann Hardesty  
Commissioner Dan Ryan

Dear Mayor and Commissioners,

Southwest Neighborhoods, Inc. (SWNI) continues to work to deliver on the mission of our organization and the commitment we have made in our partnership with the City of Portland. The Office of Community and Civic Life (Civic Life)'s recent forensic audit of SWNI pointed to a previously known issue that took place nearly a decade ago and was prosecuted by the appropriate state authority. It's important to note the discovery and prosecution of this incident was driven by SWNI's discovery, not an external third party. Following this incident, SWNI implemented many new procedures which were reviewed by the City of Portland, and the IRS. The reviews resulted in the approval of new procedures and processes.

At issue now is the revival of previous problems/litigation as a concern of the current organization. There were no substantiated allegations of problems with the SWNI organization today. Certainly, there are places where the SWNI organization could improve as we strive for continuous improvement. We accept that more work can be done by our organization to drive equity and inclusion within SWNI, SW Portland, and the City of Portland. Recent events have made it clear that we need to do more.

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2. Over the years, SWNI and the SWNI Board have worked hard to develop additional sources of funding to cover operations not covered by the ONI/Civic Life grant and providing additional support to its member neighborhood organizations. This work has resulted in an operating fund of \$80K+. This success is a result of goal setting by the Board and execution by the organization leadership. The Board takes its role seriously and works to put SWNI in a

position to weather periods of uncertainty, a responsibility of all corporate boards, for-profit, non-profit, and not-for-profit.

3. SWNI's Board restricted account was created for a specific purpose, the needs for the funds placed in the account never fully materialized. The account remained in place to maintain transparency and reviewed regularly like all other accounts.
4. As concerns surrounding the COVID-19 situation worsened, the Board began reviewing options to mitigate potential funding risks. Without certainty on Civic Life funding levels, we pursued the PPP program created by the US Treasury. SWNI's PPP application was reviewed by both Umpqua Bank and the Small Business Administration and approved. SWNI has applied for forgiveness with accompanying documents proving compliance with program rules.

We believe much of the misunderstanding in this "audit" may be a product of a lack of familiarity with organizations like SWNI. A review by a CPA firm familiar with neighborhood organizations would be more suited to accessing SWNI's finances and processes. The work by Charlie Van Rossen (former Treasurer and current Board Member) an Oregon CPA and certified auditor places SWNI in a position of financial leadership when compared to non-profits across the city and the state.

It is important to note that despite having every financial document requested and available from 2010 - 2020, Marsh Minick found no new issues. The concern about "potential issues" contains no detail or examples, meaning there was no specific issue or examples cited. We have to assume if there were specifics to highlight, it would have been addressed at some point within the 100+ page report unless we are to assume they ran out of space or funding for the review. We hope to continue our relationship with the City of Portland and help the City of Portland in service to the people and the residents of Southwest Portland. Please provide SWNI with bridge/grant funding as soon as possible and an opportunity to discuss the forensic audit findings and our response with you further.

Thanks,

SWNI's Current and Former Finance Leadership:

Teddy Okonokhua, SWNI Treasurer  
 Charlie VanRossen, Former SWNI Treasurer  
 Lee Buhler, Former SWNI Treasurer

cc: Auditor Mary Hull Caballero



**From:** [Leslie Hammond](#)  
**To:** [Council Clerk – Testimony](#)  
**Subject:** Response to Civic Life audit for March 10 city council meeting on Item 151  
**Date:** Tuesday, March 9, 2021 8:43:08 AM  
**Attachments:** [11-2020 response to MnM examination.pages](#)  
[ATT00001.htm](#)

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Dear Clerk,

Please accept this testimony for the Item 151 on tomorrow's agenda. This was written by our former treasurer in response to the Marsh Minnick Report that the Office of Civic Life ordered for city council. I am submitting it as part of the testimony from SWNI.

