



CITY OF  
**PORTLAND, OREGON**

**OFFICIAL  
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 29<sup>TH</sup> DAY OF MAY, 2013 AT 9:30 A.M.

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

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Ian Leitheiser, Deputy City Attorney; and Steve Peterson, Sergeant at Arms.

Item No. 498 was pulled for discussion and on a Y-5 roll call, the balance of the Consent Agenda was adopted.

Council convened as Budget Committee at 9:57 a.m. and recessed at 11:24 a.m. Council convened as Portland Development Committee Budget Committee at 11:32 a.m. and reconvened as City Council at 11:49 a.m.

<b>COMMUNICATIONS</b>		<b>Disposition:</b>
<b>484</b>	Request of Kathryn Harrington to address Council to thank the City and Commission for efforts to provide a network of pedestrian and bicycle facilities (Communication)	<b>PLACED ON FILE</b>
<b>485</b>	Request of Silas Covert-Keefe to address Council regarding Gilbert-Place and economic development in East Portland (Communication)	<b>PLACED ON FILE</b>
<b>486</b>	Request of Jim Baker to address Council regarding Portland streets (Communication)	<b>PLACED ON FILE</b>
<b>487</b>	Request of Joseph Gordon to address Council regarding fetal alcohol syndrome (Communication)	<b>PLACED ON FILE</b>
<b>488</b>	Request of Mary Rose Eng to address Council regarding the death of Aaron Swartz and Aaron's Law (Communication)	<b>PLACED ON FILE</b>

**TIMES CERTAIN**

**489 TIME CERTAIN: 9:30 AM** – Approval of the FY 2013-2014 Budget for the City of Portland (Mayor convenes Budget Committee) 15 minutes requested

**Motion to add budget note to Attachment D, Portland Development Commission – Mounted Patrol Unit Horse Facility, that Council shall hold a public hearing to discuss options before the Portland Development Commission acquires land and/or moves forward on a new facility for the Mounted Patrol horses:** Moved by Fritz and seconded by Fish. (Y-5)

**Motion to add budget note to Attachment D, Bureau of Environmental Services – Community Watershed Stewardship Program, that Council Directs the Bureau of Environmental Services to find \$134,000 in its existing FY 2013-14 budget to fund the Community Watershed Stewardship Program:** Moved by Novick and seconded by Fritz. (Y-4; N-1 Saltzman)

**Motion to add budget note to Attachment D, Office of Management & Finance - Business License Tax: Per Resolution 36473, the City has a goal of increasing the Business License Tax owner’s compensation deduction to \$125,000. For Tax Year 2014, Council’s intent is to increase the owner’s compensation deduction to at least \$100,000. The City Budget Office is directed to identify potential options to pay for this increase, including: the use of ongoing revenues above forecast; efficiencies and other savings from the span of control study, administrative process review, or other process improvements greater than the savings already assumed in the budget; or the identification of spending offsets. The City Budget Office will present options to Council in the FY 2013-14 Fall Budget Monitoring Process:** Moved by Fish and seconded by Fritz. (Y-4; N-1 Saltzman)

**Motion to approve budget adjustments and amendments in the City Budget Office change memo and the above approved amendments:** Moved by Fish and seconded by Fritz. (Y-5)

**Motion to approve the budget as amended:** Moved by Hales. (Y-4; N-1 Fritz)

**Motion to approve the tax levies:** Moved by Fish and seconded by Fritz. (Y-5)

**PLACED ON FILE**

**490 TIME CERTAIN: 9:45 AM** – Approval of the FY 2013-2014 Portland Development Commission Budget (Mayor convenes Council as Portland Development Commission Budget Committee) 15 minutes requested (Y-5)

**PLACED ON FILE**

**CONSENT AGENDA – NO DISCUSSION**

**Mayor Charlie Hales**

**\*491** Authorize a grant agreement with Portland Opportunities Industrialization Center, Inc. in the amount of \$54,387 to provide a Gang Impacted Family Team Coordinator for an aligned system of support for program stakeholders serving gang impacted youth and families (Ordinance) (Y-5)

**186046**

**Bureau of Environmental Services**

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<p><b>*492</b> Authorize the Director of the Bureau of Environmental Services or their designee and the City Attorney to enter into a settlement agreement with Kathleen Benafel (Ordinance)  (Y-5)</p>	<p><b>186047</b></p>
<p><b>493</b> Authorize the Bureau of Environmental Services to acquire certain easements and other real property interests necessary for construction of the Skidmore Pump Station Upgrade Project No. E10291 through the exercise of the City's Eminent Domain Authority (Ordinance)</p>	<p><b>PASSED TO SECOND READING JUNE 5, 2013 AT 9:30 AM</b></p>
<p><b>494</b> Authorize contract with Harper Houf Peterson Righellis, Inc. and provide payment for design services of the SE Hawthorne Sewer Improvements Project No. E08668 for \$422,441 (Second Reading Agenda 460)  (Y-5)</p>	<p><b>186048</b></p>
<p><b>Office of Management and Finance</b></p>	
<p><b>*495</b> Create a new represented classification of Community Garden Technician and establish an interim compensation rate for this classification (Ordinance)  (Y-5)</p>	<p><b>186049</b></p>
<p><b>*496</b> Authorize Intergovernmental Agreement in the amount of \$160,000 between Portland Development Commission and Office of Management and Finance for the Union Station Tracks and Building Preliminary Engineering and Environment Review (Ordinance)  (Y-5)</p>	<p><b>186050</b></p>
<p><b>497</b> Grant a franchise to Zayo Group, LLC for telecommunications services for a period of 10 years (Second Reading Agenda 372)  (Y-5)</p>	<p><b>186051</b></p>
<p><b>Parks &amp; Recreation</b></p>	
<p><b>*498</b> Transfer funds to the Grant Field sports field and track improvement project (Ordinance)  <b>Motion to correct fund in directive b. to Sports Working Group sub-fund within the Parks Memorial Fund:</b> Moved by Saltzman and seconded by Fritz. (Y-5)  (Y-5)</p>	<p><b>186060</b> AS AMENDED</p>
<p><b>499</b> Authorize acceptance of properties from the Portland Development Commission and assign them to Portland Parks &amp; Recreation (Ordinance)</p>	<p><b>PASSED TO SECOND READING JUNE 5, 2013 AT 9:30 AM</b></p>
<p><b>Water Bureau</b></p>	
<p><b>500</b> Accept contract with Moore Excavation, Inc., for the construction of the Westside Header Relocation Phase 2 Project as complete, release retainage and authorize final payment (Report; Contract No. 30002064)  (Y-5)</p>	<p><b>ACCEPTED</b></p>
<p><b>501</b> Authorize the Water Bureau to acquire a conservation and access easement on the YMCA Camp Collins property (Ordinance)</p>	<p><b>PASSED TO SECOND READING JUNE 5, 2013 AT 9:30 AM</b></p>

<p><b>502</b> Authorize an Intergovernmental Agreement with Tualatin Valley Water District and City of Tualatin to conduct analysis and planning to evaluate capacity and design concepts for a temporary emergency pump station (Second Reading Agenda 469)</p> <p>(Y-5)</p>	<p><b>186052</b></p>
<p><b>REGULAR AGENDA</b></p> <p><b>Mayor Charlie Hales</b></p> <p><b>Bureau of Development Services and Parks &amp; Recreation</b></p>	
<p><b>503</b> Amend tree regulations to change the effective date from July 1, 2013 to January 1, 2015 (Second Reading Agenda 471; amend Ordinance Nos. 184522 and 184524)</p> <p>(Y-4; N-1 Fritz)</p>	<p><b>186053</b> AS AMENDED</p>
<p><b>Bureau of Development Services</b></p>	
<p><b>504</b> Amend fee schedules for building, land use services, neighborhood inspections, noise control, plumbing, signs and site development permits (Second Reading Agenda 452)</p> <p>(Y-5)</p>	<p><b>186054</b></p>
<p><b>Bureau of Transportation</b></p>	
<p><b>505</b> Adopt a new Bureau of Transportation policy to prioritize maintenance work on City owned and maintained local streets (Resolution; rescind Resolution 36672)</p> <p><b>Motion to amend resolved section to read: that the Portland City Council rescinds Resolution 36672 and directs the Portland Bureau of Transportation to prepare a new policy for prioritizing preservation - activities on City owned and maintained streets for Council review and approval: Moved by Fritz and seconded by Fish. (Y-5)</b></p> <p>(Y-5)</p>	<p><b>37018</b> AS AMENDED</p>
<p><b>*506</b> Authorize the Bureau of Transportation to execute real property deeds in the amount of \$1,202,453 in Transportation System Development Charge Overlay Credits required for construction of the New Water Avenue Project; indemnify Oregon Museum of Science and Industry and the Oregon Department of Energy; authorize the naming and renaming of segments of SE Water Avenue; and authorize transfer of real property to TriMet (Ordinance) 15 minutes requested</p> <p>(Y-5)</p>	<p><b>186055</b></p>
<p><b>507</b> Revise transportation fees, rates and charges for FY 2013-14 and fix an effective date (Second Reading Agenda 475)</p> <p>(Y-5)</p>	<p><b>186056</b></p>
<p><b>508</b> Extend special rates and charges, and create new permit types for public works permitting services through FY 2013-2014 (Second Reading Agenda 476)</p> <p>(Y-5)</p>	<p><b>186057</b></p>
<p><b>Office of Management and Finance</b></p>	

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<p><b>*509</b> Amend the City of Portland Health Plan and the City of Portland Cafeteria Plan to reflect necessary plan administrative and design changes as recommended by the Labor Management Benefits Committee and requested by Bureau of Human Resources for the City self-insured plans beginning July 1, 2013 (Ordinance) 15 minutes requested  (Y-5)</p>	<p><b>186058</b></p>
<p style="text-align: center;"><b>Parks &amp; Recreation</b></p> <p><b>*510</b> Authorize agreements with Delta Development LLC and Sports Field Management, LLC to facilitate field improvements and license agreement for Delta Park sports fields (Ordinance) 10 minutes requested  (Y-5)</p>	<p><b>186059</b></p>
<p><b>511</b> Amend provisions relating to duties of the Golf Advisory Committee (Ordinance; amend Code Chapter 3.86)</p>	<p><b>REFERRED TO COMMISSIONER OF FINANCE AND ADMINISTRATION</b></p>

At 12:43 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 29<sup>TH</sup> DAY OF MAY, 2013 AT 2:00 P.M.

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

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

		<b>Disposition:</b>
<b>512</b>	<b>TIME CERTAIN: 2:00 PM</b> – Accept the Chief Administrative Officer second annual report of the General Obligation Bond Independent Citizen Committee (Report introduced by Mayor Hales) 45 minutes requested  <b>Motion to accept the report:</b> Moved by Fish and seconded by Saltzman.  (Y-5)	<b>ACCEPTED</b>
<b>REGULAR AGENDA</b> <b>Mayor Charlie Hales</b>		
<b>S-513</b>	Extend a street closure pilot program in the Old Town Entertainment Districts through parts of NW 2 <sup>nd</sup> , 3 <sup>rd</sup> and 4 <sup>th</sup> Avenues between W Burnside and NW Everett on certain days and during certain hours (Previous Agenda 481) 10 minutes requested  <b>Motion to accept substitute ordinance:</b> Moved by Saltzman and seconded by Fritz. (Y-5)	<b>SUBSTITUTE PASSED TO SECOND READING JUNE 5, 2013 AT 9:30 AM</b>
<b>Office of Management and Finance</b>		
<b>514</b>	Amend contract with Moore Iacofano Goltsman, Inc., P.C. to increase contract amount by an additional \$409,704 to provide additional consultant services for redevelopment of the ADA Title II Transition Plan for the City (Second Reading Agenda 483; amend Contract No. 30002636)  (Y-5)	<b>186061</b>

At 2:45 p.m., Council adjourned.

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



By Karla Moore-Love  
Clerk of the Council

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

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

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

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

**MAY 29, 2013 9:30 AM**

**Hales:** please call the roll. [roll call]

**Hales:** We have important work to do today but nothing more important than this. A proclamation and presentation about an amazing success story. Commissioner Fish.

**Fish:** Thank you mayor and colleagues. I'm pleased to welcome the grant high school constitution team to city hall, winners of the 2013 national we the people competition in Washington, d.c. [applause] before I read the proclamation, I would like to invite a number of honored guests to join us. Barbara ross, the head coach, and team members claire, alan and austin. Just bring a chair up with you.

**Fish:** Each year I have the distinct honor of serving as a judge at the regional we the people competition. I'm always impressed with the high quality of work of all local teams including park rose, franklin, and last year's national champion, lincoln high school. It really speaks to the hard work and dedication of the students who attend our public schools and of the teachers, coaches, parents, and the classroom law projects, project leaders who support them. That Oregon has brought home the win two years in a row. I understand that grant principal vivian orland is with us with other special guests. Could you please raise your hand. [applause]

**Fish:** We are very proud of your achievement. The way we recognize distinction in this body is we issue a proclamation. The mayor has assigned this great honor to me. Whereas we the people, the citizens and constitution is a nationally recognized education program and competition, and whereas the competition encourages students to display civic knowledge, skills and disposition, and the classroom law project, administrator of Oregon we the people programs since 1987 plays a leadership role preparing youth to become active and engaged participants in our democratic society. And whereas the grant high school competition team placed first on january 19th, 2013, advancing to the national competition, and whereas the grant team placed first among 56 of the nation's best high school teams in the we the people national finals held on april 19th, 2013. And whereas the grant team's success brings honor and distinction to Portland public schools, city of Portland and state of Oregon, and whereas the grant team has been supported by grant high school principal, vivian orland, constitution team coach, tim volker, and teacher david, and community coaches shelley larkin, honorable henry -- mike, jim, mike, andrea, al, john stevens, harris -- larry burke. That would make a hell an of law firm, frankly. As well as teachers, family, members and friends. The competition team includes the following students. Leah, claire, dylan, nina, jacob, jake, kendall, kathleen, lauren, jane, anna, emily, gaelen, mac, miriam, alan. Madeline, ada, austin, nate, anayeli, emily, james, morgan, annelies, Daniel, grace, rickey, adam, halley, parkes, ella, mariah, and simon. I apologize if I did violence to any of those names. Now, therefore, i, mayor charlie hales of the city of Portland, hereby proclaim may 29th, 2013, to be a day of honor and recognition for grant high school's 2013 constitution team in the city of Portland and encourage all residents to observe this day. Congratulations. [applause]

**Tim Volker:** Thank you, commissioner Fish. This is a great honor. We're really proud of these kids. We started this program, myself and shelley larkins and ken, ken decided to take time off recently to spend time with his own kids. We're very offended by that. But ken, shelley and I have been with the program for the entire time. Several other coaches I would like to say are

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probably the most generous with their time of any volunteer attorneys I ever met in my life. You mentioned several of them in the group. We have been together for about eight years now. We have a -- we -- I kind of feel like we stand on the shoulders of giants here, you know. We have been doing this so long and every year we learn more and more and more. And this team was the culmination of that. We're extremely proud of them. You already introduced the coaches, I was going to do that. I won't take the time to do that today. We have been back to nationals. We started this 13 years ago. Diane, teacher over at grant, and we met on the classroom law project board. We were fuelled by envy of the lincoln team, so successful, and we are very impressed by them and we started this team. We have been back to nationals nine times. In the top three several times. We learned along the way and these kids finally brought it home. We're very proud of them.

**Fish:** Congratulations. We will meet a couple of the outstanding participants in a moment. Barbara, would you like to say something about the project?

**Barbara Ross:** I would. Thank you for the opportunity, mr. Mayor, commissioner Fish and other commissioners. Thank you, thank you for this opportunity. I think the proclamation aptly describes that it takes a village. Classroom law project is the infrastructure that makes it happen. It is a statewide organization, and while you've seen all of these young people who are definitely above average, it is actually a program that starts with the 5th grade. And there is a program for those young ones, as well as middle schoolers and this high school program. And classroom law project helps with professional development at all of those levels. We in Portland are blessed, not only have we won for the state of Oregon two years in a row, but it's noteworthy that Portland public schools have done something that no other school district has done in the nation. And that is not just to win in two consecutive years, but two different schools in consecutive years. No one else in the history of the competition nationally has done that. That takes administrators who support this program like susie and orland. It takes teachers like david lickey, and it takes the amazing coaches that give of their time as exemplified here by tim and the cadre of individuals and all of the above average students.

**Fish:** Four outstanding young people. I remember a couple of them in the judging that I was able to do, and there is a formal part of the program and then they take questions from judges who are lawyers and judges and know it alls, and the -- it is the magic of this program, when you watch kids, young people who are unscripted tackling the toughest questions of our constitution and doing so with really great skill and courage. And frankly, at a time when people talk about a decline in civic literacy and fewer people voting and being engaged, I think this program does more to restore my confidence in the future than anything that I have the honor of doing. If each of you would just introduce yourself and say a word or two.

**Alan Chan:** Hello. I'm alan chan. I guess I am honored to be a representative member of the team right here. I guess a few words would be that I thought this was experience was just simply amazing. People you met and got to know and the knowledge that you got to learn. As simple as that.

**Claire Eldredge-Burns:** My name is claire, i'm from unit one. I -- this whole year has been an incredible experience. Going to Washington d.c. Was amazing. I will never forget of sifting on the floor of the -- sitting on the floor of the national archives -- the whole trip was wonderful.  
\*\*\*\*\*: Great.

**Ricky Rojas-Echenique:** Hi, my name is rickey, I was a member of unit five. This is definitely one of the best experiences of my high school career. I learned so much and truly understand the role of being a citizen. So much more on the strength of our constitution.

**Austin Shaff:** Hello, austin, a member of unit four. This was a truly amazing experience that I will never forget and I also want to say thank you to our wonderful coaches, who without which



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we could never have done this and our teacher, mr. David lickey. This was amazing and i'm so happy that they gave this time to us to help us do this.

**Fish:** One other person I would like to acknowledge, pamela, very proud in the back watching this unfold. Mayor, do we have a moment to take a photograph of these young people?

**Hales:** Of course.

**Fish:** If everyone will come forward, we will take a group shot. [applause]

**Novick:** Team, before you all leave, I just have to say i, like commissioner Fish was one of the judges and have been a judge a couple of other times and have been a coach once and I have to say when I was judging this time, what I saw -- unit six, my reaction was wow. This is not just a championship caliber team. This is the 1927 yankees. This is the philadelphia '76ers, this is the super bowl shuffle chicago bears. You are all too young to know what any of that means, but what it means is when I saw that team, I thought I don't see how anybody in the country can beat these kids. And I was right. So, thank you so much. Congratulations [applause]

**Saltzman:** Wow. Thank you all for making us proud. Have a great summer.

**Fritz:** I want to also add that it is wonderful that we sometimes have sporting teams who have come on and won state championships and won other things. It is wonderful that our Portland public schools are wonderful places to get great academic training and thank you for studying hard and staying in school and making us proud.

