



CITY OF  
**PORTLAND, OREGON**

OFFICIAL  
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 23<sup>RD</sup> DAY OF MAY, 2012 AT 9:30 A.M.

*Temporary location: The Portland Building, 1120 SW 5<sup>th</sup> Ave, 2<sup>nd</sup> Floor Auditorium*

THOSE PRESENT WERE: Mayor Adams, Presiding; Commissioners Fritz, Leonard and Saltzman, 4.

OFFICERS IN ATTENDANCE: Susan Parsons, Acting Clerk of the Council; Ben Walters, Chief Deputy City Attorney; and Steve Peterson, Sergeant at Arms.

Items No. 556, 557 and 558 were pulled for discussion and on a Y-4 roll call, the balance of the Consent Agenda was adopted.

<b>COMMUNICATIONS</b>	<b>Disposition:</b>
<p><b>542A</b> Request of Crystal Tenty to address Council regarding budget cuts to the Family Services Division of the Portland Police Bureau (Communication)</p>	<b>PLACED ON FILE</b>
<p><b>543</b> Request of Michelle K to address Council regarding support received from the Portland Police Bureau Family Services Division (Communication)</p>	<b>PLACED ON FILE</b>
<p><b>544</b> Request of Sharon Nasset to address Council regarding Columbia River Crossing (Communication)</p>	<b>PLACED ON FILE</b>
<p><b>545</b> Request of Kiah Stern to address Council regarding education and budget cuts (Communication)</p>	<b>PLACED ON FILE</b>
<p><b>546</b> Request of Victoria Taft to address Council regarding garbage rates and urban renewal (Communication)</p>	<b>PLACED ON FILE</b>
<b>TIMES CERTAIN</b>	
<p><b>547</b> <b>TIME CERTAIN: 9:40 AM</b> – Amend fee schedules for building, electrical, mechanical, plumbing, facilities permit, field issuance remodel, land use services, neighborhood inspections, noise control, signs, site development, zoning and certain construction permits (Ordinance introduced by Commissioner Saltzman) 30 minutes requested</p>	<p><b>PASSED TO            SECOND READING            MAY 30, 2012            AT 9:30 AM</b></p>

<b>CONSENT AGENDA – NO DISCUSSION</b>		
<p><b>548</b> Appoint Judy BlueHorse Skelton, Kathy Fong Stephens and Christa Thoeresz and reappoint Mike Alexander and Shelli Romero to the Portland Parks Board for terms to expire June 30, 2015 (Report introduced by Mayor Adams and Commissioner Fish)</p> <p>(Y-4)</p>		<b>CONFIRMED</b>
<b>Mayor Sam Adams</b>		
<p><b>*549</b> Authorize a grant agreement with Ceasefire Oregon Education Foundation in the amount of \$23,750 to conduct an annual gun turn-in event in Portland (Ordinance)</p> <p>(Y-4)</p>		<b>185334</b>
<b>Bureau of Emergency Management</b>		
<p><b>*550</b> Authorize Memorandum of Understanding with the American Red Cross for shelter trailer ownership and management (Ordinance)</p> <p>(Y-4)</p>		<b>185335</b>
<p><b>*551</b> Authorize application to the Department of Homeland Security for a grant in the amount of \$2,157,259 to enhance emergency preparedness by planning, training and equipping emergency responders (Ordinance)</p> <p>(Y-4)</p>		<b>185336</b>
<b>Bureau of Transportation</b>		
<p><b>*552</b> Authorize execution of a Lease Agreement with Urban Office &amp; Parking Facilities for Air Rights over a portion of SW First Ave for use of two sky bridges (Ordinance)</p> <p>(Y-4)</p>		<b>185337</b>
<p><b>*553</b> Amend contract with Tri-State Construction, Inc. for landslide mitigation on SW Sam Jackson Park Rd to include additional emergency landslide mitigation work on nearby SW Broadway Dr (Ordinance; amend Contract No. 30002144)</p> <p>(Y-4)</p>		<b>185338</b>
<p><b>554</b> Designate certain City property as public right-of-way and assign it to the Bureau of Transportation (Second Reading Agenda 518; C-10040)</p> <p>(Y-4)</p>		<b>185339</b>
<b>Office of Management and Finance</b>		
<p><b>*555</b> Pay claim of Raymond Svela involving Parks Bureau (Ordinance)</p> <p>(Y-4)</p>		<b>185340</b>
<p><b>*556</b> Authorize River District urban renewal and redevelopment refunding bonds (Ordinance)</p> <p>(Y-4)</p>		<b>185348</b>

May 23, 2012

<p><b>*557</b> Ratify a Letter of Agreement with the American Federation of State, County and Municipal Employees, Local 189 to increase the compensation of represented employees in the Surveyor classification series (Ordinance)</p>	<p><b>REFERRED TO COMMISSIONER OF FINANCE AND ADMINISTRATION</b></p>
<p><b>*558</b> Change the salary range for the Nonrepresented classification of Survey Supervisor (Ordinance)</p>	<p><b>REFERRED TO COMMISSIONER OF FINANCE AND ADMINISTRATION</b></p>
<p><b>559</b> Clarify and update Administration and Distribution of Benefits Generally sections of the City Deferred Compensation Plan (Second Reading Agenda 519; amend Code Chapter 5.09)  (Y-4)</p>	<p><b>185341</b></p>
<p><b>Commissioner Dan Saltzman</b> <b>Position No. 3</b></p> <p><b>Bureau of Environmental Services</b></p> <p><b>560</b> Amend Intergovernmental Agreement with U.S. Fish and Wildlife Service to partner on salmon and lamprey monitoring program for Tryon Creek basin (Ordinance; amend Contract No. 30001882)</p>	
<p><b>Office for Community Technology</b></p> <p><b>561</b> Extend term of a franchise granted to Lewis and Clark College to construct, operate and maintain a telecommunications system (Second Reading 529; amend Ordinance No. 176383)  (Y-4)</p>	
<p><b>562</b> Extend term of a telecommunications franchise granted to Tyco Networks and subsequently transferred to VSNL Telecommunications (US), Inc., to build and operate telecommunication facilities within City streets (Second Reading 530; amend Ordinance No. 176503)  (Y-4)</p>	<p><b>185343</b></p>
<p><b>Commissioner Randy Leonard</b> <b>Position No. 4</b></p> <p><b>Water Bureau</b></p> <p><b>563</b> Transmit evaluation report on Design-Build contract with Kiewit Pacific Co. for the construction of the Sandy River Conduit Relocation project and accept contract as complete, authorize final payment and release of retainage (Report; Contract No. 38263)  (Y-4)</p>	
<p><b>*564</b> Authorize an Intergovernmental Agreement with the Mt. Hood National Forest for fire lookout services for the Bull Run watershed (Ordinance)  (Y-4)</p>	<p><b>185344</b></p>

May 23, 2012

<p><b>*565</b> Authorize the Portland Water Bureau to acquire a conservation easement and an access and utility easement on property owned by Catholic Youth Organization/Camp Howard (Ordinance) (Y-4)</p>	<p><b>185345</b></p>
<p><b>566</b> Clarify duties and responsibilities of the Water Bureau Administrator and ratify existing lease agreements (Second Reading 531; amend Code Chapter 21.12) (Y-4)</p>	<p><b>185346</b></p>
<p><b>Commissioner Amanda Fritz</b> <b>Position No. 1</b></p> <p><b>Office of Neighborhood Involvement</b></p> <p><b>*567</b> Amend grant agreement with Immigrant and Refugee Community Organization for \$55,000 to administer 2012-13 Graffiti Abatement Youth Walking Crews (Ordinance; amend Contract No. 32000585) (Y-4)</p>	<p><b>185347</b></p>
<p><b>City Auditor LaVonne Griffin-Valade</b></p> <p><b>568</b> Amend contract with Kenneth D. Helm for on-call land use hearings officer services for the Hearings Office (Ordinance; amend Contract No. 30001997)</p>	<p><b>PASSED TO SECOND READING MAY 30, 2012 AT 9:30 AM</b></p>
<p><b>REGULAR AGENDA</b></p> <p><b>Mayor Sam Adams</b></p> <p><b>Bureau of Transportation</b></p> <p><b>569</b> Amend Regulations of Safety and Conduct for the Portland Streetcar, City of Portland Property (Ordinance; add Code Chapter 14A.100 and Chapter 14A.110)</p>	<p><b>PASSED TO SECOND READING MAY 30, 2012 AT 9:30 AM</b></p>
<p><b>Office of Management and Finance</b></p> <p><b>570</b> Authorize a borrowing in an amount sufficient to produce not more than \$25,211,000 in anticipation of the Fire and Police Disability and Retirement Fund levy for FY 2012-2013 (Ordinance)</p>	<p><b>PASSED TO SECOND READING MAY 30, 2012 AT 9:30 AM</b></p>
<p><b>City Auditor LaVonne Griffin-Valade</b></p>	

May 23, 2012

**571** Assess property for sidewalk repair by the Bureau of Maintenance (Hearing; Ordinance; Y 1077) 10 minutes requested

**PASSED TO  
SECOND READING  
MAY 30, 2012  
AT 9:30 AM**

At 10:53 a.m., Council recessed.

May 23, 2012

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND,  
OREGON WAS HELD THIS 23<sup>RD</sup> DAY OF MAY, 2012 AT 2:00 P.M.

*Temporary location: The Portland Building, 1120 SW 5<sup>th</sup> Ave, 2<sup>nd</sup> Floor Auditorium*

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

OFFICERS IN ATTENDANCE: Susan Parsons, Acting Clerk of the Council; Roland  
Iparraguirre, Deputy City Attorney; and Harry Jackson, Sergeant at Arms.

<b>S-572</b> <b>TIME CERTAIN: 2:00 PM</b> - Revise residential solid waste and recycling collection rates and charges, effective July 1, 2012 (Second Reading Agenda S-508; Ordinance introduced by Mayor Adams; amend Code Chapter 17.102) 10 minutes requested for items 572-575  (Y-4; N-1 Fritz)	<b>Disposition:</b>  SUBSTITUTE <b>185349</b>
<b>573</b> Revise sewer and drainage rates and charges in accordance with the FY 2012-2013 Sewer User Rate Study (Second Reading Agenda 509; Ordinance introduced by Commissioner Saltzman)  (Y-5)	<b>185350</b>
<b>574</b> Authorize the rates and charges for water and water-related services during the FY beginning July 1, 2012 to June 30, 2013 and fix an effective date (Second Reading Agenda 510; Ordinance introduced by Commissioner Leonard)  <b>Motion to reduce rate increase to 7.6% instead of the originally proposed 8.1% increase:</b> Moved by Commissioner Leonard and seconded by Commissioner Fish. (Y-4; N-1 Fritz)	<b>PASSED TO SECOND READING AS AMENDED MAY 30, 2012 AT 9:30 AM</b>
<b>575</b> Revise transportation fees, rates and charges for FY2012-2013 and fix an effective date; allow for the disposition of asphalt, concrete, rock, dirt and leaves and establish rate setting authority; and amend City-owned parking garages rules of conduct and establish rate setting authority. (Second Reading Agenda 536; Ordinance introduced by Mayor Adams; add Code Sections 17.40.050 and 17.40.060; amend Code Section 16.20.900 and add 16.20.920)  (Y-5)	<b>185351</b>

At 3:19 p.m., Council adjourned.

**LAVONNE GRIFFIN-VALADE**  
Auditor of the City of Portland



By Susan Parsons  
Acting Clerk of the Council

May 23, 2012

For a discussion of agenda items, please consult the following Closed Caption File.

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

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

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

**MAY 23, 2012            9:30 AM**

**Adams:** Good morning, everyone, and welcome to the Portland city council. Before we get officially under way, we've got a couple of -- three special presentations. The first one is -- I would like to -- is Justin here? Yeah. Please come forward. We are very fortunate -- this is for another one. Sorry. We're very fortunate in the city of Portland to have leadership and to have an organization that we partner with to make sure that our entrepreneurs, our small businesses, succeed. And in a lot of cities it's important, but in the city of Portland it's triply important because over 80% of folks that work in the city of Portland do so at businesses 10 or less employees. So more Portlanders are working at more small businesses per capita than almost any other city in the United States. It's unique. It's a source of incredible innovation. It's the source of incredible talent, development of talent. But it's also a vulnerable resource. And a vulnerable strength in that we always have to be caring and feeding our small businesses. I'm very pleased today to have with us Venture Portland and before I read the proclamation I would like to introduce the president and his colleagues to talk a little bit about Venture Portland. Welcome.

**Justin Zeulner:** Thank you, Mayor and Commissioners. I'm Justin Zeulner. I'm the president of Venture Portland. Along with me is Heather Hoell, our executive director and Brian Alfano our vice president. Approximately 50 unique business districts thrive in Portland. Since 1986 Venture Portland has supported these business districts with much needed training, technical assistance, support, thinking about the development of our emerging business districts as well. We also provide grant funding and in financial terms since 1986 Venture Portland has infiltrated over \$1 million of investment into the business districts of Portland. That's been matched by \$3 million worth of private dollars that our business districts have been able to raise on their own. Portland neighborhood business districts represents 16,000, -- 16,000 primarily local and small businesses. That supports over 200,000 jobs in our local economy and really makes what Portland is from a special presence and things that we all appreciate about Portland. While serving the diverse communities that surround them, Portland's neighborhood business districts also meet regional, national and international trade for goods and services and support our local economy. Last month in fact, over 20 new small businesses opened in the city of Portland. Those boutiques and eateries, health-care providers, those join a legion of locally owned retail, manufacturing and service businesses that already define our great city. The reality of today's economic activity requires creativity and commitment to work together for business owners, our residents, our community and our government partners. I hope you'll join Venture Portland in honoring the small businesses that make our city special by looking for the 'Portland Celebrates Small' sign that you'll see and you already see up and out over our community. By doing so you are really honoring our local small businesses and we want you to do that when you're thinking about shopping and spending your dollars. This week in fact, May 20th through 26th, is National Small Business Week and a great time for us to recognize, celebrate and support the small businesses that power Portland's economy. So I know Sam has a proclamation to read. And we really appreciate the fact that our government partners are stepping up and putting some much needed magnification of what makes our city so great. Thank you.