Cordially,

Leslie Hammond  
 SWNI President  
 5907 SW 47th Ave  
 Portland, Oregon 97221  
 503-504-1125

**From:** Charlie Van Rossen <Chazvr@comcast.net>  
**Date:** November 19, 2020 at 12:22:24 PM PST  
**To:** Leslie Hammond <thinkleslieh@gmail.com>  
**Cc:** Charlie Van Rossen <chazvr.cpa@gmail.com>  
**Subject:** Response final form

Leslie, below is my finished response and I have also attached it as a pages document. Let me know if you need anything else.

I am Charlie Van Rossen, former treasurer for SWNI and an Oregon Licensed Certified Public Accountant.

Marsh & Minick (M & M) is not licensed in the state of Oregon as a Certified Public Accountant (CPA) and is not in a position to perform attest services pursuant to ORS 673.015. An independent objective audit of financial records is welcome by SWNI. We find it clear, based on M & M's alleged claims that the forensic examiners are not qualified to attest to the financial condition of SWNI. Their work also shows a lack of care and objectivity. Little or no evidence was supplied to support claims as to weaknesses in internal controls or as to management's

oversight of the accounting environment.

Page 9 of M & M's examination findings lists what is labeled evidence of financial mismanagement. The term mismanagement is not defined nor is a scope of examination given to render an opinion or what procedures were performed to determine what transaction may constitute mismanagement. Mismanagement is alleged for 18 items on page 9 and we will include a response for each item.

1. M & M does not define what constitutes an intended purpose for bank accounts. SWNI uses two bank accounts, one for SWNI related business including for Storm water grant activities, for transactions covered under the grant contract with the City and for transactions incurred by SWNI that are reasonable and necessary expenses not covered under the City's or Storm water grants. Disbursements for each activity are accounted for in separate class accounts in QuickBooks. The second bank account is for monies received and disbursed by Neighborhood Associations (NAs) for each NA's desired activities. NA transactions are accumulated in class accounts for each NA who is given a monthly statement of activities for review. Please advise SWNI what is meant by Intended purpose.
2. No definition is given for what is meant by "shifting" monies in the report. No examples of shifting are given and there is no examples of what is meant by deviating from published budget(s). It appears M & M did not spend time to fully understanding the complicated accounting procedures involved at SWNI as it fulfills its mission for NAs as it accounts for the

activities not covered by Civic Life funding, activities covered under Civic Life and activities funded through separate grant programs. M & M's failure to understand SWNI's accounting environment is an indication of its lack of accounting knowledge better understood by a CPA.

3. SWNI's financial statements are not subject to attestation services from an independent CPA. There has never been a request to have attest services performed nor has there been funds provided to allow for an audit, review or compilation. SWNI is more than willing to subject its accounting records to examination by a CPA.
4. M & M indicates the accounting policies and procedures are stale dated, which I believe means they were written some time ago and not updated. This is true, but the underlying internal control systems and procedures are followed and in some cases the actual periodic examination, reconciliation and management reviews are more extensive than prior written procedures. Rewriting and updating of the procedures is in process, but it does not mean internal controls and asset safe guard procedures are inadequate or not followed.
5. & 6. SWNI bank accounts are reconciled monthly as are all balance sheet accounts including NA restricted accounts. The NA restricted bank balance has always been higher than the reconciled NA restricted equity (meaning there is more cash in the bank than what shows as restricted equity) due to initial and extra funds deposited up front to establish the NA bank account (check written from SWNI's checking account, credit entry, to start the NA bank account, debit entry). The bank to NA restricted equity difference increases each month by the interest earned

on the bank account that is not distributed to the NAs, about \$0.50 monthly. The bank account to NA restricted account difference is reconciled monthly with timing differences and interest earned identified as reconciling items. The bank account has always been greater than the NA restricted accounts indicating that no funds have been moved or improperly used. M & M has not given specific detail of what or how the accounting procedure is mismanaged, unless M & M did not spend the time to properly understand how these transactions are accounted.

