



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **18TH DAY OF MAY, 2016** AT 9:30 A.M.

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

Commissioner Fish left at 12:08 p.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Linly Rees, Senior Deputy City Attorney; and Jim Wood and Mike Cohen, Sergeants at Arms.

Item No. 514 was pulled for discussion and on a Y-5 roll call, the balance of the Consent Agenda was adopted.

At 9:48 a.m. Council convened as City of Portland Budget Committee and adjourned at 11:44 a.m.

At 11:50 a.m. Council convened as Portland Development Commission Budget Committee and adjourned at 12:06 p.m.

At 12:06 p.m. the meeting reconvened.

COMMUNICATIONS		Disposition:
507	Request of Shedrick J. Wilkins to address Council regarding science (Communication)	PLACED ON FILE
508	Request of Charles Johnson to address Council regarding rent control and demolishing Portland history and sensible homes (Communication)	PLACED ON FILE
509	Request of Dennis Shawn Montgomery to address Council regarding improving the homeless situation (Communication)	PLACED ON FILE
510	Request of John Russell to address Council regarding neighbor improvements for the Keller Auditorium and the Halprin Sequence (Communication)	PLACED ON FILE
511	Request of Joe Walsh to address Council regarding justice and communication (Communication)	PLACED ON FILE

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TIMES CERTAIN		
512	TIME CERTAIN: 9:45 AM – Approval of the FY 2016-17 budget for the City of Portland (Mayor convenes Council as Budget Committee) 1 hour requested [Amendments are attached to last page of agenda.]	APPROVED AS AMENDED
513	TIME CERTAIN: 10:45 AM – Revised transportation fees, rates and charges for FY 2016-17 and fix an effective date (Ordinance introduced by Commissioner Novick) 15 minutes requested	PASSED TO SECOND READING MAY 25, 2016 AT 9:30 AM
CONSENT AGENDA – NO DISCUSSION		
Mayor Charlie Hales Bureau of Police		
*514	Authorize settlement between Portland Police Association and the City of Portland through its Portland Police Bureau regarding employment claims (Ordinance) Motion to accept substitute agreement: Moved by Fritz and seconded by Saltzman. (Y-4; Fish absent) (Y-4; Fish absent)	187751 AS AMENDED
Office of Management and Finance		
*515	Change the salary grade for the Nonrepresented classification of City Treasurer and red-circle the incumbent's pay (Ordinance) (Y-5)	187746
Commissioner Steve Novick		
516	Authorize Intergovernmental Agreement with Portland State University in the amount of \$31,250 to assess the dispersion and deposition of metals, including cadmium, arsenic, chromium and nickel in the Portland metro region (Ordinance)	PASSED TO SECOND READING MAY 25, 2016 AT 9:30 AM
Bureau of Transportation		
*517	Amend the Transportation System Development Charge cost for the Twenties Bikeway Project to reflect updated project scope and cost estimate (Ordinance) (Y-5)	187747
REGULAR AGENDA		
518	Report on year one implementation of Citywide Tree Project (Report introduced by Commissioners Fritz and Saltzman; Previous Agenda 490) 20 minutes requested	REFERRED TO COMMISSIONER OF PUBLIC UTILITIES
Mayor Charlie Hales Office of Management and Finance		

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<p>519</p>	<p>Approve FY 2016-17 cost of living adjustments to pay rates for nonrepresented classifications and Elected Officials, specify the effect upon employees in the classifications involved, and provide for payment (Ordinance) 10 minutes requested</p>	<p>PASSED TO SECOND READING MAY 25, 2016 AT 9:30 AM</p>
<p>Portland Development Commission</p>		
<p>520</p>	<p>Approve the Annual Budget for the Portland Development Commission for FY 2016-2017 (Mayor convenes Council as Portland Development Commission Budget Committee) 15 minutes requested</p>	<p>PLACED ON FILE</p>
<p>Commissioner Dan Saltzman Portland Fire & Rescue</p>		
<p>521</p>	<p>Correct and clarify Fire Regulations, and adopt 2014 Oregon Fire Code with City of Portland amendments (Second Reading Agenda 496; amend Code Title 31) (Y-5)</p>	<p>187748</p>
<p>Portland Housing Bureau</p>		
<p>522</p>	<p>Accept a grant in the amount of \$96,999 from the University of Utah for Pay For Success Innovation Fellowship Program to advance the City of Portland's Green and Healthy Homes Initiative (Ordinance)</p>	<p>PASSED TO SECOND READING MAY 25, 2016 AT 9:30 AM</p>
<p>523</p>	<p>Approve application under the Multiple-Unit Limited Tax Exemption Program for Jarrett Street Condominiums located at 5732 N Interstate Ave (Second Reading Agenda 498) (Y-5)</p>	<p>187749</p>
<p>Commissioner Steve Novick Bureau of Transportation</p>		
<p>524</p>	<p>Vacate a portion of NW 101st Ave south of NW Thompson Rd subject to certain conditions and reservations (Second Reading Agenda 499; VAC-10104) (Y-5)</p>	<p>187750</p>
<p>Commissioner Amanda Fritz Portland Parks & Recreation</p>		
<p>*525</p>	<p>Authorize contract with GreenWorks PC for master planning services for Mill and Midland Parks at a not to exceed amount of \$119,859 (Ordinance) 10 minutes requested (Y-5)</p>	<p>187752</p>
<p>526</p>	<p>Amend Park System Development Charge Capital Improvements Plan to update the project list (Ordinance; amend Ordinance No. 187150) Motion to accept substitute Exhibit A: Moved by Fritz and seconded by Saltzman. (Y-4; Fish absent)</p>	<p>PASSED TO SECOND READING AS AMENDED MAY 25, 2016 AT 9:30 AM</p>

At 12:34 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **18TH DAY OF MAY, 2016** AT 2:00 P.M.

THOSE PRESENT WERE: Commissioner Fish, Presiding; Commissioners Fritz and Saltzman, 3.

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

<p>527 TIME CERTAIN: 2:00 PM – Amend fee schedules for building and other permits and site development (Ordinance introduced by Commissioner Saltzman) 20 minutes requested</p> <p>Motion to amend exhibit A, manufactured dwelling park permits for 1-10 new spaces to \$56 for each space: Moved by Fritz and seconded by Saltzman. (Y-3)</p> <p>Motion to amend exhibit A, recreational dwelling park permits for 1-10 new spaces to \$32 for each space: Moved by Fritz and seconded by Saltzman. (Y-3)</p>	<p>Disposition:</p> <p>PASSED TO SECOND READING AS AMENDED MAY 25, 2016 AT 9:30 AM</p>
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At 2:21 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **19TH DAY OF MAY, 2016** AT 2:00 P.M.

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

Commissioner Novick arrived at 2:03 p.m.
Commissioner Saltzman left at 2:24 p.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Kathryn Beaumont Chief Deputy City Attorney at 2:00 p.m.; Ben Walters, Chief Deputy City Attorney at 2:33 p.m.; and Mike Cohen and Jim Wood, Sergeants at Arms.

The meeting recessed at 3:46 p.m. and reconvened at 4:01 p.m.

FOUR-FIFTHS AGENDA		Disposition:
527-1	Adopt new and amended supporting documents for an update of Portland's Comprehensive Plan; accept report of the Citizen Involvement Committee (Previous Agenda 505; Ordinance introduced by Mayor Hales) 30 minutes requested for items 527-1 and 527-2	CONTINUED TO JUNE 9, 2016 AT 3:00 PM TIME CERTAIN
527-2	Adopt a new Comprehensive Plan for the City of Portland, Oregon (Previous Agenda 506; Ordinance introduced by Mayor Hales)	CONTINUED TO JUNE 9, 2016 AT 3:00 PM TIME CERTAIN AS AMENDED
528	TIME CERTAIN: 2:00 PM – Revise sewer and stormwater rates, charges and fees in accordance with the FY 2016-2017 Sewer User Rate Study (Ordinance introduced by Commissioner Fish) 2 hours requested for items 528 -530 Motion to amend exhibit A, Section E 5a.i. date to July 31, 2018: Moved by Fritz and seconded by Novick. (Y-4; Saltzman absent)	PASSED TO SECOND READING AS AMENDED JUNE 1, 2016 AT 9:30 AM
529	Authorize the rates and charges for water and water-related services during the FY beginning July 1, 2016 to June 30, 2017 and fix an effective date (Ordinance introduced by Commissioner Fish)	PASSED TO SECOND READING JUNE 1, 2016 AT 9:30 AM

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530	FOUR-FIFTHS AGENDA Revise solid waste and recycling rates and fees for franchised residential collection and commercial permit tonnage fees, effective July 1, 2016 (Ordinance introduced by Mayor Hales; amend Code Chapter 17.102)	PASSED TO SECOND READING JUNE 1, 2016 AT 9:30 AM
531	TIME CERTAIN: 4:00 PM – Increase the Portland Bureau of Transportation procurement authority for the bike share system not to exceed \$3,750,000 (Ordinance introduced by Commissioner Novick) 30 minutes requested for items 531 and 532	PASSED TO SECOND READING JUNE 1, 2016 AT 9:30 AM
532	Authorize Portland Bureau of Transportation to enter into agreements with non-City hosts for BIKETOWN bike share stations (Ordinance introduced by Commissioner Novick)	PASSED TO SECOND READING JUNE 1, 2016 AT 9:30 AM

At 4:08 p.m., Council adjourned.

MARY HULL CABALLERO
Auditor of the City of Portland



By Karla Moore-Love
Clerk of the Council

For a discussion of agenda items, please consult the Closed Caption File which follows the amendment pages for 512, 527-1 and 527-2.

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Item 512 AMENDMENTS – May 18, 2016

Item 512 Approval of the FY 2015-16 Budget for the City of Portland

Motion to accept the substitute Attachments B and C of the Approved Budget memo:

Moved by Saltzman and seconded by Fish. (Passed Y-5)

Amendments to the substitute Approved Budget memo:

1. **Motion to increase funding in the Portland Police Bureau for a body camera program.** Moved by Hales, Seconded by Fish (Passed Y-4; N-1 Novick)

Allocate \$1,685,929 of ongoing General Fund resources to the Portland Police Bureau (General Fund) for support of a body camera program. To account for the time it takes to set up the program, these funds will be offset with a corresponding reduction in one-time resources in FY 2016-17. The funding source for this add will be a reduction to the ongoing General Fund capital set-aside established in the Proposed Budget. Amend Attachments B and C as necessary.

2. **Motion to amend Attachment B to add a new budget note on the Body Camera Program:** Moved by Hales, Seconded by Fritz

Motion to add language to seek grants: Moved by Fritz and seconded by Hales. (Passed Y-5)

Motion to add the Technology Oversight Committee will oversee the project, including the development of the Request for Proposal process: Moved by Saltzman and seconded by Fish. (Passed Y-5)

Motion to accept original amendment as amended: Moved by Hales and seconded by Fish. (Passed Y-4; N-1 Novick)

Portland Police Bureau – Body Camera Program

The FY 2016-17 budget includes resources for supporting a body camera program at the Portland Police Bureau. The bureau is directed to proceed with the Request for Proposal process. Implementation of this program is anticipated to occur within the next three years and funding for the implementation will come from the current one-time General Fund resources set aside in the bureau's budget, any resources available in the asset forfeiture fund, and any resources now available in the bureau's ongoing budget that can be repurposed for implementation. The bureau will use an outside program evaluator to document and provide evaluation post-implementation to assess the impacts and outcomes of the investment in body cameras. The bureau will also seek federal and other grants to support the one-time and ongoing costs of the body camera program. The Technology Oversight Committee will oversee the project, including the development of the Request for Proposal process.

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3. **Motion to increase funding in Portland Parks & Recreation for Rosewood Community Center with Fritz amendments to designate General Fund support and to place in Parks Bureau, not Special Appropriations** : Moved by Hales, Seconded by Fish. (Passed Y-5)

Allocate \$55,000 of ongoing General Fund resources to Portland Parks & Recreation (General Fund) for support of the Rosewood Community Center. The funding source for this add will be a \$55,000 ongoing reduction to General Fund contingency. Amend Attachments B and C as necessary.

4. **Motion to increase funding in Portland Parks & Recreation for sheriff patrol services at RiverPlace Marina**: Moved by Hales and seconded by Fish (Passed Y-5)

Allocate \$98,000 of one-time General Fund resources to Portland Parks & Recreation (General Fund) for sheriff patrol services at the RiverPlace Marina. The funding source for this add will be a one-time reduction to General Fund contingency. Amend Attachments B and C as necessary.

5. **Motion to increase funding in the Portland Development Commission for B-Corp program**: Moved by Hales and seconded by Novick (Passed Y-5)

Allocate \$75,000 of one-time General Fund resources to the Portland Development Commission (General Fund) for support of the B Corp program. The funding source for this add will be a one-time reduction to General Fund contingency. Amend Attachments B and C as necessary.

6. **Motion to update Attachment B to amend the Data Center Relocation budget note as follows**: Moved by Hales and seconded by Fritz (Passed Y-5)

City Budget Office – General Fund Support for Data Center Relocation

In the FY 2016-17 Adopted Budget, Council allocated funding for the first year costs of the data center relocation project. Council directs the City Budget Office to add \$2,103,612 of one-time General Fund resources to the Current Appropriation Level targets of General Fund bureaus in FY 2017-18 and \$596,024 of one-time resources in FY 2018-19. These one-time resources are dedicated to fund the remaining General Fund share of costs to finish the data center relocation project. ~~Office of Management & Finance to bring forward a decision package in the FY 2016-17 Fall Budget Monitoring Process that requests one-time funding for the remaining General Fund costs of this project. Council will consider this package as a high priority for any one-time funding that is available at that time.~~

7. **Motion to update Attachment B to amend the Halprin Fountains budget note as follows**: Moved by Fish and seconded by Fritz (Passed Y-5)

Portland Parks & Recreation- Halprin Fountains

Council directs Portland Parks & Recreation to bring forward a decision package in the FY 2016-17 Fall Budget Monitoring Process that requests one-time funding of up to \$1,500,000 for restoration of the Halprin Fountains. Funding for the fountains will be contingent upon approval of a Local Improvement District.

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8. **Motion to increase funding in Portland Parks & Recreation for two additional ranger positions to service the east side:** Moved by Fritz and seconded by Fish

Motion to change funding source to contingency fund: Moved by Hales and seconded by Fritz. (N-3 Fish, Saltzman, Novick) Motion withdrawn.

Vote on original motion: (Passed Y-5)

Allocate \$150,000 of ongoing General Fund resources to Portland Parks & Recreation (General Fund) for two additional ranger positions to service the east side. The funding source for this add will be a \$150,000 reduction to ongoing General Fund support of the Portland Parks & Recreation Saturday youth basketball program. Amend Attachments B and C as necessary.

9. **Motion to increase funding in the Office of Neighborhood Involvement for an administrative assistant position:** Moved by Fritz, Seconded by Novick (Passed Y-4; N-1 Saltzman)

Allocate \$84,000 of ongoing General Fund resources to the Office of Neighborhood Involvement (General Fund) for an administrative support position. The funding source for this add will be a reduction to ongoing General Fund contingency. Amend Attachments B and C as necessary.

10. **Motion to amend Attachment B to add the following budget note regarding Office of Neighborhood Involvement and Portland Housing Bureau's housing emergency outreach and engagement:** Moved by Fritz and seconded by Hales.

Office of Neighborhood Involvement/Portland Housing Bureau – Housing Emergency Outreach and Engagement

(As further amended.) Council directs the Office of Neighborhood Involvement to work with the Portland Housing Bureau, the City and County Joint Office for Homeless Services, and A Home for Everyone to develop materials and messaging for community engagement on housing prior to spending the \$350,000 allocated in its budget for this purpose. The Office of Neighborhood Involvement will return to Council for approval of the outreach plan before funds are expended.

Motion to move a substitute budget note to move funding to contingency: Moved by Saltzman and seconded by Novick. (Failed Y-2; N-3 Fritz, Fish, Hales)

Office of Neighborhood Involvement/Portland Housing Bureau – Housing Emergency Outreach and Engagement

The FY 2016-17 budget includes \$350,000 set aside in General Fund contingency to fund outreach and engagement services around the Housing Emergency. Council directs the Office of Neighborhood Involvement, the Portland Housing Bureau, and the proposed City and County Joint Office for Homeless Services to work together to develop and present a plan to Council by August 1, 2016 for use of these funds.

Vote on Fritz motion with Fish friendly amendment to add City and County Joint Office for Homeless Services: (Passed Y-3; N-2 Saltzman, Novick)

11. **Motion to increase funding in the Bureau of Planning & Sustainability for the Smart Cities Initiative:**

Moved by Saltzman, Seconded by Novick (Failed Y-2; N-3 Fritz, Fish, Hales.)

Allocate \$140,000 of one-time General Fund resources to the Bureau of Planning & Sustainability (General Fund) for a position and related materials and services to develop a Smart Cities strategy and open-data policy for the City. The funding source for this add will be a reduction to one-time General Fund currently allocated to Special Appropriation grants. Amend Attachments B and C as necessary.

Items 527-1 and 527-2

Amendments from Council meetings April 28 and May 11, 12 and 19, 2016

**2035 Comprehensive Plan - Policy Amendments Considered by Council
Summary of Vote Outcomes**

527-2:

Amendment	Council Action	Notes
Errata memo 11/13/15	Adopted	
P1	Adopted	
P2	Adopted	
P3	Adopted	
P4	Adopted	
P5	Adopted with further changes	Introduction, GP 2-8 Environmental justice is borne from the recognition that communities of color, low- income communities, Limited English Proficient (LEP) communities, Sovereign tribes, and Native American, who communities have been disproportionately impacted from public and private decision- making, including planning, development, monitoring and enforcement, while often being excluded from those decisions themselves.
P6	Adopted	
P7	Adopted	
P8	Adopted with further changes	Goal 2A Community involvement as a partnership. The City of Portland works together as a genuine partner with all Portland communities and interests. The City promotes, builds, and maintains relationships, and communicates with individuals, communities, neighborhoods, businesses, organizations, <u>Neighborhood Associations, Business Associations</u> , institutions, and other governments to ensure meaningful community involvement in planning and investment decisions. <u>Partnerships with historically under-served and under-represented communities must be paired with the City's neighborhood organizations to create a robust and inclusive community involvement system.</u>
P9	Adopted with further changes	Policy 2.1 Partnerships and coordination. Maintain partnerships and coordinate land use engagement with: 2.1.a. Individual community members. 2.1.b. Communities of color (<u>including those whose families have been in this area for generations such as Native Americans, African Americans, and descendants of immigrants</u>), low-income populations, Limited English Proficient (LEP) communities, <u>immigrants and refugees</u> , Native American communities , and other under-served and under-represented communities. 2.1.c. District coalitions, neighborhood associations, <u>watershed councils</u> , and business district associations as

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		<p>local experts and communication channels for place-based projects.</p> <p>2.1.d. Businesses, unions, employees, and related organizations that reflect Portland’s diversity as the center of regional economic and cultural activity.</p> <p>2.1.e. Community- based, faith- based, artistic and cultural, and interest- based non- profits, organizations, and groups.</p> <p><u>2.1.f. People experiencing disabilities.</u></p> <p>2.1.f.g. Institutions, governments, and Sovereign tribes</p>
P10	Adopted	
P11	Adopted	
P12	Adopted	
P13	Adopted	
P14	Adopted	
P15	Adopted	
P16	Adopted	
P17	Adopted	
P18	Adopted	
P19	Adopted	
P20	Adopted	
P21	Adopted	
P22	Adopted	
P23	Adopted	
P24	Adopted with further changes	Per the Amendment Report, but change “greenways” to “connections”
P25	Adopted	
P26	Adopted	
P27	Adopted	
P28	Adopted	
P29	Adopted	
P30	Adopted	
P31	Adopted	
P32	Adopted with further changes	<p>New Policy after 4.32:</p> <p><u>Drive through facilities.</u> Prohibit drive through facilities in the Central City, and limit development of new ones in the Inner Ring Districts and centers in order to support a pedestrian-oriented environment.</p>
P33	Adopted	
P34	Adopted	
P35	Adopted	
P36	Adopted	
P37	Adopted	
P38	Adopted	
P39	Adopted	
P40	Adopted	
P41	Adopted	
P42	Adopted	
P43	Adopted with further changes	<p>New Policy after 4.63:</p> <p><u>Reduce carbon emissions.</u> Encourage a development pattern that minimizes carbon emissions from building</p>

		and transportation energy use.
P44	Adopted	
P45	Adopted with further changes	<u>New Policy after Policy 5.5: Middle Housing. Enable and encourage development of middle housing. This includes multi-unit or clustered residential buildings that provide relatively smaller, less expensive units; more units; and a scale transition between the core of the mixed use center and surrounding single family areas. Where appropriate, apply zoning that would allow this within a quarter mile of designated centers, corridors with frequent service transit, high capacity transit stations, and within the Inner Ring around the Central City.</u>
P46	Adopted	
P47	Adopted	
P48	Adopted	
P49	Adopted	
P50	Adopted	
P51	Adopted	
P52	Adopted	
P53	Adopted	
P54	Adopted	
P55	Adopted	
P56	Adopted	
P57	Adopted	
P58	Adopted	
P59	Adopted	
P60	Adopted	
P61	Adopted	
P62	Adopted	
P63	Adopted	
P64	Adopted	
P65	Adopted	
P66	Adopted	
P67	Adopted	
P68	Adopted	
P69	Adopted	
P70	Adopted	
P71	Adopted	
P72	Adopted	
P73	Not Adopted	
P74	Adopted	
P75	Adopted with further changes	Per the Amendment Report, but strike “commercial” from the new final sentence.
P76	Adopted	Renumber as needed to include reference Transportation function through Commercial uses.
P77	Adopted	
P78	Adopted	
P79	Adopted	
P80	Adopted	
P81	Adopted	
P82	Adopted	

P83	Adopted	
P84	Adopted	
P85	Adopted	
P86	Adopted	
P87	Adopted	
P88	Adopted	
P89	Adopted with further changes	Goal 9A. <u>The City achieves the standard of zero traffic-related fatalities and serious injuries.</u> Transportation safety impacts the livability of a city and the comfort and security of those using City streets. This is achieved through comprehensive efforts to improve transportation safety through <u>equity</u> , engineering, education, enforcement and evaluation will be used to eliminate traffic -related fa Portland's transportation system.
P90	Adopted with further changes	Per Amendment Report, but restore "Policy-based" in the final bullet.
P91	Adopted	
P92	Adopted	
P93	Adopted	
P94	Adopted with further changes	Use "encourage" rather than "provide", and put this policy in the right of way section of Chapter 8, after 8.42.
P95	Adopted	
P96	Adopted with further changes	New policy after 9.25: <u>Transit funding.</u> Consider funding strategies and partnership opportunities that improve access to and equity in transit service, such as raising metro-wide funding to improve service and/or decrease user fees/fares.
P97	Adopted	
P98	Adopted	
P99	Adopted with further changes	Policy 9.57 – Off-street Parking. Limit the development of new parking spaces to achieve land use, transportation, and environmental goals, especially in locations with frequent transit service. Regulate off - street parking to achieve mode share objectives, promote compact and walkable urban form, encourage lower rates of car ownership, and promote the vitality of commercial and employment areas. Use transportation demand management and pricing of parking in areas with high parking demand. <u>Strive to provide adequate but not excessive off-street parking where needed, consistent with the preceding practices.</u>
P100	Adopted	
P101	Adopted	
P102	Adopted	
P103	Adopted	
P104	Adopted	
P105	Adopted	
P106	Adopted	
P107	Adopted	
P108	Adopted	

P109	Adopted	
Fritz 4/13 Memo, item 1	Adopted	Goal 2F: Accessible and effective participation City planning and investment decision-making processes are designed to be culturally -accessible and effective, <u>and responsive to the needs of all communities and cultures.</u> The City draws from acknowledged best practices and uses a wide variety of tools, including those developed and recommended by under-served and under-represented communities, to promote inclusive, collaborative, culturally- specific <u>responsive</u> , and robust community involvement.
Fritz 4/13 Memo, item 2	Adopted	New policy, after Policy 2.22: <u>Adequate funding and human resources.</u> Provide a <u>level of funding and human resources allocated to the Community Involvement Program sufficient to make community involvement an integral part of the planning, policy, investment and development process.</u>
Mayor 4/11 memo, item 1	Adopted	Add "Work to remove regulatory barriers that prevent the use of such tools" to the end inclusionary Housing (Policy 5.34).
May 4/11 memo, item 3	Adopted	Policy 4.36 Diesel emissions. Encourage best practices to reduce diesel emissions and related impacts when considering land use and public facilities that will increase truck or train traffic. <u>Advocate for state legislation to accelerate replacement of older diesel engines.</u> Policy 7.5 Air quality. Improve, or support efforts to improve, air quality through plans and investments, including reducing exposure to air toxics, criteria pollutants, and urban heat island effects. Consider the impacts of air quality on the health of all Portlanders. <u>Coordinate with the Oregon Department of Environmental Quality to incorporate up _____ -t and best practices into planning and investment decisions.</u>
Mayor 4/11 memo, item 4	Adopted with further changes	Policy 9.49 Regional congestion management. Coordinate with Metro to establish new regional multimodal mobility standards that prioritize transit, freight, and system completeness. i. Create a regional congestion management approach, including a market _____ -b auto trips and parking, better account for the cost of auto trips, and to more efficiently manage the regional system. ii. <u>In the interim, use the deficiency thresholds and operating standards of the Regional Mobility Policy, in Figure 9 _____ -4, f and the regional arterial and throughway network."</u> [New Figure 9-4 is below]
Mayor 4/11 Memo, item 5	Adopted	Policy 6.6. Low carbon <u>renewable energy</u> economy. Align plans and investments with efforts to improve energy efficiency and reduce lifecycle carbon emissions from business operations. Promote employment opportunities associated <u>with the production</u>

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		<p>of <u>renewable energy</u>, energy efficiency projects, waste reduction, production of more durable goods, and recycling.</p> <p>Policy 6.39.c. Prime Industrial Land Retention. Limit regulatory impacts on the capacity, affordability, and viability of industrial uses in the prime industrial area while ensuring environmental resources <u>and public health</u> are also protected.</p>
Mayor 4/11 Memo, item 6	Adopted	Updates to Figure 10-1 [see below]
Mayor 4/11 Memo, item 6	Adopted	Add “Work to remove regulatory barriers that prevent the use of such tools.” to the end of Policy 5.34.
Mayor 4/28 Memo, item 2	Adopted	Historic resource: A structure, place, or object that has a relationship to events or conditions of the human past. Historic resources may be significant for architectural, historical, and cultural reasons. Examples include historic landmarks, conservation landmarks, historic districts, conservation districts, and structures or objects that are identified as contributing to the historic significance of a district, including resources that are listed in the National Register of Historic places. <u>Rank I, II, and III</u> structures, places, and objects that are included in historic inventories are potential historic resources.
New item from Council’s verbal instruction on 4/28	Adopted with further changes	New Policy after 4.45: <u>State and federal historic resource support.</u> Advocate for state and federal policies, programs, and legislation that would enable stronger historic resource designations, protections, and rehabilitation programs.

Figure 9-4. Interim Deficiency Thresholds and Operating Standards

Location	Standards		
	Mid-Day One-Hour Peak*	PM 2-Hour Peak*	
		1 st Hour	2 nd Hour
<u>Central City, Gateway, Town Centers, Neighborhood Centers, Station Areas</u>	<u>.99</u>	<u>1.1</u>	<u>.99</u>
<u>I-84 (from I-5 to I-205), I-5 North (from Marquam Bridge to Interstate Bridge, OR 99-E (from Lincoln St. to OR 224), US 26 (from I-405 to Sylvan Interchange), I-405</u>	<u>.99</u>	<u>1.1</u>	<u>.99</u>
<u>Other Principal Arterial Routes</u>	<u>.90</u>	<u>.99</u>	<u>.99</u>

*The demand-to-capacity ratios in the table are for the highest two consecutive hours of the weekday traffic volumes. The mid-day peak hour is the highest 60-minute period between the hours of 9 a.m. and 3 p.m. The 2nd hour is defined as the single 60-minute period, either before or after the peak 60-minute period, whichever is highest.