**Hales:** Here here. [applause]

**Hales:** It is all going to be downhill from here this morning. No matter how good it gets this morning, it will all be downhill from there. That's great. What a confluence when you think about the past school bond measure, legislature stepped up on funding public schools and this all in six months. So, that is pretty nice. Pretty nice turn around. Let's move to communications items please Karla. Item 484.

**Item 484.**

**Hales:** Good morning. We normally wouldn't make an elected official wait except for that.

**Kathryn Harrington:** We're all very proud of them. Mr. Mayor, commissioners, good morning. My name is kathryn harrington. While i'm an elected member of the metro council, regional government, i'm here today speaking as an individual. I come before you as a motorist to say thank you. Very simple message. I live in the city of beaverton. Generally I commute by car into the city of Portland to the metro building on grand avenue three days a week, tuesday through thursday. Yes, I am a motorist. I am very thankful for the investment that the city of Portland has made in solutions that make me feel comfortable and safe as a motorist. Specifically solutions that make people riding bicycles more visible, and those that make people walking more visible. Green boxes, bicycle lanes, boulevards, bicycle signals, walk lights, crosswalks, synchronized traffic lights. Each of these solutions contributes to an environment that feels safe and comfortable for all users, including me, the motorist. So, thank you. I really understand that budget decisions are community investment decisions. I applaud your determined efforts to provide travel choices through a network of walking, bicycling, and vehicular facilities. These investments serve the largest number of people possible so that we can each feel comfortable and safe as we take care of our individual everyday needs for work, for pleasure, for living. As a policy maker, I would also like to acknowledge the leadership that you provide to your colleagues throughout the region. Through your active participation at regional tables, as well as through the deployment of your staff expertise. Examples include the development of the regional southwest corridor plan and the development of the region's first-ever active transportation plan. Soon to be completed. That plan offers to us new strategies, policy considerations, and project priorities to address the needs for a regional network of pedestrian corridors and a regional network of bicycle corridors that each might actually satisfy the demand that exists. I would like to encourage you to

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stay engaged in these important efforts, as well as with other major regional policy development and planning programs. We need you. Once again, i'm here today with a very simple thank you.

**Hales:** Thank you. Thank you for your service as well.

**Harrington:** Thank you.

**Item 485.**

**Hales:** Good morning. Welcome.

**Silas Covert-Keefe:** How does this work? I have only done this once before.

**Hales:** Give us your name. Three minutes. Pull those microphones back up a little bit if you would.

**Covert-Keefe:** My name is silas covert-keefe. I'm on the board of the gilbert neighborhood association, community development major at Portland state. I recently -- I originally wanted to talk about economic development, attended the neighborhood conference in minneapolis and I would rather focus on talking about outreach between the city and east Portland. Do you have pens and paper? Okay. I just want to invite you to three different events. A gilbert neighborhood association board meeting, at 7:00 p.m., 10th of june. East Portland neighborhood board meeting, our coalition, and that will be I believe at 7:00 on the 19th. And east Portland action plan meeting on the 26th of june, which will -- it has to be at 6:00. Should have wrote down the time, sorry. We would really like to see you. When I was at that conference, it became apparent that there is a lot of situations that are like east Portland and the city that we face here. And there is -- there is a struggle between the people who live on the outskirts of the city and the people who live in city. It is not anyone's fault. That is a result of centralized government. And that is just the way it works. I think we can really undo some of the problems associated with that just by personalizing you guys and having you come to our meetings and being able to meet you and having you come to these things not to give speeches or to talk to us, but to be as members there so we can see your faces and get to meet you. I know that for myself, because I can't speak for anyone else, living on the fringe kind of makes you feel separate from the people in the city. And most of the time when we get to see you guys at town hall meetings which may not be the most healthy way of talking all of the time because as a result of not getting to see you very often, when we do get the chance, a lot of passion rises up and sometimes comes out in less than healthy and productive ways. If we got to see you guys regularly, not all of the times, but every now and then at different gatherings that we have or different neighborhood association meetings, I think it would be a long way to build constructive ties between the city and us out there. And that would be so incredibly helpful. You can have my 30 seconds.

**Hales:** Thank you very much. Well said.

**Item 486.**

**Jim Baker:** Good morning. My name is james baker. I live at 621 southwest -- in Portland. I have a little message for you folks. A street that one side of it is on -- connects to terwilliger and the other side to willing game avenue, and it is a very short street. Very friendly. It has been in existence for a long time. And it is part of trail 3 of the -- you know, the trail system that we have here for walking. That picture that you have is a -- really a beautiful little pothole that I have out in front of my house, and it's aging with me. I mean, we're in pretty good shape together here. I have been, as I said, I was in the house 50 years and I have seen you folks and your people who came before you and maybe I will see a few of them later. I don't know. But I have -- I have been frustrated from time to time that you folks might take actions that I disagree with. And I have never come before you before, but I got to thinking that as long as i'm around, I ought to say something, and if I were to say something, it should be positive. And so I looked at the -- at this little -- this pothole, which I believe has a great deal of character. And I thought perhaps we could have a contest in the city where people could send in their pothole pictures and maybe the Oregonian could show these pictures and we could have a little contest and you could present

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people to form a committee to choose the proper winners. Maybe you could paint the pothole that won so you could see it. At any rate, I hope you take this in the manner that I present it to you. Again, I wanted to be very positive, and I think you could look at the pothole problem as a positive problem. Thank you very much.

**Hales:** Very creative suggestion. Thank you. [applause]

**Hales:** One form of public art that we want to eradicate after we see it. Yes. Thank you very much.

**Item 487.**

**Item 488.**

**Hales:** It looks like they may not be here yet. Okay. Then I guess we want to go ahead and move on to time certain.

**Moore-Love:** Consent agenda first.

**Hales:** Sorry, I did it again. Yes, we have one request, I believe, to pull an item off of the consent calendar, which is item 498. That has been requested by parks to have this pulled for some corrections. Are there any other requests to remove items from the consent agenda? If not, let's take a roll call on the remainder.

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

**Hales:** Aye. Time certain.

**Item 489.**

**Hales:** Okay. I am now convening this meeting of the city of Portland budget committee. We are -- I am hoping first a public hearing to discuss possible uses of state revenue sharing. This hearing is being held by the city council of Portland in compliance with the provisions of state revenue sharing regulations and ORS 221-770. Purpose of the hearing is to allow citizens to comment on the possible use of these funds in conjunction with our annual budget process. As -- budget anticipates receipts totaling \$13,819,575 from state revenue sharing. As has been the case in prior years, it is proposed that this revenue be allocated in equal parts to support fire prevention and police patrol services. So, we first have a staff presentation or maybe just here to answer questions and we will see if there is anyone who wants to be heard. Any questions from staff? And then is there anyone here that wishes to be heard on this particular item on state revenue sharing?

**Moore-Love:** We have three people signed up. Joe Walsh. Please come on up.

**Hales:** Come on up.

**Fish:** Is it clear to everybody that this is the shared revenue and not the budget?

**Hales:** This is not the budget itself. Only on state revenue sharing. For anyone who is wondering, we are required by state law to do it this way.

**Hales:** Good morning. Welcome.

**Joe Walsh:** My name is Joe Walsh. I represent individuals for justice. And for us, this is the beginning of the process. We understand this as a committee, you are going to approve it here and take it to the city council for approval in a few weeks from now. And I think there will be some tweaking between now and then. You've heard from, what, thousands of people on this budget? I don't think I can say anything that will change your mind one way or the other.

**Fish:** Can I just mention something? This is shared revenue. We haven't actually put the budget before the public yet and we are going to take amendments to the budget.

**Walsh:** I just said that. I understand this is a committee.

**Hales:** There will be a separate hearing next on the budget.

**Walsh:** I know. Full council.

**Hales:** We will be the budget committee, the next item on the agenda is the budget itself. This is only the subject of state revenue and where we put it.

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**Walsh:** It is still going to the question of what you do with the budget when you have -- you have two choices that I know of. Maybe it is a minor -- but two main choices. One, you can cut the revenue. And the other one you can raise revenue. And our contention is that you are going in the wrong direction on both issues. We would like you to look at raising revenue. We have very wealthy corporations in this city that does business in this city. We're asking you to reverse your concept and go after the revenue and stop cutting on the backs of people that can't take very much more. That's our position. That will be our position on both issues. Any time you deal with revenue, we will say to you, you're going in the wrong direction. You're going in the same direction as our congress. And many of us think our congress has gone completely mad on a bunch of issues. I am asking you to reverse your concept and say, okay, is there any way we can raise money? Just like if I was out of money, I might take a part-time job to supplement my income. Figure out where you can get the money from the rich corporations that do business here. You seem to be terrified of them. Call their bluff. They're not going anywhere. This is a really good deal for them. Thank you.

**Hales:** Good morning.

**Lightning:** Good morning. My name is lightning. One of the issues I have is where you want to direct the funding or the money if you -- if it is received. And you have stated fire and police. I haven't heard anything on the homeless, anything toward development for the homeless, anything to get 1,500 plus or minus people that are sleeping out on the streets, under the bridges, who need housing, who need a place to stay. I haven't heard anything about any of that money being directed toward the homeless. I want to see more money being directed toward the homeless, toward developments such as the bud clark commons, I think is a model unit. Not just this state, should be throughout the united states. I think we need to develop more bud clark commons. Maybe one on the east side and one also maybe on the north, northeast side of town. I think you have something there that can work to end homelessness throughout the city. And I really think that some of the funds need to be directed toward the homeless. Thank you.

**Hales:** Thanks. Good morning. You can come back on the budget item, if you want. All right. Thanks. Anyone else to testify on state revenue sharing? So, therefore, i'm going to close the hearing on possible uses of state revenue sharing and open the council -- sorry the budget committee --discussion of the budget itself. Now, there are a number of changes in front of us. So --

**Fish:** I will make an initial motion to adopt the changes set forth in the may 22nd, 2013, budget memo and put that on the table.

**Hales:** Is there a second?

**Saltzman:** Second.

**Hales:** That motion is before us. We will take a roll call on the motion to put the -- right --

**Andrew Scott, Director, City Budget Office:** Actually, we just need the motion and the second.

**Hales:** We don't have to take a roll call. At this point, I can walk through the major changes in the change memo that was filed --

**Scott:** Actually we generally go through what is in the changes between the proposed and approved and take amendments from council and put all of those on the table for further discussion.

**Hales:** Okay.

**Scott:** I will be brief. This information is in the change memo in your packet, attachment b. I will go through the major changes that were recognized in that change memo. I won't go through everything. One of the key things, changes from the proposed -- to the approved budget that is before you, additional revenue, we are recognizing about \$500,000, additional ongoing money from century link, telecom changes that council adopted last fall. There was a litigation and initial rounds the city prevailed. Additional research into that issue, we had forecast about three

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million of ongoing revenue. We think it probably will be closer to \$3.5 million of ongoing revenue. In terms of spending. Bureau of environmental services, \$215,000 for friends of trees funding is allocated to bes is general fund. Bureau of planning and sustainability, an increase in external revenues that planning is going to recognize, that will fund three positions in that bureau. In terms of omf, there is an increase in the external revenue that will be coming from Multnomah county from business license tax collection, increase of \$200,000. Office of neighborhood involvement. \$12,000 is added for the Multnomah youth commission expenses. And in the Portland development commission, on the general fund side, partial additional funding for alberta and hillsdale main streets. \$41,000 was added in the budget. And restoration of the funding cut for venture Portland, \$34,000. In the parks bureau, funding, aging services and pass-through funding to Multnomah county, funded at \$210,000. \$70,000 less than the proposed budget. Part of an overall deal with the county as we added money for the catse back into the budget. Also Buckman pools was added back using parks levy dollars, as well as Sellwood community center also using parks levy dollars. There was an increase in sun schools passed through Multnomah county. We increased from the proposed to approved \$136,000, which is 1.5 of the three sun schools that were funded through that Multnomah county pass through. There was also an increase in other parks programs. \$435,000 for forest park zone and central services. \$15,000 added for reservoir outreach. Police bureau, reduction in funding for the service coordination team and illegal drug impact. District attorney of \$130,000. That was used as an offset to help pay for the additional funding for the catse. And there was a reduction of \$707,000 in bridge funding in the police bureau. A result of the retirement incentive program which resulted in more retirements this year and so the avoidance of those bridge funding costs next year. There was also an addition to the police budget of \$200,000 in external donations for the mounted patrol unit. Within special appropriations, \$634,000 added in for the crises assessment treatment center. \$177,000 added in for janus youth programs. \$100,000 added for life works now, new options for women program. \$26,897 for Restorative justice program at park rose. And 75,000 for the cash Oregon program. And then finally, in terms of funded net management, outside of bureau, catch all, general fund overhead adjustments made to the property management license fund and the mt hood regulatory cable commission in the amount of \$249,617. And then overall reduction in contingency between the mayor's proposed and approved budget of \$487,497. Separate from the budget changes, there are some budget note revisions. Those are found towards the end of the packet. Attachment d. These are shown as changes to what was in the mayor's proposal. They are underlined and strike out. There was a change in the east Portland action plan decision budget note. There is no council decision at this time on continuation of funding beyond fiscal year 2013-'14. Budget notes for Portland fire and rescue. Additions to research possible staff restructuring to reflect day and night call volume. Another to explore developing a system that might able to reimburse fire for some of the health care that is provided to residents of Portland. And finally a fire and bureau of emergency note to work with our county partners on additional or new dispatch protocols. Budget note related to police and finding of the life works new options for women program and council's intent to fund the program at \$200,000 total. \$100,000 in the budget pf general fund and directing police to use justice assisting grant funds and potentially money from the sex buyers accountability and diversion program to get that life works budget up to \$200,000 total. A budget note directed to water and bes to report back on the progress of the loo marketing program. And a budget note for bes and parks, statement regarding council's intent behind shifting some of the tree planting funding to general fund, bes. So, again, those are the major changes between the mayor's proposed and approved budget, I am happy to take questions on those and now would be a time for council to put additional amendments, if there are any, on the table.

**Saltzman:** The \$200,000 revenue from the friends of mounted patrol being recognized, when is that money delivered to us?

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**Scott:** From a budget perspective, what police is doing is recognizing external revenues of \$200,000. And i'm not sure of the details in terms of when mounted patrol -- it would need to be delivered during the fiscal year for the police to spend it during fiscal year --

**Saltzman:** What happens in the \$200,000 doesn't come through or comes through at \$125,000?

**Scott:** If external revenues do not come through -- the risk is on the bureau. They would need to make an offset within the existing budget. They would need to make reductions to the program, or they need to come back to council and ask for additional resources.

**Saltzman:** Will this be reported to us in bumps? Will we be able to track the progress on the \$200,000 in private donations?

**Scott:** Yes.

**Saltzman:** That will be a specific line item under the police bureau's budget-- if not may I request it to be?

**Scott:** Yes, we can include that. Since it is a budget decision, we do report in the bumps on specific budget decisions in bureaus and we will be sure to highlight that in our report to council.

**Hales:** Other questions?

**Fish:** Is it appropriate to take up some amendments?

**Hales:** It sure is.

**Fish:** I will hand out a copy of the document that I believe omf circulated last week. This has three amendments by different authors on the council-- I think we can start with these. And I will defer to commissioner novick or Fritz on the first one.

**Fritz:** Thank you, commissioner Fish. First budget note is regarding the Portland development commission and states that council shall hold a public hearing to discuss options before the Portland development commission acquires land and/or moves forward for a new facility on the mounted patrol horses.

**Hales:** Is there a second?

**Fish:** I will second. May I make a brief comment?

**Hales:** Yes.

**Fish:** We are technically taking up the budget for city and the general fund. Not the pdc budget to follow, but it is my interpretation of this budget note that it would apply to both pdc and the police bureau and cover money for funding and planning and development of any new facility and at that point in which that were to occur, it would trigger a public hearing and a chance for the council to weigh in on that issue. Is that your understanding?

**Hales:** That's my understanding. It affects both budgets but having the budget note here instructs the police bureau and pdc by putting it in the general fund budget, as far as i'm concerned. With that motion on the table. Someone want to talk about budget amendment number two?

**Novick:** Budget amendment number two, bureau of environmental services, council directs the bureau of environmental services to find \$134,000 in its existing fy 2013-14 budget, to fund the community watershed stewardship program.

**Fritz:** Second.

**Hales:** Any discussion about that one? That one on the table. And then -- a third amendment.

**Fish:** This would be a budget note to the approved budget business license tax. Per resolution 36473, the city has a goal of increasing the business license tax owners compensation deduction to \$125,000. For tax year 2014, council's intent is to increase the owner's compensation deduction to at least \$100,000. The city budget office is directed to identify potential options to pay for this increase, including the use of ongoing revenues above forecast, efficiencies and other savings from the span of control study, administrative process review or other process improvements greater than the savings already assumed in the budget, or the identification of spending offsets. The CBO will present options to council in fy 2013-2014 fall budget monitoring process.

**Fritz:** Second.

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**Hales:** Any further discussion of those three? So, all of the amendments are therefore on the table. The ones that were in appendix d package and these three additions. Are there any other amendments? Okay. And, therefore, we will open the public hearing.

**Scott:** Actually we need a vote on each one of these.

**Hales:** To get them into the proposed budget. Okay. So let's take a motion -- let's take a vote on the appendix d amendments first. Actually -- those are already in.

**Hales:** Don't have to do that. Just one, two, and three.

**Scott:** Yes, one, two, and three, and take a vote after the amendments, take a vote on the entire package to put that on the table and then we will have public testimony.

**Fish:** Mayor, a suggestion. Since we will be taking testimony on the whole package, could we encourage the sponsor to say two things about each of these amendment so that the public understands before we take testimony. As the vote occurs.

**Hales:** Let's take a roll call on budget amendment number one.

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

**Fritz:** This amendments requires a public hearing before we move to spend between \$2 and \$12.5 million on a new facility for the mounted patrol. The mayor's proposed budget does continue the mounted patrol. There obviously needs to be further discussion before we move to spend taxpayer money on that new facility. Aye.

**Hales:** I support this amendment. If you look at the success story of how the council first got a proposal from the police bureau for a very expensive training facility and then pushed the question and everyone sharpened their pencils and came up with a less expensive version of the project, I hope we can replicate that story here. Aye. [gavel pounded]

**Hales:** Proposed budget amendment number two. Roll call, please.

**Fish:** Aye.

**Saltzman:** I think i'll vote no on this one.

**Novick:** We heard strong support for the community watershed stewardship program in the last budget hearing. It is an award-winning program that is very consistent with the bureau's watershed protection and i'm pleased to see this budget note come before the council. Aye.