7. No example is given why Treasurer reports are not supportive. Comparative balance sheets and income statements as well as consolidating income statements are prepared monthly for board review. individual monthly reports are also given to each NA for restricted activities. M & M needs to provide specific examples as to why it believes financial documents are inadequate. M & M may not have the financial knowledge to understanding how SWNI's financial records work. SWNI suggests an audit by an independent CPA would clarify this issue.
8. M & M indicated the monthly financial review (process) was not effective without indicating what issues it observed or giving examples of how the financial review is ineffective. M & M did not attend a finance committee meeting to determine what takes place or as to what documents are reviewed and discussed at this meeting. We suggest an independent CPA with accounting and governance expertise attend a finance committee meeting to determine if the process is adequate and we welcome any advice someone may have.
9. All financial statement accounts are reconciled monthly by either SWNI's treasurer or by SWNI's bookkeeper

with subsequent review by a SWNI officer. This review is documented by meeting minutes and by the monthly tracking sheet that shows accounts reconciled, payroll records reviewed and monthly adjusting journal entries reviewed. M & M did not attend a finance meeting nor observe the the month end close and reconciliation process. We recommend an independent CPA review these procedures to determine if adequate or if weaknesses are observed, recommend changes.

10. SWNI's financial statements are reviewed monthly by the finance committee. The finance committee also reviews each month payroll and benefits, significant changes in account balances, significant disbursement or contribution history and changes in each NA's account. In addition, each NA receives a copy of its account activity, disbursements and contributions. The review is timely with significant or extraordinary transactions explained. The periodic financial review process is considered timely and effective for a small non-profit organization.
11. PPP - The first P is "Paycheck" not payment. These monies were spent after the 6/30 grant period as evidenced by the separate PPP bank account balance at fiscal yearend. M & M either did not make note of this or they did not properly review the fiscal 2020 year end financial statements.
12. Paid time off, is tracked and recorded but not accrued as SWNI's accounting framework follows a tax basis accounting method. SWNi just began recording a liability for paid time off in fiscal 2021. M & M did not provide any examples that show inequity or deviation from Personnel Policy. SWNI has had not claims from personnel or BOLI claims filed against it.
13. The fiscal tracking sheet was improved during SWNI's fiscal 2019 accounting year and was completed each

month documenting reconciliation and review of month end close. M & M did not provide any evidence to support its position.

14. Detective control monitoring is done monthly by SWNi's Treasurer and by other officers. SWNI relies on preventive controls to safeguard bank accounts, mainly dual signature of disbursements and second party approval of bank transfer payments. Subsequent financial statement review and reconciliation ensures proper capture, recording and posting of transactions.
15. Control programs, risk assessment and internal audit plans are terms developed for entities subject to Section 404 of the Sarbanes-Oxley Act and for large governmental organizations. Although all entities can benefit from performing these procedures, most small entities do not have the personnel or financial ability to comply with the rigorous demands of full Section 404 compliance. A CPA would understand how these rules work and what is best for a small entity environment.
16. We are unsure what willful blindness to risk means. M & M did not provide any detail of what risks are present in SWNI's accounting environment or what specific risk is being ignored. SWNI's main risk is proper safeguard of cash and the capture and recording of disbursement and receipt transactions. Controls to mitigate this risk include preventive controls such as dual signatures for check disbursements, required fiscal tracking forms for all credit card and money disbursements, and NA, management or officer approval either through the tracking form or via pre-approved budget line item expenses (e.g. rents), Subsequent detective controls include monthly reconciliation with management review of all banking, money collecting accounts (e.g. PayPal) and credit card disbursements, and financial statement to budget comparisons.

17. No specific examples of personal conduct were provided by M & M and no example of what constitutes or what is meant by Poor was defined. SWNI fully cooperated with M & M and we are dumbfounded by this accusation. This also appears to be a subjective opinion that goes beyond the extent for the work M & M was engaged to perform. We recommend an objective independent third party, such as a CPA, perform a financial statement audit for SWNI.
18. SWNI is a small operation that pays low wages and provides few benefits. This is in part due to the large amount of work that must be performed each month with minimal support from Civic Life. This is further exacerbated by Civic Life cutting SWNI's grant support over the past two years. M & M spent minimal time interviewing SWNI's personnel and did not observe SWNI's employees while they were performing their work. M & M's allegations are unjustified and demeaning and indicates the lack of time or effort spent to fully understand SWNI's inner workings or each employee's part in how SWNI functions. We recommend City Counsel speak with Neighborhood Association members for an honest opinion of SWNI's personnel and what SWNI provides to each NA.