**Adams:** Would you like to say anything?

May 23, 2012

**Brian Alfano:** No. We appreciate you reading the proclamation. And calling this – well, we'll let you read it. But --

**Adams:** Well very good. Let's get to it. Thank you. We really appreciate all your work, it's amazing. Whereas Portland is a small business city and whereas Portland's rate of 28 small businesses per 1,000 residents is one of the highest in the country, and whereas more than 95% of Portland businesses have fewer than 50 employees, and whereas 76% of Portland businesses employ between one and 10 people and nearly three-quarters of net new jobs in Portland are created by small businesses and whereas Portland's neighborhood business districts are home to almost two-thirds of these businesses, and whereas Portland's neighborhood business districts include approximately 16,000 businesses and nearly 200,000 jobs and whereas may 20th through 26th, 2012, is national small business week, and whereas venture Portland supports neighborhood based businesses many of which are small, now therefore i, sam Adams, mayor of the city of Portland, Oregon the city of roses, do here by proclaim may 20th through May 26<sup>th</sup>, 2012 to be small business week here in Portland and encourage all residents to observe this week by supporting small local businesses. Thank you. [applause] come get a quick picture with us.

Who's got the camera? You've got the camera. This is the important part. Thanks.

**Adams:** And now we have special guests. If you want to come up.

**Mark Jackson:** Thank you for the exception and council members. My name is mark jackson, director -- reaching and empowering all people. In the spirit of the Portland plan part of the objective is to find ways to increase student voice and this morning we have two ambassadors from Ron Russell middle school, one 8th grade, one 7th grade, who is going to address council this morning. And I also just want to add as a precursor, as we move into this year I want to ask the mayor and council members to consider the month of september as a proposed proclamation for student voice and all that's going on with education reform and all the budget cuts, it's important to keep the voices of students at the table as we shape the landscape of our future. Thank you so much.

**Adams:** Hi, welcome.

**Sebastian:** Hello. My name is Sebastian. And I go to Ron Russell middle school and i'm regional ambassador and I have a dream, that one day all men and women of all color will have the same education opportunity and success rate before and after college. We should put our differences aside and focus on the bigger picture. Education equals prosperity. Like my good friend dr. Martin luther king, jr., said, an individual has not started living until he can rise above the narrow confines of his individualistic concerns to the broader concerns of all humanity. We as humans, since we were created have always been arguing about which ethnic group is best. I believe that this disagreement is dishonorable and we need to put an end to it. Why can't we put our differences aside and bicker about something else? We will never stop arguing, but let's not argue about each other's groups. I believe that if there was a program that taught students about other cultures there would be less racism in Portland. My second concern is about education. I believe we need to put a bigger emphasis on education. I don't mean just in schools, I mean in the communities as well. For example, more food drives so that families that are in need will get the nutrition they need for their kids to be able to focus on school, not only at school but at home as well. Another change could be better teachers. I don't just mean teachers that have a lot of experience, I mean teachers that can cooperate with the students and that students like. I think that most students would agree with this. Because who wants to learn when the teacher is very unlikeable. Would you guys want to learn if a teacher is unlikable? I don't think I would either. [laughter] Why cut likable teachers for teachers that have more experience yet the student body dislikes them? I believe a good teacher is one that is likeable yet can teach students the fullest. As a new student counselor for my school, I try to see what the student body needs to be successful and also some reasonable things they want. Another concern that revolves around education is the testing, oaks testing scores. A quote that I came up with is, that we can accomplish the impossible but if we have the resources that are



May 23, 2012

needed. How does the state of Oregon as a whole raise test scores to be at the bare bottom, yet most districts don't have enough money for a music program. I have exceeded all my Oaks test scores. But I'm talking about students as a whole. If we look at it as a state perspective we understand that raising test scores would mean our students would try harder to achieve a better score. On the contrary when i'm in the library I have seen more students failing their tests. Many have to take a third round. I asked if they passed and they said they still didn't pass. Those students that didn't pass were some of the students that didn't have those resources required to pass. By resources I mean the money. I'm not complaining around russell middle school. I feel blessed to be at david douglas school district, which still has many programs. For example, i'm in middle school and this year in band we're going to march. Many middle schools have had to cut marching band because they don't have enough equipment and they don't have the money to buy the equipment. I'm talking about those districts that the students refer to school lunch as a horrible lunch. I believe if we put money into education we as a whole country would be more prosperous. I'm going to wrap up my speech because I don't think it's very exciting when a 13-year-old is lecturing intelligent adults about this topic. Even if you didn't listen to any of my speech so far I want one thing to stick in your minds. We as americans have designed nuclear missiles, overcome great depression, started a government that all the other countries thought would fail and beat a country as powerful and glorious as great britain when we all had rags and a few weapons. Even though I was born in romania i'm proud to be an american citizen. Your forefathers understood three key ideas; always to persevere, education and equality equals prosperity and they understood the future is now. Have a great day, and God bless.

**Adams:** Well done. Thank you very much. [applause] hi. Do you want to say hi?

**Girl:** Hi.

**Adams:** What grade are you in?

**Girl:** I'm a 7th grader at Ron Russell middle school.

**Adams:** What do you like to study most? And why?

**Girl:** I like to study social studies, because it talks about so many things that goes back in culture.

**Adams:** Yeah. Well I appreciate you being here. Thank you very much.

**Adams:** I would now like to -- following on the issue of the importance of education I would like gwen sullivan to come forward, who is the president of Portland teachers association. Has a very difficult job. She is here today at my invitation so that I have an opportunity to thank her and the union for the concessions that they made, which is important, and I'd ask you to summarize that. But more importantly is the ongoing effort each an every day that teachers in this city and this school district but throughout the city the sacrifices that they make every day, and working conditions that are more and more difficult, larger class sizes, more problems in the classroom, and yet we have made great improvements. And we continue collectively to bring better community support to the schools, but all that would be for naught if it wasn't for our great teachers. So I wanted to thank you for the sacrifices you made most recently and have you talk a little bit about them.

**Gwen Sullivan:** Thank you. Thank you very much. Hi, there. With our most recent tentative agreement i'm here just to tell you about some of the things that our teachers -- what's important to them and how we came to this place that the idea of cutting 110 teachers we knew what that meant to our kids. We also knew that cutting school days what that meant to our kids, so we were desperately trying to find another solution, so what we came up with was with the city's help that for the first time we have -- I would like to say in our history, but I have only been here since teaching since 1995, but I can say since 1995 we have not ever done no step increases in our experience steps. This year what we're looking at is we're looking at a delay in all of our steps, and that's something that was pretty unique. That saved quite a bit of money. We also know that for many years our teachers, which is near half of them, that are at the top of the pay scale haven't seen

May 23, 2012

any sort of experience step in many years. So this was even more because they were finally supposed to get a 2%, but they did ratify this agreement and believe that it was important. So there's a delay in steps. There's also that high school teachers had won an arbitration award and originally we talked about trying to figure out if we could give more of the money back that they won in this arbitration award but then we found out that we wouldn't be able to bring back some of our special ed teachers and it was really important that our special ed teachers be brought back as well. We were looking at layoff areas in special ed, in library media specialists and p.e., music and art and some english high school teachers as well. So we did take part of that arbitration award and put that toward this shortfall along with the steps. We also made sure that the kids would have a full school year, the whole 177 days, that we wouldn't cut any school days. Also, we looked at making sure that once again certain areas were restored that really matter, especially many of our most vulnerable kids that don't have access to music and art outside of the classroom, and those things were very, very important to make sure that we retained for some equity issues as well as I would say our media specialists which we often say media specialists, what we used to know as librarians of the past, they have a new title. They have many new jobs but they are definitely the great equalizer in our schools. So that was very important to make sure they were brought back. We had some other proposals kind of packaged into this too. We had unfair labor practice that was put in there, but we ended up being able to figure out some things together in this process. We wouldn't have necessarily been in this position without the city's help, that there was an opportunity to start having some dialogue that we haven't had. So the last thing I would say that was really important to all of us with this agreement is that we put together a forum for long term stable funding for education and that would be not only with the union and the district but it would be with community, it would be with parents, it would be with city, county, that we need to figure this out. We can't be here every year. I think we all know the last speaker was talking about how education equals prosperity. I often say that education not only equals prosperity but it equals happiness. There's something really great about having a city that is prosperous and happy. So those are some of the things that are in our agreement, and really, really appreciate the city's help and focus on that.

**Adams:** Thank you. Any questions or comments?

**Fritz:** I just wanted to comment. Thank you, Gwen Sullivan, for your leadership of the teachers and to celebrate that in Portland district 1-j, we have been able to come to this agreement with significant help from the taxpayers as well as significant sacrifices from the teachers. You're right, we cannot keep doing this. We need to go to salem and get a state wide solution for adequate stable ongoing school funding, and i'm committed to doing that in 2013.

**Sullivan:** Good thank you. [applause]

**Saltzman:** I just wanted to say also, thank you and please extend my thanks to your members.

**Sullivan:** Yeah. Thank you. Thank you very much.

**Adams:** Thank you. Alright, Sue, how are you?

**Sue Parsons:** I'm good, thank you.

**Adams:** Can you please call the roll. [roll call taken]

**Adams:** Here. A quorum is present, we shall begin. Can you please read the title for 542?

**Item 542.**

**Adams:** Crystal, welcome.

**Crystal Tenty:** Thank you. Good morning. My name is crystal tenty. I'm a domestic violence advocate with the Rafael house of Portland, out stationed with the Portland police bureau's family services division, and I'm here today to thank you all for protecting funding for the family services division, specifically the domestic violence reduction unit. I have been working in a field of advocacy in Portland for six years, the last two of which have been spent alongside some of the most dedicated and compassionate police officers in Portland. This positive working relationship between officers and advocates provides numerous benefits for the survivors we work with and the

May 23, 2012

larger community. Having an officer's support is incredibly valuable to me as an advocate. Because it allows me to be able to support victims and survivors in ways I would otherwise be unable to do. For example, in many cases where the offender is not in custody I would be unable to do outreach or do home visits with survivors without officer accompaniment. Additionally, our partnership affords me a huge increase in access to information, specialized knowledge and resources that are available to law enforcement. I can have officers run offenders in the system to check warrant status or criminal history, having some background allows me to do better safety planning with victims and can help me in how I approach my outreach efforts. Just knowing how long the survivor and the abuser have been together, if they have children in common, if they live together, if there's a restraining order in place and other types of information just having that knowledge prior to even contacting the victim or survivor allows me to have the resources available to them before I even meet with them in person, and already plan for their safety prior to meeting with them. Another benefit of this partnership is the greater mutual understanding, a mutual respect that arises between community based advocates and law enforcement as we work together to support survivors and hold offenders accountable although we have different roles and come from different workplace cultures I feel respected and supported by our officers who are pretty great advocates themselves. To give you an example, last month one of our officers went with me to home depot to purchased door alarms and wooden dowels to increase safety features in the homes of a couple of the survivors we were working with. We went to one of the survivors home together, and the officer cut the dowels with her own hand saw that she brought and fit it into the survivor's window as part of the home safety plan we came up with together. This is just an example of how our officer advocate teams work together and are really committed to ensuring the safety of the survivors we work with.

**Adams:** Thank you very much. [applause] Sue can you read the title for item 543.

**Item 543.**

**Adams:** Hi, welcome. Glad you're here. Don't get sick. We're really glad you're here. It's just us.

**Michelle Karin?:** Good morning ladies and gentleman. My name is michelle Karin and I'm here on behalf of family services division of the Portland police bureau. I'm a survivor of domestic violence which benefited from a unit within the family services division. You guys have considered cutting funds to that unit. The funds would specifically affect police officers and advocates. The relationship to collaborate to help survivors navigate through the system. While working with this unit team, I worked closely with a domestic violence advocate, a police officer on my case, who three months into the case as we're already set for trial listened to 200 some hours of phone conversations from the jail that he called. Because I remembered he had done something on that recording. To me that's above and beyond what any police officer would do. That police officer also when my domestic violence advocate couldn't show up to a restraining order hearing showed up with me of and helped me and joked and kidded, made me feel really really comfortable. To cut the funds for this organization and the umbrella, the pieces underneath of it --

**Adams:** You'll be happy to know we're not cutting it.

**Karin:** I know. I'm going to get to the thank you part of it.

**Adams:** I just wanted to make sure there was a happy ending here. There's no cuts to any sworn positions in police or fire.