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Figure 10-1, Corresponding and Allowed Zones for Each Land Use Designation (Corrected)

LU Designation	Corresponding Zone(s)	Non-corresponding zone(s) that are allowed
Open Space	OS	none
Farm and Forest	RF	OS
Single-Dwelling 20,000	R20	RF, OS
Single-Dwelling 10,000	R10	R20, RF, OS
Single-Dwelling 7,000	R7	R10, R20, RF, OS
Single-Dwelling 5,000	R5	R7, R10, R20, RF, OS
Single-Dwelling 2,500	R2.5	R5, R7, R10, R20, RF, OS
Multi-Dwelling 3,000	R3	R2.5, R5, R7, R10, R20, RF, OS
Multi-Dwelling 2,000	R2	R3, R2.5, R5, R7, R10, R20, RF, OS
Multi-Dwelling 1,000	R1	R2, R3, R2.5, R5, R7, R10, R20, RF, OS
High- Density Multi-Dwelling	RH	R1, R2, R3, R2.5, R5, R7, R10, R20, RF, OS
Central Residential	RX	RH, R1, R2, R3, R2.5, R5, R7, R10, R20, RF, OS
Mixed-Use—Dispersed	CM1, GE	<u>CE</u> , R2, R3, R2.5, R5, R7, OS
Mixed-Use—Neighborhood	CM1, CM2, CE	R2, R3, R2.5, R5, OS
Mixed-Use—Civic Corridor	CM1, CM2, CM3, CE	R1, R2, R3, R2.5, R5, OS
Mixed-Use—Urban Center	CM1, CM2, CM3	<u>IG1, EG1, EG2, CE</u> , RH, R1, R2, R2.5, OS
Central Commercial	CX	IH, IG1, IG2, EG1, EG2, EX, CM1, CM2, CM3, CE, RX, RH, R1, R2, R3, R2.5, R5, R7, R10, R20, RF, OS
Mixed Employment	EG1, EG2	IH, IG1, IG2, CM1, CM2, CM3, CE, RF
Central Employment	EX	none
Institutional Campus	CI1, CI2, IR	EG2, EX, CX, CM1, CM2, CM3, CE, R1, R2, R3, R,2.5, R5, R7, R10, R20, RF, OS
Industrial Sanctuary	IH, IG1, IG2	RF

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2035 Comprehensive Plan - Map Amendments Considered by Council (Summary of Vote Outcomes)

Northwest Portland

Amendment	Council Action	Notes
M38	Adopted	
M47	Adopted, with further changes	2135 NW 29 th changed to R1. Also added additional property, changing to EX: <ul style="list-style-type: none"> • NW 29th Ave. on the east • NW Nicolai St. on the north • The half block south of NW Roosevelt St. on the south • The half block to the west of NW 31st Ave on the west (R307721, R307722, R307724, R307726, R307727, R307729, R307730, R307739, R307740, R307741, R307744, and part of R307719).
M64	Adopted	
B89	Adopted	
B116	Adopted	
Mayor's 4/28 Memo, item 4.	Pending	On April 20th Metro provided testimony requesting adjustment of land use designations on several Metro-owned parcels.

North Portland

Amendment	Council Action	Notes
B14	Adopted	
B15	Adopted	
S15	Adopted	
B16	Adopted	
B17	Adopted	
B19	Adopted	
B20	Adopted	
M26	Adopted	
M30	Adopted	
M31	Adopted	
M42	Adopted, with further changes	Changed to reduced area: 705 N FREMONT ST (1N1E27BA 200), 311 WI/N IVY ST (1N1E27AB 3100), and the parcels at the corner with N Gantenbein (1N1E27AB 2901, 1N1E27AB 2902).
M65	Adopted	
F68	Adopted	
M70	Adopted, with further changes	Added area across the slough in Bridgeton.
B106	Adopted	
B115	Adopted	
Mayor's 4/28 Memo, item 4.	Not adopted	On April 20th Metro provided testimony requesting adjustment of land use designations on several Metro-owned parcels. Council chose to retain OS designations on these properties.

Northeast Portland

Amendment	Council Action	Notes
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B21	Adopted, with further changes	Add 1N2E28CC 4601 (R251426).
M21	Adopted	
B22	Adopted	
B23	Adopted	
B24	Adopted	
M24	Adopted	
B25	Adopted	
N25	Adopted	
B26	Adopted	
B27	Adopted	
M27	Adopted	
B30	Adopted, with further changes	Changed an additional property to Mixed Employment here (7721 NE Halsey, R194024, R194025, R194023, R194022, R194021).
B32	Adopted	
B33	Adopted	
M33	Not adopted	
B34	Adopted	
M34	Not adopted	
B35	Adopted	
B36	Adopted	
M36	Adopted	
B37	Adopted	
M39	Adopted, with further changes	Refinement of designations at NE Fremont near NE 50 th - Add Mixed Use to 4926-4936 NE FREMONT ST, and 3525 NE 50TH AVE. These are existing commercial or mixed use buildings. And, the properties at 3430 NE 52ND AVE, 5320 NE FREMONT ST, 3433 NE 54TH AVE, 3428 NE 54TH AVE and 3429 NE 55TH AVE are all split-designated R2 and R5, and should be changed to R2.
M43	Adopted	
M44	Adopted	
M45	Adopted, with further changes	New land use pattern on NE 60 th and vicinity. Map provided upon request.
M46	Adopted	
B49	Adopted	
M49	Withdrawn	
M62	Adopted	
M63	Adopted	
B65	Adopted	
B66	Adopted	
B67	Adopted	
M67	Adopted	
M71	Adopted	
M70	Adopted, with further changes	Added area across the slough in Bridgeton.
B73	Adopted	
B74	Adopted	
F81	Adopted	
B103	Adopted	
B105	Adopted	

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B120	Adopted	
Mayor 4/11 memo, item 8	Adopted	Change the Euclid Heights subdivision near 47th and Halsey to R5
Mayor's 4/28 Memo, item 4	Not adopted	On April 20th Metro provided testimony requesting adjustment of land use designations on several Metro-owned parcels. Council chose to retain OS designations on these properties.
Mayor's 4/28 Memo, item 7	Adopted	Change a wedge of ODOT property on N. Fargo (1N1E27BA 6800) to Mixed Employment.
5/16 Council session	Adopted	2605 NE 7 th - restore RH (approved development is already underway at RH zone density, so the PSC-recommended R1 designation no longer accomplishes the original intent.

East Portland

Amendment	Council Action	Notes
B1	Adopted	
B2	Adopted, with further changes	Correction made: The amendment should have been for 412 SE 108th, not 341 SE 109th.
B3	Adopted	
B4	Adopted	
B5	Adopted	
B6	Adopted	
B7	Adopted	
B8	Adopted	
B9	Adopted	
B10	Adopted	
B11	Adopted	
B12	Adopted	
B13	Adopted	
S9	Not adopted	
M40	Adopted	
B45	Adopted	
M61	Adopted	
M68	Adopted	
M69	Adopted	
F72	Adopted, with further changes	Change 3839 NE 122nd (1N2E22DD 400) to be entirely Mixed Use - Civic Corridor, and 11800 NE Saver (1N2E22DD 201) to be R3 rather than R7.
M76	Adopted	
B117	Adopted	
B119	Adopted	
Mayor's 4/28 Memo, item 4	Not adopted	On April 20th Metro provided testimony requesting adjustment of land use designations on several Metro-owned parcels. Council chose to retain OS designations on these properties.
Mayor's 4/28 Memo, item 6	Adopted	Add Mixed Use- Dispersed to MHCC property at the SE corner of NE 102nd and Prescott (1N2E22CB 1700 and 1N2E22CB 1800).
Fish Memo, 4/12	Adopted	Change several properties to Open Space per BES request. Includes 14841 SE Barbara Welch Lane, 7215 SE Barbara Welch Road, 6714 SE 142 nd . See Fish memo for added details:

Southeast Portland

Amendment	Council Action	Notes
S8	Not adopted	Staff directed to explore zoning code changes to allow nurseries in residential zones as a conditional use.
S12	Not adopted – but clarification	Council clarified certain properties that would have otherwise become nonconforming under the R2.5 designation will be given R1.
N15	Not adopted	
S20	Not adopted	
S21	Adopted, with further changes	As modified, this amendment restores the existing Comp Plan designations to change area #348 (West of the Lone Fir Cemetery), as well as areas #930 and #931 (East of the Lone Fir Cemetery). Staff was directed to explore a future plan district or overlay zone for more specific development regulations in these single dwelling areas close to the Central City. The project would also examine similar areas in Kerns, Sunnyside, Hosford-Abernathy, Brooklyn, Sullivan’s Gulch, Irvington, and Elliot. This would be a separate planning project, so earlier than 2017/18.
S22	Not adopted	
M22	Adopted	
M23	Adopted	
N24	Adopted	
M28	Adopted	
M29	Adopted	
B31	Adopted	
M35	Not adopted	
B38	Adopted	
B39	Adopted	
B40	Adopted	
M41	Adopted	
B42	Adopted	
B43	Adopted	
B43-1	Adopted	
B44	Adopted	
B46	Adopted	
B47	Adopted	
B48	Adopted	
M48	Adopted	
B50	Adopted	
M50	Adopted	
B51	Adopted	
M51	Adopted	
B52	Adopted	
M52	Adopted	
B53	Adopted	
M53	Adopted	
B54	Adopted	
M54	Adopted	

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B55	Adopted	
M55	Adopted, with further changes	Changed to include the entire ownership at 4926 and 4975 Division (R241358, R241359, R241360, R168880) in the Mixed Use – Urban Center designation.
B56	Adopted	
M56	Adopted	
B57	Adopted	
B58	Adopted	
B59	Adopted	
B60	Adopted	
B61	Adopted	
F61	Adopted, with further changes	Add R177069 and R268838.
B62	Adopted	
F62	Adopted	
B63	Adopted	
B64	Adopted	
B68	Adopted	
B69	Adopted	
B70	Adopted	
B71	Adopted	
B72	Adopted	
M74	Not adopted	
B75	Adopted	
M75	Adopted	
B76	Adopted	
B77	Adopted	
B78	Adopted	
B79	Adopted	
B80	Adopted	
B81	Adopted	
B82	Adopted	
B83	Adopted	
B84	Adopted	
B85	Adopted	
B86	Adopted, with further changes	Added one property (1223 SE CORA ST)
B87	Adopted	
B88	Adopted	
B97	Adopted	
B98	Adopted	
B99	Adopted	
B101	Adopted	
B104	Adopted	
B107	Adopted	
B108	Adopted	
B109	Adopted	
B110	Adopted, with further changes	Change all of the R2.5 on SE Henry to R5, between SE 52nd and the end of the street at 5601 Duke.
B113	Adopted	
B114	Adopted	
Fish Memo,	Adopted	Change areas along SE Caruthers between 35 th and 39 th

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4/12		from Mixed Use, to Residential 2500 (Excluding 3609-3629 SE Division, 2450 SE 37 th , 3711 SE Caruthers, and properties fronting on Caesar Chavez).
Mayor's 4/28 Memo, item 4.	Not adopted	On April 20th Metro provided testimony requesting adjustment of land use designations on several Metro-owned parcels. Council chose to retain OS designations on these properties.

Southwest Portland

Amendment	Council Action	Notes
N11	Adopted	
N14	Not adopted	
S16	Withdrawn	
S18	Not adopted	
M19	Adopted	
M20	Not adopted	
M25	Adopted	
M32	Adopted	
M37	Adopted	
F55	Adopted	
M57	Adopted	
M58	Adopted	
M59	Adopted	
M60	Adopted, with further changes	Removed one property (R128705, 2435 SW 5TH AVE), which is separate (Not Terwilliger Plaza) ownership.
F71	Adopted	
F83	Not adopted	
B90	Adopted	
B91	Adopted	
B92	Adopted	
B93	Adopted	
B94	Adopted	
B95	Adopted	
B96	Adopted	
B118	Adopted	
Mayor's 4/28 Memo, item 4.	Not adopted	On April 20th Metro provided testimony requesting adjustment of land use designations on several Metro-owned parcels. Council chose to retain OS designations on these properties.

**2035 Comprehensive Plan – TSP Project List Amendments Considered by Council
(Summary of Vote Outcomes)**

Amendment	Council Action	Notes
Novick List and Project List Errata	Adopted	Amendments were described on pages 100-111 of the Council Amendment Report: https://www.portlandoregon.gov/bps/article/569929
Hales Hayden Island Bridge amendment	Adopted, with further changes	Project description was modified: Design and construct an arterial bridge from Expo Center

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		to East Hayden Island. Explore feasibility of designs that would prioritize transit, bikes, and emergency vehicle access, and not facilitate cut-through traffic for vehicles that do not have origins or destinations on the island.
7 th /9 th Bikeway	Adopted, with further changes	Project description was modified: Design and implement a neighborhood greenway along the NE 7th/9th Ave corridor from Weidler to Holman (alignment to be determined during design phase), using traffic calming treatments as needed to meet recommended performance guidelines for neighborhood greenways and adjacent local streets.

527-1. Amended 4-28-16 (Item 430)

2035 Comprehensive Plan

Amendments to Supporting Documents Considered by Council

Summary of Vote Outcomes

Amendment	Council Action	Notes
EOA	Adopted	A revised Economic Opportunities Analysis was adopted. 3-18-2016 Bureau of Planning & Sustainability memo describes the changes between the August 2015 and March 2016 drafts.
CSP	Adopted	<p>Several minor amendments to the CSP were identified in the staff Errata Memo & Council Amendment report reprinted below.</p> <p>Page 21 – An out of date version of the Investment strategies diagram was used. The correct version is on page I-37 of the Goal and Policy document. Keep “1”, “2”, “3”, “4” quadrant notations, which are referenced in the text.</p> <p>Page 25 – An out of date version of the guiding principles was printed here. The correct version is on page I-7 of the Goal and Policy document. The diagram should also include the numbered and named quadrants, which are referred to in the text.</p> <p>Page 55: Second bullet on page “Wastewater Collection System” should be a formatted heading, similar to “Wastewater Treatment System”</p> <p>Page 53: Under “Portland Utility Board”, update as follows: “... and representative review of water, sewer, and stormwater, and solid waste financial plans.” Explanation: This is a correction. The Planning & Sustainability Commission now reviews solid waste financial plans, not the Portland Utility Board.</p> <p>Page 59: Replace boxed references with Goals & Policies chapters for reference, or change reference to Comp Plan.</p> <p>Page 289: Update text and add project list included in Phase 1 of the TSP Recommended Draft</p> <p>Page 291: Update text and add list of existing USB and service agreements with adjoining cities, counties, and service districts.</p> <p>Glossary additions (to match changes to Comp Plan Glossary):</p> <ul style="list-style-type: none"> • Page 302: Natural Area and Park • Page 303: Recreational Facility

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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 18, 2016 9:30 AM

Hales: Good Morning everyone and welcome to the May 18 meeting of the Portland city council, please call the roll.

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

Hales: Good morning, we have council calendar concludes a couple of time certain including working on the budget at 9:45. We have a request to pull the items from the consent calendar, the regular calendar that is being 514. Anything else? Make sure you signed up with the council clerk. It does not look like we have so many people here that we cannot allow people three minutes to speak so that's what we'll plan to do. With that let's move to communication item 507.

Item 507.

Hales: 514, the settlement.

Shedrick J Wilkins: I am shedrick j Wilkins. I was born in Portland, Oregon, and I live here. I was homeless five years ago. Anyway, I like to brag that I am kind of a prophet now. Hopefully this one is right. This is artwork, right, so I don't like Donald trump. Anyway, I am a little happy right now so I want free community colleges in Oregon because I have a grudge against the Intel Corporation. In 1998 they did not hire me, and I have given a handout to the city council. I support Bernie sanders because he wants free universities. He supports free universities, and colleges, but senator Wyden has met him in the middle and said we would like free community colleges, at least that's what he stated in the voter pamphlet. I wrote him a letter and he has not returned it yet. It does not mean -- he probably gets a lot of letters. I want to see the free community colleges in Oregon with my name on it. I think that it would be good because Intel now announces that they are going to have 10% lay-offices, which means the people are educated, and with a bachelor's degree you cannot get the pel grants, some of these people might want to retrain unless a stem cell research, and maybe we should make it free. The community college, you definitely get your hands on. I took a course at pcc and plasma etching of integrated surrogates and I loved it and I got an A. When I was at psu its quantum mechanics and blackboard stuff and you don't touch anything. If you work for Intel you don't touch anything until you are employed. I love the pcc capital center because I saw a plasma etching machine that looks like a jukebox machine that cost \$200,000. I, actually, saw that they had a model of a plant in Beaverton so you can see what this -- like a little railroad track carries the wafers. These are things I don't see in the textbooks. That's why I want free colleges because educated people may not have the money or they have financial commitments, and they are laid off and they need to retrain. That's pretty simple. I have arranged for another talk, too, next month. Have a nice day, and I am happy.

Hales: Thank you. Have a good day. Item 508, please.

Item 508.

Hales: Good morning.

Charles Johnson: For the record I am Charles Johnson. Good morning, lame duck winners and run-off contenders. Although today we'll be caught up in being a little trivial about the election and recognizing that 36 years ago we were a bit more concerned with

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volcanic ash than ted wheeler. The truth is that just two blocks north of here people are getting evicted, and some of those people are going to be getting a number at transition projects or join where they are going to be told that their number 420 or higher on a list to get shelter that they will qualify for in november, about the time that we're having a general election, so I hope that it will be excellent transition work between mayor hales and incoming mayor ted wheeler so we can talk about even with the millions of dollars short-fall how we're going to keep the people inside the sears armory overnight. Nobody's life will get better when sears armory closes. We need to double down to get more people into shelters, even if the weather is nice, if only for fear of damaging our tourism business, we should not be moving people into tents on Memorial Day weekend in the first weekend in June for the Parade. One way to do that is for this current council and people elected to this council to explain clearly to the state government that there is an emergency in Portland. We have created with the crazy real estate market, and people need to have rent stabilization. Some people have no other hope of not becoming homeless other than to have the government say you know, if your property taxes went up zero, and everything else about your property went up to zero, at this time we can't have you kick your tenants out so that you can increase the rent 40%. That's sane and rational. We have laws against usury and ridiculous rates on credit cards. Also in Oregon, we lead with limitations on rent increases. I also, I know that Barbara kite is an excellent communicator and we'll make sure that you save the beautiful tree there in the 7300 block of Washington and maybe have a negative economic impact on Mr. Remer's big dreams. I want to thank all the people who ran the candidates, even those who got 3% of the vote. I was surprised that Mr. Wheeler was able to bring in over 50% and leave us with a focused conversation about the pro and is cons of retaining Mr. Novick on the council. Congratulations to Sharon Miran who will be the leading candidate in the county commission. Thank you.

Hales: Thank you. Ok. 509, Please.

Item 509.

Hales: Are you here? Ok. I guess we'll move onto 510. Good morning.

Item 510.

John Russell: Good morning Mr. Mayor, and members of council. Congratulations, Commissioner Fritz. I am john Russell, 200 southwest market street in Portland. I am here speaking on behalf of nine property owners in an area roughly by southwest Maine, south park blocks, 405, and river place. Portland state is one of the members. The other eight of us owns some two dozen city blocks in the area. The other members were Scott Andrews of Melvin mark properties who took the time to be here today, and they own a partnership interest in the two blocks that make up Crowne plaza, the two blocks of the state office building, in Columbia square. Greg woodwin of the downtown development owns an interest in the Crowne plaza in the vacant lot to the east of Coin center. Julie and randy are Oregon pacific own apartments, office, retail and land between 1st and Park Avenue and Julie also took the time to be here today. Tom Kilbane of urban renaissance group owns the Oregonian building that's been virtually entirely pre-leased before the end of the reconstruction. Bob scanlan of skb owns [inaudible] in the hill building at 4th and Lincoln and bob has taken the time to be here today. [inaudible] owns an interest in the market building on southwest 1st, and Kevin Reynolds is the representative from Portland state. This is an area that most people believe is thriving. It is. Most of our buildings are relatively full, and the important, area of seeing new construction, where the neighborhood of the new county courthouse, renovation of the Oregonian building, the new porter hotel, the development on Broadway. The construction projects on the psu campus and a new apartment building and grocery store at 4th and Harrison. Our area is well served by the streetcar and light rail. However, we came together as a group not because we're thriving

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but we see clouds on the horizon. Rental rates lag those in the pearl district by 20%. There are tenants who have chosen not to locate in our district because they believe it is not attractive to the millennial workforce that wants a more vibrant street scene. We met as a group with special prominent types in early December and late January to form a plan. Each of us is spending millions on our buildings to make them more attractive. The answer is we believe that the condition of some public sector properties are detrimental to the neighborhood. We would like to enlist your support to let us improve them. They are three. The first is the Keller auditorium, which although it is operated by metro, Merck, and Portland 5, is owned by this --

Fish: Since John is speaking for four people could we give him an additional minute?

Hales: This is on the council calendar later this morning, as well.

Russell: we have several ideas to transform the building. We hired Shields Johnson to see if the solar panels can be installed on the roof. We hope the commission [inaudible] to conduct an international design competition for a signage program on the same scale as the signage for the schnitz. We will need council approval for that signage. The second proper, public properties are the two fountains in the secretary of defense. Of particular concern is the fountain where the grass has turned to moss. The lights that illuminate the fountain from underneath are not working, nor are the lights that illuminate the fountain from above. We would like your permission to do these repairs at no cost to the city using union labor. We envision the sequence functioning like the Japanese and Chinese gardens.

Hales: Let me ask you a question, and that is the -- and we have a budget note on the calendar later this morning.

Russell: Yes.

Hales: And that is our note is contingent on you and the other property owners.

Russell: Right.

Hales: And if that all comes to pass, if we earmark this funding for the fall budget management process here, and if you succeed in forming the lid, which it sounds like it's likely given who you listed, will that combination of city resources and property owner contributions accomplish the majority of the repairs that need to be done, or is it only just a start?

Russell: No, I think that it will accomplish it, particularly if it's done with the help and conservancy, and like the Japanese garden and the Chinese garden.

Hales: So is the conservancy formed as a nonprofit?

Russell: Yes.

Hales: That exists? That exists now as a 501c3?

Russell: And it has for some time.

Hales: Right.

Hales: So they are capable of taking the city, through the parks bureau decides to have some responsibilities performed by a nonprofit you are there.

Fritz: And we have done that in the past.

Hales: I need you to wrap up. This is an unusual situation because this is a partnership with the city.

Russell: Last paragraph. We're all in this together, and we as private property owners as the owner of public properties, together we can make this area, retain the vitality that it had when our buildings and your properties were new. Thank you.

Hales: Thank you very much. And again, we appreciate hearing from you. I think that you can even just let staff know if you think the language we have for the budget note we'll be considering later this morning, I am not sure if you are staying but if you think that language is correct the Council is prepared to act on some version of that.

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Russell: It is. Commissioner Fish has shared it with us.

Hales: Great, thank you very much. Appreciate that. Ok. Let's take the next person please. 511.

Item 511.

Hales: Good morning.

Joe Walsh: Good morning. I am Joe Walsh. I represent individuals for justice. On the agenda I will ask for a little time extra over the three minutes because I am struggling with some of the words. On May 4, an activist named Kif Davis, asked three minutes of testimony be held and found in honor of another activist who had taken her own life. It was called out of order and was removed from the council. It is your decision. Once again, I was removed from the council when I came to the defense of Mr. Davis. We find that behavior outrageous. Michelle was a gentle soul who came to this council as a citizen to express her opinions. But disliked confrontation face-to-face, soon being in the back, with general objections about the meeting. She was the defender of the people that live on the streets. She was the victim and a survivor of domestic violence. She was a gentle soul. My friend. And you, mayor, could of handled Mr. Davis's request with style and patience. Once again, your inability to understand the hurt that would result in the community with this law, demonstrated by you calling an activist out of order when you were out of order most of the time during these meetings. You run the meetings anyway you like and we just had an example before, if you liked the person, they get six minutes. You don't like them, three minutes. Boom: Out. And you will throw them out. If they object to it. You, sir, owe Mr. Davis an apology but we know that you are not going to do that. I come here and today to put into the record our displeasure of your behavior and look forward to January 17 when they call this on a terror ring of mayor hales. I have included a picture of Michelle so you can recognize her. May she rest in peace. And by the way, congratulations on your 70%, that was the last figure that I saw. They have voted you back in. It's kind of cool. Activist, Mr. Mayor, are not perfect. We make mistakes. We get egg on our faces. You need to have a little more patience in in the coming months because we have to do something about these problems. Activists are going to say things that you don't like. And that's the name of the game. It is not orderly. Never will be, and thank god.

Hales: Thank you very much. Let's move to the consent Calendar, and as I said, one item to pull so let's take a vote on the balance of the consent calendar.

Fish: Aye. **Saltzman:** Aye. **Novick:** Aye. **Fritz:** Aye. **Hales:** Aye. [gavel pounded]

At 9:48 a.m. council convened as City of Portland Budget Committee

Hales: 512.

Item 512.

Hales: Here comes Andrew and Jeremy, do I need to reconvene us as the budget committee? So I am reconvening the city council as the budget committee, and no need to recall the role and let the record show we are all still here. I am opening a hearing to discuss the uses of state revenue hearing, this is held by the city council of Portland, Oregon, in compliance with the provisions of the state revenue sharing regulations ORS 22.1770, and it is, it allows the citizens to comment on the use of the funds in conjunction with the budget process. As proposed for council adoption the fiscal year 2016 and 2017 budget anticipates the receipts totaling 16, 08,397 from the state revenue sharing as has been the case in prior years, it is proposed this revenue be allocated. Is there anyone here who wishes to be heard on the subject of state revenue sharing?

*******:** What is the final vote on the transportation?

Moore-Love: No one signed up for the revenue sharing.

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Hales: Anyone want to speak on the sharing? If not then I will close the hearing on the uses of state revenue sharing, and unless there are any council comments on that subject, I will close that portion of the hearing. Now it's time to take up the regular budget.

Andrew Scott: If you don't mind, I will run through the process because it can get byzantine. So I want to make sure that everyone knows what we are voting on when because there will be multiple steps through the next while. What is going to happen first, the process here is to get to an approved budget, and you are acting as the budget committee, making any amendments to it and etc. There is a budget, proposed budget as filed. And that was filed a bit more than a week ago. And that is the budget that includes new revenue. The first thing we're going to do is look at the motion to consider the changes to the proposed budget as filed. We'll be moving with the substitute which is a package without new revenue and we'll need a motion and then a vote on that substitute at that time.

Fish: Don't we make a motion to bring the substitute first and then make the adjustments?

Scott: We don't.

Fish: Ok.

Fish: You are the expert.

Scott: A bit different than the normal council process. I will describe very briefly, although we had a work session on it so I will not take much time on that in terms of that package. At that point we'll take up the amendments to the substitute because that's what they are based off of at this time. Each amendment will need a first and second although we can do a first and second for the whole package of amendments that you have in front of you and take the individual votes on them. After you have talked about all the amendments and voted on the amendments you will then have a motion and a vote to improve the entire package of the adjustments including the amendments. That is not the final vote. What that is saying is the substitute, to substitute the amendments, the entire package, there is a vote to essentially approve that for discussion, and at that point we'll take the public testimony. The public knows what they are voting on so they know they will be voting on a substitute or any amendments you discussed, and can testify about any of those things. And then we approve the final budget before the tax levies.

Hales: Let me restate that and make sure that -- the first motion is to open the window for the amendments, right. To move to amend.

Scott: The first, actually, the first motion is for the budget committee to put on the table the proposed budget as filed. We need a motion.

Hales: I will move the approved budget as filed.

Fish: Second.

Hales: I will take a motion for the -- the consideration of the substitute.

Saltzman: Move.

Fish: Second.

Hales: And then we should take a vote on that motion and then start working on the amendments to the substitute, right.

Scott: Exactly.

Hales: Ok. So unless there is further discussion let's take a vote on the motion for a substitute please.