In general, SWNI finds M & M's report lacks objective detail of what conditions constitute weaknesses and what transactions and activities give rise to possible financial mismanagement. The subjective nature of the report shows M & M did not perform a truth finding examination and based its opinion on unjustified and unsupported accusations of certain parties who were interviewed. SWNI respectfully asks the city hire an independent CPA to perform a financial statement audit for fiscal years 2019 and 2020 to provide an objective opinion of SWNI's

control environment and SWNI's financial condition. Finally, M & M did not indicate any issues of fraud or malfeasance since the 2010 fraud, a situation that is well known and documented. SWNI's strong internal control policies and procedures, implemented shortly after the 2010 embezzlement, appear to be working properly.

**From:** [Janet C Hawkins](#)  
**To:** [Council Clerk – Testimony](#)  
**Subject:** Written Council Testimony - Item #151  
**Date:** Tuesday, March 9, 2021 8:49:03 AM  
**Attachments:** [SWNI Preliminary Response to Audit Report 11-22-2020.pdf](#)

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Please add this document to the public testimony for Item #151 for the March 10, 2021 Council Hearing.

Thank you,  
Janet Hawkins  
4675 SW Cullen Blvd.  
Portland OR 97221

Sent from [Mail](#) for Windows 10



190321

Southwest Neighborhoods, Inc.

7688 SW Capitol Highway, Portland, OR 97219 (503) 823-4592

[www.swni.org](http://www.swni.org)

SWNI PRELIMINARY RESPONSE TO PORTLAND OFFICE OF COMMUNITY AND  
CIVIC LIFE FORENSIC AUDIT

11/22/20

SWNI has served the residents of SW Portland for over forty years by providing neighborhood associations and community advocates support in communicating with city government on issues related to livability, including transportation, land use, and safety. SWNI also organizes neighborhood work parties and clean-ups as well as community-wide events like National Night Out. In addition, SWNI formed an Equity & Inclusion Committee five years ago to support greater outreach to under-represented communities to encourage greater neighborhood involvement.

Commissioner Chole Eudaly and the Director of the Office of Community and Civic Life, Suk Rhee, just released a forensic audit of SWNI that bends facts, omits vital information, and lacks a coherent narrative to support its claims of SWNI's mismanagement of funds and lack of program oversight.

Unfortunately, **SWNI was not offered an opportunity to respond to the audit before its public release.** Here are some facts:

1. Much of the audit is dedicated to the criminal embezzlement conducted by a former employee that took place over ten years ago. This individual was arrested, pleaded guilty to eleven counts of theft by deception, and was incarcerated for her crimes. The Multnomah County District Attorney's Office investigated and determined there were no other individuals responsible for the criminal misconduct. This story was covered extensively in the local media. We do not know why the audit scope was amended to include this timeframe.
2. Following the embezzlement, the SWNI Board worked for a year to develop a new system of fiscal controls and policies to ensure its financial management system was secure. These fiscal oversight policies were implemented beginning in October 2010. The former Office of Neighborhood Involvement (ONI), now Civic Life, reviewed these policies and fiscal controls as a part of its on-going contracting process with SWNI.
3. During the past decade, SWNI has submitted regular financial and program reports to its ONI/Civic Life contract managers. None have called out any fiscal irregularities or registered any findings of misconduct regarding SWNI's fiscal management practices during that time.
4. SWNI finds the forensic audit report lacks objective detail of what conditions constitute weaknesses and what transactions and activities give rise to possible financial mismanagement. The subjective nature of the report shows Marsh & Minick did not perform a truth finding examination and based its opinion on

Empowering citizen action to improve and maintain the livability of Southwest neighborhoods.

unjustified and unsupported accusations of certain parties who were interviewed and omitted information supplied by others who were interviewed. The forensic audit did not indicate any issues of fraud or malfeasance since the 2010 fraud, a situation that is well known and documented. SWNI's strong internal control policies and procedures, implemented shortly after the 2010 embezzlement, appear to be working properly. The audit report's claim of financial mismanagement obfuscates timelines without acknowledging SWNI's adoption of strong financial controls following the discovery of the theft and shows a lack of understanding of SWNI's financial management system.