**Karin:** Good. I think you should increase the funding, but another matter -- [laughter]

**Adams:** I wish we had that kind of budget.

**Karin:** I know. It would just devastate the community. Not only police officers in the community who have families and who also experience family members or neighbors or friends, their children's friends who experience domestic violence. If we cut the funding it affects other systems. Those systems will be strained. Just like we were just hearing about the education system. I know funding is limited, and it's hard to budget it all and make everybody happy. I'm really glad to hear

May 23, 2012

that you're not cutting this funding. And that's why I'm here to today to thank you very much for not cutting the funding. This caps and diverts, family services division needs funding. They need the police officers and advocates to work together to benefit this whole project. That was the best experience of my life. It changed me forever. I have been able to do things that I have never done before like come here. Oh, i'm getting beeped. Training videos for the police department. Other videos for other agencies. So thank you.

**Adams:** Thanks for -- [applause] you did incredibly well. Thank you for -- well congratulations for your perseverance and your courage for surviving all that, but then going on and being an advocate for others. Thank you for that. Appreciate it very much. Please read the title to item 544.

**Item 544.**

**Adams:** Ms. Nasset? Sharon, are you here? All right, can you please read the title for item number 545.

**Item 545.**

**Adams:** Welcome.

**Kiah Stern:** Hi. Thank you.

**Adams:** Glad you're here. [applause] You brought your own cheering section. That's great.

**Stern:** Yes. Hi. I'm kiah stern from grant high school. What is school supposed to get us ready for? Life? College? Some of us don't get the privilege to go to college, so schools should be getting us ready for life. If you think that budget cuts won't be too bad because there will be enough teachers to teach every subject, you're wrong. You can't learn it all from one teacher. Personally, I think that each different teacher let's students make their own educated opinions and beliefs based on their teachings. We're here today because we're upset that our education is being attacked. We need your help. On may 1 we came to the steps of city hall and asked for help. Mayor sam Adams stood in front of us and he listened to us. He actually listened to us. He understood how dire this situation is and he was asking city council to give monies to our schools and bandage up this wound. We want you to vote for this but we don't want people to think that this band-aid will fix all of our problems. Because it won't. From here we need to go to salem and tell legislators just how important funding the future is. Firefighters fight fires. Teachers teach. Students learn. And legislatures are supposed to figure out how to fund our schools. As far as we're concerned, they are not doing their job. We're students that are trying to make a difference in this world, and we will very soon be adults, but if students aren't educated, the votes of the future will be votes of ignorance. Is that what you want? I mean, education is the glue that holds our society together. And for too long budgets for schools have been getting smaller and smaller, and we want change. It has to stop. We want to learn. It's a gift to have a generation that genuinely wants to learn but how can you expect us to learn if there's no money to teach us? So think. Think about what your teachers taught you. Think about the opinions and morals and ideals you got from your schools and your teachers. Please don't take that away from us. Your vote to support schools will buy us time in this next year before this band-aid has to get ripped off we want you to go with us to salem and make our legislators and our governor see that education is our future, and our future is not something to be overlooked. All we need is just one. Just one of you to work with us and make the bridge between city and state government. You are more powerful than you know, and together students and city council, I think we can make a pretty good team. Just as we are your future, you are our lifeline. So please, take a stand and support our schools.

**Adams:** Good job. [applause] really well done. Good job. Appreciate that very much. Very well done. And I do want you to know how much I appreciate it. I said it on the steps of city hall but I want to say again how much I appreciate your advocacy. That made a real difference. The media coverage around that, the folks that you talk to and that you advocated to, it made a real difference. Thank you for that. Thanks for being here. You're welcome to stay and watch democracy happen or you can leave. We will not be offended. Oh, you have to get to school? Ok, thanks. Karen, good to see you. Can you please read the title for item 544?

May 23, 2012

**Item 544.**

**Adams:** Ms. Nasset, welcome back. Nice to see you.

**Sharon Nasset:** Good morning. Nice to see you here. I have been here several times for all kinds of good meetings. For the record my name is Sharon Nasset. I'm certain you're not surprised I'm here to talk about the Columbia River Crossing project. I have recently had the opportunity to be in Salem for the oversight hearings as invited guests as well as members of the Smarter Bridge Committee and others. As you know, the Washington legislators have also started an oversight committee and they will start their meeting in June 19th in downtown Vancouver. Everybody is finding many concerns and issues with the current process, and first off I would like to thank Council member Fritz for getting back to me on information that I'd said before, and I have been very pleased working with her and how much she has come out to our community on a regular basis even in nonelection years. What I'm here today to talk about is, I have provided you with a letter, two letters, one from the signature sponsored council, which is RTC, Regional Transportation Council in Washington, and one from the C-Tran board. Excuse me. I beg your pardon. The Board of Clark County Commissioners. The very last sentence it says, the third bridge and/or option next to the Burlington Northern rail, was not vetted. Not only was it not studied but not vetted. In the chambers and in many meetings CRC said over and over it was studied and studied thoroughly. The signatory agencies looked into it in depth, Clark County Commissioner Steve Stuart was given the task. He said it was not studied. Before we can do what we're talking about doing to Jantzen Beach, which I e-mailed you many things and you may not be able to see this, but we're talking about a 400 foot berm 50 feet high, 39 businesses, 27 homes, and 11 years of construction on I-5. And now in enough time, because the record of decision is not final until June 3, we have found out that, no, they did not consider other alternatives or options. They have not followed the process. Before you can ask those people to give up their homes and for us to have regional, 11 years of construction on I-5, the sound of beep beep beep forever, we need to look at our alternatives and options because not only is that required of the NEPA law but that is why it's local. That's why they say it is the local decision makers. Because you look in the eye and you say we have done everything possible. We have looked at all the alternatives, we have looked at the benefits and impacts and we are going for the least impact. Without studying those alternatives, you cannot say that. And I believe you want to. I have often said why do I continually go to council meetings after 12 years and a lot of people have given up. Because you run for office because you believe you can make a difference. I'm asking that you look at this, have a conversation and send a letter to the governor and the oversight committee. There's no risk. The person that said build, baby, build, didn't even get 21%. Those that have been against it including in the metro council hearings, against CRC, or know it needs to be changed, are the only ones that have won. So I thank you very much for your time. I would really like this to happen very soon. Somebody needs to be courageous enough to pull the plug. I think you have that ability.

**Adams:** Ms. Nasset, what do you think the significance of the second paragraph in this letter means to you?

**Nasset:** Actually, I handed in all of my copies. A --

**Adams:** It talks about the fact that the corridor was studied, but it was found not to show significant traffic -- doesn't significantly relieve traffic congestion to any significant degree on the I-5 Columbia River Bridge Corridor. Since I sat through this process that definitely was my experience that we definitely looked at the corridor. The corridor didn't show the benefits that -- or the purpose of the project and therefore the actual structure over the river wasn't studied. I wanted to give you a chance to respond.

**Nasset:** I would be happy to. First off, the corridor and the project that I am talking about that attaches to I-5 as a freeway and goes across the river and over to Highway 30 was never studied. What they did study was an arterial road that went from Mill Plain Boulevard across to Marine Drive less than one mile when ours is seven miles was an arterial road that had four stop signs and a lift

May 23, 2012

and carried 48,000 vehicles a day, and was full upon opening. They never studied anything further to see how much more of 48,000 it would carry. The current bridge carries about 135, so we are talking about that is in the range of 30%. That is from mill plain with no attachments to i-5 on either end and ending up mill plain. That's 48,000 vehicles. So although they did not study our project and they did not study something that could actually work because it was full upon opening.

That statement in there is to clarify because it was a very political event, and I involved myself and answered the call and brought in a project that was a freeway that attaches to i-5 at mill plain, that goes all the way over to highway 30, was three lanes in each direction, two center managed lanes and new commuter rail that is paid for by light-rail. That was not studied, but what they have done, they took our names, they took maps off the thing and continually say it was studied to the point that rtc looked at it and it says clearly was not studied. Did they study something they knew would fail? Yes.

**Adams:** Thank you. I wanted to give you a chance to respond.

**Nasset:** I appreciate that.

**Adams:** Nice to see you.

**Nasset:** Nice to see you.

**Adams:** I have to move this thing along. Sue, please read the title for item 546.

**Item 546.**

**Adams:** Ms. Taft. Hi, welcome.

**Victoria Taft:** Thank you. I have several copies of my testimony here today. Thank you very much for letting me speak before this august group of people. I am victoria taft. I was born in Portland, in Multnomah county. I live in the city of Portland currently. I'm a constituent and I'm a taxpayer. I'm here today because recently you have been considering the idea of raising garbage and water rates again, and i'm here to ask you to please not do that. I would like to introduce you to another kind of Portland because I have a feeling that it's a Portland with which you're not familiar.

There are people who come here every day asking for things and it's gleeful and wonderful to be able to give them everything they seek but, you know, the rest of us are out busy working to pay the bills that we have to do to get by every single month and to continue to keep up with what you're asking to us pay. So I would like to introduce you to the other Portland. Here are a few of their stories. A young couple saved up, bought a house against my advice in the city of Portland. And he now daily complains of bag bans and forced composting and higher costs, passed on by you. And they don't know if they can afford your next whim. Another couple I know were forced by this recession and recent employment setbacks to downsize their house but chose to live outside the city of Portland because they can't predict future costs. There is no predictability. They don't know if they will be able to afford to stay and they think that a council that thinks its job is to do everything instead of sticking to what's in the charter is a dangerous pact to make. A neighbor came by the other day to talk over the fence with me about what's going on in the hood and I had not seen him for a while because he has moved his business to another state. Now he would like to move everything out. What measures 66 and 67 started you are likely to finish for this guy. Another neighbor stops by on his bike route every day in front of my house every day. We feed the dogs and chat about he and his wife's business. And they have moved that business out of the city of Portland and to hawaii because hawaii is cheaper. It's so expensive here that I know a family whose main bread winner had to take a job over 1,000 miles a way to keep up with the growing costs of living in the city of Portland. There aren't many jobs here but the expenses are certainly here.

There are certain roads I cannot drive on because you won't fix them. The victoria taft show is producing a calendar for next year and we're calling it the Portland pothole calendar. Photo submissions are welcome. The current urban renewal areas on the books between 2010 and 2015 by the PDC's own estimate will deprive the very Portland public schools that you gave \$10 million to or \$7.5 million to of in fact \$163 million. Now you've announced plans to start seven new urban renewal areas. Urban renewal areas as you know siphon money from basic services like education,

May 23, 2012

fire and police. Fire and police are your core functions in the city of Portland. You're laying off Portland police officers or command staff now because you allowed your personal political beliefs to color your response to occupy Portland, allowing them to trash the parks and incur unnecessarily long police overtime. And now you come back to us, the law abiding, and ask us to pay for it. I know it's fun to give money to charities and good causes and schools and grant programs, pcc, and sustainability centers. It's all fun, but you're spending other people's money so you can feel charitable. That's not charity. That's stealing. There are people who have been picking up the tab for years and they are spent. And they are tired. And I'm one of them. That's the other Portland. We would ask that you not raise taxes and fees on us. Very sincerely. Thank you.

**Adams:** Sue can you please read the title to item 547?

**Parsons:** We have three pulls. I need to pull 556. I put it in the wrong place on the agenda by mistake. And 557, 558 your office requested those be put back to your office.

**Adams:** Ok. Could you please read their titles?

**Item 556.**

**Adams:** So that's moved to the regular agenda.

**Parsons:** Correct, thank you.

**Adams:** 557?

**Item 557.**

**Adams:** Unless objection, return to the Mayor's office.

**Item 558.**

**Adams:** Unless there's objection, returned to my office. Alright, any other pulls from the consent agenda? Sue, can you please call the vote on the consent agenda?

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

**Adams:** Aye. Consent agenda is approved, now would you please read the title for nonemergency ordinance time certain 547?

**Item 547.**

**Adams:** Commissioner Dan Saltzman?

**Saltzman:** Thank you Mayor. This item is the first reading for bureau of development services new fee schedule for the fiscal year 2012-2013. Along with the construction industry, the bureau of development services has begun to recover from the great recession and the bureau's workload has been increasing. I probably don't need to remind this council that bds lost over half its staff in the recession and is being pushed to its limit on processing building permits. This new fee schedule will allow bds to add staff to meet workload demands and facilitate much needed development. Before making any recommendations on fees, the bureau works with industry partners through forums like the development review advisory committee. And we have Ed mcnamara today representing the development review advisory committee or DRAC as it's known. The bureau budget advisory committee also participates and the small business advisory council has also participated to determine the appropriate level of service for particular aspects of the development process. It's important to note the bureau has already implemented many efficiencies and streamlined essential services. And when I was assigned the bureau over a year ago, the financial forecast called for fees in this year to increase an average of 8%. I'm pleased to say we have lowered – and are presenting fees that are on average 5% increases rather than 8%. But this increase is critical to keeping the bureau's financial plans solvent as well as pushing the implementation of the new information technology advancement project, an incredibly important project that has strong support of our industry and community partners as well as the state of Oregon. Let me be clear, we do recognize that no one wants to pay more for these services. So we attempted to strike a balance here and to propose moderate fee increases that will allow the bureau to respond to customers' needs while better aligning revenues with expenditures. So staff will go into more detail and i'm pleased now to turn it over to the bureau's director paul scarlett.