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

Hales: I will support this motion although there are major unfunded responsibilities for the city of Portland in the substitute. I appreciate that there is a great deal in this budget that I proposed, and that the counselor supports, and I appreciate that support. I think that there are items that we're going to discuss in the upcoming discussion about further amendments that will further improve this budget. There are some big problems in our city

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that remain to be addressed. They will not, in my opinion, be addressed without new revenue. One is that we do not have enough police officers and we are having less of them as the weeks go by. The situation for hiring the police officers has changed. In a post-Ferguson era, in an economy in which people who have the skills to be a police officer have many choices about the work that they can do, it's gotten harder for the municipalities to hire police officers, and that's why there are 250 vacancies for police officers across the state of Oregon. 64 here. Next week we will have another wonderful ceremony where we hire three more police officers, and I enjoy each and every one of those, and I am so amazed and impressed by the caliber of the people that we are hiring into the police bureau, the diverse backgrounds that they bring and the life experience that they bring and they are wonderful. The trouble is, the people are retiring faster than those folks are being recruited. We need to redouble our effort and we need to pay a signing bonus and raise the starting salary, all those things are proposed in this budgets and some of them are funded. I appreciate that very much, but we have much more work to do on the subject, and this problem is going to get more serious over time. Summer is coming, and with it the problems of summer that have already begun, a wave of gang violence that's worse than we have ever seen, and serious issues on the street that require sensitive handling by police officers. So the need to deal with that problem will remain after the vote. Again, I support the balance of this budget. It's a good budget. It does a lot of good things for Portland. It continues our commitment to housing and it takes good care of the city employees who need to be respected and supported and paid a living wage, and it addresses more gang outreach workers for that problem of gang Violence. It does a lot of good things but what it does not do is make sure that we reverse the decline of the workforce in the Portland police bureau. The other thing it does not do is create a new way for dealing with people who are homeless on our streets other than either ignoring the problem or arresting them, and the need for a diversion program is real, and I understand that is still formative and that there is work to do but we need to commit to and fund that, there is capital projects that I regret seeing cut. I think that the better natio project is wonderful, and if you look at how they are operating today in the busy park that we have and the hotels and other construction downtown that will crowd the waterfront with more pedestrians and bicycles, the need to get it right is becoming more acute. Do we have to do that this summer? No. But it would be a good time to start since we created the project and have it operating today. There is holes that we have not filled but the rest of it is good work and I appreciate the good work that's been done and we'll say this a couple days to you, but your staff has served us well and I appreciate it very much, aye.

Scott: Thank you, mayor. So I will just very briefly, we had a budget committee meeting on Monday, May 16, and went over this substitute so just to recap the very high level in terms of the general fund changes, what The substitute does is invests 13.8 million of ongoing resources and in a variety of programs and again those were discussed and available on the website over the last couple days. That is from 9.2 million of surplus and as well as 4.8 million of bureau reductions. On the one-time side the budget is under 20 million. And of 1-time resources and 16.4 million of that is from one-time projected surplus. Going into 2016-2017, and 1.7 of excess bond funds, and 1.7 million carryover of 2015-2016 contingency.

Hales: Questions for Andrew before we begin with the further amendments?

Fish: We all have a cheat sheet. Is it your intention to have Andrew just walk us through each one? We'll see if there is a first and second and then debate them?

Hales: Exactly.

Scott: Ok.

Saltzman: Ok. Go ahead.

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Scott: With that moving onto the amendment process again you do have this list in front of you so I guess do you want in a head to describe?

Hales: I will move amendment number which increases the funding in the police bureau for a body camera program.

Fish: Second.

Hales: Andrew you wanna describe that?

Scott: This allocates the 1.7 -- or 1,685,929 of ongoing resources to the police bureau to support the body camera program but because they won't be needed as the program ramps up immediately it does have a one-time offset in a reduction in 2016-2017 of one-time resources. The funding source is a reduction in the ongoing capital set aside. So you may recall there was 2 million of the money set aside in the future years for capital projects. This would reduce that. 2 million set aside, reduces it by 1.7 million and dedicates that to the body camera costs. Questions.

Fritz: We are going to consider the budget notes separately?

Hales: We'll take a vote to add them to the substituted and we'll take the testimony on all of the above.

Hales: Any other discussion?

Hales: We're allow people to testify and we can change our mind and remove the items or adjust the items based on what we hear but we need them added to the substitute ordinance in front of us.

Saltzman: I really don't understand this budget note.

Hales: This is not a budget note but amendment.

Saltzman: I don't understand this amendment and what it's doing or attempting to do.

Scott: The mayor set aside 2 million of ongoing funds in -- that would be available in the future years for capital projects of any kind. He use those for one-time. They were not linked to specific things but used those resources to balance the events. Again, by putting the ongoing in there, assuming that there were no changes, council would have 2 million to invest in the Capital projects and we would need to discuss what the allocation process is. It was not allocated to anything specific after the first year. What this amendment does is it takes most of that, 1.7 million of the 2 million, and it says we're going to dedicate that to the police body cameras and the costs related to that program.

Saltzman: In the fiscal 2017-2018?

Scott: Correct so the police bureau has one-time resources to purchase the cameras to deal with the start-up costs and they can tap into their asset forfeiture funds, but the ongoing costs of running a body camera program which can be significant in other jurisdictions found that as they have implemented these. This would make sure the funds are available in the future years for the records management costs and staffing cost says.

Fish: Based on the testimony that we had from the bureau what they said, I think I recall the testimony was that they have to go through a process of developing the policy, a policy of procurement, and effectively why the money doesn't get tapped until the next year.

Fritz: We're going to discuss that in the budget note right?

Hales: Does that make sense? It took me a while, too. I appreciate that. Any other questions? Roll call on that motion, please.

Fish: I will support the mayor's office amendment. The mayor put 2 million aside for capital set aside, and that Reflects the mayor and council's values but this is a community priority and there is available money and doesn't require an offset to other things the council wants to fund, so I will support this. Aye.

Saltzman: I will support this, too but express my concerns that I don't feel that we have our act together on body cameras in terms of how we will pay for it and getting the policy right and getting the necessary labor agreement negotiated that will allow the body

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cameras to be used by our sworn officers. I will support this but I expressed strong misgivings. Aye.

Novick: I think body cameras are a very good idea and a capital set aside is a very good idea. I also think that we're going to have an ongoing discussion about the resource needs of the police bureau, that go beyond the body cameras, and in the future I might feel it's appropriate to make exactly this change, but for right now, I would like to powerline the body cameras until we have a discussion about funding police needs, and I don't want to rush to eliminate this idea, which I thought was a very good idea of having a 2 million capital set aside. No.

Fritz: It has been discussed this money is not going right out the door, and so I need to remind the council that we have not made the policy decision to move forward on body cameras yet. When we had the hearing there was concern, and got some changes passed at the state level to allay the concerns so I have got a couple of amendments to the next item which is the budget note to reflect that. I share commissioner Saltzman's concern that we need to do the process in the right order, and the council hearing on the body cams. That hearing would be moot so that's why I think that we should set this aside. If we decide not to do this, putting it into the capital set aside would be the right approach. I believe this is a place-holder, aye.

Hales: I have known that we needed body cameras in Portland since my second month on the job when I got one of those calls in the middle of the night about an officer-involved shooting. It was an incident that occurred in the parking lot of the Portland Adventist hospital in which a man had forced his way out of the hospital by breaking a telephone and making it appear he had a gun tucked in the waistband of his pants. That was the information the officers had. The man was in the parking lot confronted by the officers at some distance and ran towards them cursing them and counting down. We know this because a young couple ushered into their apartment held their phone up over the window sill and recorded the incident. Once it was provided, it illustrated our officers had acted improperly in what was a very unfortunate tragic situation. What the cameras do is keep the truth safe and safe for police officers and for the community and that's why they are a good idea. If you interrupt again you will be asked to leave. You do not get to interrupt the council. This is your last warning. So it keeps the truth safe and that's a good thing. Exactly how we'll do that, of course, requires deliberation by the council and more work by the police bureau. One of the themes in this budget and that I am proud of is we need to keep our commitments to our firefighters who we said that we would put back on the payroll, to our parks employees, that have been told by the state that they should be paid more and we agree. We need to keep the commitments, and one of the compliments that we made, really, is to ourselves and the legislature that we asked for this authority and we expect to use it, so I am glad that we asked for the legislative authority and as commissioner Fritz accurately stated we won't do it if we don't have the money in the budget for it. There are other things to do first but without the money it's a moot point. I appreciate this very much. Thank you. Aye. Ok. Motion, I will make the next motion, which is to amend attachment b to add a revised, or? A revised note or new one? This is a new one.

Scott: New budget note.

Hales: On the body cameras, read the note for us and we can discuss it.

Scott: I think we will need a second.

Hales: Sorry. We do.

Scott: Yes, so this is a new budget note, and I will go ahead and read it. Portland police bureau body camera program, 2016-2017 budget includes resources for a body program at the Portland police bureau, the bureau is expected to proceed with the request for the

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proposal process. of this program is anticipated to incur within the next three years, and funding for the implementation will come from the current one-time general fund resources set aside in the bureau's budget. And any resources available in the forfeiture fund and any resources now available in the bureau's ongoing budget that can be repurposed. The bureau will use an outside program evaluator to look at the post implementation to assess the impacts and outcomes of the investment.

Fritz: I might offer a couple of friendly amendments, I suggest that we delete the sentence the bureau is directed to proceed with the request to proceed for proposal process unless that includes coming back to the council with that.

Hales: We would have to come back with council with the purchase order so they intended this, and I don't know if the police Bureau is here or not but the office will probably answer there, the intent is to say that we have funding for equipment, tell us what you will sell this and for how much. And then pick what the bureau believes is the appropriate technology vendor and come to us with a proposed contract.

Fritz: I might suggest one step, which I think that the community would appreciate, which is for it to have the hearing to do that. Because we did hear it, a number of concerns about how would the cameras be used and on and what would be the process? And the way we left it at council was we have not made the decision to go ahead and put the rfp out.

Hales: I am happy to have that. We should have a public hearing when we do that. No quarrel. Of course the bureau did have a whole series of community meetings about body cameras that led to their proposed policy.

Fritz: So if we could just even delete the sentence or just have the shared understanding that this is going to be a hearing in the near future.

Hales: I don't think we need that. You have my commitment when we go to that, we'll get to that point of the rfi or rfp, and have the bureau come and make a presentation and public hearing.

Fritz: Thank you. At the end, this is a suggestion from the Portland business alliance, I would -- I would suggest that we add the sentence the bureau will also seek federal and other grants for one-time and ongoing costs of the body camera program. There might be grants out there that would assist with this and certainly argue it's really good.

Hales: As the expression goes hope is not a strategy but does not hurt to ask and we have asked and answered the question but we can put that in there.

Fritz: The bureau will also seek federal and other grants for one-time and ongoing costs of the body camera program.

Hales: So Commissioner Fritz moved that and I will second it. Any discussion about the first amendment to this?

Saltzman: I have no problem with the amendment but I would like to add an additional amend, and I want to talk about it and make sure that I am making sense. Further discussion about Commissioner Fritz's amendment, and roll call.

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

Saltzman: My concern is we're talking about the purchasing of equipment sometime in the next three years. And so two things, this is complicated technology. It's also a rapidly changing technological environment, so I am concerned we are going to commit to something and there could be a new generation of body cameras and we're locked into yesterday's technology. So I think that I would like to have and propose this as a motion, and I would like to have the technology oversight Subcommittee oversee the development of this, as well as the implementation of it. I think it makes sense, and those are people that we all appointed to do this work and this is complicated.

Fritz: This will be a discussion for council.

Saltzman: I would like the benefit of the oversight committee.

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Hales: What they would do is once a project was launched, they would monitor it, right, but they don't normally have a role in the front.

Saltzman: The goal is to get them up front.

Scott: There is a process to consider and accept the projects, but I think that the council expressing that that's something that you want them to do.

Hales: I don't have a problem.

Saltzman: The oversight committee will oversee the development of the rfp as well as the implementation of any technology system.

Fish: Second.

Hales: Further discussion. Roll call, please.

Fish: I think that's a good idea, aye.

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

Hales: Yes, it is aye. [gavel pounded] further discussion of the now amended budget note? Let's vote to accept that amendment as further amended.

Fish: Aye. **Saltzman:** Aye. **Novick:** No. **Fritz:** Aye.

Hales: Aye. [gavel pounded] ok. No. 3, move to increase the funding in special appropriations for the rose wood community center.

Fish: Second.

Hales: This one was confusing in the process. There was funding for this in the police bureau budget in previous years that funded one position. The rationale is twofold. There are places in the city where we don't have a community center and we provide a small amount of general fund support operated by a nonprofit in an area we don't have a facility and secondly the rosewood community center is on the front lines in our effort to try to stem gang violence. We had an incident where four people were shot and wounded inside the community center highlighting how serious the situation is there. Multnomah County has opened a family homeless shelter across the street. I think this requires some tlc on the city's part and a modest investment to continue the work, I think, is appropriate.

Fritz: I support this, and it's similar to the northwest Lenten community center, this is the southeast center, I would like to make some suggestions, one is in the motion printed it is suggested that the funding source would be coming from the youth basketball program.

Hales: It should be coming from contingency.

Fritz: I would suggested that we keep the first sentence and Allocate 55,000 of the general fund resources for the support of the community center from contingency.

Hales: I will second the motion. It clarifies that this funding would come from a contingency.

Fritz: I would like to add, whether we want to say to special appropriations or immediately allocate it for the Portland parks and rec.

Hales: I would, if you are comfortable with it I would prefer that this funding be in the parks bureau budget as the Lenten funding is.

Fritz: It will be more secure.

Hales: I will second that, as well, instead of appropriations it's to the parks bureau, and for supported of the rosewood community center and the, end the statement there. A vote on the commitment first, two amendments that is, that its general fund support, not reduction elsewhere and placed in the parks bureau and not special appropriations.

Novick: Can I ask the budget office a question first? There are several proposals to reduce general fund contingency. There's this there's motion four for 98,000 motion five for 75,000 and motion nine for 84,000. I would like a temperature check as to how much reduction overall and contingency do you think that is safe and do you get queasy.

Scott: Thank you for the question. Right now there is 2.3 million of general fund contingency to start. The amendments prior would have reduced that by 262,000 so

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adding this 50,000 will reduce it by 310,000 so that will take it over 2 million. There is no right or wrong number for contingency. The larger the contingency the easier it is to deal with. The larger the contingency the more likely we are to spend it on non-emergency actions. So 2 million is consistent with where we have been in the past and as a budget person I like that number to be higher. It is consistency with past years.

Novick: So you could live with this being passed -- I was trying to figure out do we need to pick and choose? You could live at least with all of these.

Scott: 2 million is a fine number if we have unexpected costs, I will be back during the year to ask for cuts.

Novick: Very diplomatically answered. Let's take a vote.

Saltzman: I thought on the Monday work session we should come in with amendments and a way to pay for them, and I am a little concerned that we're looking to pay for them by drawing down the contingency as opposed to a hard choice here, which is basketball and the rosewood initiative, so that's going to be guiding my vote on these.

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

Hales: Aye. [gavel pounded] ok number four, which is to increase the funding for Portland parks and recreation for sheriff patrol services at the river place marina. I will let you read it and Explain.

Scott: This allocates 98,000 of one-time general fund resources for sheriff patrol services. The funding source for the ad will be a one-time fund and used as necessary, this is something that parks bureau got funding in the fall bump for this and would continue this into 2016 and 2017.

Hales: A small confession, I, my staff spent three months working on this. Line item by line item and this was just a glitch on my part that we failed to carry that over to the general fund budget but there was never an intention to stop this, so I had intended to propose the proposed budget with this funding in it. And nothing more complicated than that. Just a glitch or mistake.

Fritz: I thank the community for bringing this to our attention not once, but probably six times.

Hales: They said don't forget us, and we had up until that point.

Fish: I move the motion.

Hales: Ok. Roll call, please.

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

Hales: Aye. [gavel pounded] motion number 5, to increase funding for the Portland development commission for the v corp. Program.

Novick: Second.

Hales: Do you want to explain that?

Scott: This is 75,000 of one-time funds for pdc for the corporation program. And the funding source will be one-time reduction of the contingency.

Fish: I have a question, and I was in denver recently, I had a chance to go to boulder for the evening, and at the town hall there was a reception for the national v corp. Program, the woman in charge of it was a woman who -- we hosted in Portland when they came here. It was a big turnout and movement. The question that I have for you is, is there an alternative way to fund this using pdc resource if not what's the argument?

Hales: I think the answer is unfortunately not because that would, if that would be possible that would be my first choice rather than the general fund so we did this. We allocated 75,000 to start this project in the fall bump, sorry, spring bump, so the work got started, not all the money has been spent yet. There was a proposal to expand the effort also proposed for the general funding within it is not included at this point. So the work has just begun. To me it makes start to start even if the effort is going to wait another year to ramp

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up. It is a strategic choice for the council, do we want to try to expand the support for and engagement of and facilitation of people becoming v corps in Portland. If we want to do that this is the place to start. There is staff working on this. If not, it can all be left aside safely. It's really a judgment call about do we want to be that Place and a city taking an important role.

Fritz: My understanding this was a carryover from a previous allocation, and that you had proposed a 250,000 ongoing allocation for the v corps.

Hales: 350.

Fritz: 350. A lot of ongoing money not in the substitute. What is the purpose of continuing the 75,000 if we're not doing the large ongoing?

Hales: Josh, does somebody, Rachel, you want to describe what's going to happen?

Rachel Wiggins, Mayors Office: The mayor's office, there is a lot of flexibility with the 75,000. It could be used to develop outside funds and a larger best for program if that's in the something that the council wants to do, 75 can incorporate the language and training into the current work that pdc is doing to help educate and those businesses who are coming to pdc, the larger program involves a lot of outreach to many more Portland businesses.

Hales: I think it involves staff, too.

Wiggins: Right.

Fritz: But the 75,000 could be used for outreach to the Portland business alliance and venture Portland and others to help them.

Wiggins: Absolutely, part of the conversation with pdc was leveraging the contracts that we have with venture Portland and other business associations on the technical assistance work they are doing.

Fritz: This doesn't make sense that the government can't and shouldn't do it all by keeping this money in the budget and passing it off to community partners.

Wiggins: Absolutely

Saltzman: I am sympathetic to this but in your opening remarks you allude the 75,000 could turn into sort of a lobbying effort on the council to do a larger general fund ongoing of 275,000, so can you assure me we're not going to be putting money at people who are going to turn around and start lobbying us for more?

Hales: We are not funding any positions with this.

Wiggins: If the council indicates they do not want any additional funding in further years we won't come back with more.

Saltzman: I am ok with the one-time funding but not looking in the mirror and finding it is all directed at lobbying us to create a bigger program. It is fine to help form these, that's great but I don't want it to be a lobbying effort with city council.

Wiggins: I think the hope is to leverage outside dollars and the governor expressed interest in creating a best for Oregon program so not relying on the city dollars.

Fish: Because the v corp. Movement is important to our economy, if this is approved would love an update from pdc on what their efforts are if we could make a friendly amendment and get a report on how this money has been used. And what leverage turned out to be. A future council may decide to make an additional amendment.

Hales: Let's take a vote, please.

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

Novick: As you know, I have an interest in corporate social responsibility, that's why we have an investment committee and I see this as consistent with that commitment, and I am pleased to vote aye.

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

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Fish: Can I amend my comment by saying I was on the fence until Rachel made such a persuasive case?

Hales: Rachel has worked hard on this so it's nice to give her that affirmation. I will move to motion 6. I move to update the attachment b to amend the data center relocation note, and I will let Andrew read the revision.

Scott: Is there this is an amendment to an existing budget notice. This discusses the data center. The substitute package funds the relocation at 623,000. And the cost and general fund cost of the relocation is 2.7 million more than that. We discussed this as we have gone through. omf are concerned about moving forward without full funding. So the original note directed them to come back with the request, this note amends that, and I will go ahead and read it. In the 2016 and 2017 council adopted the first year cost relocation project and directs the city budget office to add 2.1 million of one-time general fund resources to the current appropriation level targets of general fund bureaus in fiscal year 2017 and 2018 and 596,024 of one-time resources in 2018 and 2019. These resources are dedicated to fund the remaining fund share of costs to finish the relocation project. This allocates to the general fund bureau that is will pay the cost so that when omf bills them they are held harmlessly but it allocation the 2017 and 2018 and 19 one-time dollars to finish the project.

Saltzman: I thought it was 4 million. The total, the total cost is closer to 10 million. This is just a general fund portion. I believe in working with omf, it is about 3.3 million in total.

Hales: 10 million total for the data center relocation?

Scott: Goes back to --

Saltzman: That's a higher number than I thought.

Claudio Campuzano, City Budget Office: Claudio Campuzano City budget office the relocation is 9.7, anticipated to be 9.7 million over three years. 3.3 million is the general fund portion including the general fund portion.

Saltzman: So the other 6.6 or 7.6 comes from

Campuzano: From non-general fund bureaus. Primarily, water and bes, and they are the big users of the center, and all the data needs are housed.

Hales: Any questions?

Fish: I move the motion.

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

Hales: Aye. [gavel pounded] and commissioner Fish do you want to make motion 7?

Fish: Yes, thank you. I move motion 7.

Fritz: Second.

Fish: This is the original budge note, as modified, just to put a place holder dollar amount, and commissioner Fritz and the mayor's office suggestion, linking our funding to the approval of a local improvement district which mr. Russell agreed with that so I move the motion.

Hales: Any further discussion? Let's vote on that.

Fish: Commissioner Fritz, thank you for including this in your budget and your original budget documents. This is one of the master works in America, one of the greatest public works in an urban area, and it's -- we have allowed it to fall into the disrepair, and we have a unique opportunity to leverage the generosity of the private sector to restore it to its former glory for the benefit of all Portlanders, and wholeheartedly support this motion. Aye.

Saltzman: Aye.

Novick: I think it's tremendous we'll have this public and private partnership to restore the funds, and I think it's appropriate for the city to make this commitment. Aye.

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Fritz: Thank you, commissioner Fish, for your detail-oriented amendment that the mayor and I support. I will note for the folks at home in that this is not needed immediately, that it is contingent on the local improvement district being formed, and that's why we're putting it over to next year, the fiscal year, and instead, putting 1.5 million into paving, which is a very clear and present and urgent need and thanks to the voters for passing the gas tax and commissioner novick for leading that effort. Aye.

Hales: The commissioner novick is fond of quoting rock lyrics, I am fond of yogi bear. Because the orange line has a stop on the halperin sequence or south of there, sometimes they get off at that stop and walk down. Yogi bear said you can observe a lot by watching. And if you look at the condition of the halperin sequence and the condition of the parks, you realize that there is a big reinvestment needed, and yet even with the systems development charge dollars and with the bond measure there is not enough money in the system to restore a great park system to the condition that it should be. So here we have an offer of real serious help from private property owners who are going to tax themselves to fix up the park, and not every property owner can do that, particularly in lower value parts of the city with people who are just struggling to get by. But when you have wealthy owners of big buildings ready to tax themselves, I say bravo and vote aye. Ok. Commissioner Fritz would you like to take motion 8.

Fritz: I move to increase the funding in the Portland parks and recreation for two additional ranger positions to service the east Side.

Fish: Second.

Hales: Discussion.

Fritz: This is to allocate 150,000 for the general fund for two additional ranger positions to service the east side and this is the east precinct including north Portland, as well. The funding source for this will be 150,000 reduction to ongoing general fund in support of the Portland parks and recreation Saturday youth basketball program, and it is amended in attachments b and c. So we have discussion at the work session for the basketball program, and there is going to be a lot of ongoing discussions with the Portland public schools and with the tri-met on various funding aspects so allocating this funding to the clear and present need for the dedicated rangers, we are reminding people we have rangers on the west side and zero on the east side, and this would provide the funding for them.

Hales: I am concerned about the source. So if we reduce the basketball program by this amount what happens?

Fritz: Well, this is the first time that we have received an invoice. This came as a surprise without them contacting me. I want to have that discussion with the school board and the superintendent smith to figure that out but considering the amount of testimony we got about the inequity of the 967,000 we're allocating for the bus passes for Portland public school students and not for David Douglas or Parkrose, it seems with your commitment to keeping the resource officers funded, as well. The city is being generous and it would be helpful if they could cut us a break and we could figure it out.

Hales: My question is when will the other shoe drop on this if it does? Is this summer or school year?

Fritz: School year basketball it's winter season.

Hales: So if they were to say sorry we can't assist you any more we would find that out by September.

Fritz: Yes.

Hales: I guess with that I would be interested in changing the source of this to contingency instead of making the reduction even though we were all encouraged to do that given that there is a sufficient amount. I would prefer that. I will make that motion and

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see if there is council support for that with the understanding that it does not mean that we are ready for a check for 150,000 to the school district. We still need that discussion and negotiation but I don't want to be caught in a situation of having this program stop because we have not funded it just like I don't want to [inaudible] body cameras.

Fritz: That's fiscally responsible and I would be happy to accept that as a friendly amendment.

Hales: We will see if that passes the friendly amendment. Further discussion? A vote now on the motion eight as amended to take the funding from the contingency instead of from the youth basketball Program.

Fish: This is a close call for me. But I would rather stick with the existing language because the commissioner in charge can still come back in the fall bump for general fund contingency if the negotiations with the school district are unsuccessful. No.

Saltzman: Well also this speaks to the concern that we are bleeding our contingency drip by drip, and I feel this was a responsible amendment, and the proposed funding and park rangers and proposed the cut so I support the original amendment. Therefore, I vote no.

Novick: I agree with my colleague to the far left, no.

Fritz: We will withdraw the motion and vote on the original?

Hales: Return to the original motion. The friendly amend sunk it so let's try again. As stated.

Fish: I am enthusiastically supporting this amendment and commissioner Fritz, as you know, I have a very strong commitment to the ranger program, and I appreciate that you have continued to be a supporter and through this action you will make sure east Portland has more rangers to provide the services that they do to our community, thank you for bringing this forward. Aye.

Saltzman: Aye.

Novick: Although I am not sure for myself off the cuff whether I prefer funding for rangers or the youth basketball program. I will defer to the commissioner in charge and vote aye.

Fritz: Thank you, I appreciate your acceptance of this amendment, it is a classic case of if at first you don't succeed try again. This is the third time we made this request in the three budgets i've been in charge of, so thank you very much and for your support and the work that the rangers do. It's a great program. Aye.

Hales: I will support this for a couple reasons. We need more people on the street who can deal with the problems in parks and public spaces and we will not have enough officers, if I sound like Johnny one note so be it. So having more park rangers for more parts of the city to deal with the livability issues that affect the parks is important. We just had a large police presence over the last two weeks. We cannot do that for very long, and, in any anyone place for police officers so having more rangers is a good idea, at least until we have more police officers. Secondly on the subject of the youth basketball program, anything that provides positive opportunity for youth and that we can possibly afford to pay for I am interested in. I am not interested in writing checks to school districts to pay for things that they should not. So that's why there is a negotiation here that needs to happen. We have a big partnership with Portland public schools that includes the youth passes and the cooperative relationship with parks for the use of the facilities, and this is, frankly, a minor line item in a big relationship, so what I don't want to have happen is have this be, us playing chicken with the school district. I don't think that will happen but I will leave it to the commissioner to negotiate a solution to who pays and is how but no one here, me especially, wants to see this go away, and I know that that's not your intention, either. Aye. [gavel pounded]

Hales: Ok. Next motion, commissioner Fritz.

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Fritz: This is to increase the funding in the office of neighborhood involvement for an administrative assistant position.

Hales: Further questions? Is there a second? Sorry.

Fish: Second.

Fritz: I appreciate that, commissioner. This is for the director's office of 50 plus people who does not have an administrative assistant, and given that Amalia Alarcon Morris works with the staff in her office, which are getting more plentiful with the management of the marijuana program and will continue to increase based on Denver that program, itself, is going to continue to need more staff funding through the permits. We also work with 95 neighborhood associations, and six leadership partners, and tens of thousands of community volunteers. And even though it's challenging to be in charge of the Portland parks and recreation where we have several thousand workers, it's in some ways more challenging to be guiding a community engagement system where we don't get to tell the volunteers what to do. We have to encourage them. So providing this level of administrative assistance for the director is very important to me.

Fish: What's the portion -- how much of the remaining contingency is ongoing?

Scott: That's a good question.

Fish: This proposes to reduce the ongoing general fund contingency.

Jeremy Patton, Budget Office: 2.2 million assuming the amendments are made, all the amendments are made.

Fish: Ongoing or one time?

Patton: Ongoing. Starting in 2017 and 2018 it would be back.

Saltzman: If we created the positions through general fund contingency?

Patton: I have to go back and look and we have made reductions in the past and I am not sure if the, if they are staff positions but there have been reductions in the past.

Saltzman: Commissioner Fritz If this is so important is there a reason why it wasn't included in the office of the neighborhood involvement's proposed budget?

Fritz: It was

Scott: It was requested as part of the budget originally submitted. It was not included in the proposed budget.