5. SWNI respectfully asks the city to hire an independent CPA to perform a financial statement audit for fiscal years 2019 and 2020 to provide an objective opinion of SWNI's control environment and SWNI's financial condition. Or in the alternative, asks you to consider that the city give SWNI a fiscal compliance review handled by the auditor's office.
6. SWNI emphatically disagrees with the audit's finding that SWNI's Executive Director, Sylvia Bogert, contributed to the embezzlement actions of the adjudicated employee by not communicating with the Board of Directors about credit card expenses she paid in 2005. Ms. Bogert alerted the Board of Directors to the credit card issue following the discovery of theft in October 2010. At the time Ms. Bogert believed the former employee's explanation that the credit card balance was legitimate and took personal responsibility for not being aware the debt had not been paid off. The SWNI Board accepted her explanation and focused on tightening its financial management system. SWNI and the Multnomah County District Attorney's office investigated the fraud in 2010-2011 and did not find evidence of additional wrongdoing. SWNI shared this information with the forensic auditor in October 2020 and Marsh & Minick omitted this important information in the audit report.
7. In 2012, following the embezzlement experience, ONI partnered with SWNI in conducting training with other District Coalition offices about its experience with financial management and the need for stricter controls.
8. SWNI's application and approval for the federal SBA Paycheck Protection Program (PPP) has been mischaracterized in the audit report. SWNI was eligible for the program as a nonprofit organization and applied to Umpqua Bank for a PPP loan. SWNI's application was approved by the Small Business Administration and PPP funds covered rent expenses in May – August 2020 as well as payroll and utility expenses in July - August 2020. SWNI has completed an application for PPP loan forgiveness and submitted it to Umpqua Bank. SWNI is now awaiting word on when the Small Business Administration will begin to approve PPP loan forgiveness applications.
9. SWNI is dedicated to equity and inclusion in SW Portland. Beyond creating an Equity & Inclusion Committee, SWNI conducted six Oregon Humanities

Empowering citizen action to improve and maintain the livability of Southwest neighborhoods.  
Community Conversations on diversity topics in 2019-2020. In July 2019, SWNI partnered with the Bureau of Planning and Sustainability to host a community screening and discussion forum on the film "Priced Out," which highlights gentrification issues in Portland.

The firm that Civic Life contracted to perform the forensic audit, Marsh & Minick, did not seem objective in its findings. The forensic audit firm did not seem to understand how nonprofits operate. The forensic audit report obfuscates timelines and seems to lack an understanding of SWNI's financial management system. We request an opportunity to respond to the audit and elaborate on the points discussed above.

Sincerely,

Leslie Hammond, President  
Steve Mullinax, First Vice President  
Sam Parson, Second Vice President  
Janet Hawkins, Secretary  
Teddy Okonokhua, Treasurer  
Sylvia Bogert, Executive Director

Empowering citizen action to improve and maintain the livability of Southwest neighborhoods.

**From:** [Jennings, Gayla](#)  
**To:** [Council Clerk – Testimony](#)  
**Subject:** FW: Resolution 135  
**Date:** Tuesday, March 9, 2021 3:23:14 PM  
**Attachments:** [Council Testimony Item 135 Mar10 2021.pdf](#)

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**From:** DEAN S SMITH <smithd1111@comcast.net>

**Date:** Tuesday, March 9, 2021 at 12:47 PM

**To:** "Wheeler, Mayor" <MayorWheeler@portlandoregon.gov>, Commissioner Ryan Office <CommissionerRyanOffice@portlandoregon.gov>, Commissioner Hardesty <joann@portlandoregon.gov>, Commissioner Mapps <MappsOffice@portlandoregon.gov>, Commissioner Rubio <Comm.Rubio@portlandoregon.gov>, "City Auditor, Mary Hull Caballero" <AuditorHullCaballero@portlandoregon.gov>

**Cc:** Leslie Hammond <thinkleslieh@gmail.com>, "stevemullinax57@gmail.com" <stevemullinax57@gmail.com>, "janetchawkins@msn.com" <janetchawkins@msn.com>, "treasurer@swni.org" <treasurer@swni.org>

**Subject:** Resolution 135

Attached please find comments to the Portland City Council pertaining to Item 135 on the March 10, 2021, Council Calendar.