**Fritz:** This program I learned a lot about it in the course of the budget hearings and it does promote equity and inclusion of folks who have historically been not involved in community watershed stewardship projects. I'm very happy to vote aye.

**Hales:** Aye. Approved. Number three.

**Fish:** Mayor and colleagues, in 2007, I believe, the council made a commitment to raise the business owners compensation deduction over time to \$125,000. The triggers which were in that resolution anticipated that we would have blue skies and therefore the funds to cover the offset. As you know, we entered into the worse recession in our lifetime and therefore there were no funds available. But the principle that was adopted by the council in 2007, was that since small businesses are the backbone of our local economy, nearly 60% of our businesses have 50 or fewer employees. And because this is a targeted way in which we can help them free up additional resources to buy equipment and expand payroll, that we ought to over time aspire to get to \$125,000. What this amendment does is direct the budget office to come back in the fall with a range of options to allow us to go from the current level, which is about \$89,000 and change to \$100,000 and to present those options to council with a commitment that is for tax year 2014. Because as i'm reminded, these operate by tax year and not fiscal year. Our intent to go to at least \$100,000 and therefore make a downpayment on a decision a prior council made. Aye.

**Saltzman:** Well, I think I support the intent, overall intent that the council adopted in 2007 to ultimately get to \$125,000. I'm not comfortable sort of a priori saying we're going to do this until I know what the revenue picture looks like in the fall. I think this amendment is committing us

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before we know what the financial picture or any savings we may gain from span and control review, administrative process -- I will respectfully vote no on this.

**Novick:** Aye.

**Fritz:** Commissioner Fish and I have worked on this. I'm hopeful that we get to the full \$125,000 by the time I leave office in 3 years, 7 months and 2 days. Aye.

**Hales:** Aye.

**Scott:** Motion and a vote and again what this vote is is not to I approve the budget but all of the changes in the change memo as well as these recent amendments on the table for discussion.

**Fish:** I move all of the amendments.

**Novick:** Second.

**Hales:** Okay. Further discussion? Roll call.

**Fish:** This is one of two opportunities we get to thank you and your team for all of the work in assembling this and helping us and I will have something more to say about the independent budget office later. Thank you for your superb work. Aye.

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

**Hales:** Thank you staff. Now we open the public hearing on the budget -- proposed budget as amended.

**Moore-Love:** We have three people.

**Hales:** Good morning. Christine you are on first.

**Christine Yun:** Okay. On behalf of the buckman pool heroes, buckman bathing beauties, and the growing inner southeast community, I want to thank you for saving important community resources in this budget. Particularly buckman sun school and buckman pool. I also want to thank you for not making us do this again next year. The communities at sun school and buckman pool are diverse. They espouse walkable, bikable neighborhoods. They have been and are great supporters of the city's parks program. I want to remind you that it is crucial to maintain the support in the coming years as we navigate towards a parks bond which will provide the funding for long-awaited Washington high community center. Thank you very much. And I get to go swim in peace for two years.

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

**Scott Fogarty:** Good morning, mayor, council members. I may be a little confused in the process here, so what I have to say may not have any bearing on this budget. But i'm asking you to --

**Hales:** Put your name in the record.

**Fogarty:** Scott fogarty, friends of trees executive director. Here to ask you for full funding of the contract agreement for the city of Portland to plant and care for street trees as part of our gray to green initiative. I encourage you to restore our annual budget to the amount of \$1.1 million as stated in our contract agreement. As I understand it, we are funded at 85% of this level through the bureau of environmental services, but I am unclear as to whether that is actually true or not. Because positions within bureau were cut that managed this contract, and also that recruit, train, and manage canvassers, who by the way go door to door on some of the lowest canopy covered neighborhoods, which also happen to be the lowest income historically and highest minority communities. Friends of trees will have to take on the cost of these activities. Suffice to say less trees will be planted with less volunteers in the most underserved communities in our city. Additionally friends of trees will not be able to recruit, hire, and train youths in the community who are valuable to the work that we do. They improve their life skills while giving back to their neighborhoods. The past year Friends of trees recruited, trained, and planted with over 4,000 volunteers in our city who gave an average of four hours each at an approximate value of \$350,000. I think Jenny has better statistics on this. For this investment of an additional \$250,000 Friends of trees will have a much better chance of meeting targets laid out in the contract with the city. We look at the coming year to establish a firm relationship with the Portland parks and



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recreation program if that is where our program ends up. And we look forward to the opportunity to codify this relationship. It is our hope that this coming year we will see clearly the progress on how trees and green infrastructure are managed overtime and from which bureau as they are laid out in the urban forestry management plan. I think now is the time to strengthen our collective resolve to establish long-term sustainable programs to grow a healthy community for generations to come. We can do this by adequately funding this necessary community program upholding the letter of our contract. We appreciate the investment you all have made in our organization and the programs that we run and we appreciate your time and leadership in this manner. Thank you very much.

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

**Jenny Beddel-Styles:** Good morning. Mayor, city council, my name is jenny, and i'm a volunteer and outreach program specialist at friends of tree. I am here to report back to you on some of our volunteer numbers over the last several years. This contract has allowed us to work with a wide diversity of people. Before that, this is my eighth year working in the Portland nonprofit community. My second with friends of trees, and I wanted to let you know that friends of trees has a very unique model that we work with, volunteers. We work with the community. I have always been in the outreach, in the organizing, in the campaign running side of nonprofit work. And it was what -- this is what attracted me to getting to work with friends of trees was how this organization truly values volunteer work and volunteer commitments to this cause. It's not a throw-away concept with friends of trees. Volunteers are not just free labor. It is at the very core of what our mission is. And I see us as a community-building group that plants trees in order to build community. So, getting back to the numbers. In 2010-2011, i'm just going to go back three years here. We could go back further than that, but I don't want to bore you too much. I think the numbers speak for themselves. Always on the up and up. 2010-2011, just over 30,000 volunteer hours, for a total of 5,500 moments, so these were individual occurrences where someone came out and we go to work with them. Singular times that someone volunteered. 2011-12, 35,000 hours. And just over 7,000 moments. And this last year, we have been increasing. The numbers are being crunched this week, but we were up to 37,000 hours, and as scott mentioned, we haven't crunched all of the moments yet, by the individuals, it is a little more complicated, but we are over 4,000 individuals, and the intentional increases made with our volunteer teams have happened outside of Portland's inner core neighborhoods, which I think is very, very notable. And these are also the places where you have the most tree planting potential and where we need the most help to plant the trees. We have been intentionally recruiting from other neighborhoods outside of, you know, inner southeast Portland where I grew up. Thank you, councilors for your time and thank you, mayor.

**Hales:** Thank you. Thank you for coming.

**Moore-Love:** We have one more request, joe walsh.

**Joe Walsh:** My name is joe walsh and I represent individuals for justice and Oregon progressive party. I would like to put in a plug for your security people. My understanding is that under the contract, you are laying off a number of your security people. I think most of you know that this argument being presented by me is very unusual. I am not a big fan of the police or security people. However, when you're right, you're right. And your security people here are very good. And they protect you. You have no metal detectors in this building. This building is very vulnerable to attack. You have one man sitting at the front door. His job in my view is to scream if something happens and to alert everybody else. And then security people can go and save your asses, because that is what it comes down to. And you are laying them off. You are saving things like horses. You're laying off human beings. And that is our contention. Find the money and stop the layoffs. These are human beings. This is a tragedy to them. A big tragedy. And for me to speak on security people is really unusual. But they were very professional and I have come into contact with them on different levels. Sometimes being escorted out of the council, but they

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have always treated me gently and they have always treated me with professionalism and I like them. So i'm here to say to you rethink what you're doing for two reasons. Number one, they're human beings, and, number two, it is your security, and mine. When I come to this council, I want to feel safe. I kind of feel safe now. I don't like it when the police come in with their guns and i've already said that to you. Please rethink your position on your security people. Thank you.

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

**Lightning:** Yes, my name is lightning. I just have a few comments on the mounted patrol. I believe it is a tradition. I absolutely agree to keep the mounted patrol. I think it is something that is needed and it improves the city. The only issue that I guess I have pertaining to the mounted patrol is of course costs, expenses, and as you know, I brought up the issue on centennial mills. \$7 million property with another \$12 million dropped into it. Approximately 20 plus million, which would have been the budget shortfall technically, all into one property. Currently being leased at \$1 a year. Yeah, basically I have a problem with that being done. One of the reasons I do is that if you want to go and board a horse somewhere, it is only going to cost you \$300 or \$400 a month. They will feed it twice. 10 horses times 400 -- that is \$40,000 a year. You want to spend all of this money to relocate them and put them in a nice facility. I have nothing against the mounted patrol. I think they're great. But I say fund it toward the homeless. I say fund it toward the people that really need it. We can find other alternatives for the horses. They can still be there. They can still function. They have trailers that can bring them out to locations. Everything is fine. We've got too many people sleeping out on the sidewalks, under the bridges, in the doorways, that the people of this city can show the greatest improvement to this city and that's where the dollars need to go first. Thank you.

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

**Mary Anne Schwab:** Good morning mayor, and commissioners. I submitted my information to you online because there is no way I can read that much in three minutes. So, I will try to cover three top points. I am very, very concerned about the transparency of some of the things that go on in city council. Especially when reading the report regarding the buckman pool. Private citizens shouldn't have a trust with who we hire to track those budget levy funds. I would like to have built in somewhere in the building that there is a trust that the employees were either reporting to the commissioner and if the commissioner is waving like a flag in the wind and they don't trust them, whatever they share to their commissioner, they share with the city auditor, the ombudsman, and I still don't know what the ombudsman does -- any time a developer challenges a property line or issue with the infill housing, that ombudsman tells us okay, take it to court. Who among us have \$30,000 to hire an attorney. These are the issues that I would like to see open. I am aware that you passed guidelines august 4th, 2010, about the general principles for public involvement. I think we need a little more enforcement here. The fact that the buckman -- a long list, all of this work to keep this little tiny pool open is simply egregious. These dollars -- once you approve this budget, it's solid. No longer will we see \$4 and \$5 million transferred from one city bureau outside of the city. We need a check and counter check. The tsc, with all of the bonds and levies we keep approving, I don't know who enforces that we are up to par with those. We need to have a double check. And appreciate the work that you've done. I'm very grateful that the needles exchange program is in place, i'm grateful that the suns program is now a core value for the city and I will be pleased that the buckman pool is open. We talk about intent, commissioner Fish. There was an intent in that levy that that pool would remain open until we finished the construction, open to the public for seven inner southeast neighborhoods and yes, those on the west side can come across, until that is open. We have been at this since 1980 trying to get a recreation center to meet the needs of the inner southeast. We are at that threshold. We have complex issues coming down with the Washington high school building. I would readdress, please, to get your

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committee, advisory committee back on board, readdress what's going on in that building. 120,000 square feet commercial? What's that going to do to buckman. I want to be sure what happens to the 7.61 acres, including the rh facing morrison is tracked. That is the heart of inner southeast, community parks, we need community gardens. 1.66 acres facing morrison street would be a great open space for open plain garden. We need to double check on all of this infill.

**Hales:** Thank you very much. Anybody else?

**Moore-Love:** That is all that signed up.

**Hales:** Then, let's bring Andrew Scott and Dean Marriott up to answer Scott Fogarty's question on where we ended up with the friends of tree contract, general fund going to bes staff support, to make address those questions and clarify where we are.

**Dean Marriott, Director, Bureau of Environmental Services:** Good morning, mayor members of the council. Dean marriott, environmental services. Scott pointed out he has a lot of questions. The situation has been quite fluid. We have not had a chance to sit down and talk with him as we would with any contractor about changes that would be coming and the amount in the contract or the scope of work. That is the first thing we will do as soon as you tell me that the decisions are final and we know exactly what we're going to get. I want to reassure scott that we appreciate that if we end up with less money than we had in the past, we will renegotiate the contract -- we are not expecting him to plant the same number of trees for less money. He will still continue to have the support of the bureau in assisting with the retention and training of canvassers and the outreach and so forth. We are not asking them to step into our shoes and do that kind of work. Just a moment of context. In the last five years, we have spent over \$4 million with friends of trees to plant trees. It is a great relationship. They do wonderful work. I have been out on at least two occasions with them to do work with them. And I see the community building that they describe for you today. As I know many of you have done that work as well. We look forward to that continued strong relationship with them. We look forward to continuing to plant trees in Portland. This adjustment would be as scott indicated, about 85% funding for them. That sounds about right to me based on what I understand. We will make it work. We may end up planting a few less trees next year than we planned on but we will still be in the tree planting business.

**Hales:** Does staff or -- support that capability still exists in the bureau?

**Marriott:** We will still provide staff support and canvassing support, yes.

**Hales:** Other questions for dean or --

**Saltzman:** I had some questions for andrew. Not for dean.

**Hales:** Thank you, dean.

**Saltzman:** What is the general fund in the current fiscal year we're in and budget we're about to adopt?

**Scott:** Those are great questions.

**Jeremy Patton, City Budget Office:** The total general fund for the budget we're about to adopt is about \$493 million. The one we're currently in -- i'm trying to think of the most up to date. I believe we started the year at \$500 million -- revisions.

**Hales:** Cash to cash, we're down \$7 million.

**Saltzman:** We have \$500 million in the current fiscal year and 493 in the --

**Patton:** 500 in the on adopted. There has been some adjustments throughout the year.

**Scott:** It is worth pointing out, that is total general fund. Which includes general fund discretionary as well as other revenue that goes into the general fund. These would be fees collected by parks for instance at the community center. Those total numbers fluctuate.

**Saltzman:** Soon to be adopted general fund, \$7 million less than --

**Scott:** Trying to dance a little bit here while jeremy looks up the numbers.

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**Saltzman:** While he is looking that up you can answer-- I'm also curious about what's happening with security. The question joe walsh asked, I don't quite understand it.

**Scott:** We will come back to this in just a second.

**Patton:** Revised general fund, revised for the propose budget was \$502 million total.

**Saltzman:** For the current year.

**Patton:** Current year, right. 502.

**Scott:** That is total general fund. Sometimes that total general fund number doesn't mirror what is going on general fund discretionary. For instance, fees could go up or down. Sometimes the projects -- sometimes the programs in bureaus are scalable. General fund discretionary --

**Patton:** General fund discretionary is now about \$397 for the approved and it was \$413 for the revised.

**Saltzman:** \$413 in the current fiscal year?

**Patton:** Correct.

**Patton:** I think it is going to be around \$397, just under that.

**Fritz:** So that's still cutting only \$16 million, how are we balancing the budget?

**Scott:** That's right. Again, what this doesn't reflect is the current appropriation levels include inflation and other cost of growth. We have seen large increases in the first cost this year, personnel costs, and again when josh harwood, the city economist, does the forecast, he looks at what it would cost to provide the same current service level in the next year. That is where we come up with the \$21.5 million shortfall.

**Fritz:** Right. But we're not cutting that much.

**Scott:** Right. And in order to bridge that \$21 million, \$21.5 million shortfall, half million of new revenue from century link, savings from span and control analysis that will be done, administrative process review. Captured pers savings that offset that number down and total program cuts that are less than that. I want to caution you, numbers jeramy is giving you, comparing with the current year to what the approved budget is going to be, not the same number or conversation in terms of what we have to cut in order to balance over the next five years.

**Saltzman:** Pers saving, in light of the governor signing legislation, we can bank on the numbers that we're using --

**Scott:** Yeah, what we captured there -- what we don't know yet, even after the governor signs senate bill 822, we have not received our new pers rates nor will we receive them for sometime yet. They need to work through all of the issues. Also additional pers changes that might happen at the legislature this year. We have banked on 80% of what our cost increase was in pers this year and captured that \$3 million as pers savings.

**Saltzman:** So we're estimating we will be paying 80% of what we're currently paying for pers.

**Hales:** No, they are capturing 80% of the potential reduction.

**Scott:** What the legislature's goal was to reduce the cost increases that all local governments were facing this year. We don't know those rates, but we know that savings will be significant. We won't know exactly what that savings is until july, august, when we get the new pers rates. So, what we have done is we have essentially assumed 80% of the cost increase as savings. It is a conservative number. The actual statements will probably be higher than that.

**Fish:** On that point though, because commissioner Saltzman I think operative word was can we bank on it? I think it is important to note while we're taking a conservative approach at 80%, there is one other factor beyond our control and that is whether there is a legal challenge to any actions taken by the legislature and how that will affect all local governments. That is out there. I think that means we have to -- we are making some -- we are making some assumptions.

**Scott:** Yeah, commissioner, that is exactly right. It is worth pointing out, when it comes to pers, we will get our new rates from the state, what our pers rates are. That is the rate we will pay for two years. If the -- if there is litigation against the pers changes and we lose that litigation, and

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the pers changes are overturned, we will not have to pay that money back right away. It will change our future year rate assumptions in the out years. Those assumptions will be higher. In order to forecast conservatively, we assumed again 80% of the pers savings now. We also did not change those out-year pers rates, which is reflective of that litigation risk. So, it is possible, one, that the savings will be a little higher than what we anticipated. If all of the lawsuits are -- essentially if the pers savings are determined to be legal, there might be some out year savings as well. We will not capture that until we know for sure --

**Fritz:** Security, what are the cuts to security?

**Scott:** There are reductions and actually I am not the best person to speak to the specifics of those. Reductions in terms of the city's contract with our security provider.

**Hales:** I can summarize what is in the omf proposal. Continue to have two people on duty at -- during work hours and beyond in city hall, but reconfigure on the ground floor so that we don't have to have multiple people on the ground floor. Make other changes in the system, in terms of panic buttons and other equipment. And also making some changes in where the monitors are located. So, there -- it is a reconfiguration of what we do on the ground floor of this building, and on the ground floor of the Portland building and a reduction in the total number of people on duty during work hours

**Fritz:** What's the total cut in staff?

**Hales:** Gail, I don't know if you know that number.

**Fritz:** I'm concerned about that. Is it two people in each -- the Portland building and city hall and one in each.

**Hales:** I believe it is a reduction of one in each building.

**Fritz:** What about staff after hours and on week ends.

**Hales:** Gail, do you want to reconstruct that?

**Gail Shibley, Mayor's Office:** This was a continuing discussion that we have been having with the office of management and finance to make some changes as the mayor said to the configuration of security both in city hall, as well as the Portland building, that would include actually reclaiming some of the public space on the first floor of city hall and making some, what we think could be some really exciting and helpful changes overall. But would provide for leveraging technology both in the Portland building and city hall creating additional closed-circuit tv capability as well as mobile panic buttons, if you will, that would assist overall in suite security, and then I can't remember the specific hours for the Portland building where there would be staff, but 6:00 or 7:00 a.m. Until 9:00, 10:00 p.m. Every monday through friday, and then 24/7 at the Portland building with full camera motion detector cameras that would be watched from the Portland building directly across the street.

