

## The Oregonian

### Fred Miller: A look at Portland's interim Chief Administrative Officer from The Oregonian archives

*By Andrew Theen*

Fred Miller has three months on the job as Portland's interim chief administrative officer, but he's settling in quite nicely.

"I'm loving it," the 71-year-old Miller said of his return to the public sector after a more than 20 year absence. In an interview last week, Miller said he's energized, focused and enjoying the challenge of leading the Office of Management & Finance on a short-term basis.

Mayor Charlie Hales convinced Miller to come out of retirement in December to fill the CAO position. Miller took the place of Jack Graham, whom Hales fired in late November after controversies at the Office of Management & Finance became a "distraction."

Hales first approached Miller to ask if he'd step in to replace Graham two days after the public announcement of Graham's dismissal, according to Hales' office.

We recently sat down with Miller, the former Portland General Electric executive and the public face of the utility during the Enron crises of the early 2000s.

Miller isn't a newcomer to the public sector or the limelight. Scott Learn profiled Miller in 2002 for The Oregonian. Here's that profile.

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#### **"PGE's Image Keeper Hits City Hurdles"**

With a glass of chardonnay in hand and a relaxed smile, the public face of Portland General Electric glides through the crowd at Basic Rights Oregon's annual awards dinner, hugging former Gov. Barbara Roberts, talking political shop with Congressman David Wu, chatting up board members of the gay rights group.

Fred Miller isn't on the clock this Friday evening at the Portland Hilton. But he's on the job and in his element. Officially, Miller is PGE's executive vice president of retail and distribution services. Unofficially, he's keeper of the corporate image for Oregon's largest utility.

At age 60, with stints for four governors under his belt and ties to a dozen charities and business groups, Miller embodies the civic and political muscle that has helped PGE maintain a privately owned monopoly for more than a century. Generous with his time and expertise, Miller also is the prototypical corner-office executive Portland's leaders pine for amid the city's loss of corporate headquarters.

But thanks to Enron -- PGE's disgraced and bankrupt owner -- the comfort zone for Miller and his company is shrinking fast.

Miller stops just outside the Hilton's grand ballroom to chat with Sam Adams, Portland Mayor Vera Katz's chief of staff. "You better be nice to him," Roberts jokes, drifting by. Adams "might be your boss soon."

PGE faces a public takeover bid from the city that could include condemnation of the company's assets, just the sort of threat that has summoned the company's formidable political arsenal for decades.

But Houston-based Enron has issued orders to back off for fear of jeopardizing any bids, public or otherwise, in a bankruptcy auction this fall.

Worse than being muzzled by Enron, says Miller: His company has been tarred with the Enron brush. Enron graffiti spray-painted at the entrance to Miller's West Hills cul-de-sac attests to that. So does Commissioner Erik Sten's comment, later retracted, that PGE executives are "spokespeople for Enron."

Two weeks ago, the company began an advertising campaign designed to disconnect its corporate image from Enron's.

"The fact is, PGE is still here," Miller said. "Enron lost interest in us about a year and a half after they bought us. There are not a lot of Texas accents around here."

Five years ago, when Enron came courting, the reaction from the company -- and local politicians -- was much different.

Back then, Miller was a top cheerleader for the Enron purchase. At Miller's request, Sten wrote Enron officials, encouraging them to continue negotiating with Oregon regulators.

"A PGE-Enron partnership with the city would enable all of us to provide the city's citizens with valuable benefits," the letter said.

To sweeten its offer, Enron pledged to give \$20 million to the Portland General Foundation, PGE's charitable arm. Miller called nonprofits "one of the most important constituent groups" in the merger debate.

Flash forward to August 2002. PGE summoned nearly a dozen of its charitable beneficiaries to oppose a city plan to study condemning PGE's assets. With Miller watching from the sidelines, company spokesman Deane Funk, voice rising, blasted the city for not including the company in its public utility strategizing.

The council voted 4-0 to do the study anyway. And PGE is still frozen out.

### **City's new stance galls PGE**

The city's new arms-length attitude is galling for Miller personally and for PGE, which has a long history of community involvement.

Spurred by public takeover battles, PGE began touting community involvement around the turn of the century, Portland State University professor Craig Wollner wrote in "Electrifying Eden," a history of the utility.

Civic involvement personalized "an otherwise faceless entity," Wollner wrote. "When rate increases were required, it was easier for a utility to deal with ratepayers whose children's Little League uniforms were subsidized by the company's largesse."