Thank you,  
Dean Smith

March 9, 2021

RE: Council Calendar Item 135  
March 10, 2021

Dear Mayor Wheeler and members of the Portland City Council,

I am writing again to express my opposition to Resolution 135 on the March 10, 2021 City Council agenda, which would authorize hiring two new City employees to perform portions of the support services that have been provided by Southwest Neighborhoods, Inc. (SWNI).

I have been actively involved with the Ashcreek Neighborhood Association for the past 12 years and previously with two other neighborhood associations since the earliest days of the Office of Neighborhood Associations (ONA), later ONI, and now Office of Community and Civil Life (OCCL). Recently I have been among the volunteers who have donated money and time to help SWNI through this difficult period.

As one active in civic matters and public service (Commissioner's Assistant for Portland City Commissioner Margaret Strachan, Public Affairs Assistant for Multnomah County Executive Don Clark, and Plan Manager for the 1980s Central City Plan), I am extremely disappointed by the manner in which decisions affecting SWNI and southwest Portland residents have been made by OCCL and the Commissioners who have overseen Civic Life in recent months for the following reasons:

- **Lack of an open, public process or opportunity for community input on the decision to pull neighborhood and business association support responsibilities from SWNI and placing them instead within the City bureaucracy.** This is a decision that will have significant bearing on our entire community and should not be done with such haste and lack of analysis and planning. Commissioner Hardesty herself acknowledges that she has made no decisions about the future of district coalitions and, further, she has been unable to explain exactly what services the City is prepared to provide to southwest Portland or those that our neighborhood associations would need to find or perform themselves. Her decision to seek Council approval to summarily pull our district coalition services into OCCL is occurring without a long-term plan or analysis that supports her decision as it is linked to the fate of other District coalitions as well. Moreover, the 20 business and neighborhood associations affected by the decision have not been consulted in these decisions as required by City code.
- **No substantive opportunity for SWNI to challenge the findings of the much-maligned forensic audit that appears to be a major factor in Commissioner Hardesty's "executive decision" to cancel SWNI's contract and place Resolution 135 on the Council agenda.** As others have pointed out, the forensic audit upon which her determination appears largely based was seriously flawed and filled with inaccuracies that were incorporated into the audit report because it was published before SWNI was given any opportunity to review and correct the information. It's important to stress that the report contained no findings that any City funds were missing, unaccounted for or used for other than its contractual obligations, nor did the audit team find any evidence of fraud, illegal activity or malfeasance on SWNI's part. Instead of being a balanced and fair performance audit, it appears to me to have been what amounted to an attack audit with a scope of work defined and managed by OCCL, which appears to have had an axe to grind with SWNI for some time.
- **It has yet to be made public what specific data, documents, interviews or other interactions with individuals that Commissioner Hardesty and/or City staff members used in carrying out its "due diligence".** From the time the Commissioner was assigned to OCCL in January 2021 through to February 24<sup>th</sup>, when she announced her decision, as far as I can tell there was no opportunity for SWNI's Executive Committee, Board of Directors, or the chairs of SWNI's standing committees, neighborhood and business associations to weigh in and provide feedback relevant to SWNI's operations, transparency, or to comment

LETTER TO CITY COUNCIL  
RE: Resolution 135

on the so-called “bullying” that Commissioner Hardesty asserts occurred at SWNI. In other words, the ultimate decisions to terminate SWNI’s contract and embed coalition responsibilities for southwest Portland into OCCL (which itself has been under audit by the City Attorney for mismanagement and other alleged misconduct) was a behind-closed-doors matter. Due to the significance of the decision and its impact on the community, SWNI and southwest Portland residents have a right to know who and what specifically was included in the due diligence process and decision-making.