**Fritz:** What about weekend staffing at city hall?

**Shibley:** No weekend staffing of city hall.

**Saltzman:** No weekend staffing, is that what you said?

**Shibley:** That's correct.

**Hales:** Combination of cameras and card locks.

**Fish:** I wonder on that point. I know one or two of the colleagues have a question about safety on weekends. We host a lot of events in city hall. I wonder from a general liability point of view we can be open for events, conferences, and other things, without having someone physically on site. And whether that raises a liability issue. I would be concerned.

**Hales:** There will be someone physically on site, but they will normally be in the Portland building watching the cameras there. They can walk across the street in the event of an event.

**Shibley:** And then commissioner, if I may, in addition to that, what i'm told is that just as we do now, any time that there is an event, reception, after hours, evenings, weekends, etc., they also

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arrange for security and that part of our not to exceed contract provides for that kind of flexibility. If there are specific events, there is security on site at city hall at that time.

**Fritz:** I think the organizing event has to pay for the security. I know the office of neighborhood involvement that has evening meetings in the Portland building, we sometimes have to pay for that.

**Shibley:** If I may, commissioner, I believe the hours until 9:00, 10:00 p.m. If there is security monday through friday after 9:00 or 10:00 p.m., then, yeah, there may be an incremental cost.

**Fritz:** Extended from now, because we have been charged for meetings that did finish before 10:00 p.m.

**Fritz:** It would be helpful to get the numbers as to how many staff are being cut.

**Hales:** In terms of the budget, this is a line item of a contract with a not to exceed amount. We have the flexibility to call on that contract if we need more or less of something over the course of the year. Yes, there is a budget cut in this line item. Yes, that budget cut is based on an assumption of reconfiguring the way we do security in the two buildings and reducing the total number of people on duty during the weekday, but we have the flexibility to say well, a month or two or six months from now, well, we would like to do something differently. We have a 30 day notice provision in the on-call contract.

**Fritz:** What is the difference between this year and next year?

**Hales:** If somebody can pull that --

**Saltzman:** As you suggested, if you could get us all a memo that outlines the big picture here so that we can mull it over between now and when we adopt a final budget. If we want to tweak it, we can tweak it.

**Fritz:** While you're here gail, I have an another question pertaining to the same issue. You responded to some of my concerns yesterday. I inquired about adding an additional enhanced neighborhood inspector and your response that we could add it back as part of the adopted budget. So i'm not sure -- I thought this was basically it today and the vote in a month is just a formality. So i'm questioning both the security and that potential amendment.

**Scott:** I will answer this first from a process standpoint. What council is doing today as the budget committee is approving the budget. It will go to the tax supervising and conservation commission. They have 20 days to review it, we will have the tsc hearing, and then we come back for final budget adoption. Council can make changes to the adopted budget on june 20th. There are some restrictions in terms of no fund can change up by more than 10%. It can go down as much as you want it to. But in the general fund, that is a huge dollar amount. That is not an issue. Sometimes small funds we run into that limit. Large bureau funds, general fund, that 10% is usually a very large number. Any changes can be made in terms of amendments to that adopted budget. On the issue of the inspector, we were informed yesterday that bds has some funding that they can use to fund that position. They asked for an amendment to put that in because it was so last minute. Why don't we hold off on that for the adopted budget so everything is entered correctly. My understanding is their plan is to come back and add that position in the adopted budget.

**Hales:** That doesn't necessarily change the dollar amount.

**Scott:** It would not be general funded. Funded within bds's budget. Their total budget would not change.

**Fritz:** Okay. Thank you.

**Hales:** Further questions for staff? Make comments as we vote. I think we're ready for a roll call.

**Fish:** Well, this is perhaps the most important event in our annual calendar, the approval of a budget and the end of a long and complex process, and the way we give due weight to this event, we have a chance to make comments about how we got here and what we're doing. We started with a \$25 million hole, reduced to about \$22 million. And this was clearly a daunting budget

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cycle. But with a new approach and a new council, I believe we've crafted a responsible budget that reflects our community's values. First we work with the independent city budget office led by Andrew Scott and created by council last year. I want to thank Commissioner Fritz for her leadership. I think this was a significant and important change in our business. I want to thank Andrew and his capable team for their guidance throughout and for what I believe is a more open and transparent process as a result. Next, Mayor Hales announced two significant changes. One was to modify zero-based budgeting. Six months ago, only one downtown property owner who knew what that was. I think now everyone at council understands that essentially what it is based on is the idea that everybody has to show a 10% cut and everybody has to seek a 10% add-back and everyone will be treated the same. As you said, Mayor, no sacred cows. I believe this fundamentally changed the budget process and I hope we do it again next year. I think it has been salutary. The second, the idea of a council sub-committee process which produced a lot of innovative ideas like span and control study. Bridge funding to protect equity gains and new administrative savings. There is real pain in this budget. Programs will be cut. People are going to lose their jobs. And you cannot close a \$22 million hole without making tough choices. But I believe the budget choices we're making today in approving this budget reflect the values that Portlanders shared with us at community budget forums, at council, and in emails and phone calls. And I want to highlight four. The first is protect the safety net. Public understood and this budget reflects the value that you do not close shelters and reduce services for the homeless individuals, and families during a recession. And I want to express my gratitude to the coalition that lobbied for no cuts and to the Mayor for clearly recognizing that the safety net is a basic service. Second, fund vital programs for children and seniors. Some sun schools and teen programs to senior rec and summer lunch program, we are investing in strong families and healthy children. Third, invest in neighborhoods. East Portland action plan, and funding with ongoing dollars, rental housing inspectors who keep our apartments safe. Mayor, for the first time in many years, protected the parks bureau from potentially devastating cuts which would have put our parks, trails, natural areas at further risk. Finally focus on neighborhood small businesses. Small businesses are the engine of job creation in our community. And they produce most of the new jobs. That's why in this budget, we will continue to fund venture Portland, main street program, village market in the new Columbia. Today the council has committed to increase the business owners compensation deduction to at least \$100,000 in tax year 2014. We have come through the worst of this recession. And there are hopeful signs of a local recovery and the prospect of greater opportunity for struggling families. This year we changed the way we do the people's business and I am proud of the result. Thank you, Mayor Hales, for leading this effort, and my fellow commissioners for the open and collaborative way that this budget was crafted. Thank you to the citizens of Portland to help guide us as we made very difficult choices. Thank you to our partners at Multnomah County for working to limit the impact of cuts to programs our community deeply values. And thanks to the public servants whose hard work and professionalism make me proud to hold this office. From bureau staff and directors, city budget office, to the hard-working team in my office, I vote aye.

**Saltzman:** Well, I appreciate a lot of the hard work and perseverance shown by my colleagues on the council. The leadership of Mayor Hales and his new staff in coming to grips with a huge budget deficit in his first year of office as Mayor, first six months, I guess. And it has been a struggle, but I think it is one that people from the budget office to all of our staff to the bureaus and to the many citizens who appeared at the seemingly countless hearings on the budget. Well attended, and I think the process worked. Many people who showed up to testify on an issue saw some results in this budget that we're about to adopt today. And that is as it should be. I'm pleased to support this budget. Appreciate all of the hard work put into this and pleased to vote aye.

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**Novick:** I am honored to have been a part of this process. I would like to thank many of the same people that my colleagues just thanked. I want to thank as commissioner Fish did, the county for stepping up and helping us limit the damage to important programs as sun schools and the senior centers. I'd like to thank my colleagues for their hard work and their progressive values. I think it is very significant in the mayor's initial budget the one set of programs that did not take any cuts was the set of safety net programs. And I think that was a reflection of values of the mayor and of this council. I want to thank the city employees who are part of this budget process and gave us the information that we needed. Thank the city employees who work hard for the city every day. And thank the city employees and the employees of our contractors who will lose their jobs in this budget because there are as commissioner Fish said some layoffs for their service. I want to thank all of the citizens who came to numerous budget forums, some of them had to sit through several forums until they finally came to one where they got a chance to speak. Thank them for their input, for their passion, and for their patience. I would like to thank the mayor for the thoughtful and calm and collaborative fashion for which he managed this process. I remember a few months before I took office having a conversation with Erik Sten, when he said always remember cut the mayor some slack, being a commissioner is easy, being a mayor is hard. Mayor Hales is so consistently patient and calm that he makes it look easy. Finally I'd like to thank Century Link and its customers because it was in part the small change in telephone tax structure made by the last council that helped us balance this budget. And although Century Link did litigate against us, they did step up and write a check as soon as we won at the trial court level. And I think we should acknowledge that in some way. Perhaps from now on the mounted patrol should be known as the Century Link mounted patrol. [laughter] And now that they are a quartet, I think they should have a theme song, and it should be the classic work by the only band that matters, the Clash. The song being, of course, the four horsemen. Finally, I'd like to thank my staff to whom I owe everything in the world. Thanks again and I'm proud to vote aye.

**Fritz:** The mayor's proposed budget includes many choices that I commend and support. Some of the most positive the services include full funding for the Portland housing bureau safety net homelessness safety net. Homelessness and houselessness are issues beyond the city's ability to eliminate but this goes a long way towards meeting housing and shelter needs in our community. I commend commissioner Fish, housing director Traci Manning and our community partners for making this priority clear. Restoration of 2/3 of the proposed cuts in the office of neighborhood involvement, ONI, including funding for the east Portland action plan and graffiti abatement are extremely positive. The office of neighborhood involvement is a bureau that promotes connections between neighborhoods, diverse communities and the city government. As a small bureau it cannot endure the cuts that larger bureaus survive on an ongoing basis. And this year took it beyond its capacity to rebound and support vital community programs. The partial restoration of funding helps survival of ONI and our community partners. By no means is this enough but it will help. Let's be very clear. ONI is an infrastructure bureau. It supports the most vital infrastructure in Portland, community engagement. The director, Amalia Alarcon Morris, and her outstanding staff exemplify doing more with less aided by over 3,000 volunteers who are the true core of our community engagement infrastructure system. Other positives in the mayor's proposed budget include funding for all of the sun schools, Buckman pool and the Sellwood community center. Community facilities in sun schools play a vital role in our community way beyond the simple value of dollar for dollar spent. The value of community centers and after school programs goes deep into the fabric of our neighborhoods, keeping families and individuals secure and whole as productive members of our community. I'm pleased with funding for Chi's and Detox and funded in the mayor's proposed budget. This program continues to provide dividends and is a model around the nation. I am grateful these programs were saved from the start under the mayor's proposal. We continue to fund future Connect and Southeast Works. Two programs that have proven success supporting at risk



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youth and first generation college students to navigate away from welfare and incarceration. I appreciate that the mayor and his staff took the time to learn about these programs, reversing the initial actions to defund both. Mayor Sam Adams was a champion for some excellent initiatives. I'm happy Mayor Hales agrees these two deserve ongoing support. I'm very happy we've continued support for Voz. This program serves day laborers and employers wanting to ensure a fair day's pay for a fair day's work. I'm happy with ongoing funding for the park ranger and decorative fountains in parks believing it's well spent for maintaining the aesthetics of our downtown water feature amenities and securing the vast reaches of the largest urban natural park in the nation. I'm happy with restoration of continued funding for the East Portland action plan with no set sunset date. East Portlanders understand and agree this funding will eventually end but more time is needed to activate and continue to harness the tremendous community support that exists in this area of the city. I appreciate the support of commissioners in removing the clause in the proposed budget note that would have ended funding for East Portland action plan after this year. The revised note is much more appropriate and I appreciate the rates in solid waste and water are lower. I have been very pleased to see the level of community engagement in the budget process and the mayor's willingness to take and incorporate citizens' input. I appreciate my colleagues listening to community input over three long budget events both before and after the proposed budget. Thanks to everyone who attended budget events, sent emails, letters and phone calls, even those who stopped me at Fred Meyer at 10:45 in the evening to show their concerns. Mayor, this has been the toughest budget we have faced in terms of cuts in my five years on the council. Mayor Hales has wedded his new philosophy with a \$25 million shortfall as we thought at the beginning, apparently down now to \$16 million. I appreciate the effort and difficulty of doing this. The mayor's attempts to get the bureaus lean for the right reasons for what the bureaus are really intended to provide and to get both county and city supporting programs more linked to our areas of expertise and responsibility is a laudable goal. The difficulty with this approach has been the mayor and staff have thought always known the history of a particular program, how it integrates the city and county issues and needs and whether or not it's a basic service or a vital service that if cut will have unsafe and unsustainable impacts. For me unsustainable means going backwards in programs that have been historically under-funded. We've been trying to play catch up, yet further funds have been extracted. This is happening with human trafficking and anti-prostitution services and with friends of trees and storm water services previously funded by rates in the environmental services. Are trees basic services in the strict sense of storm water conveyance and sewer system maintenance? Some would say no. Prostitution and human trafficking treatment and recovery. Are they strictly related to public safety? Maybe not a basic service to the police bureau. Sun schools are not part of parks as recreation or parks maintenance services so they are not a basic service either but in the larger picture all of these are basic services that deserve funding. I had hoped after years of mistakes in government, environmental, public safety and human service policies we maybe would have come to understand separation into neat compartments and silos is not possible. We operate as a system as it pertains to stormwater and trees. The public safety and domestic violence and prostitution to keeping our kids in school to the long term resilience of our community. We cannot separate each into its own area without creating holes that can have grave impacts on the environment and on people's lives. We cannot and should not say this is a city or county function. Vital services that people depend on are community functions. People in Portland don't care which agency funds vital services. Partnerships are stronger than silos and work better. Providing services should be considered an honor in which we work with the county. That has been the case on many of the programs that have been cross-funded including aging and disability services, services to seniors and sun schools. Some say that this is one of the best budgets that has occurred in some time because it tries to get government in the business of providing only basic services but basic services must be defined on a system wide scale of thinking. I'm the author of the phrase spending

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taxpayer money wisely to provide basic services. I was elected in 2008 with that promise and because I lived it for four years I was reelected to continue pursuing that goal by 60% of the electorate last year. If government is finding holes in the social and environmental fabric of our community because the private sector and nonprofits cannot fill the holes, filling the holes becomes a basic service that all governments must work together to fund. From my perspective this has been a less collaborative budget process than the one I experienced over the last four years. Services that I consider highest priority city funding have been dismissed as either not important or somebody else's responsibility. Until today the five members of the council have not met as board of directors to discuss the information we heard in the budget work sessions or to set priorities. There wasn't even one work session to discuss each member's concerns after all that public process. Funding for five offices and three support staff of the mounted patrol was announced without asking the rest of the council's opinions about priorities in the police bureau. My priority for restoring positions in the Portland police bureau is the four of 18 officers being cut from family services which addresses domestic violence, child and elder abuse. That's 22% of resources in the police bureau that was dedicated to investigation of domestic violence, child abuse and elder abuse now cut in the budget that the council is about to adopt. For sure horses and mounted patrols have many virtues. People die from domestic violence, child and elder abuse. Funding the mounted patrol instead of the family services officer is troubling but more so is the 24% cut to services for women and children escaping human trafficking. This budget today cuts \$117,000 in support for shelters providing safe treatment for these vulnerable members of our community. Some say shelter for treatment of women and child survivors of human trafficking should be a county function. Healing the scars of prostitution, getting women on the right track back to being productive members of society, and preventing the damaging and long term impact to society and the police of child abuse and human trafficking is a city, county, state and federal problem. This is not something we can kick down the road any more. We have been doing that for far too long. It's a city function to help victims escape the mental and physical misery in which they are enslaved. Since our current level of law enforcement cannot stop men for paying for sex with children and enslaved women. Already our current funding is like applying a band-aid to a ruptured aorta with uncontrolled bleeding. Either we must allocate more resources to stop domestic violence and child abuse or we must pay for the consequences of failing to do so. This budget cuts at both ends. I cannot visit the shelter for children escaping from prostitution and look them in the eyes if I vote to cut funding for their safe shelter and treatment. I'm discouraged the only woman on the council is the only member who finds this unconscionable. There are other cuts I find troubling and other places would have advocated for funding had been asked. I wasn't asked about adding another \$500,000 to the parks budget. I wasn't asked about cutting the office of healthy working rivers before the cut was proposed and there's never been a thoughtful discussion about the reasons why. The council created the office of healthy working rivers, eliminating it by defunding it avoids discussion of the challenges it was created to address. These challenges remain. I would like to have pointed out how many programs are essential to supporting and enhancing our basic police services, how moving general fund dollars to support tree programs and mounted patrol and additional parks personnel could have been better spent funding essential programs combating prostitution, domestic violence, human trafficking. The Mayor has put \$1 million into an innovation fund which we know very little about, and yet the council is defunding successful programs that do work in filling the holes in our system of government. This budget defunds the chief financial officer position which I believe is not prudent. Cutting \$200,000 from the friends of trees contract is not necessary. Cutting 20,000 from solve is not necessary. Funding storm water management programs with scarce general fund programs is not necessary. The city has been a good partner to environmental groups in the community over the past four years. As bob Sallinger of the Portland Audubon society said, this budget may set us back 20 years. I have been a community organizer in Portland and now city council member since 1991. It hurts me

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deeply and personally to see the direction of this budget regarding green infrastructure and the bureau of environmental services which is a reverse of the gains made over 20 years. There are again many good things in this budget. The mayor and his new staff had a huge task before them. The city budget office has been immensely helpful and i'm very proud of my work with commissioners Fish and Saltzman last year establishing this office as a separate bureau accountable to all members of council. Still i'm disappointed piece of the budget which would have been so easy to fix remain unfunded. I'm disappointed in the 50,000 cuts in the Alberta and hillsdale main street programs. Lack of funding for staff support for the Multnomah county youth commission, lack of funding for utility analysts in the city budget office and the continued absence of a special appropriation to implement the earned sick leave ordinance. I worry we will be battling again over sun schools, aging and disability services, buckman pool and other valued community services next year or the year after. When general fund money became available due to the law suit settlement and when rate dollars could have been used to appropriately fund environmental programs, the money was diverted elsewhere or left unallocated. As we continue to climb out of the recession I believe available funding should be used to provide services and jobs. I don't usually make such a long, in-depth speech. I was reelected to speak the truth as I see it every day and I plan to do exactly that. Some would say the dollar amounts and my issues and numbers compare with the whole budget is small and that's true. Some say that something is better than nothing. When we're talking about vital basic services such as treatment for people escaping prostitution, something is not enough. We should prioritize services and needs so that vulnerable people struggling to survive are more important than things like additional maintenance and parks. Yes, \$117,000 out of a budget in the hundreds of millions is a small investment. So i'm particularly disappointed that it was not funded. I cannot vote in favor of cutting 24% from the budget for the janus youth and life works new options for women programs when we clearly have the resources. I appreciate all the work that's gone into this budget, especially those on the mayor and budget office's staff but i'm sad to say I must vote no.