Fish: I move the motion.

Hales: Vote, please.

Fish: Aye.

Saltzman: Again, going back to my earlier point about bleeding with contingency I vote no.

Novick: I share commissioner Saltzman's concern but I would also, concerned about an opposing colleague who got 120% of the vote in a recent election. Aye.

Fritz: I had not seen the latest numbers, aye. Thank you.

Hales: Aye ok. And 10.

Fritz: Thank you, this is a motion to amend attachment b to the budget note regarding the office of neighborhood involvement and the Portland housing bureau's emergency outreach and engagement.

Saltzman: I would move my substitute.

Hales: There are a couple of versions of this so do you want to describe yours?

Fritz: I was not done with the motion because commissioner Fish has suggested an additional line, actually, somebody would second it.

Hales: I will second the motion.

Fritz: That's what I was pausing for, so this budget note says that the council directs the office of neighborhood involvement to work with the Portland housing bureau and a home for everyone to develop the materials and messaging for community engagement on

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housing prior to spending the 350,000 allocated in the budget for this purpose. We would also propose to return to council at the outreach plan before funds are expended.

Fish: Second.

Hales: This is a further amendment?

Fritz: Of the language.

Hales: Ok.

Saltzman: I would like to --

Hales: Yes, commissioner Saltzman.

Saltzman: I would move a substitute which is the budget note 9, and in essence what this does is, as I talked -- or 12, is what I meant to say. There's been no consultation with the housing bureau about this plan of approach, and while I appreciate commissioner Fritz raising these concerns, I don't think that it's appropriate to sort of prejudice the best way to accomplish the housing outreach that she desires is by placing this money in oni, so I am proposing we place it in contingency, and charge the office of neighborhood involvement, Portland housing bureau not consulted on this, and also the proposed joint offers for homeless services which is also on the home for everyone, which is also has had no input on this, and all these organizations work together, no presupposition about where the money lands but come up with the best outreach plan possible, and bring that back to the counselor by august 1 for us to consider it. And take the money and put the 350,000 in the contingency until we sign off on that plan. I think that that is something that reflects a truly consistent approach to this and we'll result in, I think, the wisest expenditure of these dollars to achieve the needed outreach about housing in our city.

Hales: Did someone second that.

Fritz: I think we have to vote on my motion procedurally.

Saltzman: I move to substitute.

Hales: Is there a second to Dan's amendment?

Fish: Mayor we have an amendment to the motion. Let's take that up first, and then I have a follow-up question on the motion, and then we can take up the substitute.

Fritz: It's factually incorrect to say the housing bureau has not been consulted.

Hales: So the amendment is to move the funding to contingency.

Saltzman: That's mine.

Hales: Right.

Hales: Substitute. It is to move the funding to contingency.

Fish: But the amendment is the highlighted language in the sheet that the commissioner, that commissioner Fritz circulated that says the office of neighborhood involvement will return to council for approval of the outreach plan before the funds are expended.

Hales: We have two separate questions before us, and one is the language that commissioner Fritz proposed, highlighted in the yellow that says that they will come back, and the second question, which commissioner Saltzman has raised, is no, don't do that, put the money in contingency.

Fish: We have a motion. We have an amendment to the motion. Let's take that up and in the substitute test whether her version or his version has the majority support.

Hales: So the first thing is commissioner Saltzman's.

Fritz: I believe we Substitute first.

Saltzman: That takes precedent over an amendment.

Fritz: If you prefer my motion you would vote no.

Hales: So we're voting on Saltzman's substitute first.

Fish: Let me be clear my support for your motion is contingent on it being amended right

Hales: Now we're voting on commissioner Saltzman's substitute.

Fish: Where is Robert's rules?

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Hales: We're doing it from memory. I think we got it right so far. Let's proceed with the voting on commissioner Saltzman's substitute, which is to require that the funds be allocated to contingency. Roll call.

Scott: I move to clarify. What I heard -- it's a substitute budget note. The commissioner has an amendment to move the funds from oni into contingency but I think what you put on the table is the substitute budget note.

Saltzman: On that motion, if it passes, that would flow logically, we would put it in contingency.

Hales: So voting on commissioner Saltzman's substitute, roll call.

Fish: This is a case where two colleagues share a desire to do community outreach but have a difference of opinion about how we do it. Normally my inclination would be to side with the commissioner in charge that has the most immediate impacted. On this one, however, with the amendment, that commissioner Fritz is prepared to accept for her motion, I am comfortable putting oni in the lead, subjected to this matter coming to council for discussion about the plan, and I regret that we're having -- we have to resolve this by a vote, and my preference is that we should be able to work this out in a more collegial way but this is subject to a vote and we have to choose, so I am going to respectfully vote no.

Saltzman: As the housing commissioner, I feel that this is the best approach, place it in contingency and charge the bureaus with a plan to make sense and not prejudge it will go to one bureau and they have to, you know, call the shots so I think if we are interested in achieving the best outreach about what we're doing on housing and affordable housing development and homeless services, we should charge those bureaus to come back with a non-biased plan about how best to do the job and let council approve it by august 1 out of contingency. So I vote aye.

Novick: I am also distressed, choosing between two colleagues who as commissioner Fish said share the same goals. I think it might ultimately make a great deal of sense to have oni do this outreach but I am concerned that the commissioner in charge of housing and this is outreach about housing thinks that we need to wait to make a decision as to how exactly it will occur. It seems to me that commissioner Saltzman's proposal allows for further communication between the two commissioners and their bureau says, and I don't see how that can be a bad thing. Aye.

Fritz: Thank you for this discussion. As the commissioner in charge of community engagement this is about a community engagement process. So there is only 5% of the 350,000 that is currently in the draft plan, and allocated to a .25 staff person within the office of neighborhood involvement. The remainder would go to the community organizations and people telling each other what is the housing bureau's plan. This is not about changing the housing bureau's plan or bureaus deciding what's going to happen about the community deciding how can we help? We're wanting to support the experts in the housing who have developed the home for everyone plan, who are doing wonderful work, and I am sure will allocate the 29 million of additional funding we're giving to the housing and that will be done entirely appropriately, and the community needs to know how to do it. And that's what this funding is for, and I appreciate commissioner Fish's amendment, and see clarify that we're going to come back to the council to see how we're going to do it, no.

Hales: This debate illustrates both that the passionate people want to do good work and I appreciate everyone for that. You can't figure out everything so we're trying to look around the corner and figure out how this will work, here's how I come down, two things, one, thanks to your leadership commissioner Saltzman we are moving most of the homeless services staff out of the housing bureau and over to the county so what business are we going to be in we're going to be in the housing development business and what business is

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oni, working with neighborhoods on community problems, and there are people in my office who spent a great deal of time dealing with homelessness. We work a lot with neighborhoods. It's not an unreasonable idea for oni. It does have to come back to council and does need to have involvement in coordination with the housing bureau but the commissioner's proposal deserves a shot and aye -- no. Sorry. No. I am voting no, for Commissioner Fritz's version.

Fish: Before we take a vote on the amendment to Commissioner Fritz's motion I have a friendly amendment. I do like the language as I read it in Dan's substituted about the proposed city and county joint office playing a role. I know it's implied but can we make that explicit that the housing bureau, the proposed city and county joint offers for homeless services, and the home for everyone be consulted in that outreach?

Fritz: To add with the office of neighborhood involvement to work with the Portland housing bureau and a home for everyone and the proposed city and county joint office.

Fish: I believe it is implied.

Fish: You will accept that as a friendly amendment.

Fritz: Yes. I don't think we need to vote on that. I will vote that it's partly because of public meetings law and records law that having this discussion at council we were not able to come to a consensus before this time. As soon as the budget office and the mayor convened, we were not allowed to talk one-on-one directly elected officials to elected officials to try to figure stuff like this out. So our staff has done a good job of trying to figure it out but sometimes there is value in elected officials being able to talk to each other and what a concept and bring it to the public, with a little more consensus, than we've been able to get so I am looking forward to it, if this project moves forward, and being able to have one-on-one conversations not only with commissioner Saltzman but also with the affected parties.

Hales: Roll call on the Commissioner Fritz's proposed budget note language as further amended.

Fish: Aye.

Saltzman: I appreciate the efforts. There's been no discussion with the housing bureau, joint offers for homeless services and a prejudgment about which is the best bureau to conduct housing outreach and I don't feel this idea is really fully baked so I voted no.

Novick: No.

Fritz: Thank you commissioner Fish and mayor for your support, aye.

Hales: Aye. [gavel pounded] ok let's move on commissioner Saltzman to number 12. Sorry, 13. That's the remaining item on the list. So commissioner Saltzman do you have to move that?

Saltzman: So this is a motion to increase the funding for the bureau of planning and sustainability for the splatter city's initiative.

Hales: Is there a second? Ok. Go ahead.

Novick: Second

Saltzman: It would allocate 140,000 one-time general fund resources, and to the bureau of planning and sustainability for a position, and related materials, and services to develop a smart city strategy and open data policy for the city. The funding source for this ad will be a reduction to one-time general fund currently allocated to the special appropriations grant.

Fish: Can I make sure I understand this? We have a million dollars in for special appropriations.

Scott: That's right, million dollars one time.

Fish: So by using that as an offset, in effect what we are doing is declaring that this is worthy of a special appropriation?

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Fish: Commissioner Saltzman you feel strongly about this?

Saltzman: Yes, I do, and I note that there was a lot of support in our comp plan, as well.

Fritz: Mayor as the commissioner in charge of the bureau of Planning and sustainability, what's your opinion on this?

Hales: I can't support this, even though I believe that the smart city initiative is a great idea. One this was not prioritized by the bureau. Two pbot is doing a great deal of work and great work, and other bureaus like planning need to support them but I am not sure if we need this funding to do that. And third, Dan, I think that it's going to be hard to make the new special appropriations process work, and even at a million dollars. And but the smaller we make that pool of money available for community grants the harder that process will be to make work. I am weary of reducing that so that's my position. Further discussion?

Fritz: I want to note that we're going to be postponing the tree code update report vote later today, and partly because we have not yet reached agreement with the bureau of planning and sustainability to whether they can do an ongoing project, the concern raised was they don't have the staff to be able to do the update to the tree code. That's a different issue that we'll address later, but that speaks to me about their capacity of being stretched and implementing the stuff that we are currently sending down their way.

Hales: Let's take a vote, please.

Fish: I am persuaded not to support this at this time. If this is an eligible expenditure of, through the special appropriation process, it ought to be considered and scored against all the other worthy applications. No.

Saltzman: I think it's important for the city to keep pace with change and open data policy and smart cities initiatives are a rapid change that we need to keep up with and with the substantial dividends, I think, to Portlanders and so I vote aye.

Novick: I agree with commissioner Saltzman, aye.

Fritz: No.

Hales: No. Ok. Any other amendments not in our published list. Council members want to bring forward? If not I believe that it's time for the public testimony.

Scott: What we need is one final preliminary step is a motion and vote to improve the entire package of budget adjustments, substitute and the amendments that you just made so that that's all on the table for that.

Hales: Is there a second?

Novick: Second.

Hales: Further discussion of the, so this is an omnibus motion to accept all of the amendments and put that version of the budget on the table for testimony.

Scott: Exactly.

Hales: Roll call.

Fish: I am pleased to support this and also I want to thank the budget office for supervising and guiding us through this process. And my colleagues for getting their amendments in yesterday so that we had a chance to look at them and do this in an orderly way. Aye. **Saltzman:** Aye. **Novick:** Aye. **Fritz:** Aye. **Hales:** Aye. [gavel pounded]

Hales: Ok. Thank you both very much. Let's now take the public testimony on the budget, approved budget as amended.

Moore-Love: Three people signed up.

Joe Walsh: Joe Walsh for the record, and I represent individuals for justice, and there is no way that anybody at home watching this could understand what you are doing. Cause they don't have the amendments in front of them. You are talking about something that they don't have a clue. There are people in this chambers that I would suspect couldn't tell

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me what amendment number two was without looking at their computers. So every time that you guys get to, the transparency, you screw it up. We don't know what you are doing. And we get angry over that. We really do. We listened to your objections, and we say that's interesting, commissioner. You had a couple really interesting objections. Why aren't those worked out prior? Issue you will tell me you cannot meet, but I am suggesting this, I don't think that legally, you are stopped from meeting but you have to put in the protocols if you do. You have work sessions. Do not shake your head, Commissioner. You have working sessions. Why can't you use those? And if you are telling me you cannot do that, then change it. If you have to go to the state to change it, change it. This is bizarre. We don't have a clue of what you are doing. I want to go on the record of objecting to it and to the way that you are doing it and objecting to misleading the public that you can't meet more than two people because that's a meeting. Well make it a working session and put it on tape and open it up. You just don't want to do that, it's not that commissioner Fritz is going to the mayor's office and talking behind the back of commissioner Saltzman its ironing these things out. You should not have amendments at this stage of the budget it should be worked it out. You should say Mr. Walsh this is the way we're going to spend your money and I understand it. That's the goal you guys do this, my friend uses the term kabuki o one understand it that's all you're doing. I've got and amendment, I've got and amendment, I've got a friendly amendment people on tv do not understand that and most of the people in this chamber outside of staff don't understand what you're doing. So would you please get your act together and come here and say Mr. Walsh this is the way we're going to spend your money. Thank you.

Lightning: Good morning, my name is lightning, I represent lightning watchdog pdx. I guess i'll be considering the first amendment on the body cameras. It's my understanding you allocated money in the past, of about 843,000 and then it was questionable from police chief o-day he said we were doing a pilot project. Doj funded well over 20 million, several other locations. If, in fact, the grant application was not put in I would like to know why. We need to understand there is money out there to access and if someone let the ball down it did -- when doj was offering well over \$20 million and again, we are under a settlement agreement which cameras have been proven to decrease use of force, excessive use of force, we would be one of the top picks for that grant money. No excuses on that. Now, again mayor i'm going to say to you directly you have a real problem and i'll tell you what your problem is, sir. You create surplus budgets. Why can't you be like the last mayor and create a deficit budget and then try to get special programs put together, and then the other commissioners can applaud and give accolades for doing that while you have a deficit budget? You have a surplus budget, then you're trying to get more revenue which I commend you on that. Now, again, what you're asking for on that additional revenue I think we need to just come a little bit more with the data to Portland business alliance and get them to understand that it might be necessary at this time to do that tax and show them that with a little bit more data I think they might have an interest in doing that. They wanted to do a pilot project on Wapato that should be funded on that. We're talking about the projects, diversion programs, Wapato is ideal for that type of a center. It needs funding. Sheriff Dan Stayton would be glad to talk with you on that issue, work with the neighborhood associations and to have a discussion on how to fund that. And I think now it's a good time to do that. Issue number two to Commissioner Fritz, do not take the money from the youth. Do not take the money from the youth basketball. If we're going to start cutting money from youth passes let's go to trimet that Portland public schools should have picked up a long time ago. Leave the youth alone thank you.

Hales: Thank you.

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Chris Smith: Mayor, commissioners, Chris Smith. This feels a little bit like Groundhog Day. For the week in a row I'm looking for three votes for open data. We had a principle agreement about whether the comp plan was an appropriate home for an open data policy. I respect your choice. During that process a lot of you voiced support for open data as a concept and it's a critical piece of infrastructure for a successful city in this century. We've bragged that our program will have a robust open data component. I hope I can persuade you to change your vote and support it this time. It's time we get started with this. Thank you.

Hales: Thank you.

Fritz: There is an open data policy in the comprehensive plan, it wasn't worded quite as expansively as you wanted and I agree with you we do need to have a project in the future to look at what does that translate to. It's not a priority right now is a concern and this budget is about prioritizing what do we absolutely need to get done right now.

Charles Johnson: I'm Charles Johnson and I'm not scared of the 120% of voters that Amanda Fritz has on her side. Things that recently been said need to be amplified. We'll go back to commissioner Saltzman's earlier talk about having cpos, they need to come and look at your electronic stations and talk about ways that we can enhance the screen up there so that amendment language that's presented and circulated among you is available to the viewers, this is getting a little old. Mr. Walsh is generally if not always correct that it would facilitate transparency, public involvement and respect if we could do that. Body cameras is a huge issue. I'm sure that the public will get their words in so I won't say much about that except also, there's room for technology improvement there, that's where Mr. Saltzman raised the issue. Most police responsibility and accountability activists are concerned that almost all body cameras come from the people that make Tasers and there's crappy procedures to get public access to the raw video. We should lead the way with a live streaming system. And the last thing I would say is relatively small item on the issue that Mr. Saltzman raised about funding some changes for I think an assistant chief of staff because they've got so much work because of marijuana. Marijuana while awesome in medicine was sold to us as a money maker so it seems to me that that should be a fee financed thing. It didn't really need to come from contingency. We need to look at whatever revenue marijuana will generate in the city and if it creating workloads inside the city government the sales and taxes of marijuana should fund those extra work loads. Thank you.

Hales: Thank you all. Anyone else want to speak on the budget as amended? Come on up.

Lightning: If I might say mayor, your surplus budget will be your legacy. And that's impressive work. And I hope the future mayors can follow your lead on that.

Hales: Thank you. Okay welcome.

Roberto Lovato: I don't often speak. I'm Roberto Lovato with individuals for justice and the Oregon progressive party. I feel kind of responsible for the body camera issue because -- judge Simon at the u.s. Doj Portland settlement hearing, I informed judge Simon about the body cameras and the use of them nationally so because I feel like that's part of the settlement, he referred to the cameras and the implementation of them so I think that if you implement the use of body cameras in the Portland police bureau, you need to be on top of the regulation of those cameras because they can be abused and I really feel that you need to protect the citizens of color in Portland from that kind of abuse of their civil right. It's important that you say on top of it and commissioner Saltzman comment on the generational thing, each year is a better generation, so to have that updated process and stay on top of that. Thank you.

Hales: Thank you very much. I think you're next.

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Crystal Elinski: I'll go next. I represent 10,000. Commissioners, representatives of the city, which I hear we're going to get more of and that they might actually cover areas that are obviously not covered, though congratulations on getting more women to run. They're all running in the same seat for some bizarre reason but hey, things are changing. Thank goodness. I know mayor Hales says I'm not allowed to ask questions but did you just vote yea on the amendment for the smart city initiative or nay?

Hales: It failed.

Elinski: It's interesting because I'm thinking the comprehensive plan and smart city are definitely things we need to work on, I agree on prioritizing in which case I would add to -- that to the body cameras. We could have gotten grants if we had to. We had this discussion so I won't go into my opinion. I did testify very clearly about many reasons why we shouldn't do it. \$2 million thrown out for new suvs and laptops that you pay \$1,000 to go meet the heat and see all the war toys they get to play with. We're still talking about body cameras, wow. Body cameras: We've got to do a dance. And about the holes in the budget, it's interesting because every year I feel like yeah, we don't have a deficit, we have a surplus and yet we find money and I've gone to calling Charlie Hales Charlie Holes, where did that money come from. It wasn't even close to anything I thought it would be, at least not this time last year and definitely not four years ago. I went to the meeting Wednesday, what was that meeting? Wednesday hearing, public hearing to testify on the budget? And it was standing room only, both floors filled and you got a random number and they were called randomly so if you came with a group say Latino network or Portland tenants united, you were cut off from your base and Romeo something that we should start thinking about sources on where to get the money so one of them is whatever happened to 6667 and things like that? Like why aren't we getting more sources for the marijuana, marijuana is a good source. Let's -- if we're going to talk about the comprehensive plan and everything we're not worrying about budget right now because it's crunch time but I showed up for an appointment with Nick Fish yesterday to discuss the budget and his staff apparently just like when he runs a campaign they can't keep his appointments in order but they canceled it the night before and put it for 10:30 yesterday morning. And that was for the budget that you guys are discussing now so yes, as Joe the lone vet Walsh says this is chaos.

Hales: Thank you, welcome.

Kathy Nicolofski: I'm Kathy Nicolofski, I testified on the Portland comp plan to support the amendments that strengthen the open data policy. I really want to thank commissioner Saltzman and Novick for voting in support of bringing this back in another life form with the budget. And I don't have anything to say as far as priorities, you know, like every single agenda item you talk about is important. I trust the commission to make the decisions about where priorities will go but I can give you a little bit of my point of view from on the ground working with open data and some of my thought process behind why I think it's so important is that open data itself can be almost like a big ethereal concept in that it is never a priority because it's so large but it touches everything. And the way that we work with data in a civic sense is it's applied towards these different objects so everything that is a discussion has elements and components of data to it and bringing this into something that is transparent and that we can understand particularly the interdepartmental connections between data. When I work with Hack Oregon, a nonprofit, we build open data projects on issues like education, urban development, campaign finance, we're starting to see the connections between these different themes. And that become literal when we're talking about building technological infrastructure that can begin to see us actively connecting and we're getting new insight that we aren't able to see before. We're going to be continuing to do this work that relies heavily on the openness of the data that we have available and one

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of the biggest challenges is when I talk to people that work with the city that have data that they want to put into the system and it's a difficult process to be able to get all the different approvals and talk to -- I spend probably half my day just talking to people to get access to data that wants to be open already but logistically difficult. I think we're going to succeed in the long run. I see Portland being hugely progressive on this just because of the people we have here. A lot of them already work in tech and they're coming out at night for free to work with us. They don't necessarily feel a strong support from the city. So when we eventually do succeed I think that the city will find that this is a priority at some point but I would like to see that it happens now so that we can set a precedent and really do this intelligently because a lot of times if we don't have good inroads to be able to work with the city and the people would know the data best we wonder if we're making the most effective use of our time wanting to contribute to getting new insight so I know that it would be very, very helpful to have something that would help this community and the tech industry in general move forward with better solutions earlier than later thank you.

Hales: We did have a meeting yesterday with Bloomberg philanthropy funding an effort to work with cities on smart data applications all of kinds and there's a huge support for that in the city. The only question was whether there's any more capacity at the planning bureau to do anything, not whether there's any support at all for this, quite the contrary. I think we're all in and, in fact, the city of Portland is really a leader in this effort. Right now with everything else they're doing, the planning bureau is pretty maxed out in terms of staff and dollars. That's really the issue hear not the programmatic and philosophical support for open data. We're there. Thank you very much. I'm going to close the testimony. And it's now the moment in which we get to as a budget committee act on the budget as amended so unless there are any further questions or discussion we'll take a vote on the budget as amended.

Fish: Thank you, mayor. I want to begin my offering my sincere thanks to the budget office, in particular director Andrew Scott and the analysts who reviewed my two bureaus, the two utilities. I also want to thank my colleagues, council office staff and the mayor for the thoughtful and productive conversations over these past two weeks. While we began with a difference of opinion about whether we needed new revenue to balance our budget this year we have always had a meeting of the minds on values. Given the additional revenue that we had to work with, and the declared council priorities, there's a lot to like in this budget. We have made investments in public safety helping our police bureau better recruit and retain officers and get them on the street quickly and preserving 13 critical firefighter positions. We have committed record funding to address affordable housing and homelessness. We have restored funding in audit services to ensure that they have the staff they need to provide independent oversight of council operations. We extended and expanded a very successful venture Portland pilot program supporting small businesses in east Portland. We are supporting a community effort in cully to reclaim the sugar shack site as a new community asset. We have shouldered the arts from cuts and we have made modest but important investments in the village market, restorative justice programs and the rosewood community center. Mayor, this year will mark the third year in a row that I have directed the utilities to bring a combined increase under 5%. I'm pleased we have been able to do that with a focus on basic services like replacing old pipes and getting ready for the big one. And under your leadership mayor we have continued to exercise discipline with rate payer dollars, funding fountain operations and the preservation of mount tabor with the general fund. Finally thanks to our partners at the citizens utility board of Oregon, we have been able to reduce the proposed rate increase even further to 4.45%. Mayor hales this is your last budget. I believe as I have told you privately a significant part of your legacy will be the reforms you have brought to our budgeting

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process, modified zero base budgeting chief among them and the discipline we have shown together in targeting our resources to core community needs, be they public safety, housing and homelessness, or transportation infrastructure. Finally, I want to thank my team, and particularly Jim, Jamie, Paige and Bessie. Today with this budget I am proud to vote aye.

Saltzman: I think the budget we're supporting does not contain new revenue sources as proposed by the mayor but I think as the mayor alluded about 90% of what he proposed in his budget is what we're adopting now. So I think you've got most of what you're getting in your budget. I particularly want to laud the restoration of 13 firefighters to general fund away from a federal grant, very critical positions. And the record investment under mayor haless' leadership in housing and homeless services, this really is -- and joined by record investments on the county itself, I think we're poised to really make some differences both in the production of affordable housing and in continued services to those who are homeless. And I do want to recognize the budget office, I think you've really proven yourself in this budget cycle particularly given that there was a sentiment to have a substitute budget. You didn't waste any time and you heard that and you produced a substitute budget that we're poised to adopt here with some changes. So I appreciate sort of the nonpartisan neutral role that you played to help facilitate the discussion that we've got here today. Thanks everybody in the budget office, and I think this is a budget that has a lot of priorities in here, a lot of important things. But there's always more we can be doing and that's what we're here for and, you know, frankly, the comment that we should be dealing with everything behind closed doors, I guess I object to that statement. I think it's healthy to have disagreements and, you know, votes that split votes on the city council. I think it's a healthy thing to have those discussions in the open and when we discuss amongst ourselves, then we get accused of meeting behind closed doors so you can't have it both ways so I take pride in having split votes with the council. I would be more scared of a council that is unanimous in everything. I'm all for open discussion, open debate and open data. Aye [laughter]

Fish: Got that in.

Novick: This is an historic day in the history of the city of Portland. This morning, the voters approved a major investment in street repair and safety, putting an end to 30 years of futility. Today, the council is approving a budget that, first of all, makes major investments in housing and homeless facilities and services. I think it's worth calling some of that out. The budget includes over \$29 million in new investments and housing, which is a 74% increase over the current year revised budget, 156% increase over the fiscal year 2015 budget. The new investments include \$14.4 million for the housing investment fund, over \$12 million for projects prioritized by the home for everyone collaboration including shelters and housing placement services, \$690,000 for costs related to maintaining and improving homeless campsites and additional funds for home ownership assistance and policy development of the city's inclusionary housing program. To my delight, this budget invests in the equivalent of 13 9-1-1 telecommunicator positions. Like many centers around the country, they have faced a staffing shortage. Inadequate staffing leads to longer hold times for 9-1-1 calls. Seconds count in an emergency. We need to do everything to ensure calls are answered properly. This budget ensures that our center can continue to serve the public effectively. The budget determines the appropriate number of telecommunicators as well as make recommendations by training, scheduling, and quality control. This budget removes the sword of Damocles that has been over the heads of 13 firefighters for far too long and i'm very happy to see that those positions are funded ongoing as they should have been much earlier. The police bureau has faced a staffing shortage. The most critical thing they needed, speedy higher of new officers, was

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increasing the number of background investigators producing a bottle neck. This budget commits 16 new positions, \$2 million, for background investigators. I have to note this budget commits \$1.5 million for paving projects as well as \$950,000 for signal reconstruction and \$890,000 to replace a bridge and the budget allocates \$450,000 for the out of the mud program which works with communities to bring currently unimproved streets up to code. In addition to these major priorities, a few smaller investments, as well. The budget commits \$300,000 to the parks program. A tremendous number of people showed up to express support for this program including, especially the world cup soccer tournament that draws a huge number of diverse participants from east Portland. Together these initiatives will take advantage of -- lost my place. So this is an historic budget. And I commend the mayor for shepherding us through this process and as commissioner Fish said he didn't get everything that he wanted but this is a budget the mayor can be very proud of as his last budget. I thank my colleagues for all of their work on this budget. I add my thanks to the city budget office for their tireless work and I want to thank commissioner Amanda Fritz for creating the idea of an independent city budget office which I think serves all of us very, very well. As my colleagues have said I want to thank all of the staff of the bureaus, the staff of the council offices and, of course, my own staff, especially the tireless and wonderful Katie Schriver thank you all very much and pleased to vote aye.