- **It was Council’s decision in July 2020 to suspend SWNI’s funding pending completion of the forensic audit. It seems to me that City Council should therefore be the proper body to (1) review and affirm or reject the findings of the audit team of Marsh-Minick, and (2) make the decision concerning SWNI’s status and funding.** In my opinion, SWNI should still be granted the opportunity to publicly comment on the audit’s findings and restore the City’s and community’s faith in its management policies and practices. Instead, the decision to disenfranchise SWNI was made by Commissioner Hardesty based on “executive” authority. Again, there are many decisions with long-standing implications of the proposed and potential future actions that warrant a vastly more open, public discussion than that which has occurred to date.

**For these and other reasons, I urge the City Council to table Resolution 135 until Commissioner Hardesty and the OCCL have (1) met with SWNI’s current and, as necessary, former Officers to review in detail the materials and information that led to the Commissioner’s decision, including the much-maligned forensic audit, so SWNI has the opportunity to correct the record and, especially, certain information, assumptions and conclusions in the audit report, and (2) undertaken a well-vetted and public process about the future of District coalitions and the neighborhood and business associations they serve.**

**In addition, I urge the City Council also restore sufficient funding to SWNI so it can (1) maintain its operating systems, which are critical to supporting our neighborhood associations and maintaining records and financial accounts, and (2) support ongoing neighborhood and community activities for the remainder of the 2020-2021 fiscal year and until such time as the City makes determinations regarding the future of District coalitions citywide.**

Thank you for the opportunity to comment on this important matter to all of us living in southwest Portland.

Sincerely,

*Dean Smith*

Dean Smith  
5720 SW 52<sup>nd</sup> Avenue  
Portland, OR 97221

Cc: Council Clerk  
SWNI Executive Committee

**From:** [Lee Buhler](#)  
**To:** [Council Clerk – Testimony](#)  
**Subject:** Agenda Item #151  
**Date:** Tuesday, March 9, 2021 9:06:03 PM

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Dear Mayor Wheeler and Commissioner's Hardesty, Mapps, Ryan and Rubio:

As with many other people I am upset at the de-funding of SWNI. SWNI has provided a great deal of services to the community that will be sorely missed. Those services included the sponsorship of neighborhood picnics, concerts, movies in the park, Native planting work parties, trail building, litter patrol, neighborhood cleanups, public safety education, bike rodeos for kids, interaction with schools, land use input and negotiations with developers and the City, invasive plant education and removal work parties. SWNI published a newspaper that kept the community informed and gave space to every individual neighborhood. SWNI also maintained a website, Facebook page and mailing lists to keep the community connected and informed. Before losing funding SWNI sent out a COVID Guide to all households. SWNI sponsored candidate forms and emergency preparedness events as well as open houses for City agencies. SWNI paid for and arranged rooms for all sorts of community meetings and events. When COVID hit SWNI purchased several Zoom licenses and taught people how to use Zoom to keep community connections.

As far as equity goes, I can speak as a gay man. I have been involved with SWNI since the mid 1990s in all sorts of volunteer activities. I have always felt respected and appreciated. I do not remember one bad incident. When my partner of 25 years died, I received tremendous support from SWNI and the neighborhoods. It was a big help to me at a hard time. I will really miss all the wonderful people I met who were working for free to make things better for other people.

I am very sad to see the SWNI staff laid off. They were low paid but enthusiastic about serving the community. They were a diverse group.

I think that SWNI has been treated unfairly. The fraud examination was not a certified audit. Twice they said we are not "licensed or registered as a public accounting firm and does not issue opinions on financial statements nor offer attestation services" and yet, that is all they did. They were only qualified to find fraud and they didn't find any.

Please count me as one of the people who is very sad with the unfair SWNI decision.

Sincerely,

Lee Buhler

## City Council Meeting - Wednesday, March 3, 2021 9:30 a.m.

Agenda No.	First	Last	Zip
135-1	Richard	Freimark	97221
135-2	Leslie	Hammond	97221
135-3	Steve	Mullinax	97221-3923
135-4	Janet	Hawkins	97221
135-5	Marianne	Fitzgerald	97219
135-6	Claire	Coleman-Evans	97221
135-7	Christopher	Browne	97213
135-8	Maria	Thi Mai	97219
135-9	Joyce	del Rosario	97201