May 23, 2012

**Paul Scarlett, Director, Bureau of Development Services:** Good morning. Thank you, commissioner Saltzman. Good morning, mayor Adams, commissioner Fritz, commissioner Leonard. I'm Paul Scarlett, Bureau of Development Services Director. I appreciate the opportunity to be here this morning to share with you the bureau's proposal for fee increases for fiscal year 2012-2013. There are a number of criteria that were used in the fee proposal as commissioner Saltzman has indicated, a big aspect of our operation is to be collaborative, to have input from our industry partners, our customers, our employees, and that was no different this year. It's an aspect of our operating bureau which includes a major part of our funding comes from fee revenues, permit fee revenues. To that end we certainly include as much as we can the input from all our customers and employees. There are a number of criteria that have been used over the years including gradual fee increases, certainly don't want to have the dramatic changes in one year or two years. We have a five-year plan. We use that as a gauge. We also ensure that the fee increase connects with the service level and performance goals that's been established and has had endorsement from customers and industry partners. We also make sure that the increases are essentially there's a connection or a correlation between the increase that comes from internal inflation such as cost of living increases or administrative costs such as overhead or benefits, so the fee increases help to offset those increases as well. This year's fee increases aligned itself well with the budget. We identified a number of crucial or significant areas such as cost recovery, which is similar to previous years. Staffing levels certainly a big part this year. Service improvements and a big part which commissioner Saltzman just mentioned, ITAP or technology improvement. We also focus on looking at our operation and the biggest part of our operation and resources are personnel. 49% of our staffing level or staff currently are of retirement eligibility in the next five years. Work force planning and succession planning is a big focus. We have increases that focus on training, and making sure that we have the right staffing in level – staffing in place. So again, cost recovery, 100%, is our goal. In some cases, it's not at 100%, we will increase costs gradually to reach that. We use the five-year plan. Staffing level we're currently at 180. Four years ago we were at 315. The proposal-- in the mayor's budget proposal includes 17.6 positions. We're anticipating and excited to get those positions that will of course get us close to 200. Service level improvements, we certainly are doing a lot better than a couple years ago. Our inspection turn-around time lines, our plan review timelines have improved. Customer service level has improved. So we're focusing on those areas and with the additional staffing that should improve correspondingly. Bureau reserves. That's another part of our budget requirement. With the five-year plan we have reserves for -- as we experience unfortunately to weather the storm when there are downturns. Our reserves rebuilding. Couple years ago we had 13 million we went down to about 500,000. We're now close to about 7.5 million, so we're very excited. Didn't have this news to share with you last year. Things are improving. A big part of that is of course, the uptick in the economy, we're see a slight increase. We're benefiting from that greatly. About 3% growth rate is anticipated for next year. The fee increase helps to offset the growth rate with expenses. The 17.6 positions will cost about \$2.1 million. Growth rate of 3%, equals about \$1 million. Fee increase of generally 5%, equals about \$1 million so -- two additional million dollars expected from growth rate and fee increases helps to pay for expenses of 17.6 additional staff. So those type of balancing act and pieces are the particulars of our budget. And fee increase plan in process. It's one that we roll up our sleeves and we really dive in with the development review advisory committee, with our employees, our customers. We have not forgotten and it's not lost on us in the recession and the challenges that customer service is still paramount to our operation. We pride ourselves in providing the best service possible. We look forward to improving our services. That's something i'm very excited about. And I believe we all collectively share that goal. I will say that a couple highlights and I know we were very humble in asking for loans, operating loans to carry us during the tough times. 1.5 million was renewed last year. Glad to say that we'll be able to repay that loan end of June and will not be asking for another re-up of that loan. That's good news. The loan to pay for the



May 23, 2012

information technology advancement program, which is of course aimed at improving customer access, plan and review electronically, digitization of all of the records so customers and employees can access that information will cut down on time. It will be more efficient. We came to counsel a couple of years ago and asked for a loan that was initially approved. We've, since then, put that process on hold and have gone through an extensive rfp process and three vendors have made it through that process as we speak. They are in the 1900 building doing a presentation today, one of three, I was there for a little bit but had to run away to here. That loan we have full confidence that we will be able to repay the loan in the next -- within the next five years. We were initially approved \$6.6 million, I believe. Based on our reserves, based on the uptick in the economy, project types which are not the usual type over the last couple of years, which has been mostly small projects, tenant improvement, remodeling, now are large projects, 700,000 -- excuse me. We have, like, 70,000 -- 70 unit apartment buildings, large construction type which of course benefits us greatly. So we're very happy about that. The other thing I would be remiss if I didn't thank the mayor as part of his budget that includes a re-up of seven one time general fund positions. That will continue to aid us in addressing property maintenance, nuisance issues and a tree project position to maintain the momentum that's in place to develop a city-wide tree project. So we're very grateful about those inclusions in the budget and look forward to the adoption and of course effectiveness of that come July 1. With that I will turn it to Denise Kleim to talk a little bit about some of the specifics of the fee increases and Ed McNamara will share his views on the bureau's proposal. Thank you very much.

**Denise Kleim, Bureau of Development Services:** Thank you Paul. I'm Denise Kleim with the bureau of development services administrative services manager. So I wanted to spend a few minutes talking about the outreach that we do with our stakeholders. It's quite extensive. Commissioner Saltzman mentioned a few of the folks that we talked with. We also talk to a lot of industry representatives, electrical contractors, plumbing contractors, mechanical contractors, remodeling contractors, met with building owners and managers, Portland business alliance, port of Portland, the city's land use chairs, homebuilders, there's several others, about 20 different organizations. And I'm pleased to say that they are not en masse protesting the fee increases. Because, I think because we work with them quite a lot and they do understand the services we provide and we spend a lot of time actually considering their input and ideas and making changes to our operations. And we also have a very open book in terms of our finances and our books. I wanted to let you know how much we do. We also put out information in our newsletter and sent emails to all of these organizations. We spent quite a lot of time as commissioner Saltzman spoke about, really looking at how high do these fee increases need to be. For most programs they are 5%. So that would include the building, electrical, mechanical, plumbing, fees, signs, zoning, neighborhood inspections, land use -- there's two programs that will not have fee increases. That's the facilities permit program and the site development program. That's because in looking at their five-year plan, five-year projections for both staff and revenue costs, their cost recovery rate is adequate and their reserves are adequate, so there's no need to increase it. We are increasing the field issuance remodel program by 2.8 % that's less than 5%. [audio not understandable] they do not need a 5% increase, so we're really careful and look under every rock to see how we can -- [audio not understandable] the other thing I wanted to let you know about is our land use fees. We spent quite a lot of time based on community input on several of our fees in the fee schedule, and made some significant changes to how the fees are charged. We heard a lot from the community on the design historic review fees, and also the comp plan amendment, with zone map amendment, where if you're a small business or a property owner, we heard from the community that they felt the fees were too high. What we did was currently we have kind of a one-size fits all fee. What we did, Rebecca Esau, our land use services division manager, spent hours and hours coming up with some very innovative ways of stratifying those fee schedules, and ensuring the small guy pays less, because those projects actually take us less time. So we did make some changes there. Also in our

May 23, 2012

adjustment reviews for residential decks, some adjustments there. So in those cases we [audio not understandable] happy to answer any questions.

**Adams:** Questions? Comments? Ok. Has anyone signed up?

**Saltzman:** We we haven't heard from a member of our staff.

**Adams:** Oh I'm sorry, Ed. It's all such good news, I was ready to support it.

**Ed McNamara:** Hi, my name's ed mcnamara I'm here on behalf of the development review advisory committee. As you probably know, we are a group of – a broad cross-section of the development community both large and small contractors, developers, designers, engineers, architects, institutional users like the port and neighborhood associations that meet monthly with development staff, both from BDS and from the other bureaus that are involved in development review. We did vote to support these fee increases. I just want to add three points about that. I think as commissioner Saltzman said we don't like fee increases. We are really concerned about keeping costs down on development. But we also know that it's fine to support them when there's a demonstrable benefit. That's the first point. The second point is we really need this increased service level and the predictability that comes with it. I think Paul was overly modest in talking about how he's had to manage the last couple of years with a greatly reduced staff, reduced much more than the services were reduced. There were a lot of small projects coming in that were just as time consuming that paid very small fees. I built a project during that time. We got our permit on time and our inspections kept us going, and that's really critical. At the end of the project, the interest cost on a large building that I was doing was over \$4,000 a day, so a missed inspection is a very expensive process. So we're really grateful to the way that paul and the whole staff pitched in to try to make things work. But they have been working in a tough position. We need to get those services back. Both for the current workload and for the workload that's coming in, we need that staff there before the fees come in to do the initial processing, to do the pre-application meetings and things like that. To keep that development stream coming back that benefits the city and the neighborhoods. We need to get them those positions. So that's my second point, we need that. The third point is something that DRACs been concerned about. I think what we're saying is we also need your help to contain costs. The DRAC -- I would say particularly the architects and engineers who have been cutting their fees for the last three, four years have had a very difficult time watching personnel costs and benefits and salaries and cost of living increases go up at a much higher -- what appeared to be a higher rate than the cost of living, certainly a higher rate than the industry. We recognize there are contracts that have been negotiated before that began and there was nothing management could do to contain that, but I think that's still been difficult for the industry to watch. The mismatch between the way the industry has cut fees and lowered costs and the increase in costs to personnel salary and benefits that have led to some of the increases. So I think that all we would like to do is urge you in future contract negotiations to really try to pay attention as much as possible first to the impact of those increases and to thinking about ways that those can be a little bit better aligned with the economy with unpredictable changes in the economy. I don't know how you do that, but I feel on behalf of DRAC I need to present that. That's a constant topic for us. In short, we do support these, 5% is something that raises everybody's eyebrows the first time they hear about it. The actual cost on a project is relatively small because permit fees are not a large part of our project budget. On my last project they ran about \$1.50 a foot, so a 5% increase is about 8 cents a foot. Not dramatic compared to, say, a system development charge that nails about \$23 a foot. So we urge you to support these increases to get the service level back and to keep development flowing.

**Adams:** Just for you to be able to take back -- thanks for your services. Non-represented employees this year will not have a merit pay increase nor a cost of living increase – and two years ago? Is that right? We've had no cost of living increases for the city. Is that right? City-wide.

**McNamara:** We realize that --

May 23, 2012

**Adams:** Just so you can take it back. We are -- your point is fair and well made but we are working on some of those things.

**McNamara:** We appreciate that.

**Adams:** Thanks.

**Leonard:** I'm heartened that the reserves are back at \$7.5 million. What a turn-around that is from a couple of years ago when, Paul and I would each agree, that was probably our most challenging time in public service was the layoffs. After the employees we had to take the reserves and come to council and borrow. It's heartening to hear that's going to be repaid. And I know firsthand at least as well as anybody else how hard the staff works to maximize the resources they have to facilitate permits now versus a decade ago. Very collaborative. Problem solving process. The only concern is that all we can do is what we can within structure that exists. One significant change that will speed up that process is computerizing the permit system. So you were saying there are rfps, actually listened to presentations today. So people know, currently we still process everything with paper. People have to bring in sets of plans and we're unique and we recognize that. It's notable among cities that we haven't already caught up with technology and allow permits issued electronically, so what is the timeline for that project to be online available for people to utilize?

**Scarlett:** We're looking at implementation date of winter 2014. Still the vendor presentation and negotiations and implementation, which is still a two-year time frame. With the rfp, it added more time to the process but we feel in the long run it will be a successful change in the process. We are feeling pretty confident that the three that made it through the rfp process are very competitive and will at the end of the day provide us the services that we need and meet the objectives of electronic plan review, like your saying, that anywhere in the world, not just the u.s., someone can do business with us remotely including our field staff. It's still a ways off but we are doing some things along the way for example with the existing technology system that we have the tracs, improving that to have better access for employees and customers, but this process takes a while.

**Leonard:** The last time I had anything to say about this, what was very significant was that system be able to interact with the state system. Does the rfp require that what ever system is in place interact with the state system?

**Scarlett:** Yes. That was one of the requirements.

**Leonard:** Excellent.

**McNamara:** I would like to add one thing, well two things to that. First I think that everybody recognizes that it's been the staff pitching in that's really made it work these last couple of years. Keeping the level of service up. And morale was tough. I joined around the time those cuts hit the worst. It was tough. We appreciate that. The second thing is, you're right, the way we really change this efficiency is this technology, but what's also going on during this process is, as paul said there's lots going on. We're digitizing all the records so everything will be ready. But every department, every department is going through every step of its process, its flowchart for how we did the intake and how we do the process and approval. As you can imagine there's a lot of steps and there's a lot of sequences. And the DRAC members are involved in that with staff. But what really impressed us, the DRAC members are every department is trying to cut out every unnecessary step in that process now, before we build it into the technology system. So we're not only getting the benefit of the technology but we'll get the benefit of a fresh look at how we do things, what steps are necessary and how do we do it. So the staff has continued to pitch in to find more ways to make that technology improvement even more efficient than it would be otherwise.

**Leonard:** That's the first time i've heard that but i'm not surprised to hear that. Staff at BDS is excellent. Particularly the management staff.

**McNamara:** Yeah. So it's been great work.

**Saltzman:** So before they leave, I just want to take this opportunity to thank the bureau staff for all they have done. I think denise mentioned in particular work on stratifying fees for comp plan changes and making our historic design review process more user friendly. I know both susan

May 23, 2012

anderson with the bureau of planning and sustainability and paul have I think come up with a plan to really try to streamline or simplify some of the historic design review processes and also maybe remove things like a window in the backyard from historic design review. Things like that, that there seems to be a wide consensus on. I want to thank -- and Rebecca Esau for their work, and you know, thank Ed and all the DRAC members. And I think it's really, you know -- this agency really is sort of the city's canary in the coal mine. It's 95% supported by fees. So when the economy is doing well this bureau is doing well, so is the rest of the city and its general fund and our business license fees. Thank you. But it's very sensitive to change. It's good to be here today to hear about we're adding staff because we're seeing more work. And that bodes well for all of us. Thank you.