Fritz: Well, thank you, colleagues. This has been a very open and transparent, very public process and thanks to the city budget office for shepherding it through. Thanks, mayor Hales for crafting a bold budget that you are proud of and it brings to mind what I found during the recession that we were more strategic when we needed to make cuts than perhaps when it appears that we have a surplus because, in fact, we don't have a surplus. We don't have extra money compared with everything that everybody wants us to do, we still don't have enough money and so thank you for proposing a budget which propose an increase in I think that discussion needs to continue after today. And I certainly am committing to be a part of that. Thank you to my colleagues and our staff for working collaboratively to come up with the alternative, which is fiscally responsible and spends taxpayers' money wisely. On the police issue, we certainly appreciate all of the work that our police officers are doing and that they are doing a lot of overtime to cover basic services and safety on our streets and we very much appreciate the work that they are doing in partnership with the community oversight advisory board and the department of justice to reform the way we do community policing and that in some cases are meaning people are leaving because they don't subscribe to that way of doing things. It means we're encouraging other people to come and work with a police department, which is going to be exemplary throughout the country and is -- and like everyone else, with other professions, Portland is a place that people want to come and we need to market our police bureau as exemplary and provide incentives and this budget does provide money for new officers. I was not able to support the proposal for \$3 million ongoing this year because it also had another \$3 million the following year and another \$3 million the following year. That's \$9 million of ongoing money for existing police officers. It also would mean that retirees, people who are already retired from the police bureau would get a 14% raise and how that would translate into having more people in the police bureau rather than encouraging people to leave, I was never explained to me. So the human resources folks and the police union and others will need to continue to have discussions about what can we do to ease the -- to make sure that we recruit and retain officers to work in the police bureau that doesn't result in such huge impacts to the rest of the general fund bureaus so I know that that will also continue because the adoption of this budget and the rejection of the \$3 million proposed in it for wages doesn't take away the urgency or

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the need. On the diversion program I very much appreciate your proposing that as an alternative, especially for people who are experiencing mental illnesses and also drug and alcohol challenges. I want to -- I appreciate and remember that last year, we put money into the unity center which will be opening in the fall. I know that both police and fire have been working very intensively with a community group that are looking at how do we have a system to take care of people who are having challenges while they are outside or for those who are inside, too? And so i'm hopeful for the first time in the 30 years that i've been in Portland that we will be able to have a system and certainly in the future, should it turn out that a diversion program could be something that would help people out rather than just putting -- telling more people there's a 10 month waiting list and we'll get you services in the meantime, then it's certainly something that I will support. Particularly I want to thank the Portland parks staff and the office of neighborhood involvement staff. You are in your orange t-shirts and you worked very hard to reach a collaborative agreement on the arbitration settlement. I am absolutely overjoyed that over 100 new fully funded union positions are being created in this budget, and it's a tribute to everyone on the council that after we heard at the community budget sessions that this is important to the community, that the jobs and the work being done and that we could compensate city workers appropriately that it's not okay to have city workers on food stamps who are providing services that their community wants and needs, this is huge and so I appreciate commissioner novick saying multiple times about the \$29 million allocated to housing and looking at the big picture of the budget not only the tweaks that we're making today and the significant changes that we're making today but also what's great in this budget and certainly, the funding for parks staff is great. I also appreciate the inclusion of funding for the city auditor and her inclusion in the process. We are not cutting performance audits and that also speaks to our commitment to funding the independent auditor and making sure that things work well within city government. I appreciate that you responded to the community testimony that we heard at the forums. When people come and testify it should matter and people came today to testify, they were the last six in a process where hundreds of people have sent us comments and which we now as elected officials are responsible for formulating a final budget and i'm very proud to be part of that. So in addition to the pieces that have already been mentioned I do want to call out the digital equity plan that's being funded and potentially we could engage the mt. Hood regulatory commission in looking at could they help fund an open data project at some point in the future. We are putting \$8.5 million into capital projects for parks and emergency preparedness thanks to the 50% set aside policy that the council passed and has stuck with and it also includes \$3.8 million for needed parks repairs, including \$250,000 for Americans with disabilities act improvements. We know we have a lot more to go in that realm. When you have a big hole, you start filling it bucket by bucket and again, thank you, commissioner novick for adding the buckets to help with transportation. This budget adds \$3.3 million for transportation needs. We do need to look at additional revenue sources. We don't have enough money to fund everything that everybody wants to have done. We never will and we're not proposing to be able to do everything that we're asked to we have to prioritize, we have to make sure every tax dollar is spent wisely because we know that those tax dollars are hard earned by our communities and they're not equitably distributed in terms of who pays property taxes. I will be bringing forward to the council a proposal for a marijuana tax to refer to the November ballot. We're allowed to propose a 3% tax on sales of recreational marijuana. And we will have a council discussion about how that should be allocated or suggested to the voters to allocate it. It would bring in about three to \$5 million and I will note that the current tax on recreational marijuana sales by the state is 25%. The city doesn't get a penny of that. And so the 3% which would be

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in addition to the 17% that the state's taxes will be reduced to starting next year would still be a reduction in the current amount that people are paying as a tax on sales of recreational marijuana so that's one concept. I do think that we need to have some discussions with the business community about the business license tax and the level of it and what services does the community want to fund that is not funded in this budget, we have done so many cuts in the eight years that i've been on this council and on this budget committee that have been very painful and people have lost their jobs, people have lost services, we have not recovered from the recession in terms of the number of city employees that we have or the services that we provide, but this budget is a responsible way to add back the most crucial services and to provide equity in the budget so thank you all colleagues and mayor for your leadership. Aye.

Hales: Thank you very much. Let me frame this in a different way than I have earlier in our budget deliberations and discussions and talk just for a minute about how I as mayor spend my time. So as mayor I spend some of my time focused on managing the enterprise on keeping my nose on the grindstone whether that's spending not just two weeks but three months with the budget staff and my staff preparing this budget so again Andrew, Jeramy, all of your team have done a wonderful job, josh, and others in my office that worked very hard, too, and that's an important responsibility of the mayor. I had a playful conversation with a local musician and I said if you want to be mayor, you've got to like three documents. You have to want to read those documents and care about them because you've got a big ministerial responsibility as mayor and you have to do this technical stuff like land use. And so I spend a lot of my time with my nose to the grindstone. I spend a smaller amount on strategic moves like working with Patrick Quinton to make sure all the good ideas in lents finally come out of the ground which thank you, Patrick they are. Or that we carry out a historic land use and financial transaction to finally get the industrial processing of mail out of the central city and out to the airport where it belongs and finish the creation of the pearl district. So that's an important part of the mayor's job, as well, those strategic moves. Sometimes, they're activist, sometimes, they're defensive like batting aside a nuisance lawsuit. And another part of my time, one of the smallest but it's important to what i'm trying to say here is I get to spend a little bit of time in the context of how cities in the world and in the country are working. Portland is a very active participant in the c40 group as we all know. I got the invitation to meet with pope Francis and hear discussions about climate change with other mayors from around the world, he kept referring to us as world leaders but the point is that cities are where the action is on climate. I participate a little bit in the United States conference of mayors. I learn from my colleagues. We had a west coast mayors summit in december that brought together the mayors to talk about climate change and about housing and homelessness and the secretary of housing and urban development showed up for the meeting. And I learned a lot in those discussions. And one of the things that has become so clear for me in that context is that the world is moving to cities, not just this one, but the world is obviously moving here, too, but the world is moving to cities. It's where most of the economic activity is, where most of the carbon is generated, where most of the carbon savings are being created through good public policy. And that work continues. During the remaining time that I was serving as your mayor i'm going to keep my nose to the grindstone. They give us ideas and allies. This afternoon commissioner novick and I will meet with the secretary of transportation here in Portland as we compete for the smart cities challenge and Monday i'll fly to the white house to meet with the vice president about gun strategies. So those discussions inform our work and they also form my concern about the city of Portland because I ran for public office the first time when I as city commissioner and this time because I wanted to make sure we actually do our job on

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basic services whether it's fixing up the parks, making sure that we have enough firefighters and putting our streets in good repair. And again, thank you both for progress on both of those fronts. There's more obviously needed on both fronts. I ran for public office because I believe in restoring the credibility of city government and the fact that we had not only commissioner Fish good work on your part and the bureau's parts on creating these budgets but we had only the citizens utility board and the public utility board show up to testify on the budget and to support it. We didn't have a bunch of citizens complaining about how their water and sewer funds were being spent on inappropriate things because they're not and no news in that case is very good news. We had zero press coverage on moss Adams dropping a 2 ½ inch thick document, the comprehensive financial report, on that table and saying we have no issues. We got nothing. Nothing to report. In thousands of line items, our financial staff and the city of Portland are doing everything right. Again, no news is good news so I think we've done some good work and there's always more to do in buttressing the credibility of the public sector especially when it's under attack in political rhetoric. And then one of the reasons I ran the first time that's turned out to be again relevant is growth and change. I ran for office because I had grown up in a place that suburbanized badly and this time around, it turned out to be even more true than I could have thought possible. There were two cranes on the horizon in Portland and they were both for public works project. A little different situation now. And we're dealing with a wave of growth that I don't think is going to stop any time soon. Portland is a great place, the world knows it, and it's less expensive than San Francisco, Seattle and Vancouver, even though it's awfully expensive to those of us who have been used to it. I don't think the public finance system that we have here in the city or in the state is really up to the task of that growth. We have cobbled things together. We rely an awful lot on the property tax. This fall we will again act on school funding and i'm really happy that we're spending over \$100 million on three of our high schools to put them in good shape and I really do believe we need to have more money for affordable housing. Boy, do we ride that poor tired property tax horse hard because it's kind of what we have for capital investments. With now the happy exception of a little bit of gas tax, and then we have some business taxes and niche taxes and two more soon but in a state without a sales tax and a city without a sales tax, i'm not sure that our public finance system can operate for the growth that we're expecting. Again, part of the context is talking to other mayors and if there's a tinge of jealousy, when I find out about phoenix's \$31 billion transit program funded by four/tenths of a sales tax but anyway, my point is, I believe the city of Portland is going to need it because we're growing and we're a big city now and soon we need to pay the bills for having the public services that we need to have. So that subject thank you, will continue, will continue while i'm here and will continue after i'm gone. There's some things we need to do soon on this front so I will continue in the quest for more revenues. This budget is a good step in that direction and there are a lot of things you've all said and they're very fine and i'm very proud of them. There's more work to do. Thank you all very much for this good work, aye. Let's take a brief break and we'll come back. We've got to do this first. So city shall levy its rate and \$14,875,168 for the payment of voter approved general obligation bond principal and interest and \$138,900,728 for the obligations of the fire and police disability and requirement fund and assessed value for the children's levy. Furthermore, the city shall levy the amounts listed in attachment e. For urban renewal collections. I will now entertain a motion to approve those tax levies. Further discussion? Vote, please.

Fish: Hope you got all those fractions, correct.

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

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Fritz: Those are big numbers and the people of Portland do indeed invest in their communities that we value. Aye.

Hales: Aye. And now, I will adjourn the budget committee commission and we will take that break. Thank you, council. [gavel]

At 11:44 a.m. council Adjourned City budget committee.

At 11:50 p.m. council reconvened as PDC budget committee.

Hales: we're going to take item 520 because we have people queued up to do that. I'm convening the council as the Portland budget committee. Do we need to call the roll? Please do. [roll call]

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

Hales: okay. Do I have a script for this?

Patrick Quinton: We don't have much in the way of presentation.

Hales: There it is. Okay. Okay. I am calling a motion to consider the changes to the proposed budget as presented in the change memo and exhibit a. So I'll make that motion to consider the changes to the proposed budget and the change memo in exhibit a. Is there a second?

Fritz: Second.

Hales: Okay pdc can discuss the changes.

Tony Barnes, Portland Development Commission: Good morning mayor commissioners Tony Barnes, Budget Officer. The changes in the change memo include the changes that were approved in the city's budget this morning for general fund, also carryover of housing dollars, approximately \$4 million were identified in exhibit a. The one change that is different from what was distributed on May 9th would be the reduction of the b. Corps but that was included with the spring bump of \$75,000.

Hales: Caught that change from this morning.

Tony: In the revised exhibit a. Before you at this moment.

Hales: Do we need to amend the change memo or its automatic because it's in our budget?

Barnes: It's automatic for the document before you.

Hales: Okay. All right. Any questions for the team about the memo? Are there any council proposed amendments? Okay. Hearing none, anything further from our chair or team? Thank you very much. Stand by in case we have questions. Is there any public testimony on the budget? Okay. Come on up. Good morning.

Lightning: Good morning. My name is lightning, I represent lightning watchdog pdx. First on the carryover on housing dollars. I do agree with that. Another issue pertaining to the development commission is I have a real issue on the way centennial mills was handled. And I know you're going to try to cut me off mayor, I do not like to see a prominent developer such as Jordan Shnitzer pushed to the side on a development deal. We had numerous developers that are well known through the city. You can count between all those people and it's a very tight network. They had the ability to invest a tremendous amount of money in this city and the ability to make phone calls and decide if he want to invest a tremendous amount of money in other states and if you negotiate deals and pick and choose and force them between one deal and another deal such as the united states post office and you think that's your legacy, think again. You do not step on the toes of developers that have the ability in this city to bring in tremendous amount of money to invest in the city or decide with their friends and other developers no we'll invest in California, no, we'll invest in Seattle. No, we'll invest in Arizona. You have to have discretion. And when you have developers standing up saying I don't feel I've been treated right, you better listen real close. You better listen real close and understand that what their decisions are to end up investing in this city affects everybody in this room even

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down to the most vulnerable people when they decide they want to make donations, when they decide like bob scanlen who has so much money and if he wanted to donate any foundation, he's right up there along joe Weston and half these other developers, you take him serious and understand do not step on their toes, we had a past mayor that stepped on some toes of developers and let me tell you something, it was nothing to do with the recession on why their budget was a deficit. They decide where they want to place their money, Portland is looking very good at this time because of mayor hales and you better understand that, do not step on the toes of the developers. Thank you.

Hales: Thank you. Welcome.

Charles Johnson: Good afternoon, almost. I'm Charles Johnson. I think block u. Is fully out of the inventory but we're seeing some delay. The reason I mentioned it. Regardless of how fantastic the budget looks on paper, there's no denying any time you go to visit bud Clark commons, we walk right past an empty city block. Why the homeless people have to be out on the Springwater corridor and pushed around by the police. I've never researched that particular block but we generally know that vacant blocks get maintain by the pdc which in its budget is apparently doing some weird deals with the Oregon department of transportation to fence off and rent space under i-5 near the east side river fire station. So these are relatively small things in the overall scope of the pdc budget but I hope in these last few months of your term as mayor and as your work with the transition team for ted wheeler that we'll open up the discussion with a broader community, not just developers as Mr. Lightning has referred to but to make sure it's good policy for all of us, not a land banking cash cow for a limited number of developers.

Hales: Thanks very much.

Fritz: So you know Mr. Johnson that vacant lot my understanding is it's going to be needed for construction staging of the development of the healthcare facility and we did look at it for right 2 dream, too, and it's contaminated so it's not suitable for people to be there.

Johnson: Yes, they spray weird stuff on it sometimes. Maybe something that's similarly contaminated like the st. Francis development, there's something new going into the pearl and once we clean up that brown soil land we can get some subsidized housing in there, we're going to pass a wonderful huge housing bond this fall.

Hales: Thank you.

Fish: I would be remiss if I didn't also thank a prior council for agreeing to change the design of bud Clark commons. It was originally to be a suburban style project on block u. By turning it into an urban form shape and taking half the block we created the half-block that can become the home for the county health department and that was -- I thought that was a wonderful decision. It created value.

Hales: We need to take a vote on that motion, the change memo.

Fish: Is this the final vote?

Hales: We're voting to approve the adjustments and then the budget as amended. This is the penultimate. Please.

Fish: Aye **Saltzman:** Aye **Novick:** Aye **Fritz:** Aye **Hales:** Aye [gavel]

Hales: and now, a motion, please, to approve the budget as amended.

Saltzman: So Moved

Fritz: Second

Hales: Roll call.

Fish: A lot of hard work has brought us to this day, and I think what I would like to focus on is thanking Patrick Quinton for his service to the city. I asked commissioner Saltzman how long have you been in this position? We think it's about five years. Are we in the right ballpark? Five years. And you can be very proud of the work that has been accomplished

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under your watch. And what I would say having served on this body now for over seven years, I appreciate the openness you brought under your leadership, the regular meetings you've held with council, the willingness to engage issues and find common ground, and then the good partnership. I hope you feel great pride in your service and what you've accomplished and I know we'll have another opportunity down the road to embarrass you and thank you but at least for purposes of this vote thank you. And thank you for agreeing at the mayor's request to chair the Portland development commission you have another two or three full-time jobs so this is pure service and you are not compensated and yet you do a lot for our community so thank you for your service and this budget has a lot of things that I like in it and obviously, no budget is perfect. But I also want to acknowledge that we did make your job more difficult by bumping the tif to 45 for affordable housing and that had a domino effect in other priorities within the bureau. When we made the change to take housing out and to focus on economic development, I think at the time it was the right call. And we ended up with two organizations that were stronger as a result. But the challenge that we're going to have embrace going forward is how to give the Portland development commission stable and sustainable funding going forward and inevitably I think that's going to mean a different model because we're not going to be able to rely on tif the way we have in the past and I look forward to working with a future council in crafting a new vision for the Portland development commission that inevitably requires it to be more entrepreneurial and I would like to see some of the properties that the city manages be turned over to the commission to provide a base of funding for the good work you do. But to everyone who participated in this budget and brought it to this moment and thank you, special thank you to Patrick. Aye.

Saltzman: I would like to also recognize Patrick Quinton for his tenure as executive director. And to the board of the pdc, for all the hard work that they put into this budget and to being pdc commissioners, a lot of work, a lot of hearings as commissioner Fish said there's no compensation for that but you are our economic engine and you have definitely served the city well. I feel the city is in a good position in terms of the economy, job creation and these are things we've got to keep an eye on all the time and that's what I count on the pdc to be doing so thank you very much for the job you do. Aye.

Novick: Thank you, Patrick. Thank you, chair Kelly. Aye.

Fritz: I'm reminded of the comments mayor Hales made regarding the lack of drama in the utilities budget thanks to commissioner Fish's wise stewardship and there was a time when Portland development commission budget hearings and pretty much every pdc hearing was filled with people very upset and here we are and they're not so thank you Patrick Quinton for your leadership, Tom Kelly for your chairing of the board, Scott Andrews for his previous good work, since I've been on the council, we have moved and made good decisions and the prosperity of the city is one of the outcomes of those good decisions. They don't just happen. They happen because you have a strategic plan and because you implement it very carefully. Thanks to Kimberly Schneider for her work as well and glad that you're going to be continuing with the commission and thank you, Mayor Hales for your leadership. Aye.

Hales: For pdc to be an effective community resource there needs to be excellent volunteer leadership and again, Tom, thank you and board members and we'll be bringing forward a new board member to replace one who's unfortunately leaving us who's done a great job but we have to have a very small board five people who do a great job of representing the whole city in all its diversity in the leadership and that has to work and it is working so thank you Tom. Second thing that has to work is we have to have an executive director who can lead the organization and get things done and you have. I mentioned a couple earlier, a couple of others that I'm proud of in terms of your work not easy stuff.

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You had to down-size this organization. No executive likes doing that. You led us through with my support, a right sizing of our urban renewal areas, where they are, what they do and how much they take from the flow of tax revenues versus going to general government and this council will approve that big reform and you helped us get through that in a very thoughtful way, and then a strategic plan that's now the direction for the agency that moves us from just building the city and creating jobs, good things to building the city, creating jobs and sharing prosperity, and now has those three pillars undergirding the work and you know, when you think of Patrick, this very dignified executive but I've seen him get very passionate in public about the subject of equity talking to the community about the past wrongs that pdc has committed and how committed the agency is now to working with the community in partnership, and he means it and that's one of the things we'll miss not having you at the helm and then finally, we have to have good staff behind Patrick, you and others and pdc have done great work on the budget in getting through those challenges. You've done well for Portland aye. Thank you all. I have to close the pdc budget committee and reconvene as the city council. [gavel]

At 12:06 p.m. council reconvened as Portland City Council

Hales: let's do the second reading items which were 521, 22, 23 and 24. Let's take those please starting with 521.

Item 521.

Hales: Roll call, please.

Fish: Aye **Saltzman:** Aye **Novick:** Aye **fritz:** Aye **Hales:** Aye

Hales: 523.

Item 523.

Hales: Roll call, please.

Fish: Aye

Saltzman: I'm very pleased that we are actually helping to do some affordable home ownership as opposed to rentals. These are condos and people will own these, have equity and prosperity. Aye.

Novick: Aye **Fritz:** Aye **Hales:** Aye

Hales: And 524.

Item 524.

Hales: Roll call.

Fish: Aye **Saltzman:** Aye **Novick:** Aye **Fritz:** Aye **Hales:** Aye

Hales: okay so now, let's return to the balance of the regular agenda, go to item 518, please.

Hales: No, we've got to 513.

Item 513.

Novick: This is pbot's annual update of fees. [inaudible] these fees align with our goals of achieving cost recovery, managing growth and improving safety as a vision zero city and I will turn it over.

Christine Leon, Portland Bureau of Transportation: Good morning. I'm Christine Leon the manager of the Portland bureau of transportation's development permitting and transit groups and with me is Dave Benson, our parking and regulatory manager. So just very quickly, this is our annual fee update, which is a compilation of the fees and permits for use of the right of way. Of the six schedules of fees that are attached to this ordinance, they are specifically used for staff reviewing the requests to use or constructing the right of way against our standards and regulations for providing customer service, for establishing impacts and mitigations, for permit issuance, insurance and risk setting, tracking and data based management, inspection, enforcement, parking use, regulatory and other

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administrative requirements. So again, this is a summary of all the things that transportation does and allows people to do in the public right-of-way. So for the highlights this year, we have achieved our target of development funding its own way with our fee increases in schedule b. And development is high and continues to be high. We are experiencing a lot of growth in the city, a lot of permitting, and with the increases, we will be able to be at cost recovery for development so i'm proud to say that. The other focus is on vision zero. And our efforts to you, to make sure that all types of transportation, pedestrians, bicyclists, auto traffic, truck traffic, that they are all accommodated during construction for our development. So that's reflected mainly in our schedule d. And then later this year you will see resolution coming to council about some of our administrative rules that we're making to really prioritize the accommodation through work zones. So with that I will turn it over to Dave Benson and see if he wants to do any highlights and we will take questions.

Hales: Thank you.

Dave Benson, Portland Bureau of Transportation: Good afternoon, now, mayor and council. My name is Dave Benson, I'm the parking services manager for pbot. I'll give you the highlights on parking garages. As you know we implemented a low cost swing shift permit for low-income workers for the smart park garages, \$35 a month. We've adjusted the rates in the smart park garages, not all of them but most of them, usually, around monthly rates from five to \$20 just to keep pace with the market. We do market research once a year to inform those. For the first time, we've applied to metric to the cost of carpooling permits. We're now recommending 75% of the monthly rate. You will see an increase in the central east side area parking permits. That is a central east side business industrial council recommended that and the collected fees return to them in excess of our costs so they can do transportation safety projects and lastly, you know well the fee structure for the private for hire the 50-cent ride fee for taxis and tncs and we are not recommending any changes for the balance of the industry. Thank you.

Saltzman: How much money has the 50-cent ride fee brought into the city?

Benson: Thus far we just issued -- I don't know that we've collect but on april 21st we issued invoices totaling \$586,000 for the first quarter of this year.

Fritz: How many people have taken advantage of the low-income smart park swing shift?

Benson: 15. It's been a slow start but we expect it to pick up.

Fritz: I would appreciate a commitment to come back and ask us or with some changes.

Benson: I would be happy to. We're doing outreach to businesses, labor, and other groups to incent folks to apply for it. So i'm hoping that increases.

Fritz: The challenge is for the retail workers, the hours don't work so I would be surprised if you get all that many more folks, and I think that was part of the target. So let's do the outreach to see if we can make sure that people know it's available, and there may be a need to go back and look at the program as structured because i'm skeptical that it's meeting the retail workers' needs.

Benson: Absolutely.

Hales: Other questions? Anything else you need to cover? All right, thank you very much.

Fritz: One other question about the downtown marketing initiative. Usually, there's a discussion from the Portland business alliance and others about that programming in conjunction with parking fees. Where is that at in the Portland bureau of transportation budget?

Benson: That is paid for out of smart park revenues. And it's scheduled at a quarter of a million dollars.

Fritz: That is the same as it has been?

Benson: It was half a million dollars last year. So it's 50% of what it was.

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Fritz: See if we get testimony about that thank you.

Hales: All right, let's see if anyone here wants to testify on this item. Anyone signed up? Anyone want to speak? Okay. Then it will pass to second reading next week, right? Yes. [gavel] okay. Thank you very much. All right. Let's move to the rest of the regular agenda starting with 518. [inaudible] let's do the full consent item, which is 514, if mark is here, yes 514, please.

Item 514.

Hales: Okay mr. Amberg has a substitute exhibit I believe.

Mark Amberg, City Attorney's Office: Yes, thank you, mayor and council members. City attorney's office. We have a substitute exhibit to go along with this proposed ordinance. It's the fully assigned version of the settlement agreement, the version that was presented with the ordinance did not have all signatures on it. That's the only change from the exhibit that was attached to the ordinance.

Hales: Okay so is there a motion to substitute this -- this is a full substitute?

Amberg: Yes.

Hales: Okay. Okay motion to adopt the substitute.

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

Hales: Anyone want to speak on this item? Come on up.

Charles Johnson: Now, truly good afternoon, for the record I'm Charles Johnson and, you know, the vast majority of our police officers work hard and diligently and in good conscience and i'm pleased to see that the police association has opened up discussions about many things to retain and improve the officer staffing. But when mistakes happen, taxpayers foot the bill and transparency and open data are better served by reviewing how often and how much the city has had to pay out for regrettable incidents with the police resulting in violence or death. On this particular incident, I note that we're not seeing any particular dollar amounts on the record for people that aren't looking this stuff up on the internet and don't have a copy of the substitute agreement before them. You're not living up to your best standard, i'm not saying that you shouldn't pass what's been provided and put this behind us but we could do better. Thank you very much.

Hales: It's an emergency ordinance so let's take a vote, please.

Saltzman: Aye **Novick:** Aye

Fritz: The substitute merely adds the signatures Aye.

Hales: Aye

Hales: 518.

Item 518.

Hales: I understand the request is to refer that back to commissioner Fritz's office?

Fritz: For two weeks.

Hales: Okay so ordered. 519.

Item 519.

Hales: Good afternoon.

Elisabeth Nunes, Bureau of Human Resources: Good afternoon. I'm Elisabeth Nunes with the bureau of human resources and the class comp manager and i'm here to present an ordinance to provide a 1% cost of living adjustment in the 2016-17 budget. It would be effective July 1 and it is covering non-represented classification employees and elected officials should they choose to receive it. The total cost is \$1,624,000 and \$755,000 of it is from the general fund and the remaining is non general fund bureaus.

Hales: Okay thanks, Elizabeth. Questions about the ordinance? Okay. Thank you very much. Anyone want to speak on this item? Come on up.

Shedrick Wilkins: On this one I want to be funny. I have a friend who criticized the fact that the mayor or various people take foreign trips and vacations, can you take salary

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increases and dump it into some travel fund so that these foreign trips are kind of not something that you get as being mayor or elected official but one more funny thing I would like to say is why don't you send a laptop or something to a foreign country and have a virtual mayor that sits there and looks like he's attentively watching the meeting while he hears everything in his lounge chair in the backyard? And put Portland, Oregon on it. And another thing when you go to a global warming conference or something in Paris, you're flying in a jet plane so why don't you insist that we could do that with electronic communication?

Hales: Thank you. Anyone else? Okay. This passes to second reading. 522.

Item 522.

Hales: Commissioner Saltzman.

Saltzman: The housing bureau has received a competitive grant from the university of Utah of \$100,000 to perform a feasibility analysis of a paid for success funding model for our green and healthy homes initiative and it's a great thing and we'll use it to deal with issues like well -- i'll turn it over to you.

Dave Sheern, Portland Housing Bureau: I'm the program coordinator with the housing bureau. We were delighted to receive the award. It's a national program run through the white house initiative, paid for success, it helps agencies develop feasibility analysis of using social impact bonds. We intend to use the money to hire a limited term fte to help us work through our green and healthy homes initiative to see what the downstream savings are that we could potentially use to explore social impact bond financing in the future.

Hales: Okay thank you. Questions? Thanks very much. Anyone want to speak on this item? If not then it passes to second reading. 525.

Item 525.

Hales: Commissioner Fritz.