**Hales:** First, some thank yous. Andrew, you and your staff have been excellent, and I thank you all for a huge number of hours. I think you have spent more time with me and my staff than with your families for the past several months so thank you for a job well done. Bureau directors and staffs, bureaus, we did put people through their paces with this modified zero-based budget. We asked you to make hard choices and difficult recommendations and use that as the starting point for this very extensive public process that my colleagues have talked about. I'm very proud of that process. I think this community has seen a council that has really listened and really thought carefully about our priorities and about the earnest desires of people in this community that want things done and has tried at every opportunity to respond. I really appreciate the good work that's been done. There are some core values in this budget that are very important to me and I think reflect the will of this community and the vision of this council. That is we have made good on our commitment to children. We have made good on our commitment to the most vulnerable people in this city and to seniors and to quality life in our neighborhoods and to public safety. We have done all those things while I think probably managing the most difficult budget problem that we'll get a chance to work on together. Let's hope we don't have to exceed this benchmark ever. I don't think we will because as folks noted here the economy is on the rise and Portland is a great place with a great future. People are investing in that future. That will pay dividends to our budget and to our ability to provide good services for this community. Some reflections on things maybe learned or relearned in this budget process in areas where I plan to spend quite a bit of time in the next few months before we really get deeply involved in preparing another budget. One is that partnership works. It works with friends of trees, it's worked at the 11th hour with friends of the mounted patrol organizing themselves to raise a very substantial amount of money to keep a reduced version of the beloved public service going. Those partnerships whether it's with housing providers or nonprofits, that the

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deal with the victims with sex trafficking, those partnerships are very important, and we have relearned in this budget that they allow us to spend scarce public dollars in a very thoughtful way and get a lot of leverage with volunteers and outside fund-raising to do what the community wants to see done. Another set of discussions that has been intense in this budget that i'm going to spend more time in, that is the discussion between the city of Portland and the county of Multnomah about who does what in what measure and where can we better organize provision of public services by two general purpose governments that occupy 80% of the same real estate. There's a lot of work to do to clarify those missions and roles and responsibilities and chair cogan and I not only have proven capable of getting to yes on this budget but will prove capable of leading that discussion between our two governing bodies about these important constitutional issues about what the county government will be doing and what we will be doing. This council subcommittee mechanism that we used in the preparation of this budget has proven very effective. I appreciate the good work that all my colleagues put into that process albeit in a very short window of time. One lesson learned from this process I believe is that's a good idea and we need to give it more time to function even more effectively in the future. Finally, we have made a real dedication to basic services in this budget. We have talked a lot about the general fund issues here in this discussion, but we have managed to continue a progressive approach to water and bes's programs while reducing their proposed rate increase spectacularly. It's not as low as some would like but to get that combined rate increase under 5% is something i'm proud of and I think responds to an earnest plea from citizens and rate payers to mind the cost. Our transportation bureau we'll hear more about this later today but we made a real commitment to basic maintenance with the resources that we have. Now there's some areas in the city of Portland aside from the general fund where we need additional resources. One to make good on the construction of parks and community centers in parts of city that don't have them yet and this council I hope will work well together to take that idea and make it real. Another is in transportation even with the best of management and toby widmer and his team have done a great job, but we don't have enough money going into our street system and our transportation system. We need to get serious and I am serious about finding new revenue there. So all in all this has been a difficult process but a very valid one where citizens came forward with good ideas and priorities and the council listened. Where our city bureaus worked effectively to queue up choices for this council and where this council has deliberated with care. Bottom line this is a city that is leaner but not meaner. I'm very proud of that result. Aye. Thank you all.

**Fish:** I will note for the record that I made a private wager with you that the 15 minutes requested might have been on the conservative side. [laughter] true to your conservative budgeting you put down 15 minutes. I thought that might be stretching it but I will collect in private.

**Hales:** Collect indeed.

**Scott:** One more thing on the table today, actually before we move to that, thanks for the comments about city budget office. The analysts are hiding in the back row. Could we quickly have them stand up? Don't be shy. [applause] they do an incredible amount of work and I think you have seen that. The bureaus have seen that and balance that both dealing with the very technical issues, the nitty-gritty of making sure the budget comes together and high level and difficult and challenging policy issues with the bureaus and with council. They keep me from messing things up. I want to thank them on the record. Last thing that council needs to do is approve the tax levies.

**Hales:** Budget committee needs to address tax levees. The city shall levy its full permanent rate of 4.5770 dollars per thousand of assessed value and 10,727,509 for the payment of voter approved general obligation bond principal and interest and 136,383,540 for the obligations for the fire and police disability and retirement fund. And .4026 dollars per thousand of assessed value for the children's levy. Furthermore the city shall levy the amounts listed in the attachment e for urban renewal collections. It's now appropriate that we take a motion on the approval of the tax levy.

**Saltzman:** So moved.

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**Fritz:** Second.

**Hales:** Further discussion? Anyone to testify on that item? If not, roll call, please.

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

**Novick:** I would like to take a moment to acknowledge that all of these services we have talked about are paid for by taxes and by taxpayers. People do get something for their money, something that sometimes is forgotten in parts of America. In the city the most part property taxes pay for police and fire and parks and a bunch of other services we value from sun schools to senior centers. Oliver Wendell Holmes once said taxes are a price we pay for a civilized society and we in the city try to give the citizens of Portland, a civilized society, a return for their taxes. Aye.

**Fritz:** Taxes pay for services and to fund jobs that then provide services. I appreciate the taxpayers are Portland for providing the funding. Aye.

**Hales:** Aye. Now I'm going to adjourn the budget committee session and declare a five-minute recess before we take up the next item. Thank you all.

At 11:24 a.m., Council recessed.

At 11:32 a.m., Portland Development Commission Budget Committee convened.

#### **Item 490.**

**Hales:** Take up item 490.

**Moore:** We should do a roll call first.

**Hales:** Ok we'll do a roll call first. We're convening as the Portland development commission budget committee. Please call the roll Gina.

**Fish:** Here. **Fritz:** Here.

**Hales:** Good morning.

\*\*\*\*\*: Good morning.

\*\*\*\*\*: Good morning, mayor, commissioners.

**Hales:** Would you read the title first?

#### **Item 490.**

**Scott Andrews, Chair, Portland Development Commission (PDC):** Ready?

**Hales:** Yes.

**Andrews:** Good morning. We're going to try to keep this as close to the 15 minutes as possible. I'm Scott Andrews, not to be confused with Andrew Scott. I suggested he change his name. He's not planning on doing that and he will probably be around longer than I am anyway but I wanted to thank you for the time and effort over the last several months to get to know our rather large and complex budget. Always appreciate the opportunity to speak on an equal basis and really understand each other and what the goals and opportunities and prospects are. With that I'm going to hand this over to executive director Quinton to walk you through the changes.

**Patrick Quinton, Executive Director, PDC:** Good morning, Mayor Hales, commissioners. We have a few just minor changes to highlight but everything else about the budget is basically the same. As a result of the changes in the general fund that you just went through we have added a little over 200,000 to our budget as a resource it comes in an intergovernmental revenue on the program side expenditure side. It falls into our broad category of business development. It relates to programs like Metro Portland and Main Street program. In addition as we mentioned at our presentation two weeks ago, we do foresee extra demand for our community livability grant program in lentils and so we have doubled the line item in that part of the budget from 300 to 600, so an additional 300,000 in that line item. That's a total of a little over \$500,000 change in our budget. Because of our level of contingency that we carry in our budget the additional 300,000 doesn't come out of another line item. We moved it from contingency into that line item. You have our memo in response to the questions that were raised in the May 15th presentation. We're happy to answer any

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other questions you have today. We'll turn it over to you. I'm joined by tony barnes, our version of andrew scott. He gets all the credit for the budget work instead of me looking over my shoulder when you ask questions I thought tony should just come up to the table to answer questions as well.

**Hales:** Great thank you. Questions following up on the earlier ones or new ones?

**Fish:** With respect now to the enhanced neighborhood -- excuse me community livability grant that can be accessed in the lents neighborhood, what is the maximum amount an applicant can seek from that fund?

**Quinton:** I'm probably misspeaking here but I don't think we have a defined maximum. I think we take a look at the total pool of applicants, the needs that are expressed in those applications and so we base it on that. I think our historic practice has been we could go as high as 300,000 but typically the grants are more in the 50 to \$100,000 range. We are aware of the potential applications within lents. I think we could go as high as 300,000 on individual applications.

**Fish:** Thank you.

**Hales:** Other questions? Thank you. Is there public testimony? People signed up? Let's take public testimony now. Call you back up if we need you. Thank you.

**Gina Wiedrick:** I have joe walsh, lightning and mary anne schwab.

**Hales:** Good morning. Go ahead lightning we'll give mary anne the last word again.

**Lightning:** Yes, my name is lightning. Pdc, the way I view PDC myself is somebody that has the ability to do a lot more for the homeless. I feel they have the ability, the knowledge and the know how to really get it done. Working with the mayor and various people. One of the things that I see here is that if we start focusing on developments such as the bud clark commons, maybe getting one placed on the east side -- 45 million, maybe bring in somebody on the eb5 program, bring in some money. There's money out there to bring into these projects. Homer williams as you know, mayor, is somebody that has the potential to raise money. He gets the job done plain and simple. He has raised my understanding close to \$100 million off these projects. Why not get some money raised for these type of housing projects which I think foreign investors would have a great interest in placing money into these projects and their money would be safe, and they would get a return over time and it would benefit the city in just such a great way. Again, like I have stated with pdc, I hope there's more interest in really doing things for the homeless and getting developments for the homeless. Once we don't have the 1500 plus or minus people on the sidewalks under the bridges, in the door ways, i'm not going to be in front of the council having discussions about pdc, and how much more they can do. They have the ability with the mayor's cooperation and working with the mayor to get the job done. To get the housing, to get some of these projects built and the money is out there. We have historic low interest rates. We have developers that want to participate. My feeling is another issue on the property taxes, the revenue that will be produced on a lot of these development projects coming into play, once they begin to produce that property tax revenue, I want to make sure that certain amount of that money is being earmarked toward the homeless. I want to make sure that that money is being earmarked for the homeless. I want to make sure that money is being earmarked. We're going to have a tremendous amount of revenue coming in, and i'll be candid, mayor, I feel you have made a great deal of optimism in this city. People are looking at it right now and they feel good. The economy looks good. I give you credit for that. I think there's going to be a lot of good things happening throughout this city and the homeless will benefit also. Thank you.

**Hales:** Thanks very much. Good morning, mary anne.

**Mary Anne Schwab:** Mayor adams and commissioners. I have a couple wonderful things to say about pdc, one little thunder cloud. When I bought our house my husband and I bought a craftsman style house 40 years ago, PDC came in and they had housing development block grant money through pdc to rehab our houses. We put on a new roof, we put in a new furnace. They did a lot to help the individual family. Over time it's gone more and more to the big developer and the big investors. I'm wondering, listening to the gentleman just testified what's going on in the lents

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neighborhood, if that is where those dollars are going to individuals. If they too are accessing those dollars up to upgrade those 1920, 1940s houses. They do need that. That is really, really vital when you have someone moving in. I think 62.4 million earmarked right now for the pdc in the lents neighborhood, and the same neighborhood where public schools decided to close the marshall high school. This is crazy. We have to start tightening up on the closure of 40 school properties. Aside from that the thunder cloud I'm talking about is there is one -- \$985 million -- I hate these figures. Just a shade under \$1 million is on hold with the central east side urac, earmarked for the community center at Washington high school. Regardless of the transition they have with these fluid budgets, I want to make sure those dollars are on hold until commissioner Fish finds money available to finish the community center to meet the needs of the inner southeast neighborhood. I may be 97 by the time we find it. If that's how long it takes for those dollars to sit there they gotta sit there. That's the assurance I want from pdc today. Thank you.

**Hales:** Thank you very much. Anyone else? Any further questions for staff or for scott? Then let's take a roll call, please.

**Fish:** Thank you chair scott Andrew and all of your colleagues on the commission. We need to remember today that you all serve as volunteers unpaid. I have absolutely no idea how you balance the rest of your life with this assignment, but my guess is that we get the most productive part of your time in terms of public service and you should be thanked for that and the good work that you do. To patrick quinton and his team, thank you for your outstanding work. Acknowledging something steve said earlier, just like with the city, pdc is going through big changes and significant layoffs. No one takes any delight in having to lay off talented professionals with families who have served our city so well. As you right size the bureau we say thank you to all the people who have devoted so much time and service to our city. I want to end on a positive note. By the way, whoever just gave the mayor credit for the changing economy and all -- it's hard enough to work with this guy. His head is now going to be like the hindenburg. Thank you also for the winning streak of our local soccer teams, mayor, with any luck we'll get a good draft pick thanks to you in the nba. There is a more positive feeling in our community. Let's acknowledge that. One way we can engage it is the poll you recently did which I read about in the newspaper. It's worth noting that there were a couple of findings in that poll which I think are directly attributable to the way in which you manage your business. When asked whether respondents agreed with the statement, the pdc plays an important role in our community, 72% agreed with that. When asked to give a highest ranking of priorities the highest ranking category which was an average of 8.2 out of 10 was creating and keeping good jobs in Portland and 95% of the respondents agreed we should focus on neighborhoods most in need of business growth. I think those are extremely encouraging findings as we take up the challenge that the mayor has laid out as the next chapter of his service, which is this pdc, what will it look like, what will be its primary mission and how will it serve our city. To me these numbers reflect a very strong vote of confidence by the public in what you're doing. There's one other piece of data in that poll which confirms what lightning said about a sense of renewed optimism in our community which may be why it will not be headlined in any publication, that is over the last three years we have seen an 11% increase in Portlanders who think we're on the right track. I think it's really quite remarkable not only that 61% of respondents in this poll felt the city is on the right track but less than 30% think we're on the wrong track. That's raw data, in the aggregate. But it reflects what we sense as elected officials out in the community. People love the city. They love their parks and they love their neighborhoods and they are proud of this city. We have just come through the worst recession in our lifetime and there's some little signs that we're heading in the right direction. As we move forward pdc is going to play in my judgment a critical role in a more prosperous, equitable city. Thank you for your service and your work and I'm pleased to vote aye.

**Saltzman:** Thank you for your good work. Aye.

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**Novick:** This is a total aside but since commissioner Fish was mentioning teams' on winning streaks we should take a moment to acknowledge the division 3 national champion baseball team from linfield led by scott brosius, formerly of the new york yankees. Patrick I want to take this opportunity to thank you, for your quick responses to all of the questions I have asked you over the past few months not just about the budget but other aspects of pdc's work. Thank you very much and I'm pleased to vote aye.

**Fritz:** Five years ago the Portland development commission hearing and budget would not have been so smooth and accomplished in 15 minutes. We have all worked hard I think over the past several years to establish a more constructive and productive relationship between the two bodies, and chair andrews, I really appreciate your leadership and guidance of the amazing volunteers that serve on the commission. Patrick quinton, your leadership at the bureau amid very difficult times, cutting staff and having a new union and various other things that you are dealing with and at the same time looking to how do we promote economic development in the city of Portland. I believe that the dividing off of the housing bureau under commissioner Fish's leadership four years ago was very much helpful in making each entity focused on its core missions. I'm very happy to support this budget here today. Thank you for all your work. Aye.

**Hales:** I think Portland is on the rise. One reason is the good work of the Portland development commission. We have I think great prospects as a city and pdc will play a very important role. It's not history, it's also future and will play an important role in economic development job growth and an important role in place making downtown, in the central city, in neighborhoods, in a variety of places in some ways we know that work and some new ways we'll experiment with and find new things that work. I was at the lents neighborhood association meeting last night for a discussion. There's a great deal of optimism about working with pdc to make good on the hopes of that urban renewal area's plan. I hear that from around the city. I hear it on the central east side, certainly see evidence of it in the pearl district every day. That's an amazing success story. I think there are really some great opportunities ahead. We have a great team to work with. I agree with commissioner fritz's comments, we have a good working relationship between the governing body of the city, the commission and your staff. Good days ahead. Good work to do. New resources to be found. New opportunities to be realized with a lot of great partners in the community. Thank you for the good work. Aye.

**Quinton:** Thank you.

**Hales:** We will now adjourn the PDC budget committee. Thank you very much and resume city council meeting as soon as Gina and Karla can change chairs.

At 11:49 a.m., Portland Development Commission Budget Committee recessed and Portland City Council reconvened.

### **Item 503.**

**Hales:** Second reading. Roll call.

**Fish:** I appreciate commissioner Saltzman's amendment which underscored a sense of urgency in implementing our revised tree code. I thank hannah kuhn on my team, my tree guru. Aye.

**Saltzman:** I'm just checking to see whether the amendment we had last week is part of the paperwork.

**Hales:** I think it's incorporated.

**Moore-Love:** Yes. It's labeled as amended on 5/22 and updated ordinance. You got it in your packets, I believe.

**Saltzman:** Well -- yeah, there we go. Amend -- right. Okay. Back page. Thank you Karla, Aye.

**Novick:** Aye.

**Fritz:** No.



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**Hales:** Aye.

**Item 504.**

**Hales:** Second reading and roll call.

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

**Hales:** Aye 505.

**Item 505.**

**Hales:** Mr. Widmer.

**Toby Widmer, Interim Director, Bureau of Transportation:** Good morning, mayor and council. Before you today is a resolution that gives transportation the authority to resume preventive maintenance work on local roads that we have responsibility for. The resolution in 2009 directed pbpt to reduce pavement preservation on local roads. The city has about 4900 miles of roads of which 3,000 of those miles are local roads, roads that most people live on. Local roads have low traffic volumes, tend to have low speeds. The streets do not contain bus routes but provide neighborhood streets access to larger, busier streets that allow people to get around town. These streets decline more slowly than other streets because they don't carry transit or trucks, so they really do deteriorate more slowly. This policy, though, before you addresses the recommendation from the auditor's office in a recent pavement audit which was to revisit the 2009 resolution and resume pavement preservation on local streets. If you approve the resolution before you today, we aim to do crack sealing and fog sealing on about 50 miles of local roads. In addition to the 50 miles of roads that we will do grind and pave. This will prevent 50 miles of local roads that are in fair or better condition of slipping into poor or very poor condition. The half million dollars that we are proposing to spend on local roads could be spent on arterials and collectors, but by comparison, that half million dollars would get us about three miles of grind and pave, 50 miles of crack seal and fog seal on our local roads. The budget that you just approved will shift 4.1 million to street maintenance that was not in this current year's budget. Million and a half of that 4.1 will go to our maintenance division to do \$500,000 of local road maintenance and \$1 million of the grind and pave on collectors and arterials. In addition to that, it will spend 2.6 million in capital improvements on roads that need significant rehabilitation. So it's a win-win for everybody involved. Works for local streets, works for collectors and works for arterials. I would urge you to vote in favor of the resolution before you.