**Adams:** Thank you very much.

**Fritz:** Before you leave I want to add my thanks. Denise Kleim, you did an amazing job over the course of these challenges and has been very helpful giving me and my staff information. And Director Scarlett, thank you for your leadership. And Ed Mcnamara, on behalf of the development advisory committee, it's really good to hear your perspective, and I know that there are many other voices at that table that are working together. So I just want to commend commissioner Saltzman for his leadership. And I'm really glad to hear we're back on sound fiscal footing.

**Adams:** Good work, everybody. Anyone signed up to testify?

**Parsons:** No one signed up.

**Adams:** Anyone wish to testify on this matter? Alright, moves to a second reading Council consideration next week. That gets us to -- can you please read the title for nonemergency ordinance item 569?

**Item 569.**

**Adams:** Shoshana are you going to deal with this? Come on up. So can you give a brief overview of what we're looking at here?

**Shoshana Oppenheimer, Bureau of Transportation:** Good morning. I'm Shoshana Oppenheimer with the bureau of transportation. The ordinance in front of you is an administrative ordinance, and with the expansion of the streetcar service to the east side, it requires the bureau of transportation to orient itself more to -- broaden our customer service and safety orientation at the bureau. So this ordinance -- I apologize. Let me start over.

**Leonard:** Doesn't it just reflect what tri-met is doing? We're adopting the same kind of standards of conduct tri-met has?

**Oppenheimer:** Well said. [laughter]

**Adams:** Any questions for Shoshana? I thought I was supposed to invite you up, I didn't mean to surprise you. [laughter]

**Oppenheimer:** I apologize for that.

**Leonard:** I have been in that spot many times.

**Oppenheimer:** Thank you very much commissioner.

**Saltzman:** Tell us about baseball, who's your team this year?

**Fritz:** So to further add to the team effort, it's my understanding that --

**Oppenheimer:** That's way outside my purview. Thank you very much, commissioner Saltzman.

**Fritz:** To further add to the team effort here, it's my understanding we haven't previously had rules for operation of conduct for passengers on the streetcar. And we're adding fare inspectors, is that a part of this?

**Oppenheimer:** You'll see an ordinance coming after the budget for fare inspectors. We're adding two positions that will allow us to enforce these code amendments. So by adopting these code amendments it puts in place the ability to provide a more consistent transit experience for our customers as well as to provide that fare inspection occupation.

**Adams:** Thank you. Does anyone wish to testify on this matter? Alright, moves to further consideration.

May 23, 2012

**Ben Walters, Chief Deputy City Attorney:** Mayor, I was just going to inform the council that transportation worked closely with the city attorney's office in developing these proposed rules, so if there are any questions.

**Adams:** Great.

**Oppenheimer:** And I would also like to thank Toni Anderson in the Auditor's office. She was instrumental in the form that you see. She reviews every bit of code that comes before the council, it's incredible.

**Adams:** Great. Alright, moves to second reading for the council consideration next week. Can you please read the title Sue to non emergency ordinance item number 570.

**Item 570.**

**Adams:** Good morning.

**Jonas Biery, Office of Management and Finance:** Good morning, Mr. Mayor, commissioners. Jonas Biery, the city's debt manager. This is the first reading of a non-emergency ordinance that authorizes issuance of up to \$26 million in short term tax anticipation notes to fund an annual cash flow deficit for the fire and police disability and retirement fund. This is something that's requested every year around this time. The FPDR fund receives cash from the FPDR property tax levy each year. They are available to be spent throughout the end of the fiscal year which leads to an annual funding gap to cover the period July 1 until receipt of the levy the following November. Proceeds of these notes will fund that gap for July through November 2012. The notes will mature over no more than 13 months and will be secured and repaid by receipts from the fiscal year 2012-13 FPDR levy. The notes will be sold via competitive bidding process in July 2012. One additional note I think we mention this every year, but these notes present a rare instance where the federal government actually allows us to keep certain earnings that may be achieved through balances not spent. To the degree those earnings materialize those are available to offset the cost. I'm happy to answer any questions.

**Adams:** Questions from council? Thank you. Does anyone wish to testify? Alright, moves to second reading for further council consideration next week. Please read the title for non-emergency ordinance item number 571?

**Parsons:** Mayor would you want to take 556? The item that was pulled? That's Jonas also.

**Adams:** Oh it is Jonas? Normally we wait until the very end, but okay.

**Biery:** Thank you much. I appreciate that.

**Adams:** Can you read the title again?

**Item 556.**

**Adams:** Welcome back. [laughter]

**Biery:** This emergency ordinance, item 556, authorizes two separate but related actions. First, the ordinance authorizes issuance of urban renewal bonds to refund certain outstanding river district urban renewal bonds for debt service savings. The refunding component is expected to produce over \$2 million in debt service savings through fiscal year 2022-23. In addition to the refunding, a portion of the 2012 bond issue will convert an interim line of credit related to funding of the resource access center, now known as Bud Clark commons, to long term bonds. Council has previously authorized issuance of these long term bonds via ordinance 183262 on October 21, 2009. However, issuance of this portion of the bonds requires certain additional specific actions under federal tax code including publishing and holding a public TEFRA hearing that must be conducted prior to authorization. This TEFRA hearing was conducted on April 23, 2012, and no public comment was received, as described in exhibit B to the ordinance. The 2012 bonds will be secured solely by a pledge of urban renewal revenues generated by the river district. We are requesting approval on an emergency basis as is typical for refunding requests so that we may recapture the currently favorable market environment and maximize debt service savings. We anticipate issuing the bonds in June. Happy to answer questions.

May 23, 2012

**Adams:** Anyone wish to testify on this matter? All right, moves to – thank you. Alright, Sue can you please call the vote?

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

**Fritz:** So this re-sale or refunding saves approximately \$2.2 million through the fiscal year 2022 to 2023 \$200,000 per year about 5%, good job. Aye.

**Adams:** Aye. [gavel pounded] So approved. Can you please read the title for nonemergency ordinance number 571?

**Item 571.**

**Adams:** Hi, welcome back.

**Sharon Simrin:** Every three months.

**Adams:** Yes.

**Simrin:** Sharon from the auditor's office. This is for sidewalk repair that's required by the city or done by the city. And any remonstrances that we received for this ordinance have been pulled from this ordinance. So the ordinance is ready to go.

**Adams:** Alright. Questions from council? Does anyone wish to testify on item number 571? All right, moves to second reading further council consideration next week. Do we have anything else pulled?

**Parsons:** That's all.

**Adams:** We're in recess until 2:00 p.m.

At 10:53 a.m., Council recessed.

May 23, 2012

## Closed Caption File of Portland City Council Meeting

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

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

**MAY 23, 2012            2:00 PM**

**Adams:** Would you please call the roll? [roll call]

**Adams:** This is the second reading of four items on the agenda. Sue, would you read the titles of all four items, we'll vote on them separately and we'll have some discussion before we vote. Let's go ahead and get items s 572, 573, 574, and 575 on the table.

**Items 572, 573, 574, 575.**

**Adams:** Could I have susan anderson and her team come up and answer questions? And we'll do council questions of staff for each one of these. I appreciate council emailed a series of questions to susan. Do you have those in front of you to go through?

**Susan Anderson, Director, Bureau of Planning and Sustainability:** We provided responses directly on all the --

**Adams:** So the first one, rate projections given the potential extension of the clean fleet program deadline.

**Anderson:** The rate projections are that this year, as indicated, the costs will go up 90 cents, and that we are proposing to push out the implementation date, it will bring something in the beginning of june to do that out to 2016. And the result of doing that will be that the rate will still be 90 cents for this year, 90 cents per month per household, but that it will be between 30 and 70 cents in the outgoing years, and then that charge will end. Until they buy new trucks again. The trucks last about 12 years.

**Adams:** And what percentage of the fleet, then, with this approach would be converted to the cleaner more efficient trucks?

**Anderson:** All of them when we're done.

**Adams:** Ok. And that was commissioner Fish's question. Any follow-up questions for you commissioner Fish or anybody else on that one issue? Then i'll talk about the different rate increase question you asked.

**Fritz:** I have a couple follow-up questions on that, thank you. Did we start paying this increased fee last year as well?

**Anderson:** Yes. Last year there was about 50 cents in the rate.

**Fritz:** And why was it 50 cents this year and -- 50 cents last year and 90 cents this year?

**Anderson:** Because more trucks were purchased. If we ran the utility we could decide when to buy the trucks, but this is run by private companies and we gave them several years to do the work and they're buying them on schedule when they're buying them.

**Fritz:** And the deal is that we said we would help buy the cleaner trucks, do we always buy the trucks?

**Anderson:** Yes.

**Fritz:** They don't have to pay for the trucks out of their profits?

**Anderson:** They do pay for them. They're an allowable expense, just like fuel, just like the personnel, just like everything else it takes to run the service that they provide to us. It's part of the cost of service.

**Anderson:** So the customers are paying for the increased high mileage trucks for cleaner burning trucks.

May 23, 2012

**Anderson:** The customers are paying for the cleaner burning trucks, they're paying for everything that goes into the cost of service providing the service.

**Fritz:** Thank you.

**Adams:** The second question from commissioner Fritz -- i'm sorry, Fish, was why was the proposed rate increase different for the different customers?

**Anderson:** The way we calculate the rate is cost of service. And that's something that is for all of the rates. So what we've done is since the beginning of the franchise system we have provided incentives for smaller cans and disincentives for larger cans. In the current rate that's in front of you, there is a \$2.49 incentive for every four weeks, and for the mini-cans, and that's about a 10% incentive. The proposed disincentive is on the 60-gallon can and 90-gallon can, and it's \$4.80 for the 60-gallon and \$7.10 for the 90. So every year we've done this for 20 years, and we've set it at \$2.49 this year. We could set it at a different number, and we can move that around, but that's been about the same rate over the years.

**Adams:** And then, did you have any follow-up -- anybody else to follow up on that issue? And then --

**Saltzman:** I forgot to ask this last week, but I know we were contacted by some people who are monthly garbage --

**Anderson:** Every four weeks.

**Saltzman:** They were saying that their rate increase is the largest, like 9.5%. And I guess --

**Anderson:** Well, \$2 -- part of it is if you have a smaller number, this is the fun of math. If you have a smaller number and you take \$2.49 in it, it's a larger percentage. So part of it is a numbers game, so all of the smaller cans, mini-cans and the every four week service, those getting less than the average service are all getting the same incentive.

**Saltzman:** By incentive you mean --

**Anderson:** \$2.49 reduction of what the cost of service would be to service. I think part of the thing that's confusing to people is that now every four weeks you actually have 10 cans being picked up. You have green waste four times, and then you have recycling being picked up four times, and you have garbage basically being picked up twice, or once if you're every four weeks. So the impact of the garbage is a very small percentage now, we call it garbage service, of what the service actually is. So that's part of it. And then the other part is just that the actual tipping and the amount of garbage that's tipped is a small percentage of the total cost, because there's fuel, and there's all of the -- unfortunately the cost of service is the transport, not the amount that's actually tipped. It doesn't make sense to us intuitively because we think of it as garbage service, but it's a whole lot more than that.

**Adams:** For those that might be new to the room, we have more press here than we had at the first discussion, can you go through how the new service standard that you just described some of the results of that in terms of our goals and how much it has actually saved in what otherwise would have been a higher requested rate increase? Do you remember those numbers?

**Anderson:** Sure. Generally. Garbage, we've done a comparison of january, february, march of this year. The first quarter, full quarter we had of service to last year. Garbage is down 44%, so there's been a reduction, people are composting a whole lot more, obviously, and they are recycling more. When we looked at doing the cost of service that the purb approved how we did this, the rates, fuel and labor costs were up, investments in the trucks caused an increase in rates, and the metro solid waste tip fee, those caused upward pressure on rates. But the hauler efficiency due to the new program, due to having efficiencies in terms of less waste tipped at the landfill, and instead going for yard debris, caused the 79-cent reduction and downward pressure on rates. If we had the old system, we really would have had \$1.99 increase instead of \$1.20. I know it's confusing, but --

**Adams:** Any further council discussion on this issue? All right.

**Saltzman:** Average rate increase again is how much? Percentage wise.



May 23, 2012

**Anderson:** The average on the 32 to 38, depending on what kind of can you have, is 4.2%.

**Adams:** Thank you. You'll stick around, right?

**Anderson:** Yep.

**Adams:** Let's now have staff come up from the bureau of environmental services. Does anyone have questions on the sewer rate issues? I don't think I flagged for your staff, so it might be my fault. We can staff upstairs if needed. Ok. Then could we have the staff from the water bureau please come up? While they're making their way to the table, commissioner Leonard and I have been talking about following up on the earlier exchange on rates, and I would propose for council consideration after consulting with others and him that we reduce the requested rate increase by a half of percentage point. So that's what I'll be proposing at the end -- so David, can you -- since we last met, maybe you could start by talking about developments since we last met at the state, and how that --

\*\*\*\*\* **[from audience]:** Point of order.

**Adams:** Sir, you will sit down or you will be removed. [gavel pounded] please remove him. You're going to be removed. You are removed.

\*\*\*\*\*: Point of order.

**Adams:** You're doing Everything possible to make sure that you -- [yelling]

**Adams:** Please remove him. Remove him. Remove him.

\*\*\*\*\*: Point of order.

**Adams:** You have to sit there and wait --

\*\*\*\*\*: I want to speak.