Fritz: This ordinance authorizes a contract for the planning of two parks in east Portland. Prioritizing these plans is another step towards increasing access to parks for all Portlanders, including those in east Portland who have historically had fewer parks compared with other areas of the city. The council allocated the money for this in the last budget process and I greatly appreciate it. We went back to the community and asked which of the many unplanned parks in east Portland they would like us to start on and these two were amongst them. After these two parks are developed they will serve 1,115 new households that do not have a park within a half-mile. The public involvement process will include outreach to historically underserved or not served populations, including immigrant and refugee communities and communities of color. I'm looking at the phonetics and I think I got it right. It's close enough. Portland parks and recreation is here to tell us about the project.

Maya Agarwal, Portland Parks and Recreation: Good afternoon, i'm with the Portland parks and recreation bureau and Portland parks and recreation continues to deliver on its commitment to expand parks and recreation opportunities for the communities and neighborhoods in east Portland. As commissioner Fritz mentioned in November 2014, city council designated \$300,000 from 2014's fall supplemental budget for new master plans for Eastside Park. Portland parks and recreation's east Portland neighborhood organization parks committee and commissioner Amanda Fritz engaged the community in a public outreach process to determine which sites should be prioritized as part of the east side park process. Mill and midland parks received our highest score of 15 points in recognition of its diverse demographics. And based on the public outreach process and input, Commissioner Fritz chose to fund these two parks. Their master plans will ensure that future generations can enjoy the parks. The prioritization of the plans is consistent with our parks 2020 vision which seeks to have every Portlander within one half-mile of a

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park. Through a competitive process, green works pc was selected to create a master plan for mill and midland parks. Due to the demographics of the populations surrounding the parks, Portland parks anticipates significant outreach for both projects. Numerous diverse communities and groups reside in and support the area and would be served by the parks. Residents of the David Douglas school district speak 71 different languages. The top six languages are Spanish, Russian, Vietnamese, Chinese, Ukrainian and Somali. The racial ethnic background of the population of the David Douglas school district is varied and household incomes are relatively low. Development of the master plan will include a robust citizen participation process with focused outreach to historically underrepresented populations including minority, youth, disabled, immigrant, refugee and non-English speaking populations. Four out of five evaluators who reviewed and recommended awarding this consultant contract are community members who live and/or work in east Portland. Portland parks and recreation asks the council to authorize a professional technical and expert services contract with green works pc for master planning services for mill and midland parks at a not to exceed amount of \$119,859.18.

Fritz: Minority women participation in this contract is over 18%. Including 13% for minority women owned firms and in case you're wondering what's happening to the rest of the money that's going to be used for master planning the 150th and division property.

Hales: Good. Other questions? Thank you both very much. Thank you. Anyone want to speak on this item? If not it's an emergency ordinance so let's take a vote, please

Saltzman: Aye **Novick:** Aye

Fritz: Thank you very much. This is very exciting. We don't yet have the funds dedicated to do any improvements that the community might develop in this process, but the first step is getting the master plan done so we can go for grants and other things. Thank you. Aye.

Hales: The systematic planning and development of parks in east Portland is one of the best things we're doing I appreciate this. Aye. [gavel] okay. One more item for this morning's agenda, 526.

Item, 526.

Hales: Commissioner Fritz.

Fritz: Thank you mayor, Portland parks and recreation system development charges cover a portion of the cost to provide parks and recreation facilities needed to service Portland's growing community. It can't be used for existing deficits, they are used to expand capacity. They're used only for capital improvements that increase the capacity to offset the impact of new development. Capacity increasing projects must be on the Parks system development charge capital improvement project list to eligible for system development charge funds. It's important to update regularly parks sdc cip or system development charge capital improvement project list to reflect a current list of candidate capacity increasing projects. This ordinance amends the cip list which was approved about a year ago. Trang Lam Property and business development manager from Portland parks and recreation will now tell us more about the ordinance and we have a substitute.

Trang Lam, Portland Parks and Recreation: Good morning or actually, good afternoon, now mayor and commissioners. My name is Trang Lam I'm the property and business development manager for parks. I'm here today to amend the parks system development charge capital improvement plan. About a year ago, council adopted ordinance 187150 which updated our parks system development charge methodology. It also updated our code and charter, 17.13 and finally, it updated our parks system development charge capital improvement plan, or also known as the sdccip list to be implemented starting July 1st, 2016. That's coming right up. As required by state statute, parks and recreation maintains a list of capacity increasing projects intended to address the needs created by

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growth. This sdccip list is a list of projects eligible to be funded with sdc revenue and is based on our 20 years park system improvement plan. So this is an eligible list. It is not a funded list. And our capital improvement plan is actually updated annually. So the sdccip list is a living document and per state statute we may be able to modify it at any time per council approval. Changes to the sdccip list does not affect our park's sdc rates and I do apologize for the exhibit a. My program manager is out on maternity leave, I had a little bit of technical difficulty with the excel sheet. So I wanted to give you a highlight of what we've done here with the updated 2016 park sdccip list. It gives and provides and more detailed categories for our cip list, so first you'll see that we have included a sdc zone which provides for projects that are in central city or non-central city then we provided a column for programs such as acquisitions, buildings and pools, new park developments, recreational features and then trails roads and utilities. The third and fourth row is our site and project name and under the project name it better describes the project itself. Next to that is our percentage of growth which identifies eligibility of sdc funding for each project so it can be fully eligible or partially eligible for sdc funding. And then the next couple rows there will be estimate of project cost and timing, we've estimated the cost and timing based upon a year one through five, six through ten and then eleven to twenty. Project implementation is based on many factors including needs, priorities, opportunities, and other resources such as staffing. And because of the uncertainties of these factors it's impossible for us to estimate with any degree of reliability more specific timing then the five year breakdown in the plan. Additionally, parks does do an annual work plan, so we do plan for the following fiscal year, which is reviewed by both our commissioners' office and directors as well. The last two columns what you'll see is a 20-year total for all projects. Finally the last row is a total of cost for eligibility for sdc funding. Those two rows actually are not an exact number. One is about total project cost, the other is about what's eligible for sdc funding.

Hales: 1.2 billion dollars.

Lam: That is 1.2 billion dollars.

Hales: A lot of money.

Fritz: To conclude, we do not have that much money.

Hales: Nor will development necessarily provide anywhere near that. But it's the universal list. I just have one technical question. That is, so the percentage of the park can be—a percentage of the improvement it can be funded by sdcs based on growth its either set at 50 or 100 or in one case at zero which I'm not sure about. I assume if it's zero it's not on the list. Do we get to do this? I assume we get to do this that is just pick 50 or 100. We don't have to be more fine grained than that in the percentage of the improvement that is sdc-eligible under the law?

Lam: Currently, what we have right here is a very basic understanding of a project. What we're saying is that either a project is fully eligible or partially. Right now we're making an estimate of that partial. So the place holder is 50. For red tail we're saying zero at this point because it is an enterprise fund. We may be just funding with enterprise funding.

Hales: Still, when it gets to a real project it might not be 50 or 100. It might be 63.

Lam: It will be refined. Absolutely Yes.

Hales: When you get the cost estimates that's when it might be changing.

Lam: Yes.

Hales: Any questions? Anything else on this item? Is there anyone who wants to speak on this item? If not it moves to second reading.

Moore-Love: Were we voting on an amendment?

Fritz: Substitute.

Hales: Substitute. Sorry. Substitute is before us. Commissioner Fish moves the

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substitute. Is there a second?

Saltzman: Second.

Hales: And let's vote to it to adopt the substitute. [Clerk note: Exhibit A was substituted.]

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

Fritz: Aye. Thank you for your work.

Hales: Very much so. Aye. Now it goes to second reading and we're recessed to 2:00 p.m. At which point commissioner novick and I will not be here cause we're going to be meeting with the secretary of transportation. Commissioner Fish will be presiding. The three of you will have the command of the enterprise. We'll see you then.

At 12:34 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 18, 2016 2:00 PM

Fish: Council has come to order Karla will you read council item number 527?

Moore-Love: Should we do the roll first?

[Roll call taken]

Fish: The quorum is present. We have a single item this afternoon, no. 527.

Item 527.

Fish: Commissioner Dan Saltzman.

Saltzman: Thank you, Mr. President. The good news is the bureau of development services finances are looking great. And that shouldn't be surprising given the amount of development activity happening here in Portland and the fact that the bureau of development services is 90% supported through development fees. To that end the rate schedule in front you have today, bds is actually reducing its fees by 3% in the majority of building and site development permits. We're confident this will allow the bureau to remain financially strong while still providing customers some relief at the cashier window. I'll turn it over to Paul scarlett to walk us through it.

Paul Scarlett, Director, Bureau of Development Services: Thank you, commissioner. Good afternoon, Paul scarlett, director for bureau of development services. Similar to commissioner Saltzman's statement, we're pretty excited. I have notes in front of me, I don't even have to look at them. We're presenting something that's great news. It's a plus to our customers, a plus to our employees in that we are continuing to show that partnership. The bureau of development services, our mission is to promote livability, economic vitality. A fund was set up back in 1988, 89, to allow for fees to support of operations of the bureau of development services. It can be a good and a vulnerable situation when funds aren't so great. However, our focus remained the same and that's to provide the best level of service possible in all areas of our work. We're excited with this news that we're able to provide a relief to our customers in the form of a 3% reduction in building permit fees, site development fees for. Clarification, it doesn't apply to other programs such as electrical or plumbing. Those programs are recovering costs, all of our programs are recovering costs but not as strongly as the building permit program. And we work closely with the development review advisory council, a subcommittee was formed, there's been concern from the industry about how strong our finances are which is interesting, but attention is given when it's good and when it's bad. So we recognized the concern and said we would work with you through the budget process. When we were with Commissioner Fritz, same concerns we expressed, we'll work with you. If we can make adjustments in favor of a reduction we will do that. But we have obligations as part of an operating fund to have a fund that looks five years out. In this case we've done the analysis, worked closely with the industry stakeholders, and able to commence an offer at 3% reduction, it equates to about \$700,000 per year. We have a strong, strong healthy reserve. And this can be absorbed. And in fact, I believe it's a showing of good faith, if you will, of good partnership with our customers, the industry, in that they reached out to us just like the council and offered assistance during the recession, and allowed and

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approved our request to increase fees up to 8%, above cost-of-living and inflation, knowing that we weren't able to manage our operation, balance our operation. But said we'll, yeah, we're good with the increase providing we get the service. So six years later we're in the reverse, we're making so much money and able to recover all of our costs. And we feel this is one of the great things that we can do. It's a great I believe reflection on the bureau and the city to work closely with our customers. There's something we're still holding like the minimum fees will remain the same like \$95. I can go on but more than anything I do want to express appreciation to our customers, our industry groups, to the council. Drac continues to work with us on a monthly basis. The subcommittee looking at these for us, because we said yes, we're transparent, we're open, let's work together. So bds is the first piece. Other interagency bureaus fees will be reviewed as well as system development charges. There is a committee that will continue to review options and see what can be forwarded as recommendations to the council. So with that, i'll turn it over. Before do I that of course i've got two very astute managers here that keep a close eye on our revenues on a daily basis. Elshad Hajiyevev our finance manager and Deborah Sievert-Morris the business operations manager who is responsible or at least these functions fall within their portfolio. I want to thank you guys for all the work you do and your staff for really managing our finances to the point where we can present to council really good news, to our customers and industry partners. I'll turn it over to Deborah to explain more details and hope for approval of this ordinance.

Deborah Sievert-Morris, Bureau of Development Services: So good afternoon, as director scarlett indicated i'm the senior operations manager for the bureau of development services. The good news is our 3% reduction for our building and site development permit fees, but we do have a couple of modifications, some small modifications in this ordinance, as well, in our fee schedule that I just wanted to bring to your attention. They basically are to address clarifying language to make it a little more clear and understandable. Also we've got an area where we are doing a slight increase to do some cost recovery. Also we have a couple of requirements to address as well. We are making those modifications. Fee changes do impact our customers and their willingness to do business. We have been very proactive in engaging our customers in discussions about our fees. And we've gone ahead and we've published this information, it's available on our website. We have also put this in our external newsletter, the plans examiner, which is -- has a wide distribution among the development community and our community members. We've also been working with our customer and other stakeholder groups like the drac on these changes, as well. So with that I am happy to answer any questions that you might have about the ordinance or any of these additional changes.

Fish: Colleagues?

Fritz: Thank you I have a couple of questions and thank you for your presentation and thank you for teaching me a lot about being a fee supported bureau. I'm currently trying implement more of that in the office of neighborhood involvement. I'm surprised at the pushback i'm getting, somehow it's different in a different bureau. Thank you for showing us how it's done. It's been my pleasure to work with you and indeed put forward the business operations continuity plan. One of my questions is about the reserves and how much is the right level of reserves. How long could we sustain a future downturn in the economy without having the catastrophic loss of staff that we had at the beginning of the recession.

Scarlett: Good question, appreciate that, commissioner Fritz. We've had to really explore and look at every aspect of our operation during the recession. One of the big changes we made was the -- trying to right-size that reserve. What is that amount? During the recession we had a reserve that would sustain operation for about two month's maybe.

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We reviewed that closely and went from—Elshad you might have to help me out here -- 15 to 35% to now, 50% of our operation to sustain operation for six months, consistent with economic trends in terms of what's in place for a recession. It's defined as about six months. We want to have a reserve balance in place with currently about a \$54 million operation that would be 20-something million. We're about 40 million, over that in reserves, so it's really strong. We should be good. On top of that amount of money politics and decisions could come into play. It's one of the reasons we produced a business continuity plan to include some certainty as to what steps would be taken in case of a downturn.

Fritz: The reserves are robust enough to cover six months of continues operations.

Scarlett: we have enough to cover more than that.

Fritz: More than that. And does the drac support this proposal?

Scarlett: We presented it to them in the form of a business continuity plan which we presented one tile. We went back to the bac and got some more information and presented it again and they have endorsed it.

Fritz: Development review advisory committee, thank you. Secondly I remember last year there was funding for outreach staff and in particular looking at equity and how do we serve neighbors who may not speak English or may not know how to access the permit system and therefore get into trouble because they don't know they are supposed to get one. What's happened to those positions?

Scarlett: I couldn't tell for you sure. I know they are in the budget. One of the challenges is filling the position, adding positions is fairly easy with our justifications of workload and money. I would have to get back to you where those are in the stage of the hiring processes. But we have identified that as additional and necessary component of the operation. It's no longer do we just do 20 inspections per day. We want to make sure we're able to serve all of our customers in the community in an equitable manner. Sometimes it means creating other avenues for doing business which include outreach and so forth. We're really big on for example demolition, that's a big one. We created a position to help with the demolition questions and issues around that because it's so varied.

Fritz: So the fees encapsulated here support those positions in ongoing funding?

Scarlett: Yes, they do.

Fritz: Great. The other question is about the -- in the budget we just adopted we completely removed general fund from the land use services and so that's --

Scarlett: transferred it to another program.

Fritz: Entirely fee supported. And then the enhanced safety inspections and the other inspection programs, those are funded with ongoing revenue?

Scarlett: Elshad can speak to this. In a limited way.

Elshad Hajiyeu, Bureau of Development Services: The way I understand it -- oh, sure. Elshad Hajiyeu, Finance manager for the bureau of development services. And the mayor's proposed budget, I believe that's what in the adopted budget there's a one-time transfer of the fund to the land use program to neighborhood inspections. There's a budget note that it'll come back to the council and report on how land use is doing financially. If there's a need to keep that money in the neighborhood inspections program for -- on an ongoing bases. It's a big hit, they are losing approximately \$700,000. That's why we had that budget note. We will be back in the spring to report on how land use services is going. Right now we have inspections program and the [indiscernible]. Those are being funded. That's property program, those two programs are being funded by one-time transfer from general fund moneys from our land use program unit until we get back to you guys in the council in the spring.

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Fritz: The general fund is still ongoing but just for this year we're transferring it into the inspections and distressed properties program.

Hajiyev: Correct.

Fritz: And you'll come back to us on that.

Hajiyev: Correct.

Fritz: And that's all factors into these fees and making sure you can pay for everything you do right now.

Hajiyev: And there are no changes to land use services fees. No increase, no reductions.

Fritz: My final question of concern, I know that Claire Adams in my office has mentioned this to you, there is a proposed increase in fees for new manufactured dwellings, park homes. The one that particularly concerns me currently its \$56 for each space. What's proposed that is anything from one to 10 would be \$566 as a permit application fee. It would seem that would penalize a manufactured home park that was going add one or two spaces instead of paying \$112 it would be paying \$560?

Hajiyev: I wouldn't -- basically what we do every year with our fee schedules is we go with a fine comb and we'll look at the fees that are not at cost recovery. Manufacturing Dwelling Park and recreational park were identified this year as not being under cost recovery. The work that our staff is doing reviewing the sites, reviewing the for space and size of the homes to make sure they are consistent with the building code, actually the work is the same as if we do it for one or for 10. So that's why we made that change there, from 1 to 10, it'll be one price. The cost that the bureau incurs to inspect two or 10 is essentially the same. The other thing is that this is -- these two are really minor fees. The last manufacturing park that we issued a permit for was in 2006. They have a name it for, one of our managers has an excellent memory and he remembered. It was mariner's gale on marine drive, so it was 10 years ago. It's really a minor change. Same goes for recreational parks we just permitted one on the Alberta. They had those tiny homes on wheels. Again, the amount of work we do for one versus 10 is essentially basically the same because again, they go to the site, they inspect it.

Fritz: I understand that. As we look at manufactured home park as an affordable option, particularly so. Ones that we're going to be trying to save, if they become more of a long term prospect there may be an opportunity to add one or two more spaces that would add one or two more affordable homes. 560 dollars is a minor amount for the bureau. It's a month's rent for a manufactured home park occupant. So commissioner, I would respectfully request that you take another look at this or that we don't make that change particularly for the small changes in manufactured home parks to keep it at \$56 for each space rather than a blanket 1 to 10 is \$560.

Saltzman: I'm amenable to that.

Hajiyev: We can make that change.

Fish: Would you like to offer an amendment?

Fritz: I think I just did. Commissioner Saltzman Just seconded.

Fish: Council, was that sufficient? [indiscernible]

Fritz: My amendment is that for manufactured Dwelling Park permits that for 1 to 10 new spaces its \$56 for each space.

Saltzman: Second.

Fish: It's proposed and seconded. Karla, would you please call the roll.

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

Fish: Aye. The amendment passes. [gavel pounded] Other questions?

Hajiyev: Commissioner Fritz, would you like to make another amendment to the recreational park in the fee structure is pretty much the same so, we're consistent.

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Fritz: I would indeed. I so move that we add recreational parks to that amendment. Thank you very much for catching that.

Fish: I think that -- would you like a vote on that, too?

Saltzman: Second.

Fish: Karla, would you please call the roll.

Saltzman: Aye.

Fritz: Another reason I love working with the staff in development services, you know what you need to do and you're very willing to put it on the table and help us out. Aye.

Fish: Aye. [gavel pounded] the amendment passes. We have an ordinance that's been amended. Karla, has anyone signed up to testify?

Moore-Love: Crystal, I did see her stuff here.

Fish: She's not present. Anyone else? This is a first reading so paul, we'll give you the last word.

Scarlett: Well, again thank you for the opportunity to present this good news. We're again continuing to be as good a partner as we can with our customers and the industry and employees. We look forward to coming back to a second reading. Again, fee increases is not an issue here. We're reducing fees. Some fees haven't been increased the last couple of years and that's also part of this ordinance. With the strong economy we're just happy to be here presenting good news and looking forward making the bureau a better place to live. That's how it feels, anyway.

Fish: Thank you, Mr. Director. Thank you, Dan. We are adjourned. [gavel pounded]

At 2:21 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 19, 2016 2:00 PM

Hales: Good afternoon. Welcome to the May 19 of the Portland city council. Please call the roll.

[Roll call taken]

Hales: Welcome. We're going to move to our four-fifths agenda item 527-1 and 527-2.

Item 527-1.

Item 527-2.

Hales: We have a couple of items to deal with here in the particular. I have some points I need to get into the record about one of them. Last Thursday council reaffirmed a decision made the previous day for comp plan amendment 5, so s12, which addresses property at 17th and insley. Prior to our original vote on May 11th council asked for the planning sustainability commission's recommendation to inform our decision making process. Bps staff incorrectly replied that r1 was the designation that would apply when in fact the recommendation was a combination of r1 and r2.5. The next day bps staff provided a correction and council reaffirmed the earlier vote to deny rh to the property. After speaking with council I learned some of us voted based on an understanding that a vote consistent with the psc would not render any properties nonconforming. This is not the case. Applying r2.5 in the two block area subject to this amendment would result in four properties becoming nonconforming based on what is built there today. Or in one case what is currently under permit to be built. To acknowledge and address this misunderstanding staff would like to bring this back before city council to provide clarification and call for another vote. Want to deal with that first?

Susan Anderson, Director, Bureau of Planning and Sustainability: I was going to do that second.

Hales: Deal with metro first?

Anderson: Yes.

Hales: Andy Shaw is here from metro.

Andy Shaw: Thank you, Andy Shaw with metro. We're happy you're taking this up today. Thanks for the time last week and this week. The voters in our region have twice passed bond measures to direct metro to acquire critical habitat to protect quarter quality and create meaningful access to nature. We have kept our eyes squarely on those goals. We are responsible for managing that program and making sure that we're achieving those goals. We acquire land flew a willing seller program and that can make it quite challenging to obtain the target areas that we're trying to obtain. Frequently when we buy land we have to buy a larger parcel than what we need. We purchase parcels to obtain key right of way in the supreme water trail and had to buy a larger pal sells along the way to obtain that right of way. We don't intend to keep those. Those are zoned in many cases residential. We intends to sell those and use the proceeds from those proceeds to put back in the program to ensure we're achieving the voters' goals which is obtaining as much water quality, habitat land and other critical trails and improving the parks we purchased so people can access them. In some cases we have down by sellwood we purchased land where we have upland habitat and flood plain habitat. Both are important but upland may

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not be as critical as purchasing additional waterfront land. If we can trade that land with others or we can sell that brand in order to purchase other land that will further we think the goals of our program. Downzoning our properties lowers the value of those properties and limits our ability to make those kinds of trades or sales in the interests of obtaining as much land as possible for water protection, water quality and habitat protection. We're asking you -- help me, Joe. We're asking you to adopt 55 --

Joe Zehnder, Bureau of Planning and Sustainability: Metro is asking that the items in number 55 that we discussed, those properties, last time, that the city council does not change the designation to open space as recommended in the mayor's letter. Then metro is asking for reconsideration of amendment m54 which you all voted on in the first work session. That's the amendment that designated the parcels along the spring water corridor to open space. Those are the two actions that are relevant here. You are continuing the discussion of item 55, so no change there. It's just how you vote on it.

Saltzman: Sympathetic to metro's position we would vote no on 55?

Zehnder: You would vote no on the motion, which is to adopt the change of zoning in the mayor's letter. Yes.

Hales: Which is 55.

Zehnder: Yes.

Hales: No on 55.

Zehnder: No on 55 and reconsider 54.

Eric Engstrom, Bureau of Planning and Sustainability: To be clear, the properties that are subject to the discussion are listed on a sheet that we passed out that was transcribed from the metro letter.

Hales: Do you have another copy of that? For some reason --

Saltzman: Well, I am -- persuaded by metro's arguments. They are an elected board, responsible to voters for managing open spaces and their parks and recreation areas. It makes sense that when you have to buy a piece of property when you only need a trail right of way there should be another way to flexibility for metro to maximize the value of the property especially if the proceeds are going back into open space and natural area preservation. I would -- do I need to make a motion?

Hales: We'll take a motion unless there's any other questions. I have another question. One of the reasons i'm reticent about this is in the abstract I agree with what commissioner Saltzman just said. At least in some situations. When you're talking about a piece of riverfront land next to sellwood park, talking about Mitchell creek natural area, you know, fanno creek natural has area, when a public agency, a parks agency, that's how metro is certainly perceived in this situation, buys a piece of property with voter approved parks and open space funding, it's pretty dissonant to say the least to zone that for development. Because we're supposed to zone the land based on its intended use. Most reasonable people who maybe aren't follow all these machinations would probably expect to rest easy having voted for the metro green spaces measure and having seen metro buy this critical piece of vulnerable property that they don't have to worry about it getting developed.

Shaw: It's a great question. I had to explain it to my wife, actually, and it took a while. [laughter]

Fish: Did you persuade her?

Shaw: In the end yes. Some of it is road front property. That road front property does not necessarily have great habitat value. There's further creek land to both east and west that we would love to obtain in the program and if it took a trade of some sort to do that or if we could sell off a property and purchase another property that would further our goals of protecting that watershed area and it won't harm what the voters asked us to achieve

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because that road front area could serve a different purpose that does not actually protect the creek. Down on the waterfront near sellwood --

Fritz: I would like to point out that I appreciate you raising the issue of the parks property that's in the middle there. In review from my staff this is a mistake and parks would like that zoned open space. We would request a change from the planning commission recommendation. When you look at where the creek is, certainly it seems to me zoning the whole thing for development is completely unwarranted.

Shaw: So our scientists looked at each area and parcel and we bring any action through our citizen oversight committee for an action to metro council. We have a number of instances where we bought a parcel. We determined one portion does not provide very good habitat value but could return value resources back into the program. It's been a common practice for us to do this. We're not saying we're going to develop that area, we want the flexibility to not have the value of the property diminished.

Fritz: With all due respect, there are several property owners who have come in and asked that including the David Douglas school district and individual property owners and the council has looked at the staff's research into the value of the property and hoped use for the property. In every case we have said thank you for your input but in fact we believe it should be a lower intensity designation. I don't understand why metro should be given more deference, especially when it's been purchased with open space money, this particular property. I would imagine the neighbors would be outraged.

Shaw: In every instance we work with neighbors, we work with local folks to figure out what's the best use of that space. Very good track record involving folks in our presentations. We haven't done master plans for a lot of areas so questions remain to be answered. We would like the flexibility to make those decisions via the metro council.

Fritz: They were purchased with green space bond measure for natural areas. On that particular property, what is the purpose that is in line with the green spaces bond measure to develop any of this property? You look back at the photograph, the aerial photograph, it's completely wooded.

Shaw: What our scientists tell us the main purpose is to protect that watershed, that creek, and we would look what areas are critical to reach that goal. If there was a portion that wasn't needed to achieve that goal and we could sell it off or trade it and use those resources or that land in trade to obtain larger portions of the creek then we can have more impact on water quality protection, habitat protection doing. That all we're asking for is to retain the current zoning so we can maintain that flexibility.

Engstrom: One technical thing I would like to add along that line, Portland does have transfer development rights in its code so there's an aspect of this that could theoretically relate to that without actually development having to happen on the site. That is one aspect of their request.

Fritz: Why should we do that for metro when we haven't done it for other property owners? It really calls into question the defensibility of the entire plan at the land conservation development commission. It's based on scientific research of what's the appropriate use of the land.

Engstrom: I'm not recommending you do that, just wanted that to be known in the record.

Fish: Can ask a couple of questions for staff? Metro says they would like to have more flexibility. I can understand that particularly if it's a trade and ends up being a net plus. The question of whether any action they take is faithful to whatever they promised voters it seems to me is outside our purview. What's left for us to consider?

Engstrom: The basic question is what is the land use designation going to be. I think the issue revolves around the fact that that does affect land value. So you know are the designation on the property gives certainty to all the folks around as well as property

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owners to what's allowed. Regardless of a property owner's actual use of the site, the zoning and the comp plan give you a longer term certainty.

Fish: If we vote yes on this, what is their recourse if at some point in the future they want to revisit this question?

Engstrom: Well, the comp plan is not a static document for 25 years so you do have the ability to change it if new information comes up. There is also recourse to any property owner in terms of appeals to the plan on a specific property or larger issue.

Saltzman: Isn't there a policy we don't rezone open space? If we designate it open space in the comp plan we're not likely to change that.

Hales: We did with colwood.

Engstrom: We did. It isn't off the table to rezone open space depending on the facts.

Fritz: Can you show us that Riverfront property, please. I interrupted. Sorry.

Fish: I didn't finish my last question with staff.

Hales: Go ahead.

Fish: Thank you. Do you have -- I want to make sure the document we have, one, two, three, four, five, six, seven, eight different properties, do you have a different position on each in terms of recommendation?

Engstrom: We have noted on a couple of the properties that the comp plan doesn't propose a change. That's one technical thing that we want to sort out. The staff's recommendation going into this was support for the council's action of open space based on earlier support from the planning commission on some of this.