**Hales:** Questions? Yes, commissioner.

**Fish:** According to the impact estimate that will be funded out of existing o&m dollars?

**Widmer:** Yes.

**Fish:** We're taking money from one pot and putting it into another pot?

**Widmer:** The local road maintenance. It's a choice that we're making. Question do it on collectors and arterials but we think this is a better deal.

**Fish:** How did you arrive at the figure of \$500,000?

**Widmer:** We have a cracked sealing budget now. We don't have any fog sealing. This would figure the fog sealing and additional crack sealing coupled with that takes about \$875,000 to get us to the 50 miles. But the half million dollars added to the existing crack sealing budget gets us at 875.

**Fish:** There's one aspect of this I still don't understand. I support the idea of putting money into this program and funding the purpose you have identified, but why in the resolution are you proposing that we rescind an earlier action and then direct you to adopt a new policy? Why is that essential? Why do you need to do that if we could simply agree to allocate the half million for a purpose you've designated?

**Widmer:** Because we want council to recognize the importance of maintenance on all of our streets and that's a recommendation in the auditor's report that we rescind that 2009 resolution.

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**Fish:** I'm raising, mayor, more of a philosophical point. We take scarce resources every year, decide how to invest housing dollars, in what categories of homelessness. It's a zero sum game. We don't fund families and children, we fund veterans. These are discrete policy changes we have to make. My own view is that when we are rescinding a policy and adopting a policy normally we have a different level of debate and engagement than just deciding how to allocate money. I'm not clear why this is couched in terms of repeal and adoption of a new policy. My sense would be you would say put half a million into this worthy purpose, here's the public benefit, then we have a conversation about priorities within the bureau and policies but in a sense I think we have short circuited that by incorporating both in the same resolution.

**Hales:** Let me answer that from my perspective. I think council needs to make this decision heads up and eyes open that we're going to make a commitment to maintain local streets as well as arterials and collectors. Then we have a budget that reflects that policy as well. So to me this bureau or any bureau is guided by a combination of budgeting and policy. I believe we should be explicit in our policy that the city of Portland is responsible for whole street network, and that we're going to make a commitment to catching up to the maintenance backlog on both local streets and arterials.

**Fish:** I would say that's a laudable goal and I understand the connection, but it just seems unusual for us to repeal and adopt a new policy without a community conversation. I get the half million dollars going into the purpose, but auditor makes all kinds of recommendations from which we don't simply adopt the recommendation. This may be the best idea since sliced bread, but a, we haven't been briefed on it, b, we haven't had a community conversation about it, and I honestly don't know what it means to repeal and adopt a new policy, the broader implication. Maybe i'm the only one here so thick as to say that. I would like a little more conversation about that because it seems like we're not just targeting resources we're rolling out a change in policy and I have missed the discussion on this.

**Hales:** Actually it's not that complicated. It's are we going to make a commitment to local streets or not. I think this council has a big rock to roll soon, which is we're going to need additional revenue to maintain the streets that we own and catch up on the backlog. I believe that that obligation is to catch up to the whole backlog, not just to the arterials. If we are going to ask the citizens of Portland to tax themselves more for their transportation system which I propose to do in the next year we want to make clear the street in front of your house is on the list.

**Fish:** I'm likely to agree with you, mayor. This doesn't seem like the place when we're talking about a half million dollars to have a debate about policy if the question is does the council want to reverse a prior policy and adopt a new one, that's well within the bureau's right to present that. My sense is we should set this over a week and actually have that discussion at a colleague level, better understand it. I'm prepared to vote for the half million. I don't quite fully understand the implications of the other pieces and I haven't had a chance to have a briefing on that and I would feel more comfortable decoupling for now so I understand what is the impact on the system, our budget, our priorities. It's just not something that I have been engaged on.

**Jamie Waltz, Bureau of Transportation:** I'm jamie waltz, asset manager. I think there's a separate discussion about the fact of rescinding and putting in a new one. In 2009 it basically limited pbots ability to do preventive maintenance work on the local roads and we just filled potholes. What we want now is direction or approval to say it's acceptable for us to resume the preventive maintenance work, good pavement management policy on the local roads. So that we're not beholden by this resolution passed in 2009.

**Fish:** That is such a great answer that I think it suggested to me another path. Which if I could just put it on the table, i'm not even uncomfortable repealing if you need the repealing of 2009 to do this, i'm not even uncomfortable with that. I guess if the language about directing the new policy. I would like to be involved in the sausage making about developing a new policy. I don't know what

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that entails. But if you are going to replace it with something I would like that to come to council so we can have a discussion about that.

**Fritz:** That's not what the resolution says. It says pbot will adopt a new policy and there's not one currently that I have been able to find. There's nothing in writing that says what the new policy is?

**Waltz:** It's the policy so we can resume work on the local roads that we own and maintain. We do have a prioritization approach, which is not attached to this resolution, but that's somewhere to the streets of city-wide significance that we have arterial appeared collectors.

**Fish:** I would be comfortable if there was a commitment to come back to council with an explanation of the new policy and changes in funding and approach. I under you're asking today for the authority to invest a half million. I have no opposition to that. I just want to make sure in doing so i'm not embracing a larger set of changes that I don't understand.

**Hales:** And to lift the bar for the ban -- if I might suggest based on what I have heard so far if we change the word adopt to the word prepare with the understanding that that policy will come back to council for what's going to guide future work, i'm comfortable with that, but we have a budget year about to start, a new pbot director soon selected we hope. We want to clear the decks for toby's successor to be able to do the job. The job I believe should include maintaining local streets. So that's why this is here now.

**Fish:** Does that allow you to spend the 500,000 while waiting for development of a larger policy or discussion? Does that work for you?

**Widmer:** Sure.

**Fish:** It's not my intent to hold up the dollars out the door. The larger policy discussion, there's even a chance one of us may end up as having pbot in their portfolio. I think this is an opportunity to bring your colleagues along to better understand the policy piece. I frankly don't understand it as well as I should.

**Waltz:** If I may just add, the approach that we're taking with how we're figuring out where we're going to be fog sealing and crack sealing is based on the pavement index data that we have and our safety data, who utilizes the local network system. Local road system. So we really are focusing on neighborhood greenways, which is where we prioritize bicycle and pedestrian as well as a quarter mile within schools where we have our safe routes to school program.

**Fritz:** I have an amendment be it resolved the Portland city council rescinds resolution 3672 and directs the Portland bureau of transportation to prepare a new policy for prioritization of preservation activities on city owned and maintained streets for council review and approval.

**Hales:** Is there a second?

**Fish:** Second.

**Hales:** We'll have that on the table for further discussion. Does that give you what you need in terms of approval?

**Widmer:** Yes.

**Hales:** Further question?

**Fritz:** What is fog sealing?

**Widmer:** It's a mixture of asphalt emulsion, rubber from used tires and grit. Essentially the crack sealing seals the street and prevents moisture from getting into and under the street. The fog seal goes on top of that and preserves the street by blocking the sun, the effects of the sun, and puts down a new wearing surface. It's not a pavement overlay. But on local streets our hope is that it will provide protection and preservation for some seven to ten years. We have seen it in surrounding communities work pretty effectively.

**Fritz:** Has nothing to do with fog?

**Widmer:** No. That's just as its happening. It's sprayed on and creates a fog.

**Fritz:** Thank you.

**Hales:** Fog you don't want to be out in.

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**Hales:** Further questions for staff then let's see if we have public testimony. Karla?

**Moore:** No one else signed up.

**Hales:** Roll call on the resolution as amended.

**Fish:** I appreciate the thoughtful exchange, walking us through this and your flexibility. Aye.

**Saltzman:** Aye.

**Novick:** I just want to say I appreciate the fact that the bureau takes the council's policy direction so seriously and literally you felt you had to ask for a change in policy to spend half a million dollars. Aye.

**Fritz:** Aye.

**Hales:** We're starting a term with the help of toby and his able team with the bureau of transportation, and that is towards a future where we are maintaining the streets that we own, and where we're systematically adding in the missing infrastructure in neighborhoods that we annexed or otherwise never got the paved street or property infrastructure installed in the first place. It's a big job. Going to cost a lot of money. It's going to require a lot of public support, but having the bureau's policies well-founded at this table by the council, having a commitment to the whole system, and then coming up with smart cost effective solutions like this fog sealing program is exactly what we need to be doing. I want to thank you again for the work you've done in this victory lap that we called you back for. I'm thought sure how many times we'll have you formally in front of the council during your service as acting director, but a bureau that still has a solid commitment to transportation choices across the city and a lot of great projects queued up to make Portland a better place. I appreciate the good work. Thank you. Aye. That's the amendment. We have to adopt the resolution as amended.

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

**Hales:** Aye. Thanks very much.

**Item 506.**

**Hales:** Speaking of great projects queued up, here you are.

**Dee Walker, Bureau of Transportation:** Good afternoon. I'm dee walker with transportation right of way acquisition. This is the last piece in finalizing relocation of southeast water avenue. It authorizes property transactions per previous council direction in august of 2012. I have art pearce with me to give you background on the project, then after he speaks I would be happy to answer any questions you might have.

**Hales:** Great.

**Art Pearce:** Good afternoon, council, mayor. Great to see you again. Karla, maybe we could put up the slide show. Just because the right of way maps are a little hard to read I thought I would give you an overview project again. Especially since council took such a keen interest last year. The project is the green alignment shown on the illustration and this is a realignment of water avenue which previously ran where the red line is. This really is key to facilitating the coming of streetcar and light-rail connections to and from the new milwaukie bridge and provides a better, more direct connection for bicycles, pedestrians and freight and motor vehicles to southwest 4th avenue. The project of water avenue was added as a betterment to the Portland milwaukie project so we added funding to complete that. That was a partnership between pdot, pec, and trimet. That was authorized last august to head into construction. Which is good because it is already almost done with construction. So here's the pictures from this morning. This is looking north from the intersection of carruthers and 4th avenue. This is almost fleet new water avenue project. You'll see the rail heritage museum on the right has a new front door on the new street.

**Fish:** This allows you to walk from omsi in a much more direct way not having to go around.

**Pearce:** Absolutely. Previously this location was certainly tucked deep within the parcel, within the rail lines there. To make sure you're oriented, one of the key elements is it creates what is now going to be called southeast 2nd place as a main son veining area for expansion of omni's property

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as well as office property. We will have a pedestrian, bike and rail plaza providing for all the connections to occur there. Another picture, this is looking south from farther up at what was the location where water avenue turned right. Then you can see in the middle of this picture this is water avenue, old water avenue now being renamed southeast 2nd place. You can see the construction of the new retaining wall for the closed loop streetcar project. Reconstruction of old water avenue is already taking place at a rapid pace. It's now driveway connection off the primary roadway. So the transactions being authorized today in purple are the elements that are the right of way that we are acquiring from omsi and from opera to provide for the new roadway and then in red adjacent to the right of way we acquired some of omsi's property in fee to provide for an alignment of the pge transmission lines, utility lines. Previously they ran over the top of all these parcels and would render them undevelopable. One big benefit was to move the utility lines to the side of the area and create a parcel that could be useful. I think that's -- i'll stop there. We can see if there's questions and you can give more details on the transactions.

**Hales:** Questions? Looks good. Thank you. Is there anyone to testify on this item in.

**Moore-Love:** One person, mary ann schwab.

**Hales:** I don't think she's still here. If not, then emergency ordinance, take a roll call, please.

**Fish:** Thank you for very succinct presentation and staying within your 15 minutes. Nice work. Aye.

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

**Fritz:** Thank you for the presentation. Thanks to dee for my questions ahead of time aye.

**Hales:** This demonstrates that we're good at this combination of transportation project design and place making and development. If you look at omni's master plan, look at the areas this sets the stage for a lot of great opportunities, great work. Thank you. Aye.

**Hales:** and while we're on the subject of transportation, let's take up 507.

**Item 507.**

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

**Hales:** Aye. 508.

**Item 508.**

**Hales:** Roll call.

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

**Hales:** Aye. 509.

**Item 509.**

**Hales:** Good afternoon.

**Anna Kanwit, Director, Bureau of Human Resources:** Good afternoon, mayor, council, director of human resources. Kathy is our benefits manager is going to be presenting the ordinance today. I just want to take a moment to acknowledge the excellent work that was done by the city labor management benefits committee. This is the committee responsible for making plan design changes to our self-insured plan. It's made up of the city's union leaders and corresponding number of managers. They take this job very seriously, work very hard to have a plan design that recognizes the needs of the city and employees, a design that is fiscally sound and also creates a very effective health plan for our employees.

**Kathy Bless, Bureau of Human Resources:** Good morning, mayor and commissioners. I'm kathy bless, benefits and wellness manager for the city. As part of the current enrollment proceeds this establishes the 2013-14 city of Portland health planned an cafeteria plan to reflect the necessary administrative and plan design changes for the upcoming fiscal year. I'll review the changes with you and we'll also take a few minutes to provide an update on our health plan and wellness. The cafeteria plan that's up for adoption identifies the provisions of the premium payment plan allowing for pre-tax deductions of health care benefits and flexible spending account election. This year the changes to the cafeteria plan were not material and were to ensure language changes in the plan

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document and the cafeteria plan remain consistent. The plan document identifies the provisions and plan design of the city's self-insured health plans and includes administrative changes required by health care reform. The plan document contains the self-insured benefit plan design changes recommended by the labor management benefits committee. Those changes would be effective July 1, 2013. The labor management benefits committee has a long history. The committee began in the early '90s with the intention of working collaboratively on benefit plan design for the city's self-insured medical plan. The committee has worked through many significant issues related to plan design over the years, much of it during periods of time when the health fund had additional money held in reserve that could be used to offset the cost of health care. While our reserves are adequately funded, we no longer have a cushion to helplessly send the burden of significant plan increases. Must be able to have difficult discussions about health care and plan design. There is significant savings shown in the revised forecast for fiscal year 2013 and '14 a direct result of those discussions. Both labor and management came together, made thoughtful decisions to propose changes to the health plan, creating savings for the whole city and limiting the increase to 8.7%. It's important to acknowledge the excellent work of this committee. The lmbc recommends the following changes. Increasing the in network deductible from 200 to \$250 per person with corresponding increase out of network deductibles. Increasing the out of pocket maximum from \$1800 to \$2,250 per person. Again with corresponding increases to out of network maximums. Office visit co-pay for in-network primary care will be increased from \$15 to \$20. Specialty and urgent care co-pay increased to \$35. Advanced imaging co-pays increased to 75, emergency room co-pay increased to 200. Lastly, there were changes to prescription medication, balancing health care reform, choice, clinical effectiveness and costs between plan members and the city. The changes recommended today are still supportive of wellness and continue to support employees by offering a competitive benefit package to a diverse city population. During the last four years the city has made employee wellness a priority and I want to take a few minutes this morning to update you on successes and challenges within this program. The wellness program has three main goals. To create a culture of wellness throughout the city, increase participation within wellness activities, and to show improvement in health benchmarks in a number of areas. It will be important within the coming months to update and work on new measurements and benchmarks for this plan moving forward. During the 2002 wellness employee survey it indicated that 69% of respondents felt there were appropriate wellness offerings and had seen noticeable improvements in the program. That was up from 52% in 2011. Across all age brackets of respondent's time is the primary roadblock to making healthy decisions and stress the primary health challenge. Most everyone felt their health status was good to excellent and although less than 13% identified their health status fair to poor that is in line with the percent of participants who use the most dollars under the health plan. 16% of all participants under the health plan use 78% of the total revenue collected for the plan.

**Fish:** Say that again.

**Hales:** Wow.

**Bless:** 16% of all participants use 78% of the dollars that we collect. Clearly it's vitally important to ensure we have programs to support these folks and to support those who may become part of that group in future years. Weight, mobility, pain, obesity remain significant roadblocks for city participants. Nearly 72% of respondents to the survey said they needed to lose at least five pounds while 30% said they needed to lose at least 20 and 11% said they could lose at least 50 pounds. Even 20% of the surveyed participants between the ages of 18 and 29 felt they needed to lose at least 20 pounds. We will actively work to ensure folks understand that they can work with the nutritionist under the city plan and that we have coaching programs in place to help support the healthy efforts of city employees. Many folks are trying and many, many folks are becoming more aware and are trying new things. Last year I told council that we were working with ods to develop and intensive chronic care manage program that will specifically address the high risk population

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and provide them with goal oriented care and support to improve their quality of life, motivation and self-responsibility. The first invitation for this program went out in october of 2002. We have over 40 participants and many more family members in the program and are getting some very exciting feedback. It will take time to correlate the feedback into success but the program continues to grow in significant ways and I look forward to sharing data with you next spring. Health care continues to be a difficulties issue and everyone is looking for an opportunity to make a difference. With have started to make that difference. I look look forward to the challenges ahead and am always grateful to share my experience with you an know we have your continued support. Thank you for your time today. I'll answer any questions you might have.

**Hales:** Questions?

**Fish:** Thank you for making such a compelling case for diet and exercise as a cornerstone. We talked about whether we could provide financial incentives to employees to join health clubs or get access to our rec centers so they could do the exercise piece. Could you give us an update on that?

**Bless:** We have facilities around the city for employees to use either before, during their lunchtime or after work. We provide those facilities free. We also through our eap have discounts available for many of the commercial fitness centers around the Portland area. We do not offer other incentives for folks to exercise other than some of the partnerships that we had with parks for scavenger hunts we sent out maps for the last couple of years inviting folks to enjoy the parks during the summer with all the activities. We still have coaching programs that are available for people that are free of charge through ods. We also have them available through kaiser. A number of incentives that we will discuss over the course of the next year and how to work those into the health plan.

**Fish:** If we could get everybody 15 minutes with chuck amato -- [laughter] I speak from personal experience. You mentioned commercial things. That sounds like a 24 hour fitness discount. Might we at some point consider a discount to get people into city owned and managed facilities like rec centers so that if that happens to be the competitively priced, convenient location the incentives extend to that?

**Bless:** I think that would be a wonderful discussion to have.

**Fish:** Also with gridlock busters like african-american health care coalition and others which historically have relied on grant funding to bring the costs down. If we create parity with the commercial facilities we may have more customers from our own family using our facilities and cross-subsidizing --

**Hales:** I like that idea very much. Aside from the cost impact, the human impact of having a healthier, happier work force is enormous. I would love to take a look at. That let's do.