**Adams:** You have to wait. You have to wait.

\*\*\*\*\*: [yelling]

**Adams:** You have -- sir, the first thing we do with every one of these is get our questions answered from staff. I will get to you when it's time to discuss.

\*\*\*\*\*: [yelling]

**Adams:** You are out of order and I'm not answering your question until it's time, and it will be time after we hear from the bureau. So please sit down or I'll have you removed.

\*\*\*\*\*: Thank you, mayor.

**Adams:** All right. So since last we met -- [applause] there was a decision on the state level, and what sort of impact does that have in your mind on water rates, water costs?

**David Shaff, Director, Water Bureau:** It won't have any impact --

**Adams:** By the way, so no one is surprised, I understand this is a contentious issue, but this is an issue that we have to make a decision on, and we will do it in the normal course of doing things. Anybody else who has some outburst that prevents for the basic exchange of information, I will just have you removed. Ok? We will get to all of the questions. That includes you.

**Shaff:** It won't have any impact on the rate ordinance that considering today. It will have an impact on what we refer to as the out years, the next five years beyond. What occurred last week is that the Oregon health authority denied our request to extend our reservoir compliance schedule for coming into compliance with what's called It2. What that means is, that we will have to move forward with our original compliance schedule that was agreed to in 2009 that has us beginning construction on the Kelly Butte tank. That will be July 1, 2012. We'll move some things out of the CIP in order to be able to at least begin the construction in July. But the impact will primarily be in 2013-14, '14-15, where we're putting those projects, Kelly Butte and the Washington Park projects back into the five-year CIP.

**Fish:** David, you've explained before to us that there is a queue of some other projects in the CIP that if you had the resources, you'd get to. We're now doing a -- we're essentially now putting this back in and bumping --

**Shaff:** We're backing those out.

May 23, 2012

**Fish:** Does that -- do we have a document that we can update that sort of shows what's in the queue and what the -- how that might affect your -- what the 5-year forecast is with this in, and then our menu of options in future years?

**Shaff:** Yes.

**Adams:** What about the opportunities to continue to push out or -- push out the requirement or delay the requirement for covering the reservoirs?

**Shaff:** Well, I would say that that is now in the hands of the congressional delegation. From the standpoint of -- we have an enforceable compliance deadline with oha and with the epa behind them, so I think the only option at this point is continue to push through the delegation and with the epa on the review, that six-year review of the rule, lt2, and with our congressional delegation.

**Fritz:** I request we have a work session to discuss this issue. Both to look at the issues Commissioner Fish just raised and also to brainstorm what should be done to delve further into this issue. [applause]

**Adams:** Are there questions or discussion from council?

**Saltzman:** A couple questions. We had a pretty robust exchange last week about vacancies and the bureau has 40 to 50 vacancies.

**Shaff:** 34.

**Saltzman:** I was pointing out as a matter of equity in the mayor's proposed budget, most other bureaus have vacancies eliminated, such as the bureau of environmental services. So where is this additional half percent, how it is being achieved and it is being achieved through reduction in vacancies?

**Shaff:** Yes. In addition to the two positions we're already eliminating that are filled, eliminating an additional eight positions. And I can identify them for you.

**Saltzman:** You don't have to.

**Shaff:** I can tell you, I know what they are.

**Saltzman:** Ok.

**Adams:** Before we move to questions about, I think transportation is next, any additional council questions on this? All right. Could we have pbot come up? One of the things I wanted to make clear in the pbot rates is council policy and audit direction for full-cost recovery for services that are provided, especially that provided one set of Portlanders, but not necessarily available to others. And one thing I wanted to note is the increase in the parking permit fees, which are mostly the parking permit districts are mostly in the west hills, the west side of the river. And we've been subsidizing them by about 50%, so this gets us closer to full cost recovery at about 87, 88%, more or less. Are there other questions --

**Fish:** I have a question if I could. Alyssa, the flags are still half mast at the Portland housing bureau. Tom, you and I had a conversation last week about a hypothetical. And it was if the council chooses not to go forward with the northwest parking plan or if there aren't the votes for it or whatever the scenario, it's the mayor's decision when to bring it, I understand that over the next five years at the back end you would have a deficit if the plan was not implemented. Is that correct?

**Tom Miller, Director, Bureau of Transportation:** That is correct.

**Fish:** And if the council doesn't affirmatively act to adopt the northwest parking plan, what's pbot's plan to address that deficit?

**Miller:** We would need -- I would propose to bring for your consideration for council's consideration cuts to true up the five-year forecast in the fall bump.

**Fish:** It would come from within the bureau?

**Miller:** Based on our ability to true up, which is our fiduciary obligation to you all, yes, it would come from within the bureau.

**Fish:** Thank you.

May 23, 2012

**Adams:** Other questions for pbot? All right. Thank you. How many people would like to make a comment on any of the four rate increases? Raise your hand. All right. I'm going to give -- we normally don't take testimony on the second readings, but I am going to allow that today.

**Adams:** Anyone in the first row on any of the wings, if you'd come up and take one of the three seats. After all that, you'd better have something to say. [laughter] If the second row, those people that want to talk would come to one of the center aisles so we know how many people.

**Joe Meyer:** Joe meyer. Speaking for myself. My rates have doubled since moving to Portland 10 years ago and my house hold income has decrease. We've already cut back on the usual middle class luxuries of t The occasional night out and music lessons for the kids. Yet another increase in water rates will have real quality of life consequences. I'm not convinced a rate increase is necessary. I hear the water bureau is continuing to fund vacant positions. If you cut out eight there's still 25. Other bureaus are belt tightening, why not water? Also in light of the auditor's report, critical of water bureau spending, and the highly contingent It2 compliance strategy, I can't feel confident the water bureau has reasonable rates as a high priority. Another increase in rates will affect all of Portlanders from businesses to homeless. In fact, a recent u.s. Department of housing and urban development study shows 40% of evictions are due to nonpayment of utilities. So if we're concerned about homelessness, let's keep water rates down. In light of the harm that will be done by another rate increase, the process must be not only free of impropriety, but also the impression of impropriety. It has not been. In light of the city's impact of another rate increase, it's appropriate that the whole city council play an active role. I ask that you hold water rates steady. Thank you.

**Adams:** Sir?

**Malcom Chaddick:** I'm from sellwood, and I came to speak not directly about the rate increase, but about the waiver for variance that hasn't happened. I understand -- my understanding is that there is at the federal level the possibility of getting a waiver, and this -- brought up before council many times. I'm not sure why it hasn't happened, but that is the next step, I believe. And I think you should take it.

**Adams:** And we've pursued it, many times. Sir.

**Chaddick:** That isn't good enough, sir.

**Adams:** The record shows we've pursued it a number of times. It's part of the reason we've gotten some of the regulatory --

**Chaddick:** Do it again.

**Adams:** -- regulatory relief we have received.

**Chaddick:** It has to happen --

**Adams:** We agree with you, we wish we could make it happen. Sir.

**Joe Walsh:** I would like to speak to the rate increase, and also the waiver. The rate increase is outrageous, 8%, my understanding, now that you lowerd it. 8% doesn't sound like very much money. But the people that are on fixed income, it's a lot of money. Those people that live in apartments do not pay water. However, the apartment owners pay the water and their rent will increase. So you will increase the rent on people that cannot afford it. Let me speak to the waiver. The waiver has been granted to the state of new york because senator schumer stood before the epa and said, no, you will not do this. And the epa listened. This body should have contacted senator merkley and senator wyden, and if they didn't listen, this body should have been on their door steps. And said, get us the waiver: That's what leaders do. Leaders do not sit here and raise water rates on people that cannot afford it, and then turn around and screw up the good system that we have, and then pay maybe \$500 million. Good leaders don't do that: [applause] I want every one of you that votes today or next week on this rate increase to resign your post. That's what leaders do. They resign.

**Adams:** All right. Next three from the second row. Third row.

May 23, 2012

**Adams:** While you're getting settled, I don't know how many times each of us has met repeatedly with senator smith, wyden, and merkley on this very issue, and in many ways they've been incredibly helpful and in contact with new york city, and in contact with schumer's office. The records what they show. You can yell as much as you want.

**\*\*\*\*\*:** You lie.

**Adams:** It still isn't accurate. Glad you're here.

**Jesse Spamburg:** I'm jesse, I live in sellwood. I want to come up here today and not discuss the facts of the waiver. Just to ask that you guys don't give up, don't throw in the towel, don't shrug your shoulders, don't look at your feet. This is Portland, Oregon. And if new york city can get a waiver, then that means new york city has quality leadership. And I would like to say for the record that not only do I think that you guys shrugging your shoulders and saying, well, we tried, while at the same time fast tracking what's going on, instead of dragging your feet, I think not only is it shameful, negligent, but I think history will say that at times it's criminal. And I would like to, without pointing my finger, look specifically at you, mr. Leonard, and say that you should be ashamed of yourself.

**Adams:** He's the good looking one down there.

**Leonard:** No, you're right. [laughter]

**Spamburg:** I really, really -- i'm glad this is really funny to you guys. I take this very seriously. This is the most beautiful part about Portland is our clean water. And you guys just shrug your shoulders. And I just want to wag my finger and say shame on you guys. If it was up to any random five people in this audience, we would not be fast tracking, we would be drag our feet until the very last minute. And I just encourage you to do that. Thank you. [applause]

**Adams:** Ma'am?

**Nanette Jones:** Good afternoon everybody. Citizens of Portland. Nannette jones, I reside in north Portland. Kenton neighborhood. Rah, rah. I'm here to say that I moved to Portland because of the water. We have wonderful water here. Best unadulterated water in the country. And that's why I stay here, and for over 150 years our water has been fine, we've had no cryptosporidium, so I want to talk on two issues. I don't think we need to cover our reservoirs, especially not in this tough economic times when we've been talking about 100 public school teachers, there's better ways for our money to be spent. We have huge radon problems too, so covering our reservoirs will create more problems that I don't believe our city council is fully explored. The second I want to talk about, we can get a waiver. If new york can get a waiver, we should be able to get a waiver to protect our water. As well as keep 90 public hands. Public jobs. We do not need national corporations coming in and having control over Portland's water. We need to keep our water in the public's hands. And unadulterated, and the fact that our water, our water rates are very high right now, and it's going to change the livability of Portland. Let alone the -- water is our source of life. Our bodies are made up of 80% water. We cannot drink the columbia river or the willamette river water. And this building, this cleaning system will not even address the pcbs, the ddts, the nuclear waste that hanford puts off in our water. [applause] this is not the age of mutation for Portland, city council. Stop it, ok? It is very, very, very dangerous to drink the columbia river water, and Portland citizens should not have to pay 56% more to drink superfund water.

**Adams:** Thank you. Welcome.

**Kathryn Notson:** Hello. My name is kathryn, i'm going to do a review of history. In november of 1969, the city council was told to cover its open reservoirs due to fecal material. This was after there was a joint federal and state survey done on the public water system in 1968 and 1969. This was 42 years ago. In december of 1972, the city council had passed a resolution to cover the open reservoirs over a 12-year period, which should have been completed had that gone forward, by the fiscal year 1984-1985. However, that particular resolution of december 1972 was rescinded in december 1978, and yes, former a commissioner Lloyd anderson was one of those that voted to rescind that resolution to cover our open reservoirs. Had this gone through during that point in

May 23, 2012

time, those reservoirs would have been covered one every biennium over that 12-year period, and yes, would it have been a little easier on us had that been done at that point in time. Unfortunately, the delay has now come to about 42½ years, and we can't delay any longer than this. As far as the u.v .waiveris concerned, the public needs to know that is for 10 years, until cryptosporidium shows up again. We do have -- we've had cryptosporidium parvum in the bull run watershed, and that's cited in the report cited in the proposed and the final lt2 rule. I don't think it's worth your effort, I think to go to the congressional delegation to continue trying to hammer on the open reservoir issue when your history is against you. And for another reason, the epa will not be finished with its six-year review of the lt2 rule until 2016. There isn't any planned scheduled meeting on open reservoirs the next time. It's going to be on the vin classification and other more technical issues of the rule. That won't happen until the end of 2014 or 215. I don't like paying high water rates either, but I think the fact your predecessors didn't do the job they should have done, that's part of the problem here. It's not all on your shoulders.

**Adams:** Your time is up.

**Notson:** I need the public to know this. I have to support the increase, and I have to pay to it my rent no matter what anybody says.

**Adams:** Thank you. We're in the fifth row. Anyone in the fifth row? Anyone in the fourth or fifth row? Please come forward. Welcome. Just give us your name and you'll have two minutes. Go ahead.

**Bruce Bishop:** Thank you, mr. Mayor, members of the council. I'm bruce bishop, i've been a resident on canyon lane in Portland for over 30 years. And a member of first congregational church for over 25 years. And i'm here to talk about transportation fees and practices, particularly around first congregational church in the park blocks. I've been working with pcpa and city staff for the last year in trying to understand what's going on and see if there's a way to reach some accommodation with the theater about these uses. Currently what happens is that the theater puts up all day -- all-week reservations around the church, and that precludes our members and guests from being able to use those spaces, even if they have handicap permits. By their nature, church members will not use spaces that are reserved and appear to be violating the law. So effectively the theater has removed those spaces almost year-round from church use. And that presents a real problem for the church.

**Fish:** Are those adjacent to the park -- the south park blocks as well as adjacent to the sidewalk next to the building?