Hales: So commissioner Fritz you want to go ahead and talk about sellwood?

Shaw: Was there a question?

Fritz: What possible development could happen there that would not be detrimental to the open space?

Shaw: We're not developing any land.

Hales: That's what a scenario would be.

Shaw: One would be that we could trade the upland habitat to somebody, sell it, if that allowed us to obtain more riverfront property. The flood plain is the target here for us, protecting that area from development is the target. So if there was an organization that cared for upland habitat and we could trade it at high value to them and use to obtain riverfront property, development going on at the adjacent parking lot area and that allowed us to obtain riverfront access that would be a high priority for the program. Do you have the over lay on that?

Engstrom: I just put up the map that shows the -- I believe the purple is the flood plain portion.

Shaw: We have worked were partnership with the city on Johnson creek area and other parks. I think it's tricky often to obtain some of these critical properties. Sometimes its taken trades through third party organizations that are land trusts. These can be complicated deals. If we have to go through a rezoning process that could make it impossible to make the kinds of movements that we need to make. Again, all we're asking for is the ability for this program to have the flexibility to make the choices that we want to make and achieve the voters will, achieving the most critical habitat, protecting it and creating links for key regional trails we have planned and made a priority.

Hales: Anything else you want to cover?

Shaw: That's it. Thank you.

Hales: Thank you very much. I don't know if we want to discuss this but i'm going to move amendment 55, which makes this package of changes. Got that right?

Engstrom: The motion that we originally had written was to take open space off of those properties, so that would be the motion --

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Hales: So open space has already been applied?

Engstrom: Open space in the case of -- yeah. Except for the ones that staff noted were not subject to change.

Hales: Right.

Engstrom: Open space has already been applied in the planning commission recommendation, then also via amendment -- the earlier amendment at the sellwood section. [speaking simultaneously]

Hales: I'll second the motion to uphold the planning commission's recommendation.

Engstrom: The only part you added was the sellwood section that you already voted on so you don't necessarily need to make a motion if you don't want to revisit that. If you did, that would be a different motion.

Saltzman: What's the spring water corridor?

Engstrom: It's the Springwater section in sandy

Hales: We appreciate you. We know that you and chair Hughes and the rest of the metro council are doing a great job but I think there's just a critical couple of issues in terms of keeping good faith with what the public has a right to expect. Having gone door to door for the metro green spaces initiative, I just can't imagine a scenario in which we wouldn't as the planning and zoning agency in effect verify what the voters did and what metro did when it bought these properties. Yeah, that was intended to be open space. That's why we bought it. I think it's just -- you're making a very good, so did your representatives, make a good rational argument but it's a rational argument that essential lip undermines the deal that we have with voters and the community or at least could be understood that way. I think to quote the old traffic safety commercial you may be right but you may be dead right. In that you will lose more in public support than you gain in flexibility. That's the reason why even though you're a partner agency I just can't make this change. I think it needs to be open space because that's what people believed they were promised.

Fritz: I believe we need to be consistent with what we have done for private property owners and other government jurisdictions. In particular as the mayor said this was purchased with green spaces money, it doesn't seem right to not then zone it open space. We'll have another amendment to change the property at Mitchell Creek to open space.

Hales: Let's take a vote.

Fish: I want to thank metro for submitting a letter and staff for reviewing it and my normal inclination would be to give deference to regional government partner in a matter like this but it still has to be explained to my satisfaction and supported by staff and it has to be reconciled with the commission action. I frankly maybe it's because we have been at this for so long i'm still having trouble getting my arms around your position. No disrespect to your position under these circumstances I can't embrace it. It doesn't -- I can't fully appreciate or understand the rationale. So the safest thing is to vote aye.

Saltzman: Well, I do understand the position of a sister agency that has an elected governing board. We're really substituting our judgment on high at 30,000 feet looking at aerial photographs for their judgment on the ground of their own biologists, scientists, and ultimately their own elected council which has to take the heat for any decision they may make to sell this land, to maximize other open space opportunities. So I really think we're being with all due respect being a little arrogant here. We should be more accommodating of this request. The agency has done an outstanding job in acquiring and preserving open spaces and natural areas and has had voter support two times and perhaps a third time this fall in doing exactly that. I think they have done a good job. I think they need flexibility to maximize their investments, and as I said it's a little bit arrogant on our part to be dictating this on high, so I vote no. If that's the correct vote. [laughter]

Fritz: Yes.

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Saltzman: No.

Novick: I'm torn on this because I'm sympathetic to all of the arguments that I have heard. I was going to ask for the Mitchell creek item pulled out separately given the concern about inconsistencies between how we're treating our own property and how we treat metro's property so I was glad commissioner Fritz clarified that's an error parks wants to have addressed. I think that ultimate will I will follow commissioner Fish's lead and saying being confused I vote aye.

Fritz: I went door to door for green spaces bond measure in '95 and the property near me was purchased with the first property purchased with that money. It would not only be abhorrent to me for that not be zoned open space which it is going to be in this comprehensive plan but to sell off some of the development rights to it that's not what we worked for so hard. I understand it may diminish the amount of return coming back into the green space measure. I think we need more open spaces in Portland and in the metro region, not fewer. I don't -- we're zoning the rest of the comprehensive plan to maximize development where we think it's appropriate, so thinking about transfer of development rights we're already trying to put the development in the right places so not knowing where the transfer would be, I can't support treating metro differently from other property owners. Aye.

Hales: Well, we're not making this decision from on high, but I want to mention some lofty principles. I have walked some of these properties, so it's not on high. It's at street level or rather trail level. So like Commissioner Fritz I campaigned for this measure. There's a good faith issue for those of us who did. That's important. Secondly, I spent part of the day as I on which do with planning bureau staff today working our way through details of other planning issues that are on their way to the council, namely our residential infill project. We're at a time where so much growth and change in Portland that we have to be able to give people some certainty as to what's going to be saved and what's going to change. Whether it's the great old house next door, the pattern of development in the neighborhood, or where the green space is. The more certainty we can give people in a time of great change the better. So to undermine that what certainty we do have, that open space is open space, parks are parks, neighborhood main streets are where growth can happen and the great old house next door may get torn down or with new regulations it won't be but turned into two apartment units that look like the same old house. Those are the kinds of reassurances people we work for are desperate to see. That's the high altitude question is not substituting our judgment for metro's but being sensitive to the fact that we're growing so fast and changing so much that part of what has to happen in this plan is people need to know what the deal is for the next 20 years. That's one of the reasons why I think we have to defer to saying no. Open space is open space. Look elsewhere for change. Aye. Thank you. Appreciate you very much.

Shaw: Thanks for your time.

Fish: Okay, now Commissioner Fritz do you want to make a motion about the parks parcel?

Fritz: I move that we change the parks parcel and Mitchell creek to open space.

Fish: Second.

Hales: Further discussion?

*******:** I'm here for the next --

Hales: Let's take a vote.

Fish: Aye.

Novick: Thank you for salvaging our credibility. Aye.

Fritz: Thanks to Metro for bringing that up Aye.

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Hales: Aye. Now back to the erroneous assumptions on at least some of our part about the parcel in Westmoreland.

Deborah Stein, Bureau of Planning and Sustainability: Right.

Hales: I went through the script. Help us again, Deborah.

Fish: Procedurally, is this a package we're voting on?

Hales: I think we're going to reconsider.

Stein: I'm bringing this back to you. The explanation I think may have already -- i'm happy to answer questions.

Fish: For me I have been briefed. My colleagues may need a description. We're going to reconsider and vote separately or a package?

Stein: It would be one vote as part of the reconsideration.

Hales: The first motion would be to reconsider the vote by which we passed amendment s12?

Fish: So moved.

Stein: This first slide shows you what the vote you took the other day -- last week. The northern portion -- originally everything outlined in dark black line originally was the amendment was for rh. What you last vote was for the northern portion to be r1 and the southern portion r2 and r2.5. The modification based on what i'm now aware was a misunderstanding is the vote that you took the other day did render four parcels nonconforming and that wasn't made clear and it sounds like what you thought you were voting on was going to result in anything rendered nonconforming. The revise the motion would to reaffirm you're voting for r1 and r2.5 with these four parcels would be r1

Hales: so that they would not be nonconforming. They otherwise would have been in the r2.5.

Stein: There's a four-plex, three-plex, one under construction and another four-plex. With the r1 they would be taken care of.

Hales: I'll move that we reconsider s12.

Fish: Second

Hales: Any further discussion? Roll call on that, please.

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

Hales: Aye. Now i'll move to apply r1 zoning to the northern portion and r2.5 zoning to the southern portion with the exception of the four lots shown here with one under permit for 14 units and three existing properties with multi-family development.

Stein: Correct.

Hales: Further discussion? Roll call.

Fish: My only objection is your memo which states the case very clearly contains a number of places where staff falls on its sword and I actually think -- [laughter] very gracious but this is very complicated and there are a lot of moving pieces. I think staff has performed superbly in advising this council. If this is an example of an 11th hour hiccup at the ends of a thousand hour process, I salute you further. It was a subtlety that was lost. I appreciate you clarifying this. Pleased to vote aye.

Novick: I agree. Thank you. Aye.

Fritz: Throughout the process it's been exemplary. Thank you, mayor hales, for leading it, and thank you to Claire Adams and Pooja Bhatt on my staff who has put in a lot of time and effort on this. It really feels like it's been a partnership, very collaborative. This is an example of good government when we find out just in time we have made mistakes we may find going down the line there's been some other inadvertent errors. In that case we can change it. That's part of the reason I love high level planning is you get to look into the future and try to plan for it then make adjustments as things come along. Thank you. Aye.

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Hales: Yes, appreciate the bravos for staff. You've done a good job. In a city with 200 some thousand parcels of land in a process this long if we have an error rate of two it's a bad thing for our planners and good for us that they don't command baseball salaries. [laughter] thank you very. Aye anything else?

Engstrom: One more cleanup item, a memo we distributed regarding figure 10.1 in the comp plan. This is the table that identifies which zones are allowed in which designations. We discovered a couple small errors that we would like you to correct.

Hales: Move the revised version of figure 10.1.

Fish: Second. These are all just technical corrections?

Engstrom: Yes, we explained it in the memo.

Hales: Roll call, please.

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

Fritz: We were very clear in this process that we closed the public hearing then we as elected officials get to make decisions. I'm reminded yesterday we got berated the last changes in the budget were not opened up and explained line by line to the public. Partly that's because we're supposed to be doing that. That's part of our staff's job and our job to make sure we understand things like this. Thank you. Aye.

Hales: Aye. Thank you. Okay, so we're done with 527 1 and 2. They are both continued forward. And now we'll take up 528.

Moore-Love: We're taking 529 first.

Hales: Sorry. Did you want to do -- [speaking simultaneously] 530 first?

Fish: We have everyone teed up. Want to do 530 quickly? You can keep it to five? Do we have a lot of people testifying on it? One? Mayor, as a courtesy to Susan I don't object to bumping but we have a lot of people teed up.

Hales: Item 530.

Item 530.

Hales: This is the first of our utility rate ordinances. We are pleased to have our director here. I'll cut through the rest of my talking points and turn it over to Susan Anderson.

Susan Anderson: Susan Anderson, director of planning sustainability. We're here to talk rates. We have great news. For the fourth year in a row solid waste and recycling rates are going down. As you can see soon -- there it is in the slide. We are proposing to reduce rates across the board. 35 gallon roll cart, our most popular service level, rates will be reduced from 29.35 to 29.15. That doesn't sound like a lot, but if you look at your electric, gas and other utility bills there are no others going down. We're very happy about this. Every year we do a thorough review of all the costs for providing service and this year the rate reduction was amazing because at the same time rates are going down we required haulers to make improvements to their truck fleet shifting to cleaner diesel or compressed natural gas trucks. This increase was more than covered by three factors. We have excellent recycling and composting by our residents and that means lower fees for composting versus garbage, improved efficiencies by local haulers and lower prices for fuel. You can see rates have continued to be lower than inflation ever since the residential franchise system began. You can see the slide there, back in 1993. Even with providing free carts to every household you have to -- you used to have to buy your own garbage cans. Now we provide those. There is one area that I would like us to look into to see if there are opportunities to diversify the ownership of all of our residential franchisees. I don't want to do this tomorrow, I just want to begin to think about this as we look at our programs through an equity lens. We need to recognize that we have very few and maybe one women owned firm, minority owned firm. We have franchises for ten years but as we begin to look towards next time I want us to see about opportunities. Next slide. On the commercial side you will remember we don't set rates for commercial service. Commercial

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service includes multi-family properties. We do establish rules for safety and for effective collections. We also collect a tonnage fee that funds oversight of all commercial haulers and funds commercial waste reduction recycling programs and this includes again service to multi-family properties. It also pays for collection from public trash cans like those along the transit mall. Currently only a few districts in the city get their collection service. We would like to broaden that. It's something we have talked about for probably a decade. What we would like to do is add that service to regional centers, town centers, and neighborhood centers. Do this over five years and do that by adding a dollar 30 to the tonnage fee. So increasing that from 8.3 to 9.60. That's about a half percent increase for most commercial customers. We don't note the exactly cost. It's a free market. That amount is determined between those getting the service and their private hauler. It's something we have been looking at for a long time. We haven't had an increase in the tonnage fee for three, four years. Four years. This would go in over five years and begin to provide that service in the business districts. As we become more walkable, wonderful, complete neighborhoods, it's more important that we keep those districts looking great.

Fritz: Does the start this year expanding service to more districts?

Anderson: Right. So there are another 20, I believe --

Bruce Walker, Bureau of Planning and Sustainability: 24.

Anderson: 24. We'll roll in another four, five a year and we'll come up with a process for how to do that and obviously looking at all parts of the city.

Fritz: We have received a lot of requests from the pearl to add that. You're aware of that?

Anderson: Yes.

Fritz: They would be considered in the next wave?

Anderson: Yes.

Fritz: That's terrific. I'm very excited about that.

Hales: That's great. Thank you.

Novick: Would you be adding those big belly solar compactors?

Anderson: Those are not city owned. Those are provided by private --

Walker: Business alliance ponied up for those. Our contracts do the collection.

Fritz: Whom currently takes care of garbage at, say, trimet stops?

Walker: On trimet stops, trimet is responsible. Hawthorne is not an example of where we provide service but it would be an example of some of those business districts, town centers that we would be looking at in the future.

Fritz: Currently it's the neighboring businesses that pay for garbage pickup there?

Walker: In that example and several other in the city.

Fritz: We don't have a process for business districts to apply?

Walker: We will.

Fritz: There's a lot of interest, a lot of confusion amongst the community as to who is responsible for what. Having us responsible for more I think is definitely the way to go.

Hales: Thank you. Further questions? Thank you. I know there's at least one person that wants to speak on this item. Come on up.

Fritz: Thank you for all your work.

Hales: Welcome.

David White: Good afternoon, mayor hales and commissioners. I'm Dave white. I'm regional representative for the Oregon refuse and recycling association. In that position I assist and represent the Portland haulers association and its members. They provide solid waste and recycling collections for the city. Pha members have worked cooperatively with city staff to provide financial information analyzed by staff and your rate consultant, and the haulers appreciate the opportunity to engage in discussions with staff during the rate review process and willingness to consider that input. Pha believes the rate review

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process is fair and has resulted in a rate proposal that's before you that is reasonable for the ratepayers and the haulers. This is the fourth year in a row rates have remained flat or gone down. That's remarkable considering inflationary impacts, negative recycling markets that the haulers are continuing to buy expensive but energy efficient and clean operating trucks to meet the clean fleet requirements. Pha is pleased that bps acknowledged the proposed rate reduction is again a testament to haulers becoming more efficient, resulting in lower labor costs and downward pressure on rates. Heads up for next year we're proposing a big reason for the efficiencies we're achieving is because we moved to automated trucks and roll carts that we use, and about 80% I think it is of Portland's garbage is not collected in a roll cart but yard debris and recycling is, so we have raised the issue with your staff to consider next year, July of 2017, the next rate review, to move towards a fully carted system for efficiency and for worker safety. With that like I said I think you can tell we support this proposal. We thank you for the opportunity to serve the community and if you have any questions I would be glad to try to answer them.

Fritz: Thank you for coming in to say that we're doing a good job, that staff is doing a good job. Celebrate what you're doing. I was just checking twitter. I'm shocked and saddened it's not yet been reported that we are decreasing the rates. I'm sure that will come through any minute. Thank you for your partnership on that. When you come back to ask for the universal roll carts next year it will be great to get information on the worker compensation claims from your staff and i'm guessing there's a huge decrease in injuries to your staff from not having to do so much heavy lifting. I changed to a roll cart for my garbage because of that issue and I was informed by staff of the benefits of automation. Then I wanted to ask both you and staff as to whether we could do renewed education campaign to help people remember what goes in garbage, what goes in recycling, what goes in compost because I think as time has gone by some of the rules have changed back and forth I see as i'm walking to the bus stop recycling cans that seem full of garbage to me. I want to make sure our sorters at the facility and your staff are getting the assistance from the government that we could do.

White: We work well in partnership to get that information out. We need to continue to send that message. We will do that.

Fritz: Thank you.

Hales: I'll just say this is going to go to second reading next week. I just want to say that again I informed my colleagues about what I hear from other mayors when I go to the u.s. Conference of mayors meeting. In other cities garbage rates and garbage recycling service are issues that are full of strikes and strife. Here it's a quiet hearing with partners. So thank you for being good partners because the haulers have helped make us the success that we are in recycling, kept the rates down, now we have this ability with a modest increase in tipping fees provide neighborhood district garbage service all over the city. The fact that there is no strife about it is really one more thing about Portland that we take for granted but maybe shouldn't. We appreciate you.

White: Thank you for that opportunity.

Hales: Thanks. This comes back next week --

Moore-Love: Mayor, it comes back in two weeks.

Hales: Thank you. Okay, now we'll move to 528 and 529 together.

Item 528.

Item 529.

Hales: Commissioner Fish.

Fish: Thank you, mayor. Colleagues, I have the honor of presenting to you the proposed rate increases for the Portland water bureau and bureau of environmental services. For the third consecutive year I have directed our two utilities to keep the combined rate

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increase under 5% and the bureaus have once again delivered. They have proposed a rate increase just under 4.5% or roughly \$4 per month for the typical customer. This reflects our ongoing commitment to providing good value to our ratepayers and investing in basic services like replacing old pipes and preparing for the big one. A little more background on our budget. The typical monthly bill is about \$100. About a third is for water, two-thirds for sewer storm water. As you'll see from the presentations, we believe we provide pretty good value to our customers. For example, we deliver two gallons of clean, safe and reliable water to almost 1 million people in the region for about a penny. How do we stack up locally and nationally? If you live in Lake Oswego or Tigard you'll pay more for your water. In a recent survey released by j.d. Power, customers cross the west coast reported an average monthly cost of water of about \$79. That's more than double what the water bureau will be proposing here today. On the sewer storm water side the typical customer under this proposal will pay just under \$70 a month. A part of that as you know is paying off the debt on the big pipe. No one likes to pay more for basic service including me but i'm pleased that we have been able to stabilize rates for three straight years. I'm proud that our public utilities continue to invest in maintaining our system while exercising discipline with ratepayer dollars. This year for example with the mayor's leadership the general fund picked up the cost of preservation work in mt. Tabor and water fountain operation. There are a number of people I would like to thank today. First the citizens utility board of Oregon for their ongoing partnership with Portland's utilities and we'll be hearing from Janice Thompson later. The new Portland utility board for their thoughtful consideration of the budget. We'll hear from the co-chairs. Our budget analysts, ryan, claudia and melissa. Next the two mikes, mike Stuhr and mike Jordan and their dedicated teams at the water bureau and bureau of environmental services. They serve the public 24/7, 365 days a year, and i'm proud to lead them. Finally my two staff liaisons Jim Blackwood and I will Liam frost. Now I would like to invite mike stuhr and his director of finance cecilia huynh to kick things off with the water bureau presentation. Mike, welcome.

Michael Stuhr, Director, Portland Water Bureau: Good afternoon, mr. Mayor, commissioners. I'm mike stuhr, director of the water bureau. On my right is Cecilia Huynh. She will do the heavy lifting today. Many bureaus, after they submit their budget and there's a vote many bureaus are done but we have the privilege of having another hearing or two with a goal of producing this little yellow book called water rates and sewer rates. It's very important to us and -- do we know what color it's going to be next year?

Cecelia Huynh, Portland Water Bureau: Red.

Stuhr: It's going to be red next year. This book governs our lives, the lives of our ratepayers, customers, developers with all the rates and charges that we use throughout the year. That's our goal here today. Cecilia?

Huynh: Thanks, mike. I'm Cecilia Huynh finance director for the Portland water bureau. I'm going start on slide 2 here. The water bureau's total resources for next year fiscal year 16-17 will be about \$238 million. Two-thirds will be from water sales revenue. That's the monthly charges. About 10 million of capital revenue. These revenues are generated from rates and charges and fees in the ordinance before you today. These revenues will fund the capital program and that includes starting work on the Washington park project, and the operating budget includes the \$2 million add packages that is in the approved budget. Next slide. Summary of our rates. Water retail rates will increase 7%. Our forecast a year ago was 9.4%. The 7% rate increase will result in about a \$2.22 a month increase to a typical residential customer. System development charges, reimbursement basis with updated system values. Those will go up 2.7%. Fixed fees and charges, charges for mains and services, installation, hydrant use, development fees, permits, those

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fees and charges were updated to the cost to provide those services. Next slide, please. Water rates components in the five-year forecast. A large part of the rate increases in the forecast is to fund the capital program. That's the salmon color on the screen, maybe orange on your handout. That orange portion of the graph includes Washington park reservoir and the Willamette River crossing projects. We continue to use the rate stable confederation accounts to stable rise rate increases. For 16-17 that 7% increase without our stabilization account we would need 11.5% rate increase to fund the capital program and to operate and maintain the water system as we have included in the budget request.

Fish: This is our five-year forecast. We tend to be pretty conservative in our assumptions. This has in the last three or four years been the starting point even with the rate stabilization contribution, the starting point. We take advantage of historically low interest rates, whatever the other shared costs are, we scrub that number and get it typically below what the forecast is.

Huynh: That was the last point I was going to make about the slide related to the forecasted rates is that we do include very conservative economic assumptions in here. That gets updated on an annual basis.

Hales: Pink, it's a little hard to read. Actually, I just have to adjust my colors. The larger bar is capital.

Huynh: Yes.

Hales: Now I can read it.

Fritz: Why don't we use the rate stabilization so the rate is always the same over the five-year forecast? Why is there a jump in 2020?

Huynh: That particular jump in 2020 you see the yellow portion right in the middle, that's the Portland building. We did not spread that -- we don't know how we're going to be funding it. We just put that into that one year because that's the year we're expecting to start paying for it. That's something we will be working with OMF facilities and debt to refine some of the assumptions in our forecast. Again, that's something that we'll be working to update as we get more information about the Portland building project.

Fritz: Thank you. Otherwise they are all around the 8.something range. The reason you're required to contribute to the Portland building is you own property within it, right?

Stuhr: Yes.

Huynh: We're a tenant. We will be in the Portland building. So that cost will -- we will be sharing in on that cost.

Fritz: That's why it's an appropriate use for that.

Huynh: Next slide. As commissioner Fish mentioned we provide nearly two gallons of water -- the rate changes affect our customers' bills. All of our retail customers will see a 7% increase to the water portion of their bill. The qualifying low income customers will continue to receive a 50% discount to their bills. You see the amounts on the table. I'm not going to get into the dollar amounts. Next slide. A comparison of the water bill to other basic utility that most household customers use make up about 6% of total household utility services. You see we're among the lowest cost utilities. The next slide is comparison of our monthly typical residential customer bill with the rate increase at 33.83 and how we compare to those other regional water providers. The last slide I have is also comparison of our system development charges to some of the same water providers as well as others and we are among the water providers with the lowest system development charges.

Hales: Can we talk about that for a minute? As it happens somewhere when we were talking about the comprehensive plan and we got to this item on our council calendar the census bureau released information that to no one's surprise in this room Portland grew by 12,000 people in the last 12 months. We're now a city of 632,000 people. So capital

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investment is going to be pretty important for every bureau, and recovering costs from new development is going to be pretty important as well. So another state law that dictates -- doesn't dictate but heavily influences what our sdc's are where do you think we are given where we are, given where we are, we're in the middle, upper middle part of the pack on rates and in the lower part of the pack on sdc's. Thoughts on that.

Huynh: This is accepted this is the only benefit of being -- having a system that's very old. Our system again is based on the reimbursement basis, so there's been a lot of people that have already paid into the system, so our cost as far as system development charges is low for that reason. To the extent we're reinvesting in our system that will drive the rates up. We're not expanding our system so to the extent we shouldn't be moving too far to the right on this graph.

Hales: That's helpful reminder. We're not building a \$55 million from conduit across the river. They won't survive an earthquake.

Fish: Other questions? Mayor we'll go --

Fritz: I have a question. You mentioned low income discount process and we have had a discussion in previous years whether that could be modified. What's the update on that?

Fish: Portland utility board has been reviewing a report that we gave them. We are going to come back to that question and we'll be coming to council probably sometime this calendar year with recommendations. We're looking at everything from the possibility of changing the building code to require individual meters of multi-family units to different ways that we could provide a benefit to our eligible customers to what we're doing currently, which is trying to strengthen the relationship we have with the county that does the outreach to eligible customers so we try to capture more people that are currently eligible that don't know about the program. We're targeting older adults in hopes of keeping them in their homes and partnerships with groups like home forward who can work with us. We have structural problems with the program that requires a meter. Home forward through their section 8 program has a lot of potentially eligible customers. We're working to get to more of them but the bigger fix in terms of how we might make a substantial jump in folks who take advantage of it we're still considering alternatives and will be coming back to council.

Fritz: That's exciting. Thank you. What's the update on the billing and returning to automatic transfers?

Fish: We have over 30,000 people that depended or relied on the convenience of automatic payment, and obviously we deeply regretted inconveniencing them as part of pci compliance. Mike tells me that perhaps as early as July we'll be coming back to council with a suite of enhancements which we'll be offering our customers. I'm really excited about and so is Kathy, our customer service -- more importantly Kathy is really excited.

Stuhr: Very much more important that Kathy is excited. [laughter]

Fish: With having to disappoint a lot of customers by suspending auto pay. We'll be coming forward, Commissioner Fritz, with really substantial improvements and enhancements in customer service including options which people can take advantage of and we're very excited. I don't want to overpromise but we hope to have it teed up to come back in July.

Fritz: I want to note for the record it wasn't the water bureau or environmental services that required change from that process that it was to do with over all compliance with credit card payments in the city. I commend the fact that you probably specifically Kathy and her team have had to take the brunt of complaints. I appreciate the reminders and the things you've done to remind me and others. Do you want to also plug the monthly averaging option?

Fish: Thank you very much. You and I should take this on the road.

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Stuhr: I'm wondering if you rehearsed this.

Fish: We do offer a monthly billing option. I take advantage of it. I get an e-bill that directs me to pay it online. It's so easy that even I can figure it out. We are trying to migrate more people to monthly billing. I think we're close to 20,000 now.

Stuhr: Something like that.

Fish: The mayor has challenged us to move that as fast as possible. Of course what we find is that our customers like it for a lot of reasons, one it gives you more flexibility in doing budgeting. Two, the typical customer doesn't have the same sticker shock. If I got a quarterly bill from my cable company I would have a heart attack. It allows you to compare apples to apples. We will also be proposing some refinements in the monthly billing process that will make it even easier and the new system will allow us to send more customized messages to people through the e-bills.

Fritz: You would like people to sign up for the monthly billing it would be better for the system if we all went to monthly?

Fish: We think there's a lot of benefit. A lot of people still request paper bill to follow, so it doesn't have as much benefit in terms of paper as we would like at this point, but yes, we would like as many people to move to e-bills as possible. We're constantly pumping up e-bills through our communications with our customers.

Fritz: For those of you who like not paying for a couple of months and pay once every quarter --

Fish: No change.

Fritz: As long as we're doing it online does it matter to the efficiency of the system whether we do it monthly or quarterly?

Stuhr: Not the way that it is right now. It's more of a psychology thing. When people talk about the bills and so on, if you only hit with this quarterly bill it seems awfully big. So if you were a private business, this would be much better to have the monthly bill because you're not talking about such a large number. So the psychology of it is important. You do it by choice, so that's okay, but many people would rather have a smaller bill.