**Fish:** We have a great network of community centers. We own them. Seems to me there's an opportunity there.

**Bless:** We do. Some of the challenges in the past when we have discussed it is the maintenance and upkeep of the equipment that would be used. And so we can absolutely discuss it and look at it.

**Fish:** One of the things you'll find from the professionals at the bureau is they would also be keen on talking about off hour pricing. They have downtimes in their schedules. If we create incentives for employees to use that time, that actually may have a benefit.

**Hales:** Let's do it. Take a look at this and make it happen. Great idea. Other questions? Suggestions?

**Novick:** It's an interesting coincidence we were talking about transportation, now we're talking about health and wellness. There's a connection between the two. We should always remember that we make investments in transportation in Portland, we're making investments in health. In copenhagen 40% of the trips are taken by bicycle the government justifies their investment in bicycle infrastructure in terms they see reduced health care costs. I also wanted to say, the work that kathy and the labor benefits committee does is important and it's innovative and far sighted and I

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think this city along with some other private sector employers in the region such as intel looking hard at health care costs and innovative strategies can be models and partners to the rest of the region. I think this is an area where we can be very proud of what we have done and what they are going to do. So thank you. Heals healings anyone signed up to testify?

**Moore:** No.

**Hales:** Roll call, please.

**Fish:** Thank you for putting health at the heart of the program. Hopefully reduce some of the risk factors. Aye.

**Saltzman:** Thank you for your good work aye.

**Novick:** Aye.

**Fritz:** I was assigned to the wellness program in 2009 I attended many labor management benefit committee meetings and it was very clear you were doing a very good job managing the process. It's a unique collaboration between labor and management. It works extremely well. I appreciated the design changes over the last four years. I hope around next budget we will start funding again the blood pressure and glucose and other blood tests that we have not had in the budget the last two years because in order to monitor how we're doing we need to have those objective measurements. For next year's budget that's something I would be interested in doing. Thank you. Aye.

**Hales:** I just want to contrast the numbers that caught our attention, 16% of our work force are responsible for -- their health conditions are responsible for 78% of our costs. Craft that with the fact Portland has once again been ranked one of the most active cities in the country. We have a gap to close there between the opportunities to be fit and healthy in Portland and our own work force's situation. The work you're doing and doing cooperatively with labor is really important and kind of creative partnerships that we just talked about in this discussion are more of what we need to be doing. Aye. 510, please.

#### **Item 510.**

**Hales:** Not sure who thought about all the transitions here. We're going to talk about active recreation. Somehow karma is with us.

**Todd Lofgren, Portland Parks & Recreation:** I heard you mention partnership works earlier in the budget. This is youth community sports field partnership. It's been many years -- todd lofgren, property and business development manager, Portland parks and recreation. We're pleased to bring this to you today. It's been many years in the making. As many of you know, Portland parks and recreation owns delta park. It includes seven softball fields, one all weather synthetic sports field with lights, and eight grass turf sports fields. Over a decade ago Portland citizens, Portland parks and recreation staff worked on the vision 20/20 plan. This set a goal of converting existing grass sports field to all weather synthetic turf sports field and adding lights. That's important because that's the project we brought to you today. We have been working for the past two years since the completion of the buckman field project where we added two new synthetic fields there, and today we're considering in this project adding three new all weather synthetic turf fields at delta park. Due to wet conditions, the existing eight fields are closed for play approximately six months of the year while one existing all weather synthetic sports field at delta park with lights is open all year. The difference between the grass field and synthetic field in the amount of hours that are played which we track is four times. For the same amount of dirt we get four times as much play on a synthetic field. In partnership with Portland city united soccer club, they have led a coalition of youth focused sports user groups that have agreed to make a financial commitment of over \$230,000 each year over the next eight years and use the first year of their financial commitment to capital development of this project. Portland parks and recreation will rent out the additional time that is created to create a sinking capital funds to replace the turf field at the ends of its useful life. So the synthetic turf fields are warrantied for about eight years. You can get about eight, ten years of play, but over that eight year period we will develop sinking capital fund to replace the turf field at the ends of its



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useful life. Portland city united soccer club has been awarded an in-kind grant of over \$1 million from the community sports development council for the project and the total project cost is estimated to be 3.2 million. The Portland parks and recreation system development fund we're requesting to put \$2 million into the project to leverage the additional 1.2 million and these financial commitments will be made to delta park llc, to manage the permitting, design and construction of the project. Those agreements are in the ordinance packets before you today. So this new investment at delta park will leverage a max station near the facility, just across interstate 5 we have Portland international raceway, which will serve as a perfect venue for overflow parking, appeared this is a very unique site where we don't have capacity to hold regional and even national sporting events so this new investment will leverage that existing infrastructure and because of the new tournaments that will be attracted and the new visitors, we'll also benefit nearby businesses and hotels. So the three actions we have before you today are to authorize the director of Portland parks and recreation to contribute up to \$2 million to assist in development charge funds and funds for ppr capital and design staff to oversee the project. In addition, we're asking for authorization for the director of parks and recreation to execute the enclosed agreements and as well the third is for Portland parks and recreation in the fiscal year 2014 and 2015 budget to receive o&m funds of 42,678. I do want to make a comment about why we're asking for additional operation maintenance funds. The facility right now and the sports fields are closed half the year, so because of the increased am of play there's additional trash pickup and staffing costs in addition due to past budget cuts, we have a lower standard of care for our grass fields than probably what the industry standard is. So finally I would like to thank a couple of our representatives here today. Jeff from Portland city united soccer club is here representing and joseph o'connor from the community sports development council which is the nonprofit alliance sponsors and funding partners for the in-kind grant donation to the project. The other youth sports organizations contributing include Portland youth soccer association, northeast united soccer club, southeast soccer club, Washington timbers soccer club and high school co-ed rec soccer club. Thank you for having me. I'm happy to answer any questions. We had that practical fist for the revenues at strasser already. We think because there will be four fields there we'll be able to program more often with tournaments so that will be part of the sinking fund.

**Hales:** Other questions. Anyone else want to testify on this item in.

**Moore-Love:** No one signed up.

**Hales:** Roll call, please.

**Fish:** Mayor, this has been a day of high notes but it's nice to end on a particularly inspiring note. Todd is very modest in his presentation about the amount of work that goes into this model. The truth is with the 20/20 vision there was this notion we wanted to replace grass fields with turf fields and improve player safety and longest and reduce costs. We did not have a way to pay for it. Offer the last five years with the recession we didn't even have the sbc money to make the kind of investments that parks wanted and the community wanted. So this is a very happy day that we have the funds available. We have someone of todd's caliber perfecting the art of the public-private partnership to do these fields. This is the third home run that has come before us in the last year. The last big one was buckman fields, incredible complicated with lots of parties. Next was the grant field which the city owns even though it's on the campus of grant high school. I won't go through the details of how hard that one was and complicated. Now this vision for a delta park that is on the way to having all its fields turfed which not only means six months of additional use but 24/7 with the lights. And unlike the user conflicts we sometimes have in residential areas where there's resistance to lights, here other than some squirrels there will be no opposition to light, more importantly the fact that it's a 24/7 community will be cheered because the vision is to have this a regional showcase for sports. By sports everything from lacrosse and soccer to rugby and other sports in between. This has been presented to us as a matter of fact piece of parks business. I just

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want to say this is what todd lofgren has perfected and frankly I don't think there's a city in the country that has pushed the envelope this far and has been so skillful at moving all the pieces together. I really want to thank you, todd. There's absolutely no reason why we're acting positively on these things given the community and budget shortfalls but you found a way to make it work for the benefit of kids in our community. I'm proud to vote aye.

**Saltzman:** This is a great partnership. I really appreciate the changes that will happen under this. Delta park is one of the most heavily used parks in our system. I know having been out there many days myself in the rain what a difference all weather fields will make in terms of better over all experience for our citizens but also enhanced economic opportunities and this great partnership coming together here. Look forward to it. Aye.

**Novick:** Congratulations on putting this together. Aye.

**Fritz:** Thank you, todd, for your great work. Thank you, commissioner Fish, for your leadership on this. Your passion for these fields is unmatched on the council. I know that it was a lot of hard work over many years. Aye.

**Hales:** Bravo, commissioner Fish, and the bureau. This is a great tradition of parks working in partnership with nonprofit groups, softball complex at delta park is another example of this creative partnership. As you said, to do this, in this economy, is an especially impressive accomplishment. I was out there with julie strasser when ralph strasser field was designated and I think he would share our joy in seeing this realization of Portland as an even greater soccer city than we are already. I think we'll manage to even buy the squirrels off with increased flow of stray skittles and half eaten granola bars. They won't complain about the lights. Job well done. Aye.

**Item 511.**

**Hales:** Items 511 it's been requested to transfer back to my office which I will happily do.

**Moore:** Shall we read the title?

**Hales:** Yes. We'll recess until -- you're right. I'm in a hurry to recess. We do have a pulled item from consent but I thought that was to return -- to correct. That's right. It was only return to correct.

**Item 498.**

**Moore-Love:** Make an amendment, 498 transfer funds to the grant field and track improvement project.

**Hales:** I had requested to pull it -- i'm sorry pull it and correct it, not pull it and send it back. My mistake. I'm sorry. We just have to check the name. Amend directive b to correct name to sports working group.

**Saltzman:** So moved.

**Fritz:** Second

**Hales:** Roll call.

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

**Hales:** Aye. Roll call on the emergency ordinance.

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

**Hales:** Aye. Now we're recessed until 2:00 p.m. Thank you.

At 12:43 p.m., Council recessed.

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## Closed Caption File of Portland City Council Meeting

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

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

**MAY 29, 2013      2:00 PM**

**Hales:** Council come to order and call the roll, please. [roll call].

**Hales:** Item 512, please.

**Item 512.**

**Hales:** Jack come on up and bring your team. Good afternoon.

**Jack Graham, Chief Administrative Officer:** Good afternoon, mayor. I'm joined by two members of the citizen public safety general obligation bond independent committee. I have with me Kirk Hall who is chair of the committee. And Nicolette Johnston, a member of the committee. We are pleased to present the second annual public safety general obligation bond report to council for your acceptance. City council established an independent citizen committee in compliance with a voter approved bond measure. The five members committee provides transparency and accountability to taxpayers regarding GO bond proceeds and to ensure expenditures meet the voters' intent. There are four projects funded by the \$72.4 million general obligation bond of which the committee has provided quarterly updates to me, the cao, and annual reports to the city council. The annual report to council is designed to provide a brief update on the status of the fund and the four public safety projects for the period ending december 2012. Committee members have expressed a desire to lead this presentation and update council regarding their assessment of the general obligation bond fund, and the projects. I will now turn it over to the chair, kirk hall, and the committee member to give you their assessment of the bond fund and the four projects. And at the end if you have any questions for us, we can answer the questions.

**Hales:** Thank you

**Kirk Hall:** I'm kirk hall, chair of the independent citizen committee. This was set up as part of the bond vote in 2010 for the particular four projects. Five member council. Three of the members could not be here. Two most important members were able to come today. As was mentioned bond authorized up to \$72.4 million for four specific projects. It specifically created this quarterly review on the progress of the projects. You have the report. We know you have a lot to do. We will try to keep this brief. It is a good, favorable report for all projects. Fire apparatus replacement -- I will tell you what the current budgets -- the four projects have been supplemented with funds from other sources. They will add up to more than \$72.4 million. The projects were integrated with other projects the departments were doing. The fire apparatus replacement project will cost about \$20.5 million. Schedule completion date of december, 2016. Fire station 21, on the east bank of the willamette, north of the hawthorne bridge, \$11.5 million, scheduled completion date September 2014. Public System Radio replacement project, \$52 million. Scheduled completion date october 2015. And emergency coordination center that is in southeast Portland near mount scott, total cost about \$4 million. It is scheduled completion date is this coming january. We have an overall assessment in the report at page 6. I will read this quickly into the record. This is the most important reason why this committee exists. As previously noted, the Icc held quarterly public meetings with city staff responsible for each project funded by the public safety go bond to review the progress of each project. In addition, each project received guidance and input from project oversight sub committees. Members of the ICC found the

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information provided by city staff to be comprehensive, timely and informative on all occasions. Staff members have been responsive to our questions and supplemented additional information on request. Icc members also provided city staff with various ideas and suggestions concerning the projects along the way to which city staff were always responsive. Relationship between the icc and city staff has been collaborative and productive. Icc does not provide financial or performance auditing function and can only proceed with the information presented at quarterly meetings. With this observation, ICC members feel they have been kept fully informed by city staff and are satisfied with the quality and presentation of information regarding the projects. Based on the information presented to us, it appears that the projects funded by the public safety go bond are consistent with the voter approved purposes of the bond and expenditures to date have been appropriate. Execution of projects have been professional and appropriate and were designed to meet the purposes of the bond in an economical fashion. It appears to the ICC that the projects are generally on tract to meet projected budgets and timelines. Overall we've been impressed with the focus and professionalism of city staff responsible for executing these projects and we appreciate the courtesy and responsiveness that they have shown us. If you want to see status and budget and expenditures to date, that is pages three and four. Nicki Johnston will present a brief update of the following two projects. She is also serving on the individual oversight committees for the two projects. Fire apparatus replacement and fire station 21.

**Nicolette Johnston:** Thank you, good afternoon. We will start with the fire bureau apparatus. Original goal was 29 apparatus, of which six have been delivered. Ladder truck, heavy rescue squad, and four rapid response vehicles. There were three significant issues that impacted this goal. The first one was writing specifications tight enough for each apparatus so that vendors can respond thoughtfully to the request of the proposal. The pieces, cost, bottom line number. The limited number of vendors these days who manufacture fire apparatus and we don't get a big world to choose from. You just have a few. The increasing materials cost over the time period of actual purchase -- I didn't know this before—the specs may be written, but it may take up to a year or two before delivery. In that time, there can be quite a bit of change in metal cost and so forth. There was one significant issue that presented an opportunity and it was -- it is a timing for the bureau to become more agile in terms of the types of apparatus acquisition and how to become more nimble in the delivery of services to its customers basically, medical and fire responses. They have been dutifully analyzing call volumes and types to see what they can do to mitigate expenses to the taxpayer and to respond more quickly. I want to note two things that are coming up that are different than expected. Two fire boats have been ordered from Oregon iron works. I was somewhat concerned that they were the only vendor who responded to the request for the proposal. Because the company has had some difficulty delivering other products timely enough. I have to say, our dear harbor master, Tim Von Seggem, has been on their site three to four times a week to ensure timely response, accurate to the specifications, and they have provided, because of that, I believe, a wonderful documentation of how each piece is going on to these fire boats. And I hope that whoever is the fire commissioner remembers to ask from this document -- it is wonderful, and it is in color, too. That makes it a lot of fun. Valuable work, has been performed by the logistics chief, Glen Eisner and deputy chief, Marco Benetti. Their attention to the vehicle specifications is greatly appreciated because the additional items can add up quite quickly when they are going to buy these products. I also wanted to note that chief Janssen is -- has been responding much differently than I have seen in the previous four chiefs. I have worked on the budget for the fire bureau for four chiefs previously. And her response has been how can we deliver this more quickly, more efficiently and less costly. I appreciated that when I was listening in on the conversation. That is a brief overview for the fire apparatus. Going on to station 21. Original goal was replacing this structure with a new seismic upgrade building, and a dock supporting a boat house. Four significant issues impacted this goal. A large number of permits,

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because it is over water. So, you can just imagine what went on. A temporary structure required to house fire responders while current structure is demolished and the new structure is completed. A need to transfer the Madison street dock to the bureau. Cost of the boathouse inadvertently was missed when developing figures for the bond measure. But three significant things presented opportunity. I will say four maybe. There is the sale of two pieces of real estate. The transfer of the Madison st dock from the pdc to the bureau for no charge. A fema port security grant for \$800,000, and \$1.5 million remaining from the 1998 go bond. Connie Johnson, from omf, the project manager, she has done a remarkable job keeping this thing steady, especially during the permitting process. Pilings went in well. Things got taken care of. It has been wonderful. So I can say whoever is going to get omf for the bureau, you are going to love connie johnson. That is my quick report to you all.

**Hales:** Thank you.

**Hall:** Any questions on either of these two projects?

**Fish:** Thank you for your excellent written report, too. You had read, mr. Chair, something earlier, that I want to use as a prompter for questioning. We're here as referees. We want to make sure that you are getting what you need to do your job and we welcome your report. You said that the committee does not provide -- the icc does not provide either financial or performance-auditing function and can only proceed with the information presented to it at its quarterly meeting. I guess that begs the question, you allude to it in the answer, are you getting all of the information you need and have there been any instances where you have been thwarted in getting the information you need to discharge your job?

**Hall:** That is a good yes. I put that caveat in last year's report. If something does go wrong and it has to do with a financial thing that we have no control or information about, I don't want someone to say why didn't you see this? I have been on enough committees and other things and I can tell when people are presenting happy talk and not telling you the things they don't want you to know and I can tell when people are changing this. We ask a lot of hard questions in these meetings. Did you think about this? What about that? Does this really make sense? Through it all, the materials we get in advance of the meetings and the responses at the meetings and the follow-up to the requests at the meeting, I feel like the bureau is open and giving us information and not just giving us happy talk. As far as I can tell, we are getting everything and we have always gotten the follow-up that we request when we request follow up.

**Fish:** Thank you.

**Fish:** By the way, if there is a problem, by tradition, we blame the newest member of the council. Commissioner Novick welcome.

**Fritz:** I was very impressed with your report and thank you for your diligence. We rely a lot on our citizen volunteers and particularly for oversight for something like this where we're spending taxpayers' money. Can you tell the viewers at home what else you have done in your lives as to why you are qualified to be on this committee?

**Johnston:** Certainly. To begin, I hate to say this, but I was the planning commissioner for the city of beaverton for a number of years during the time where we were rezoning most of south beaverton -- I can tell you that the meetings started at 7:30 pm and ended at 2:30 in the morning or later. It was a trial by fire. We got sued by the developers because we were inhibiting them making money and it was a wonderful kind of thing to go through. But it was interesting to see how the citizens there responded to the terrific zoning changes. I also sat on the fire and police pension disability board. That was my first real look into pension funds and how they're treated and also how disabilities are treated in the city. It was wonderful and you may remember, we all resigned so it went into different methodology of going. I work in my neighborhood Irvington. I am a real believer in the historic district and i'm sure, Amanda, you have heard from many of us number of times by now over the historic district code. And I also sit on land use, and I was the

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citizen on the council for court procedures for the state of Oregon appointed by the chief there. And that was also one of the most wonderful experiences I have ever had. I have to say I have had the most fun as a citizen in all of these committees as everybody. But I pick and choose.

**Fritz:** That is a varied set of experiences that you are bringing to this project. And it goes to folks at home that if you are intelligent and willing to volunteer a lot of hours, we don't usually ask you to stay until 2:30 in the morning for this particular committee, I would think. But thank you very much for all you do.