**Bishop:** Mr. Fish, they are. It varies, but the standard practice is that all of the madison street spaces next to the church and the theater are blocked. I did receive a message from your office earlier today that you're addressing it, and there has been some improvement. My concern is that it's a temporary change rather than a long-term one. On sunday I noticed a change. Instead of having all hours all day's reservations, they are eight specific and time specific -- date specific and time specific. But those reservations appeared to coincide with employees' work schedules. Effectively there's still -- they're still unavailable for use when employees are working at the theater, and that's the problem I think that still continues to occur.

**Fish:** Mayor Adams, with your concurrence we did get a letter, we have begun a dialogue with pbot. I think this is a problem we can work through. I would just suggest that we continue with tom miller's team and with parks to see if there's a resolution. We did get your letter and we're looking into it. We appreciate you coming here.

**Bishop:** I appreciate the attention and the opportunity to comment.

**Courtney Scott:** I'm courtney scott, i'm here to talk about the water. Thank you amanda Fritz for at least being willing to have another meeting about this. It's very important to discuss this much, much further. Secondly since there seems to be a bottleneck at the congressional level. I was wondering if we could invite senator merkley and have a teleconference perhaps with Senator schumer and new york and find out exactly what process they followed to get a waiver and what we, do to follow suit. The water projects are unnecessary and extremely costly to the citizens of

May 23, 2012

Portland. We have a very pristine and pure water system, we do not need to mess with it. Yes, the water rates are very high already. By increasing by eight or 8.5% is an incredible burden on the people of Portland. So I wish to encourage you to continue dialogue about this, invite the senator, maybe he'll come to a city hall meeting. And let's discuss this further and stop this needless expense. [applause]

**Dawn Smallman:** Dawn smallman, i'm from mount tabor neighborhood. I think that she just summarized things terrifically. I would second everything she said. I would also like to thank you for all the work you've done so far on this issue. I appreciate there's been a tremendous amount of work, but sometimes it's just not enough. Sometimes you don't get the outcome you want and you have to do more work. Throughout this entire process I have to say coming to public meetings i've often gotten the feeling, especially from commissioner Leonard that we get to an impasse and it's like, this is all we can do. This is all we can do. We're being told we need to do this. I think you need to fight beyond those. I know there have been times When you have fought beyond those, but I think it's tough to have people come here today and hear you mayor say, we're at an impasse, it's very difficult to say we're to hear we're being forced to do. This maybe I misunderstood you.

**Adams:** I didn't say those words.

**Smallman:** It sound like you were saying once again --

**Adams:** No, I was telling that guy he has to let everybody else speak.

**Smallman:** I misunderstood. So I hope --

**Adams:** Not that guy, but the guy that was there.

**Smallman:** I hope you will continue to fight this. I think that -- the water and protection of the reservoirs and protection of the water is essential to life here. The increase in the water rate is outrageous to me in a place that has this much pristine water. And I would like to say my specifics would be I would hope you would not include kelly butte construction in this budget, I would like to have you go back and make an alternative request to oha for another extension on the reservoir project. I know you just got done doing that, I know it was denied, I think you need to do it again. It is critical. This is really super important. [applause] i'd like to also ask for continued work with the delegates. If that's something that you think will provide relief, and i'd like for more creative brainstorming from all of you who are in a much bigger position of knowledge than I am, on how we solve this thing. And to keep pushing through and keep trying new ideas, new ways, talking to the same people over and over. Whatever, please don't quit. I'm here to say, please do not quit, and please do not fast track this today. Thank you. [applause]

**Adams:** Row number six. Row number six? Welcome back. Go ahead.

**Cherry Lambert Hollenstein:** First of all, I want to thank joe for making the outburst, because without him and the tv cameras, thank you camera people, because if there weren't tv cameras present here, I don't believe we would be allowed to speak. I called --

**Adams:** He would have been allowed to speak.

**Hollenstein:** The clerk said there would not be public testimony today.

**Adams:** It's always the chair's prerogative.

**Hollenstein:** You need work for a waiver, david shaff told me several years ago that he would have to go to jail, and I said, if any of the public servants which you always call yourself when you're running for office, went to jail for the people, we would be down there with -- we won -- to save our bull run water, I don't know what you could do better than that. You cover the reservoirs, we'll have poisonous radon. You're a nurse, amanda, you know what that does. Dan, you care about children with your initiatives, you know what that does. A filter, milwaukee, wisconsin, what causes all this, had a filter. Isn't that amazing? People die, they had a filter. I want to bring up the economy. I heard two companies testify that they were being forced to move because the water rates were so high. I want to ask all of you a question, because three years ago widmer brothers brewing company wrote their excellent, in my opinion, a letter to the Oregonian and they published it, and they were opposed to the rate increases, they were opposed to the reservoirs covered, they

May 23, 2012

were opposed to a treatment plant. So was the clinton hotel. And -- the hotel clinton. I got the president mixed up, didn't i? The hilton hotel was also opposed, and avenue a while I never heard them speak anymore. Did you people make private deals with them? Why widmer brothers and the hilton hotel which are huge --

**Fish:** Widmer brothers was concerned about a particular type of treatment because they thought it would change the ph of their water, and once that treatment option was off the table, that was their primary concern.

**Hollenstein:** And radon, and formaldehyde won't?

**Fish:** I'm just saying there was a particular treatment which would change the ph and a lot of the craft brew people had a concern with that. That's the reason they engaged the issue.

**Hollenstein:** The rates didn't matter to them? Interesting.

**Fish:** I didn't say that. You asked why they are not as visible. That was the issue they had a particular concern about.

**Hollenstein:** I thought they mentioned the rates too. I could be wrong. Thank you.

**Fritz:** Would you state your name for the record?

**Hollenstein:** Cherry lambert hollenstein.

**Adams:** Did you have more to say? Go ahead.

**Hollenstein:** No. I'm through. Please work for a waiver.

**Adams:** Welcome.

**Regna Merrit:** I'm here representing Oregon physicians for social responsibility. Thank you for this opportunity to testify. Water rates are an equity issue. Proposed rates are too high at a time when poverty and unemployment in our community are extremely high. The following are our recommendations. Disapprove of view the water bureau's request for a 7.6 or greater rate increase. Cut some of those vacant positions in middle management and retain those necessary to maintain infrastructure and complete deferred work in the field. Disapprove funding for any activity in the bull which can increase the risk of introduction of cryptosporidium into our reservoir. Disapprove that part of the budget which finances reservoir construction activities at kelly butte related to lt2 at least during the next fiscal year. Support a work session on reservoirs as requested by commissioner Fritz. Work with the congressional delegation and the epa leadership in d.c. To seek a timeout for Portland's reservoirs while the lt2 rule is under review by order of the obama administration. I attend add day-long epa meeting by phone and came away from that hearing on lt2 and open reservoirs very hopeful there may be positive changes in the rule made at the federal level. We have heard over and over again that day from experts that all reservoirs are not alike, and heard recommendations for changes that could be made to make the lt2 a rule more sensible and less after cookie cutter regulation. Finally as necessary, work to secure compliance through a legislative remedy. Without strong and immediate action on the part of the city council, the water bureau increases will likely force people to leave Portland and businesses to cut back employment or leave Portland. Ultimate will that will dramatically increase the financial burden on remaining ratepayers while degrading our quality of life. We'd like to state for the record that the hilton and widmer are represented by large water users and they are very much involved and still very interested in the rates.

**Adams:** It is your understanding that new york city got a waiver or a delay?

**Merrit:** They have a delay.

**Adams:** Welcome.

**Michael Morgan:** I'm michael morgan, I live in Portland. I would like to ask you not to award any further kelly butte or mount tabor reservoir burial contracts and to work with our congressional delegation to make every effort to obtain approval of a substantial delay in the water system reservoir burial projects. The motivation for doing so is that we're moving toward spending 300 or \$400 million on infrastructure changes to a water system that already provides safe water based on statements by drs. gary oxman at the Multnomah county health department and thomas ward at

May 23, 2012

ohsu. And the absence of disease attributable to our drinking water for a century, the regular sampling by the Portland water bureau and extensive water sampling at the reservoir outlets in 2008 and 2009 in which I read, according to the researchers, our water already met the goal of the environmental protection agency It2 rule. Furthermore, I read in a letter to our senators that the environmental protection agency has not gathered national data on reservoirs covered or uncovered, to support the It2 rule. Furthermore, the environmental protection agency is reviewing the It2 rule, including the uncovered finished water reservoir requirements. In explaining this review, Lisa Jackson administrator of the environmental protection agency, said in her August 19th, 2000 letter to Senator Schumer that different reservoirs around country have different specific conditions and protections that may have a bearing on the public health benefits of the It2 coverage requirement. And the review would reassess and analyze new data and information regarding current treatment, analytical methods, health effects, and risk from viruses and cryptosporidium to evaluate whether there are new or additional ways to manage risk while assuring equivalent public health protection, and she said science will drive their ultimate decision.

**Adams:** Your time is up, sir. Thank you for your testimony. Last rows. Anyone wish to come forward? This will be our last panel. Welcome back. Have a seat. Go ahead.

**Floy Jones:** Floy Jones, representing friends of the reservoirs. I'm here to address the unfortunate decision by the Oregon health authority that we got word of last Friday. We had already addressed at the hearing last week our concerns about the vacant positions and earlier about the overall rate increase. As I stated last week, I did attend the April 24th EPA meeting to address technical and scientific issues on the open reservoirs. And it was encouraging, because there's a whole team of course of New York scientists and Representatives from New York and other utilities as well as researchers who offered suggestions for addressing the onerous requirement that we treat or cover for problems that no one has ever documented existing. And in addition, over the last several months we've been in conferences with congressional delegation and specifically with Senator Merkley's office, and they are working on alternatives that aren't directly related to OHA's denial of the extension. But it's important that we go back and try and pursue that extension again and submit different arguments in support of that. You have to be aware that of course our approach has not been that of New York's. New York didn't submit a fast track schedule in the first place, and that's what's got us in the bind that we're in now. They submitted a plan initially in support of pushing it out until 2028, not just because they had other projects that they had to complete before then, but in support of sound science. And they've been consistent every step of the way. In 2001 submitting significant comments that were ignored by EPA initially, but Senator Schumer got involved and that's why, you know, we are now in a situation where over the next five or more years EPA may revise the requirements. But in the meantime, we need to not put ourselves in a position where we can't take advantage of opportunities that the congressional delegation can create for us. And pursuing Kelly Butte at this point, that's what that does, it cuts off those opportunities so you need to work on a strategy for pushing that out. [applause]

**Adams:** Welcome.

**Diane Tweeten:** I'm Diane Tweeten. The reasons for taking on all this that were stated in a recent letter about being about protecting the public, these reasons are refuted by the main consultant, Joe Glicker, in his 1998 open reservoir study technical memorandum. Even then he thought that logic and science would prevail, and that it is likely the open reservoirs would be part of Portland's water system for the next 50 years. Given a lack of specific identifiable problems in the new language of the safe drinking water act, which requires a more balancing of costs and benefits of regulation. This is a marketing story, not science, and greed masquerading as a need for public policy. We story is have an old system and the rate increases are about increased operating costs. Rarely mentioned is that debt service is the main reason, not operating expenses which have increase add little over 2 million a year for the last 13 years, while debt service will have gone up seven times by 2016, resulting in a default. If more debt isn't taken on, the cash on hand should easily avoid a rate



May 23, 2012

increase at this time. A previous policy of returning surplus operating revenues as rate relief has disappeared in the bonds as of 2004. Cash is being stockpiled and is almost equal to an entire year of operating expenses. Construction loans build it and then give the debt service to water users. Only four to six miles of distribution mains are replaced a year out of 2100 miles. The mount tabor reservoirs could have been refurbished for 2 million as a quote in 2002. The buried ones have shown to have cracks within 30 years. You're perpetuating a story and further eroding public trust. This is about equity. So we are ordered to do what will send us into default -- whereas the factory farms--

**Adams:** I'm sorry, your time is up.

**Tweeten:** -- that they got their rebates. We need equity if you truly want to be public servants.

**Adams:** Thank you. Sir, welcome back. [applause]

**Spencer Burton:** My name is spencer burton, I feel strongly that the council and the mayor should step up, show some leadership on this, hold the line, get a delay, we don't need to cover these water systems. We have a beautiful, natural, clean system. Let's fight for that. Let's fight for the ratepayers that can not pay for those at least that are able to afford it. This is a time for leadership. This is the time to hold the line. This is the time for the bigger fight to say this is wrong at the national level, and we can't just pay for a system that we don't need and don't want. I strongly recommend that you guys hold the line for the ratepayers of the city of Portland, for our future, for our past, this is a time, folks, this is the time where you show what you got in your stomach, your belly, this is the time to stand up for the people of Portland. The lt2 rule is wrong, and we need to fight this. I strongly encourage you to do. So thank you. [applause]

**Adams:** These are the last three. Go ahead, begin, ma'am.

**Beth Giansiracusa:** Hi. My name is beth Giansiracusa, i've been in front of you before. I want to bring the attention to the fact that all of the projects are in house at the water bureau. And they're under a lawyer. And with all the water projects that are under the water bureau, there's no external independent or oversight in that bureau. I just heard they are moving from the salmon run emergency seven permit at the south shore, and they're going to take all that payroll and shift it over to the powell butte, which is less payroll, so they don't need as many people. So they can cut their budget. Now, I get that. Because I get that. But for the rest of us, we need to get a little oversight. We need to get a little forensic accounting in there. So that we can see, so the Public can see, so the city here can see what's happening. You two are gone. You guys are here. This is you. And dan, you know all about it. You've been doing this since 2000. Calaro... Now they have, what, cell towers? Good idea, bad idea. I see benefits, but --

**Adams:** I need to you testify on the issue.

**Giansiracusa:** I am. It's the water issue. It's the bull run. It's covering these reservoirs. We know from experience that we can change things. We watched it change with the variance, though we have a lawyer that says, we have a variance and it's going to last 10 years. But we can still run everything in the bull run. So I have that-- lawyers like to prove themselves when they get pushed.