Fritz: There's no inherent efficiency in the system.

Stuhr: Not the way the system is put together right now.

Fish: Nor is there a cash flow problem. But we would like as many people on e-bill as possible. Gives us more options for communicating with them. The customer service enhancements we're rolling out include an opportunity to send reminders to a third party. An older adult that maybe struggling with managing their bills can sign up to have a trusted custodian or child or caretaker also get a reminder. We have more flexibility with e-bills. But you're free to continue to get a quarterly bill and we'll offer people choice. That's the key.

Fritz: I know a lot of Portlanders want to do the right thing. I'm glad for that clarification. As long as it's e-billing, it doesn't matter much to you whether it's monthly or quarterly.

Fish: Correct. Mayor, we're going to move right to bed. Mike Jonas is going to present for the team.

Jonas Biery, Bureau of Environmental Services: Mr. Mayor, council, Jonas Biery, services manager for the bureau of environmental services. Commissioner, I believe we have an amendment to correct an error in the exhibit.

Fish: Why don't you describe it?

Biery: This corrects a date error section e-5 of exhibit a, related to the recent extension of exemption of sdc's for accessory dwelling units. It was extended two years to 2018. We failed to update that in the exhibit. This corrects that.

Hales: Is there a motion to accept the amendment?

Fritz: so moved.

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Novick: Second.

Hales: All in favor. Let's take a roll call please.

Fish: Aye **Novick:** Aye **Fritz:** Aye **Hales:** Aye

Hales: Thank you

Biery: Before I begin if I may I would like to take a moment to recognize an employee retiring from the bureau. As senior economist for bureau environmental services, for approximately the past decade Sam Murray has been the person primarily responsible for creating and managing and monitoring rates and methodologies that lead to the ordinance that's before you today. Sam has been an employee of the city for 17 years, his experience has been valued and valuable and we will certainly miss him at the bureau. Just want to take a moment here today to say thank you to Sam for his service to the city and to Portland ratepayers.

Fish: Congratulations.

Hales: Thank you.

Biery: We provide over 13.5 billion in assets that provide reliable sewage collection and treatment and manage the city's storm water system and protect watershed health. We're the lead agency for compliance with a number of environmental regulatory requirements and for the city's Portland harbor superfund coordination efforts. You know this is a fairly stable budget that's been proposed. No major changes from prior expectations. The 2.2 million increase to the operating budget is 1.4% increase over the prior years. We're coming out of a cycle of facility planning at the two treatment plants in transitioning to pump stations and to the storm water system. We're planning for future to ensure we continue to effectively manage the system to meet ratepayer expectations and avoid loss of service or liability. On the capital improvement side as we're coming out of completion of the sco project we're moving to a mode of system maintenance addressing backlogs, use asset management principles to identify the most critical places for investment. Approximately two-thirds is for maintenance and reliability projects. You've seen this slide before. As the commissioner noted about two-thirds of our budget goes towards investment in assets, either the blue pipe investment expected in capital improvements in 16-17 or the green slice of the pay that goes toward payment of debt service related to prior capital investment. So rates for 16-17 will increase the average monthly single family residential bill by \$2.20, effective increase of 3.25%. The primary components of the utility rates are sanitary sewer cost about 60% of that amount, storm water around 40% of that amount, and fraction going towards the superfund Portland harbor efforts. As you can see in exhibit a, all of the various individual rates and fees including those impacting nonresidential customers, those impacting developers, et cetera, those are experiencing comparable, modest increases this year with a couple of exceptions I would like to note. The first is sdc's. Sdc's reimburse the bureau for investments in increasing system capacity to accommodate growth, fees for 16-17 on average for the bureau ever environmental services are actually decreasing by 1.8% this year. We also currently collect around 1.4 million annually from building permit review and land use review fees and at the suggestion of the citizen's utility board and after discussion with this body we're increasing that cost recovery target to 75%. That leads to an increase in revenues for the bureau of 1.4 million ongoing. I want to quickly mention couple of assistance programs. Obviously we have low income discount program. Offered for families at 60% of median state income or plow. We have over 7,000 participants currently as noted in the exhibit the average discount for an average monthly bill for 16-17 would be just around \$31 a month. We also have the clean river award storm water discount program. Over 33,000 accounts on that program. Properties that manage their onsite storm water in a way that we don't bear a cost as the system so they get a discount for that, around 8.50 on an average

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single family monthly residential bill. We'll flag that program is set to expire June 2017 so we expect to come back with a discussion about what we do with that program going forward over the next 12 months. We monitor our rate forecasts throughout the year. We're happy to report our rate has decreased considerably from our previous expectation. We began with an expectation of a 16-17 increase of 3.85%. We have revised that down to 3.45 and have further other reduced that to 3.25% impact. Three major things that led to that change since we talked to you in february, the first is the increase in revenues due to the cost recovery on the land use and building permit fees, 1.4 million from that. We're using additional rate stabilization dollars, about 1.1 million being contributed this year. Those costs helped offset the additional costs for the data center relocation project, costs coming into our budget this year. Net effect is reducing the rate to 3.25. What does that mean to ratepayers? That means reduction from 3.85 to 3.25 over the past year cycle means approximately \$800,000 a year this year in ongoing staying in the pockets of residential ratepayers within the city of Portland. I want to point out the improvements impact not just fiscal 16-17 but increase the forecast in future years as well. You see the favorable downward trending over five years and as we take a long-term view in our rate forecast we're targeting strategy towards stable, predictable rate increases with the hope we can continue lowering that bar. You can see a five-year projection. It actually goes out farther than that using the rate stabilization fund balance to stabilize rates at a consistent level. Our current strategy rates do not outpace general and economic income growth. We continue to work with Portland utility board, citizen's utility board, budget office, city council and others to provide reliable service and rate affordable. As I wrap up I would like to share how we compare to peers. After implementation on July 1 we'll be in the middle category among a dozen or so peer cities. If we extended this list we would still fit around the middle to bottom. This year we're passed by three entities on this list, Olympia, Sacramento and Cleveland. We expect to continue moving down the list as we stabilize our rate increases over the years. This is lower than nearly all of our peers and we expect that in the coming year.

Fish: This also illustrates the benefit of being an early city to adopt a combined sewer overflow system. We got it out of the way relatively early during a time when we could borrow at very favorable rates and for cities like Atlanta, Georgia, and others that are just coming into their cso compliance time they will have substantially higher costs and likely higher borrowing costs. That's a virtue of us having completed that work ahead of some of our peer cities.

Biery: Lastly back to the water bureau's presentation and the commissioner's introductory statements I want to show you the come binds increase between the two utilities. 4.45% is a combined monthly dollar impact on the average single family residential bill of a little over \$4 per month. With that, commissioner, back to you.

Fish: Thank you very much. We had invited testimony. First questions from my colleagues? Thank you. Well done. Mayor, we have two panels of invited testimony. First I would like to invite up the co-chairs of the Portland utility board Kendra smith and Allan Warman. Thank them for hanging out a little longer than they may have expected. They are going to provide testimony then we invite Janice Thompson from the citizens utility board for her comments then take public testimony.

Hales: Welcome.

Kendra Smith: Thank you. Good afternoon, mayor, commissioners. I'm Kendra smith and i'm the co-chair. I would like to thank you once again for the opportunity to share the pub's perspective regarding this. Given the complex tease that the utilities have and the continuous demands on each bureau, the pub spent since september looking at current practices but really with a an eye towards the future and as they have taught us continuing

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to balance the issues of affordability, levels of service, and risk tolerance. For both bureaus, the operating budgets for fiscal years 16-17 as well as the five-year cip are products of previously developed programs, plans and studies that have guided their decision making around the infrastructure, so for the pub we didn't expect to significantly influence this year's budget process given the timing of things. Though we do look to advise the bureaus and city council in the future by looking upstream of this year's budget process. We're looking forward to continued briefings from the bureaus and their upcoming strategic planning to identify where the pub can most influence the process and carry out the charge to advise you. We do have a few elements that we would like to share with you and then we have Allan go ahead and share some of those what we're going to focus on for the upcoming year.

Hales: Welcome.

Allan Warman: Good afternoon, mayor, commissioners. The first area that we focused in addition to the letter that we sent to you on January 29th is affordability. This is the affordability by our customers and ratepayers. It's affected by these proposed rate increases. These increases are above both inflation and median income. I think the affordability that's impacted by these come binds bureau budgets that if you combine them are essentially about 5.2%, and if you compounded appeared forecast it as the bureaus have done over the next five years you're looking at a little over 28.6%. I think that needs to be reviewed as we go forward. I would like to say also the pub because of the short term that we have engaged we plan to work with the bureaus about the long term trajectory of these rates including specific projects, staffing levels, capital directions, our aging infrastructure, and communications so we can get this out to our customers understanding the value that these bureaus bring to us.

Smith: Might want to add that we did look at the biogas project in the organic waste receiving facility and I give kudos for Janice for digging deep into that. We concur with her analysis and the areas of concern that were identified in that. The only other thing I would mention is that we have had a subcommittee meeting I think they have met eight times, eight or ten times. Looking at this wicked problem of the low income discount program. The complexities of the existing infrastructure and trying to be equitable in making that program available to all the folks that potentially need it. It is really challenging. I was just in the subcommittee meeting today. They are trying to work through it but there are good reasons why we haven't come up with a solution to that yet. [laughter] there's a strong group of folks working on that. Hopefully we'll be able to bring something forward in the fall as the commissioner suggested.

Fritz: I really appreciate your work on that with the expertise in your group. It's potentially a model for other fees and services that we provide. Thank you for that hard work.

Fish: I'll just ask you before I thank you again for your service is when we set up the Portland utility board we built into the system that you would have dedicated staff. So you would have independent dedicated staff at your service to help you do the work. Now that you're getting into this new assignment and forecast next year you're likely to go deeper into the budget as you've indicated, do you feel -- do you have the resources and staff support you need to be effective?

Warman: Absolutely.

Smith: Absolutely. All across the board. Not only with melissa but the staff in both bureaus have been very responsive to all of our various questions and we really appreciate their tolerance and flexibility in bringing materials to us.

Fish: I'm proud of this council for correcting a flaw that I think existed structurally in the predecessor oversight body. We used to have annual reports and the concern was that they couldn't get a quorum, they didn't have enough people assigned to the body, and they

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didn't feel they had the staff such port. We specifically built in that you would have dedicated staff support and you're truly independent. Thank you both for your service.

Hales: Thank you both. Now one more?

Fish: One more. Janice Johnson from the citizen's utility board is here to share her thoughts then we'll take it to the public.

Hales: Okay. Good afternoon.

Janice Thompson: Good afternoon, Janice Thompson. I have some testimony coming your way. I'm not going through every bit of it but I want to zip through it. Parts that are up to you to read and spend more time with some of the information at the end. So the first three pages focus on the proposed budget or -- yeah, the budget that's been adopted or will be adopted. So in terms bes I want to thank all of you, especially the mayor and commissioner Fish, for two adjustments noted on page 1 and the top of page 2. They have already been alluded to in terms of the biogas project and also the cost recovery issue. In terms of the water bureau, it was really great that commissioner Fish and the bureaus included some key recommendations from cub in their requested budget. So thanks to the mayor for retaining those provisions. One relates to general funds dollars related to the mt. Tabor historic preservation work, and the outreach related to the monthly -- availability of monthly billing. So on page 2 highlights cub's three reasons to support this. The one -- two of them already came up in previous discussion. I just wants to almost wanted to mention the third one, which is for those people, commissioner Fritz, you're kind of focused, for those people who, like me, are actually old fashioned and still get the paper bills, quarterly billings is more cost effective for the bureaus. So obviously I think that difference is going to just start to fade away as there's more and more e-billing. Nevertheless I think one reason there's a need for vigorous outreach effort on the availability of the monthly billing option is that future discussions of possibly moving to quarterly meter reading can be informed by that information. If you really do your job and get the word out and there's still a surprising large people who say, a quarterly bill is okay. Then when there are discussions or happened in the past about the very expensive step of moving to monthly meter reading, you have that information. What I don't want to have happen is to potentially have that question come up and the answer to be, well, we really didn't do a whole lot of outreach so we don't really know what the use of the monthly billing option tells us in terms of that. So just more than I had intended there but since it came up earlier I highlighted that.

Fritz: It might be interesting to look at other big ticket items, auto insurance or homeowner's insurance premiums. I certainly have the option of paying annual basis or on a monthly basis. Obviously it depends on whether you're actually writing the check. One of the reasons I prefer currently the quarterly billing is because I just have to remember to do that once a quarter rather than once a month. That might be a guide to find out from the insurance industry who opts for which course of action.

Thompson: That's a really good point. That is a mechanism that gives people the option. The catch is that when you opt into, you know, paying an annual car insurance fee on a quarterly basis you're also assets a fee.

Fritz: Some of my bills it's cheaper to pay it monthly. I don't know what's in it for --

Thompson: I need to switch to your car insurance. [laughter] the bottom of page 2, top of page 3 I want to highlight and thank commissioner Fish and cbo for process improvements that I think made real some of the suggestions from the blue ribbon commission in terms of active engagement of the city council with the outreach players. I did want to put the combined rate increase in context. The key point there is, you know, over all trends of utility rates, cub has a long history of taking a look at energy rates and cable and other rates, is upward. The Portland rate of increase is higher than some and lower than others.

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But leveling off or dropping is very much the exception, not the rule. One exception that I noted is natural gas prices, which is related to fracking, which of course the catch there is a lot of environmental costs are not being factored in but I should imagine from the earlier conversation about solid waste, so that's great too. So the rest of page 3 focuses on updates, last year I identified a few things, so these highlights, you know, something from both water bureau and bes in terms of retail estimating retail water use and the storm water system plan, some real advances. I highlighted some concerns a year ago and I'm seeing really positive movement. On that last item on page 3 related to the cbo review of the bes and pbot operations and interagency agreement, this came up last year and cbo took on the work of angels in terms of taking a look at this topic. They have made some progress. It would be great if they could make that a higher priority and so that their findings could be incorporated into the next budget development process. So then on the following page, next steps, key next steps, the top two items related to the water bureau and possible new approach regarding the bull run hydro power. I'll let you read as well as continued identification on the bes side of updating some fairly old costal case studies. Something I mentioned a year ago and came up recently with the pub is getting ahead of the curve on the June 30, 2017 sunset of the clean river rewards program. I just wanted to mention that I am now thinking in terms of that actually would benefit by being a discussion within the broader context of financial incentives. There's some discussion of that on the bottom of page 4 and page 5. One quick thing about the clean river rewards assessment is there particularly needs to be an equity lens in that review. It's a significant benefit but relatively small percentages of single family households take it, which just means who is not, and what are the fairness concerns. So the last several pages outline what I see as two approaches to trying to lower the slope of rate increases. I think the like I mentioned, the overall trend is upward. I think the question is that how steep that upward trend is. One approach which cub has been doing all along is diligent review of cip planning in first year entries. That helped identify the biogas, organic waste, on other topics it also comes into play. And this is particularly important given that so much of the rates for the next several years are really there's not a lot of wiggle room because they are a reflection of decisions made long ago as has been noted by other speakers. I also wanted to just highlight another approach, pros and cons. Partly I wanted to get your input on, you know, the pros and cons. But it's what I call working backwards. The idea is to pick a future year, like ten years out, fiscal year 25-26, and work backwards to see how planning, cip planning as well as plans for o&m spending if there's a request now to look at project future combined rate and say, well, what would happen if you nudged it down? I'm not talking about nudging it down dramatically. There's some reality here. But even nudging it down like I said half a percent theoretically. So obviously that process requires a really thorough process just the current forecasting as well as a recognition that this would be a lot of work for the bureaus. And it also has been part of evaluating the narrative doing this I kind of put together this chart based on the information from cbo on the page 6. Its on the actually rate increase percentages next fiscal year and kind of what's expected with the combined bill figure as well. So that illustrates for the next five years of current guidance of keep under 5% looks doable. More challenging in that since we are 1920, we probably still definitely in the ballpark. I put asterisks there in the context of the -- on the chart about the higher water bureau increases, because bes has kind of warned to stabilize. They highlight what we're getting, the Willamette river crossing, Washington park the whole Portland building. So that table and the information above then I think indicates a more significant question is what the bureaus could tell us about their financial projections for the next five years. And so Cecelia and Jonas were kind enough to give me some information on that score. I want to highlight that forecasting is really challenging, especially for the

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water bureau. But the -- it looks like the -- on the bes side, they are going to continue at that 3.25%. On the water side you start to see over the next five years that peak of, in 1920 starting to taper down, seems like that is going to continue downward and then level off in the ballpark of their increase for the upcoming fiscal year. Which would mean a combined bill continuing in this, you know, 5%, a little under 5% kind of that we're seeing now. I want to really stress that these are very initial long term projections. So they are preliminary. And as well as any of these projections could change significantly, especially the farther out you go, if some major shift in policy -- like the one I want to highlight, because I think it really helps bring it home, is if the city of Portland lost its cryptosporidium exemption, you would be talking about—well regulators would be telling the city to build a new water treatment plant and then all the other projections. So -- but it's still -- you know, if after getting more refined long term cost projections from bes Are still close to these initial estimates, then both rates begin to stabilize, this backwards approach could be useful. It puts into perspective how big a problem there is. Those water percentage increases, like, oh, that's going continue on and on and doesn't look like it's going happen. It's still a valuable exercise. I think anything we can do to nudge down that rate of increase, but I wanted to map this house to get some -- just to lay it out there and get some feedback in terms of how valuable this exercise might be, especially because as I already have indicated, it would be a big project. For both bureaus in terms of staff time, obviously it's going to -- you know, it's best probably done -- well, two things: It needs to be viewed as a long term project. It's not something the bureaus could do on a dime. And probably, you know, they both have in different time lines plan updates underway. It could be tied together with that. I was kind of heartened to see, yes, there's issues. But this analysis was kind of like, you know, some of the past really dramatic increases may well be starting to be behind us. So I was just kind of curious what your thoughts were as much as anything else.

Fish: Just on that point, Janice, I think the challenge we face is all the unknowns. So we don't know what's going to happen when the feds starts tightening rates. If interest rates go up that has a big impact on both bureaus because they borrow a lot of money. We are continuing to invest heavily in replacing old pipes. The public expects us to do that because they don't like them when they break and they don't like sewage backups in their basements and they don't like disruptions. That's a long term challenge. We as a city are making a much more significant commitment to making all of our infrastructure resilient and to make sure it survives a major seismic event. That's a challenge to talk to the public about there are some who say we should roll the dice and hope for the best. Particularly with the Willamette River crossing, if we don't fortify that pipe in the event of a seismic event our west side customers are at risk and that's unacceptable. Then of course there's the regulatory environment, you mentioned cryptosporidium and maintaining the variance. This year it's water quality. Mercifully we don't have a lead problem in our source water or our pipe but there are homes, because of the age of the plumbing that have issues. And the federal government is grappling with what's the appropriate level of regulation and who should pay for what. Those are all variables. One thing that I'm pleased with in your analysis and the feedback we've gotten from the public, I think we're hitting just about the right balance now of -- of new investments. People expect this system, the aging infrastructure to be updated and maintained and they expect us to prepare for the big one. We can't do that just investing at the rate of inflation. I like your idea of going to the out years and coming back. I also continue to think we should take a look at why in water our forecast, the actual is significantly blot forecast on a regular basis. Whereas at bes they tend to be very close. That's also part of a communications challenge, we have to make sure the public understands the differences. We appreciate your thoughtful

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recommendations. This is the second year in a row where your recommendations to the mayor and to the commissioner in charge have resulted in a lowering of rates. Thank you very much.

Hales: And the other wild card, you may have mentioned but just to emphasize it, it's not just the growth in the city, Hillsboro just passed 100,000 people in the same census. Some of our regional partners are doing crazy things like drinking the Willamette. We have more wholesale customers that are thirstier. That spreads our costs over a large basis if they choose to drink Bull Run water.

Thompson: Especially some of those other adjoining water systems because of their actions are starting to see Portland water could look cheaper and cheaper as time goes on compared to -- you know, if you're building a pipe across Washington county and down to Wilsonville, you're also spending a lot of money.

Fish: We keep hearing about the climate refugees coming here. We have the two largest water supplies in the state, well water and bull run. We have an abundance of water. Frankly, mayor, I think it's part of our competitive advantage as a region going forward. If we can convince or existing wholesale customer to stay connected to the system and growing because of popular growth in the region, that's great news for Portland. We're a fixed cost system and we'll be able to pass those savings on to our ratepayers.

Thompson: In that regard, something I was monitoring for the water bureau's perspective was as part of the contract with wholesale customers, there is a whole cost allocation audit process that was completed this last year. I was kind of monitoring that. I think it resolved various issues satisfactorily and it'll good working relationships with adjoining wholesale customers and will be part and parcel of maintaining those kinds of connections. Just another good thing the water bureau is doing.

Hales: Other questions for Janice. Thank you very much.

Fish: Mayor that, completes the formal presentation.

Hales: We have people signed up for testimony?

Moore-Love: Two people signed up, dee white and Ron Langford.

Hales: Come on up, please.

Fish: Welcome, dee. Good afternoon Dee thank for hanging out with us.

Ron Langford: I would say recommended you advertise or emphasize the fact that it's good, clean water and doesn't give you worms. Because I haven't been sick from it, not once. I've got seven children, 28 grandchildren and they are all healthy because of Bull Run water. So I would lean towards the human side of what water really is to us. Than what the commercial or the academic or financial side is. We're going pay it for anyways. I've lived in St. Johns, we paid 80% of the municipal taxes out there since I was a kid and we're still doing it. We work hard and we do the right thing and we're honest. That's all i'm going say.

Hales: No, thank you very much, we appreciate you saying it.

Fish: The widmer brothers said that while they were here. They had disbanded their facility and cited the bull run water as the secret of their success.

Hales: Thank you so much for coming, appreciate it.

Dee White: I'm dee white, I live off of foster road. What I have to say will take more than three minutes so i'm going hit the high points. Y'all have my comments, I sent them earlier. Five points I wanted to talk about. First and most important being the request for another \$65 million in capital improvement project because of the increased cost of Washington park reservoirs. Page 14 of the document it stated, the biggest change in the fiscal year five year request is related to the need to mitigate geotechnical issues and provide adequate seismic resilience. Translated, dismantling and excavating a steep ravine that surrounds the reservoirs, combined blowing up could potentially trigger of

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ancient currently stable landslide which would put the people of Portland at great risk. We need potentially another \$65 million to mitigate the danger. In the middle of a crown jewel park its sheer lunacy. It's going cost way more than the original \$62 million. The reservoirs not failing, they are not in danger and they can be beautiful and accessible again for a fraction the cost which has now been revised to \$170 million. Three months after the much-contested decision was made by council the geotechnical report came out which added the hundred million dollars. And two years to the four-year construction schedule. This stupid dishonest decision to demolish is being challenged in court by the citizens. I've attached in my testimony the court of appeals opening argument to the court of appeals which was argued two days ago. There's no evidence that the current reservoirs either in danger or a danger to the public. The demolition itself will put the public at risk and the end result of a closed system will seriously threaten the public health of ratepayers and their families. Even the skeptical pub stated on page 5: While the bureau has engaged in significant research and planning to mitigate potential risks, those activities as well as the evaluation of alternatives caused increases to date and ongoing project monitoring needs to be restored and refilled. The second thing is this lab y'all want to build. You want to bring in the cryptosporidium testing in house for \$432,000 and hire two people for the whopping combined salaries of \$231,000. The reason y'all gave was because there's a reduction in labs across the country. Right now y'all are shipping 10 liters a week across the country. Obviously since the labs are declining, crypto testing isn't that big of a deal. I guess i'll just have to stop.

Hales: All right, thank you so much. I know we've got your letter so thank you. Anyone else that wants to speak today on this?

Fish: Mayor that concludes our presentation. And this is nonemergency.

Hales: Right, passed to second reading at the same time.

Fish: Two weeks?

Moore-Love: Correct, two weeks.

Fish: I just want to thank our teams for their outstanding work. Looks like we have a 15-minute break.

Hales: I think we do, we'll come back at 4:00 to talk about transportation. We'll recess until then. [gavel pounded] [break]

At 3:46 p.m. council recessed.

At 4:01 p.m. Council reconvened.

Hales: The council will come back to order. So we will take up—do you want these tow together commissioner? You 531 and 532 together please.

Item 531.

Item 532.

Hales: Commissioner Novick.

Novick: The first item is just about the fact that we're going to have a larger number of bikes than we thought when we first looked at our authorization, because Nike gave us \$10 million. We need to expand the authorization to buy bikes to take advantage of the pull \$10 million. Or something like that. [laughter]

Margi Bradway, Portland Bureau of Transportation: Close. Thank you, commissioner novick, I'll do an opening to remind you what we did last time we were here and what we're doing right now. When we came to you last time in September we came with a motivate contract. At that time we did not have a sponsor in hand. We estimated the amount of capital funding and procurement authority we would need at that time. We estimated \$2.175 million. Nike has exceeded our expectations in both the dollar amount of their sponsorship as well as frankly the leverage that working with a fortune 100 company brings to the program. So we are simply coming back to you for permission to increase

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the expenditures on that contract. I'm going to hand it over to Steve Hoyt-McBeth to talk about it more.

Steve Hoyt-McBeth, Bureau of Transportation: Before I begin I wanted to recognize Dorothy Mitchell, Portland general manager for motivate. She's sitting behind us. Dorothy will be handling the day-to-day operations of operating the system. Dorothy comes to us with a strong background in business and transportation, a really nice fit for bike share. It included a short stint working on funding issues. I'll just speak I guess first to the first item before you, to increase the procurement authority for pbob to \$3.75 million. It allows pbob to increase the size of our system from 600 bicycles, which is what we came to you in September with a proposal to do, to 1,000 bicycles. The expansion is all based on the Nike sponsorship, a portion of the Nike sponsorship dollars. Additionally to that should we procure additional sponsors the authority allows us to increase the system by an additional roughly 100 bicycles. That's a flexibility that is nothing that we have planned right now at this time, it would just allow us to have a discreet expansion without coming back to council for more. So I just wanted to be clear that this added procurement authority, there's no changes to the business model that came before you nor the contract that came before you in September. The authority would not imply or allow us to use city funds toward day-to-day abrasion of the system, this is all additional sponsorship funds. I think we understand correctly we'll take the two items separately. I'd be happy to take any questions from council.

Hales: Questions?

Hales: That was quick. Okay. Anyone want to speak on either of these items?

Moore: No one's signed up.

Hales: And then they are both going to go --

Fritz: Do you want to say something about the second one?

Hoyt-McBeth: Sure. Thank you, mayor. The second council ordinance allows pbob to enter into licensing agreements with public or private property owners that agree to host a station on their property. We'll have 100 stations when we launch, excuse me. And the vast majority of these stations are going to be on city-owned property. We estimate that we'll have about five stations, five or less stations that will be on non-city property. The vast majority of those would be on either trimet property or Portland state university property. We can see in a couple of instances we might have a private property owner. We don't anticipate any at this time but we could foresee that happening in the future. The hosting agreement, there's no money passing from party to party, it's purely something that's done for the mutual benefit of both parties, that being the case for both trimet and Portland state. These are temporary agreements just for the life of the term that we -- that the two parties come to agreement on. So essentially this ordinance would provide pbob the authority to enter into licensing agreements with the station hosts. And we've provided in the packet kind of a template of that agreement that would go forth.

Hales: Sounds reasonable to me. Again, no one wants to speak on this item, it doesn't sound like. You'll let us know later who those are once they are negotiated, right?

Hoyt-McBeth: Yes.

Hales: Would those come back to council? It gives you the authority to go ahead and contract.

Hoyt-McBeth: Yes, thank you. It would be three stations on trimet property and one on Portland state property.

Hales: No money changing hands.

Hoyt-McBeth: That's correct.

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Hales: Thank you both very much. Anything further on either of those items from you, commissioner? That might set a new record. Those two items will come back for a second reading next week and we are --

Moore-Love: Back in two weeks.

Hales: Thank you, Karla. I should have remembered that, as well.

Fish: Next week because we don't have a quorum?

Moore-Love: This is a Thursday and the agenda is done with the new early filing process.

Fritz: I'm taking credit for that, yes.

Hales: Credit, blame, whatever it is, that's how it works. Thank you. We're adjourned.
[gavel pounded]

At 4:08 p.m. council Adjourned.