**Hales:** Go ahead.

**Novick:** At some point I would love to sit down with you and have a map of beaverton and which parts were planned during prime time and which were planned at 1:00 in the morning.

**Johnston:** We had a little problem at one point where were four of us in a lounge having coffee, honest to god, and we were accused of having a meeting. So, we then could only meet in a public place one or two at a time.

**Fritz:** We know.

**Fritz:** What is your background?

**Hall:** I am a recovering lawyer. Worked for a big firm here for a while and ran an insurance company, done some private equity stuff. Doing investment management and technology things today. Varied background but I did work as chief council for a house judiciary committee in salem back in the '80s for one session. And I have been on lots of boards and committees. I enjoy this, especially when the committee is actually used for something and I think this committee serves a useful purpose. It was a way of reassuring the citizens in 2010 when the bond was approved that it would an independent group looking at these projects and their progress and reporting back. I think it is an important way to maintain trust within the community.

**Fritz:** Thank you for your service.

**Hales:** Thank you very much.

**Hall:** Two more projects. Nicki is awesome. She puts in way more time than most people I know. I can tell you for these other two projects, public safety emergency radio system replacement, this is the biggest project. \$52 million. Expense \$7.4 million so far. Scheduled completion date october, 2015. When we held our first meeting with the memory of owen in mind, the state's attempt to create interoperability statewide on communications systems, and that was not a happy experience. So the poor city staff members working on this, every single meeting I start out with interoperability, have you thought about it and are you sure are you sure? They're sick of hearing about it. The good news is every time I ask them, they give me more details what they have done to assure that. I feel good that they have handled that in a logical, good way. The city's existing emergency radio system equipment, transmitters, are, were pretty much on their last legs. Some radio and parts they can't get replacement parts anymore. It was time to definitely make the investment for the switch. Interoperability always has been a key. Portland is kind of taking the lead in the region on this. We are one of the biggest players. Your staff members are actually bringing in and letting the other jurisdictions participates. Cities, counties, state, to increase interoperability and to be sure that everybody can talk to each other in an emergency. Some of the other local jurisdictions are piggy backing on these efforts, too, and will probably following the research and recommendations of what Portland is doing, modernizing their equipment. One of the first steps the staff did, consultant, federal engineering, inc, six deliverables that vendors and the project were supposed to achieve. Review of towers and sites, equipment for the communication. They came up with a comprehensive -- there are federal standards, and this project is paying attention to those. There is some help since 911 from the federal government helping all jurisdictions figure out issues of equipment and interoperability. Rfp created november 2012. Six potential vendors responded. Along the way, there has been involvement by all city, county, and other jurisdictions who may tag along in the future. It appears

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we are on schedule and within scope. This is very complex. If you want more details, we will probably call somebody up from the appropriate bureau. Our report does discuss on page 10 some potential risks. We did ask I know each project was doing this anyway. We asked them to identify and report at each meeting potential risks and problems that could go wrong in the future and how they were dealing with it. Some are color coded. Green means everything is going well. Yellow means we have something to worry about. Red if we got it would mean we have a problem. And I have been very impressed with the information that we have gotten and the foresight of the bureaus and looking ahead at what the risks could be. There are potential risks discussed at page 10, and I don't think any of them currently seem likely. None of these projects seem to be at risk of noncompletion or going over budget. The last project, emergency coordination center. This is a \$4 million cost. \$3 million spent to date. A lot of work has been done already. Scheduled for final completion January 2014. Construction contract went to Emerick Construction. A new 150-foot communication tower. Facility is on track for LEED Gold certification. 17 change order requests for about \$121,000. Others pending, but it is all within the standard construction for contingency amounts. I feel good that the bureau is managing these change orders and which ones are valid and which ones are not, managing them very well. The main risk was potential interference with a major water bureau project at Powell and I-205, that might have meant too many trucks coming and going and interfering. Water project was delayed. Most of the traffic has happened for the ECC site by now. As Nicki said, I have been favorably impressed with the professionalism and intelligence and reports of the city staff on these two projects. That is all I have for those projects and that is our annual report to the council.

**Hales:** Thank you. Further questions.

**Saltzman:** This can be for committee members or for Jack. In the report you note and I notice on the table, no contingency funds remaining and all interest earnings are anticipated to be spent. And I'm not an expert in that stuff, but that sounds like it is pushing things close to the margin, I guess, I'm just interested in an opinion or reaction on that.

**Hall:** I don't know why it shows zero. But I know that each project has a contingency fund in it. So, I don't know –

**Graham:** I think that all of the funds for the go bond has been allocated into each one of the projects. I know for a fact -- each one of the projects in PSSRP has its own contingency within those projects, and if at any point in which that contingency is not used, it goes back up into a program contingency for the whole program and then if another program or project is under, then it is used. Each one of the projects have their own contingencies within their budget.

**Hall:** And I think each project had other funds. They probably said, we know we're going to spend the go bond proceeds, now let's put in the other funds, enhancements, and I think that is where they had the money for contingencies on these projects.

**Graham:** We will clarify that because that additional resources will be brought in -- like fire station 21, there was, I think, there was a total of like almost \$4 million of resources that was brought in. We will give you a follow-up on what the resources are at and how they line up with the contingency for each one of the projects.

**Saltzman:** Second question, Nicki, you mentioned -- this council is aware of problems with deliverables with Oregon Iron Works and we had some concerns about this with the boats in particular. So, I guess that -- you mentioned the harbor master is visiting two, three times a week and a nice cover report there. I didn't catch what you said, that leads us to conclude we're comfortable that Oregon Iron Works will deliver on schedule.

**Johnston:** Actually I am so comfortable with that. I understand that one fire boat will be delivered in August, a few months from now, early delivery of one. There should be a correction in page 7 of 16, upcoming mile stone. One fire boat scheduled for deliver August 2014. That should be 2013. I do believe the harbor master is really the reason they are delivering early. He is on top of

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that. For a lot of reasons. He doesn't want it to go bad under his jurisdiction, and of course he is anxious to get them in the water and test them out and feel very good about what they're doing. One of the fire boats that is currently here will be, I think, they're going to use for something else. We will have to ask the chief what they're going to do with it. I feel much better about Oregon iron works than I did in the beginning. I kept thinking -- there is no other vendor. What do you do? You take the risk, I guess.

**Saltzman:** Thank you, and thank you both for your service. Thank you.

**Hales:** They've built boats before, just haven't built streetcars.

**Saltzman:** That's true.

**Hales:** Any other questions? Other questions. Thank you very much.

**Fish:** Accept the report.

**Saltzman:** Second.

**Hales:** Anyone here to testify on this item?

**Moore-Love:** No one signed up.

**Hales:** Roll call, please. Fish.

**Fish:** Thank you for joining us today and thank you for a very thorough and professional report, and we very much appreciate your service. Aye.

**Hall:** Thank you, pleasure.

**Saltzman:** Thank you for your time and service, as I said. We appreciate the diligence you are bringing through oversight, and making sure we're good fiscal stewards of the voter approved general obligation bond money for critical elements of the public safety system. Aye.

**Novick:** Thank you for your service and clear and well written report and for your very clear presentation today. Aye.

**Fritz:** Thank you for all of the time you spend on this committee including speaking with us today. It is important for citizens to know there are other independent citizens watching over how moneys are spent. Thanks also to Chief Janssens for your leadership of the fire bureau and for everybody else that has been involved as well as jack graham. Aye.

**Hales:** My wife runs the program at Portland state where people come here from other cities and often other countries to study Portland and how we do planning and sustainability, transportation. Some delegations are longer than others. It has been the case a couple of times that they have been here long enough and gotten comfortable enough in conversations that eventually, you know, a member of one of the delegations will gingerly ask the question, you know, in so many words, how do you deal with corruption? Because it is a problem for us in advancing our city. And I have to explain to them that there is such a deep and reliable tradition of good government here, and of honest and effective public administration, that is almost never an issue. And one reason it is almost never an issue is, you know, the competence and integrity of the people that work for us. But the other is that we've got citizens that pay attention and invest time like this, and not only do we not have to worry about corruption, but we more often than not are bringing things in on time, on budget, or better than that. Because, you know, effective administration and good oversight. So, we take these things for granted. Or we shouldn't. And i'm glad you don't. You have invested a lot of time to make sure that we get to the result that we think is normal. Thank you so much for your service and for very good results that we're getting from this program. Aye. Thank you. Okay. Let's move on to item 513.

**Item 513.**

**Hales:** Following council's hearing on this last week, we made some revisions to the draft ordinance and we brought back a substitute that I think incorporates what the council was looking for, particularly the addition of an objective of improving noise enforcement and other measures to improve the neighborhood live ability. But chad from my staff and paul our noise officer are hear to answer any further question that the council has before we take this up.



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**Fish:** Mayor, this is a second first reading?

**Hales:** This is a second first reading. It will come back for second reading.

**Fish:** Chad, could you come forward for a second? I want to get clarification on one of the issues that came up in our last hearing. A number of people testified that they wanted us to come back sooner rather than later to evaluate the program. How did you - how did you guys come down on that?

**Chad Stover, Mayor's Office:** Yes, sir, I appreciate the question. So, I think the value of this extended program going through the summer months is that unlike the original pilot program, which started off in december and ended in the beginning of april, we didn't have a chance to really see the effects of a street closure during the peak months of when we see the highest volumes of traffic on a friday and saturday night in the entertainment district. So, we took that into consideration when we thought about extending it through the end of october. We found historically that we see higher volumes of people in those areas in the months of july and august, in particular. And this would be a good chance to see the effects of when we have four times as many people inside the square as we have in the first three months in the original pilot.

**Hales:** The other thing I would add, intent of this extension is in part to start trying out some things like perhaps having food vendors operating on the street in the middle of the night, and it is going to take some time to get that up to speed. It is going to take some time to find the nonprofit that is willing to continue operating this festival, if you will, on an ongoing basis, if that is what the council decides after this extension. So, some of the to-do list items that we have built into the ordinance, will take more than 30 or 60 days to implement and for giving us long enough to make it not just an extension, but an enhancement of what has been accomplished already is I think pretty important.

**Fish:** Thank you. And the second question I had is there seems to be a sense of urgency when some people testified about improving the aesthetic appearance of the barricades and street closure stuff. I see it is listed in therefore c, this may include but is not limited to. Can we get some assurance that that is an issue that will be addressed at the front end? It seemed like people had ideas to change the look of the barricade, make it look less like a dmv.

**Stover:** Thank you for that question. One things throughout the three town hall meetings, as well as the two midnight to 3:00am walk-about that the mayor participated in, a lot of back and fourths dialogue about how people felt about the street closure itself and with this concern, they don't like the general appearance of the way it is right now. They said, quote, unquote, things like it kind of looks like a crime scene or a construction site. At the onset of the original pilot, we used standard barricades under the assumption that this was a finite program that was going to last for three months and come to an end and we would gather data and see where we stood at that point in time. One thing that we talked about business owners, social service providers and other stakeholders in the area, during this extended program, six months to the end of october, as we experiment with some bullets highlighted in ordinances, if this ever were to become a permanent thing, one thing we want to do is it doesn't look like a crime scene or construction site.

**Fish:** I appreciate that. And other cities converting other spaces to nonvehicular uses are successful using things like planters and other things that don't -- and I think, frankly, it actually does make a difference to your pedestrian experience, if it is a row of planters or something benign. I would hope that is something that we could work on in the front end. I'm more comfortable with the longer time line to collect data if we do some of the things they identified at the front end.

**Hales:** I would like to do that asap, I think, that one. Even if it is just a trial run of a new look. Even if it's Corex signs snap-tied to the crowd control barriers rather than the, you know, roadway barriers and try out the look. The sooner we can try some of that out relatively inexpensively, the better.

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**Fish:** Thank you.

**Fritz:** What is the proposed structure for making decision about who the nonprofit is? We had a lot of testimony from local business owners and residents concerned about extending this. Who gets to participate in deciding what happens?

**Stover:** Thank you for the question. I believe this is a discussion that we will have at the mayor's office and we will continue to bring everybody to the table as best as we can. I will say that in the last two months, that this came to my attention, that that was always our intent. We wanted to reach out to as many stakeholders as we possibly can and make sure that everybody is engaged in that process. And make sure that their input is taken into consideration.

**Fritz:** I appreciate the number of public meetings that there have been. There isn't a designated balanced group of folks charged with helping to make decisions. I would encourage you to convene that group as soon as possible.

**Hales:** Frankly I don't think we are going to have competition among non-profits to take on this difficult job. We will be lucky if we can tackle one and say will you do this under these conditions? And then augment that with a balanced stakeholder committee that brings those multiple interests to bear on guiding the thing. You're right. A variety of points of view about this whole experiment, and different interests. Interest of the people that live in the district are different than the bar owners, to put it mildly. So, we're going to have to have a -- some kind of advisory structure with whoever is running the thing -- like the pioneer courthouse square board to pioneer courthouse, inc, the nonprofit. That is the notion that we are operating on that it will be a nonprofit, like the pioneer courthouse square board or mississippi avenue street festival, have a variety of folks that have an interest in the success of the thing helping to govern its operation.

**Fritz:** Is it your intent to have the decision who manages it come back to council?

**Hales:** It probably will have to. It is my intent to bring it back to council. I'm not sure how long it will take to find that entity or at worst, have one created for this express purpose.

**Fritz:** I think we have had a couple of entities suggested. So, you know, in terms of the steps of getting an advisory committee together, I think that would be very helpful as soon as possible. It's fine to invite people to come to public hearings and meetings, but unless people feel it is their responsibility, privilege to help make decisions, I think things don't go as well. And i'm also wondering about the cost, in the financial impact statement, that pbot will be charged a total of \$170 per weekend for parking and towing enforcement and that the police bureau will be providing at most one sergeant and four officers for a total of \$1,831.10 per weekend. That doesn't sound like very much money for either of those two things. That is all it costs?

**Stover:** The cost that changed in that was from the Portland bureau of transportation. Originally they were handling the street closure and they were being charged, approximately \$1,500 per weekend. They will be overseeing the tows portion, and that is where the \$170 per weekend comes. In terms of police costs, this is cost neutral. We had the 4 officers and sergeant assigned there previously. And so that will stay the same.

**Hales:** And, of course, one item under item c is the development of ongoing sources of revenue. So, the intent is to have those revenue sources made real and to start paying those costs and then some to give the entity the chance to pay for signage and improve the whole thing. But -- and those are, you know, those include things like realizing more revenue out of the -- the naito and davis garage, but -- and perhaps charging fees for the use of the street surface for after hours dining. There are a number of options for how we can collect revenue, and the intent is to start substituting those locally generated revenue sources for whatever subsidy the city has been provided through pbot or the police bureau. Fully recovering the cost of the police detail that is out there every weekend, is probably a stretch, but even if we partially recover it, that will be a big improvement.

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**Fritz:** And what about parking for nearby residents that currently park on the street? Do we have any thoughts of how we're going to make it that they're not paying an arm and leg to park?

**Hales:** We will have to figure that out. If we start to charge for on-street parking, you know, where it is now free after 7:00 p.m., accommodating residents with cars will have to be a piece of that picture. We have not crossed the thresholds thing. We are going to start charging for on-street parking. That is one of the options. People live there who have cars, who now structured their life about being able to drive back to the neighborhood park after 7:00 and get the car out in the morning, we don't want to mess that up.

**Fritz:** There might be measures--

**Hales:** Might have to be resident permits that would go along with an on-street scheme if we move that way.

**Stover:** And I think that particular issue might be a step two or step three issue that we would tackle as we move forward. Right now, more immediately, one of the issues around parking with the way it is currently with the street closure is that we have heard complaints about the education and the signage in the area. It is complicated because meters stop at 7:00 p.m. At 10:00 p.m., Friday, Saturday night, it closes down again because of the street closure. What are better ways to message this out to the public so that they're not confused by this, prevent the number of people getting towed as a result of not understanding the signage and education piece.

**Fritz:** One final question. We didn't put anything in the budget for establishing a nonprofit, is that correct?

**Hales:** That's correct. Not expecting to have to spend city money to create the nonprofit.

**Fritz:** But we heard from some business owners that they don't feel it has been profitable for them to do this.

**Hales:** We have heard that. We also, you and I saw the queue of restaurants and bars that were at over at their fire marshal capacity and couldn't let anybody else in the door.

**Fritz:** To be clear, I had nothing to compare it with as to whether that was different from before. [laughter]

**Hales:** It seems to me between improving the prosperity of the businesses in the district and money we're leaving on the table by not charging for parking, for in-street dining, not fully utilizing the Naito and Davis garage, that we have a number of ways to recoup the cost of this thing as long as for most people it is a success. We will not have everyone on board I'm sure with something that complex and this many stakeholders. A working majority of people who have stake in the neighborhood, not only is this better than the wild west we had before the street closure, but the more permanent scheme is sustainable and more successful for the neighborhood than the temporary innovation that we have been continuing one after another.

**Stover:** Mayor, if I can reiterate and perhaps clarify some testimony we heard last week from the panel and some folks who came in and testified, this ordinance is essentially saying we want to extend the street closure for another six months and in addition to the testimony that we heard from different stakeholders in the area, some for it, some against it, we also have statistics from the Portland police bureau during that three month period, showing a 30% reduction from crimes existing in that area before the street closure which leads us to believe that that part has been successful. Stakeholders involved, one of the things they mentioned to me in our discussions, yes, they are interested in at least experimenting with new ideas to help enhance the liveability of the overall area. This will be a chance to try and explore those and -- while at the same time including everybody in the discussions.

**Hales:** More questions for Chad?

**Saltzman:** I apologize that I wasn't here last week. The discussion of charging for parking after 7:00 p.m. I think it is important to not only think about the needs for residents, and a lot of people who work on these bars and restaurants rely on city free parking after 7:00 and so I just want that to

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be a part of that process, too. I don't know what extent the stakeholders include the employees of the bars and restaurants.

**Hales:** Good point. Other questions? So, this will come back for second reading next week.

**Saltzman:** Motion to move the substitute.

**Hales:** Is there a second?

**Fritz:** Second.

**Hales:** Roll call on replacing it with the substitute.

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

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

**Hales:** Thank you. One more item.

**Item 514.**

**Hales:** There were some questions about this. Did you have a chance to answer the council questions?

**Bob Kieta, Office of Management and Finance:** We provided information to each councilmember, and i'm happy to answer any further questions you may have.

**Hales:** Any further questions about this? I guess you answered them. Thank you. Second reading roll call, please

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

**Fritz:** Thank you, appreciate you answering the questions. Aye.

**Hales:** Aye

**Hales:** We're adjourned. Thank you very much. [gavel pounded].

At 2:45 p.m., Council adjourned.