So I have that. But anyway, I have -- a bit of an idea what's going on. But I sure would like a really big huge idea of what's going on with this water bureau. Thank you. [applause]

**Adams:** Welcome back.

**Nancy Newell:** My name is nancy, you've seen me here on behalf of citizens for Portland's water, which i'm here today. But also we all need bees, which is gardening and nursery organization of 300 members, and also for the rosa parks association, who is opposing the rate increase and does not feel we need any water bureau rate increase, based on the conditions of the lack of water in some homes, they don't even have a trickling of water in the home, they have red tags on their door, homes are being foreclosed on, our pipes will be gone for the entire city if we continue this construction process for projects we don't need, we don't want, we want you to be strong, to get the waiver, to also act in a fashion that the protects the small ratepayers, we have a large ratepayer lawsuit, and these kinds of activities, we have a project right now, the I as a citizen spent my own

May 23, 2012

money to get a lawyer, conflict of interest on the hearing process for these seven permits for the project right now that's draining off our summer supply at our reservoir, we have aerial evidence of this happening by our water bureau and there's no independent oversight to prevent a crisis this summer in this city. And this is no joke. People are not having water trickled in, that's a human right to water issue. How dare this city refuse water to people that they have to go to their neighbor's house to get water because of prices. Shame on. You shame on you. [applause] this is an issue that is worldwide. Our debt will be so high in 2016 and we've shown it to you, we've proven it several times, and that's it. The banks will own our pipes. Privatization, we'll have no control over quality of water, where it comes from and where it goes. Right now the great lakes is threaten by chinese movement of water to china, I don't know if you're aware of that. But all these things are in the budget, you are spending the money endlessly, it is a crazy circus and it's got to stop. [applause]

**Adams:** Welcome.

**Catherine Howells:** Hi. I'm catherine howells, and I have two hats. The hat i'm wearing today, i'm on the faculty of psu. I teach drinking water, I research drinking water, and the drinking water regulations. The other halt I have is a member of purb. I am not representing purb at all, i'm talking about what i've learned in my research and teaching at psu.

**Adams:** You're speaking for yourself.

**Howells:** I am speaking for myself. I want to make that really clear. Drinking water is about public health. That's bottom line. That's why oha has the authority to make these rules. And I think it's really important we put that in perspective. I don't think anyone in this room doesn't celebrate bull run water. It is phenomenal, the history of this system and how we protected the watershed. But i've come to realize over years of research, the single greatest source of contamination in our water supply is our open reservoirs. And any list that you can look at the annual list when they clean the reservoirs, what they take out of the reservoirs. When they drain them and they clean them. And you have full dog poop bags, you have dead animals, and my favorite, you have bowling balls. Go figure. But a bowling balls can get into the reservoirs, probably almost anything can get into the reservoirs. This actually really concerns me from a safety perspective, but also to realize that we have that finished water, it's already been treated, it's going directly to our houses. And we have no way even with all the security, things still get into the reservoirs. So my concern has always been about the public health for all citizens of Portland, and actually even the wholesale customers. Thank you.

**Adams:** All right. Thank you all. I need to take a -- we're going to take a five-minute compassion break, and we'll return. We'll return for further discussion. I've been asking -- i've been asking --

\*\*\*\*\*: One more.

**Adams:** This is it. You can yell as loud as you want, this is the last person to testify.

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

**Scott Fernandez:** Scott fernandez, a decade ago I wrote the first science paper that change -- challenged the epa regulation based on their unsound science. And for the last decade I produced many, many scientific papers that support the fact that the epa lt2 regulation is not needed because there's no scientific basis for it. And I can not let the last voice be heard to say that the open reservoirs are the greatest source of contamination. They are the best things that we have in the system. It provides a barrier of chemicals and gases these would otherwise get into our homes and workplace and schools. There is nothing about the epa lt2 regulation that the epa has proposed as being a public health benefit. Not one of those things they've proposed has come true. Not one over this whole time. And it is the -- the epa was wrong in this lt2 regulation, it is based on sewage exposure in milwaukee, wisconsin, that we don't have in our source water, and we have not seen any public health problems within our system. For over 100 years. When you look at the scientific evidence of our open reservoirs, we found no cryptosporidium, no viruses, we found no other parasites, and over the last decade the oha water sampling throughout our system has found fewer

May 23, 2012

than five alleged e-coli -- out of tens of thousands of samples. And that includes the reservoirs. The water system of the bull run is one of the most sustainable and most effective and most pure systems that this country has ever seen. And we need to keep it as it is. We want a waiver, which is not a variance, and we want a waiver requested to the delegation to be put forth to the epa. And we want it done very, very soon. We want a waiver, which exempt us from the It2 regulation.

[applause]

**Adams:** I wanted to make sure I understood you, and then we are going to take a break. I don't think I heard you right, but did you mean to say that the open reservoir portion of our overall system is the best part of the system?

**Fernandez:** Absolutely. Because it lets gasses and the -- of radon and chloroform vent harmlessly --

**Adams:** I just wanted to make sure I understood you.

**Fernandez:** The sunlight does an effective job of breaking down --

**Adams:** I just wanted to make sure I got it right. We're going to take a five-minute break. [recess]

**Adams:** City council will come back to order. We're going to go through these one by one. Sue, please call the vote on s-572. This is the ordinance related to solid waste and recycling rates and charges.

**Item 572 roll.**

**Fish:** Aye.

**Saltzman:** I'm going to vote aye but I do want to underscore that we have a commitment as a council to revisit our new recycling program in october. That will be some six months as we've enacted it and I look forward to that review. Aye.

**Leonard:** Aye.

**Fritz:** I appreciate that staff of the bureau of planning and sustainability who have answered my questions over the last two weeks. Unfortunately we didn't get the proposal until very late in the process. So i'm still not comfortable voting for this just because I ran out of time to get more answers. I do want to stress that the rates are 79 cents less because of the new system. And that we will be having a public hearing later in the year to review the new system, and if citizens want to change, that's something i'm certainly open to. I appreciate the switch to natural gas and compressed natural gas trucks, and i'm still not clear on how that factors into the percentage profit for the haulers and I look forward to the continuing discussion on that. So respectfully no.

**Adams:** Aye. [gavel pounded] so approved. Can you please read -- we're going to take up 573, which is the sewer and drainage rates, and charges. Can you please call the vote.

**Parsons:** I do need to read the title.

**Adams:** We read all four I thought. Go ahead. Read the title.

**Item 573 roll.**

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

**Fritz:** These rates have been scrubbed. There are .5 less than what the budget advisory committee proposed, and 1% from what the citizens review committee, public utility review board proposed. I'm happy the rates are reduced, I hope we'll continue to work with those citizen advisory committees so that when things happen towards the end of the process they're kept fully inform and engaged. I do thank commissioner Saltzman and the mayor for their work on this budget. Aye.

**Adams:** I'd like to thank commissioner Saltzman for his work on getting the requested increase down significantly from what it was forecasted. And down from even what the bureau citizen advisory committee suggested. So i'm pleased to vote aye and thank you for your help. [gavel pounded] so approved. Please read the title for item number 574.

**Item 574.**

**Adams:** Commissioner Leonard.

**Leonard:** I'd like to move the amendment that I passed out to council, copies of which are with the clerk.

May 23, 2012

**Fish:** I will second it.

**Adams:** Can you describe the amendment?

**Leonard:** It reduces the -- I should point out the same group that commissioner Fish alluded to that recommended a half percent higher rate for bes recommended add 2.5% higher rate than what this amendment will accomplish. So this will be a 7.6% rate increase as opposed to the 8.1 in the original.

**Adams:** Discussion?

**Fish:** So before I vote on this amendment, I just want to give Commissioner Leonard a chance to clarify two issues for the record. This is -- today we are poised to vote on the rates, and I want to be clear what is technically before the council in terms of a decision, because we've had some -- albeit it's an unusual proceeding, but we've had testimony on It2, on waivers, on variances, on -- a lot of history. We've had many hearings on those question, many thoughtful people in the room, but I want to be clear what we have before us and what we're going on.

**Leonard:** You're voting on today the rates that will generate the revenue, the projects that the revenue pay for are individually approved by the council one at a time throughout a fiscal year as contracts are put out for bid. They have to be approved by council, authorized by council, so no project in and of itself is inherently part of this process of setting the rates, only sets what the rate will be and the projects throughout the year come before council.

**Fish:** Thank you. May I address a question to our council? This is a second reading, so technically we would be voting to set the rates. There's now an amendment on the table. The amendment is adopted by the council, does this go to a final vote next week, or is it your recommendation we, if there's agreement on the council, that we affix an emergency clause so that the rate can be adopted today?

**Roland Iparraguirre, Deputy City Attorney:** I believe would it have to go to a vote next week. I'm not sure because of how intertwined it is with the budget that the charter would allow for an emergency clause.

**Fish:** Is there -- in terms of our budget time line that we're operating on, is there any problem with voting on the rate next week?

**Iparraguirre:** I'm not aware of any.

**Adams:** I don't think there's a problem. Do you know of any?

\*\*\*\*\*: [inaudible]

**Adams:** Ok. Any other discussion? Would you please call the vote on the motion.

**Parsons:** On the amendment?

**Fish:** Aye.

**Saltzman:** I appreciate the direction of this amendment with respect to the rate decreasing another half percent, and for that purpose I will support that today, but I guess I do want to say what I said at the outset and what I said a week ago, I appreciate the water bureau has reduced some 30-34 vacancies down to 25 or 26, I still don't understand why the bureau needs that many, especially in light of the fact that all other bureaus have significantly reduced their vacancies in order to get the mayor's proposed budget to the point it's at today. So i'm going to be thinking about that between now and next week. Aye.

**Leonard:** Let me address that last point. The water bureau is a bureau that is supported by the revenue it gets just like the bureau of environmental services and just like the bureau of development services. It is not a general fund bureau. General fund bureaus we normally set aside dollars at the beginning of the year for the operations, say, of the police bureau. Those budgets are fund and we can predict those positions will be funded throughout the fiscal year. Last year when our budget was set at the water bureau, we immediately began recognizing that people were using less water, that the amount of water we were selling decreased, so we quit hiring people. Because we didn't have the money to pay people. We weren't collecting money and leaving positions vacant and using the money for something else. The money didn't exist to pay people, so as vacancies

May 23, 2012

occurred and we saw our revenue was decreasing we kept positions vacant. That's information that's been available that's been discussed, talked about publicly, but again, I don't like the perception for the comment somehow suggesting that the water bureau has vacancies that they use the money for purposes that weren't budgeted. That is not true. If we had kept people in positions that we didn't have money to pay them for, we would have been running at a deficit, and that's not allowed under the state constitution. So the water bureau in fact has been operating in an exemplary professional manner, managing its resources wisely and contracting when it needs to contract and hires people when the demand increases and the revenue comes in that allows to us hire people. Aye.

**Fritz:** I certainly appreciate commissioner Leonard and director shaff and david hasson for answering my questions. I believe the rates should be even lower. Much -- [applause] 4.9 of the rate increase, which is now the majority of the rate increase, is due to catching up on deferred rates from 2006 to 2009. And so that is an issue, we have been building back the reserves which i'm glad to see, I believe it could have been lower. No.

**Adams:** A lot was said today. Some of it was very compelling, other pieces of it simply don't track with facts that you can get online, new york city does not have a waiver, they've gotten a delay. We're all pursuing waivers, we have in the past. We've been successful. I haven't heard anyone state the success that we have had in filtration and everything else, and this council has worked really hard to -- we're not voting today on anything that would chemically treat, so we've done a lot over the years to keep what we agree is a unique and valuable asset for the city of Portland. And this bull run water is very precious. We're not suing drinking out of the columbia, we're not pursuing privatization. There's a lot being said here that I really encourage you to look at the record. And we need your help. There's no question about it. And many of you in the room have been very helpful in helping us get regulatory relief. And we need it again. But it has to be done on a fact-based manner, and if they're going to trust us, the city, to do this kind of work, having folks come in and say things like, we're going to be drinking out of the columbia, is just -- it's not credible, it's not true, and it undermines our collective ability and effort to get regulatory relief. So encourage you to get the facts. We can agree/disagree on the facts, we all agree bull run is a really precious and wonderful resource, and this is not a fast track, as the exchange between commissioner Fish and commissioner Leonard talked about. Those -- we will have a work session, we will vote on those individually as they come forward, and that's the way it should be. We need -- and we will continue to do everything we can to protect the bull run. Aye. [gavel pounded] can you please read the title for item number --

**Leonard:** That's the amendment. We have to vote on the actual --

**Adams:** It's next week.

**Leonard:** I'm sorry.

**Adams:** That's all right. Please read the title for item number 575.

**Item 575 roll.**

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

**Fritz:** In the future I do more to make sure neighbors are aware of some of these changes and fees, particularly the area parking permits. I thank alissa mahar, Catherine ciarlo and the mayor's office as well as pbot staff for assisting my office and getting our questions answered concerning those fee increases. Aye.

**Adams:** Aye. [gavel pounded] all right. We are adjourned.

At 3:19 p.m., Council adjourned.