Today, the company's 2,800 workers are known for volunteer work, a total of 105,000 hours in 2001, company officials say. PGE has "individual scorecards," with goals for community involvement, and the company gives grants up to \$500 to nonprofits or schools where employees volunteer.

The independent PGE Foundation, with a \$20 million endowment, donated \$1 million to 72 Oregon nonprofits and arts groups in 2001.

The company donated \$1.3 million from its profits that year, triple its pre-Enron donations in 1996, to 187 recipients.

Critics point out that the foundation will continue even if the public buys PGE. The company's civic involvement is laudable, public power activist Lloyd Marbet said, but it uses its connections to establish "a community base to support everything else they do." Meanwhile, rates are the highest in the Northwest.

"It's window dressing in my mind," Marbet said. "Not to say money to community programs is not important, but it boils down to a way to obfuscate the real issues." If Enron hadn't pulled the plug, Miller was planning a fierce campaign against public ownership. Sitting in his 17th floor office atop downtown

Portland's World Trade Center, he grinned while describing a poll that gave Portland City Council members lower ratings than state legislators.

In some respects, Miller fits the profile of an ivory tower executive. In 2001, he pulled in \$368,230 in salary and bonuses, according to PGE filings. He lives in a million-dollar house with a view of Mount St. Helens.

### **Wilson grad knows city politics**

But Miller, raised in Southwest Portland and a member of Wilson High's first graduating class, is hardly out of touch -- with politics or the community.

Shortly after Miller started at PGE, a newly elected Katz named him co-director of her budget transition team. PGE worked with Sten to decommission two PGE dams in the Sandy River basin. And when Sten wanted to create a regional school funding proposal, Miller was one of a handful of people he consulted.

Miller is also a key fund-raiser for political campaigns and money measures, including parks, library and children's levies.

His string of government service, spanning three decades, started with an appointment to head the state's Department of Energy at age 34 and included stints as Oregon's top bureaucrat for Roberts and Gov. Neil Goldschmidt. That pedigree gives Miller the rare ability to get his phone calls through at the highest levels and an ample supply of business connections.

Today, he's a player on the boards of some of the state's most powerful business groups, including the Portland Business Alliance, which has weighed in against a city buyout of PGE.

### **A bit unorthodox, progressive**

For a businessman, Miller is a good fit for the Portland's liberal political wing -- thoughtful, progressive, unorthodox. He serves as an unofficial welcome wagon for executives new to town, encouraging them to get involved in the community. Before the May primary, he changed his party registration from independent to Republican to vote for Ron Saxton, the candidate he thought could best bridge partisan divides.

Miller's clout combines with a quick intellect -- as an Oregon State University professor, he taught economics in Spanish in Peru -- and an easy-wear style that makes him easy to like and hard to say no to. He smiles often, favors polo shirts over suit coats and rarely looks under pressure.

Last month, amid the continuing condemnation fracas, Miller called Sten's office with a request: He wanted a "Property of city of Portland" shirt to wear to a meeting with Enron executives.

"If I were going to be in private business," Sten says, "I would look to Fred as one of the top people I'd want to emulate.

### **City-utility ties worry some**

The close ties between government and utility officials concern utility watchdogs. Three years ago, they pushed for an executive order to limit the contacts between the two.

"PGE is a state-authorized monopoly and the state obviously is political," said Ken Canon, executive director of Industrial Customers of Northwest Utilities. "It's no surprise to see the utilities go out of their way to find people with very good political connections. But it's an area we always need to be vigilant on."

But those close to Miller say his values extend beyond the job. He serves on the boards of a dozen charities, civic and business groups and advises others. In the mid-1990s, he served as co-chairman of the Coalition for School Funding Now.

One grown daughter from his first marriage works for Friends of the Children, the other for the Peace Corps in Africa. Miller and his second wife, Portland Public Schools board Chairwoman Karla Wenzel, have two young children who already pitch in with charitable works.

Oregon's first lady, Sharon Kitzhaber, said Miller challenged her at her husband's inauguration ball eight years ago to make something more of her office, even though she hardly knew him. She started the STARS teen abstinence program, and appointed Miller to head the foundation's board.

The talk of a public buyout of PGE is worrisome, Kitzhaber said. "Without PGE's community contributions, Oregon would not be as well off," she said. "If we lose that philosophy of Fred's about helping the community, we're going to lose a lot in Oregon." Wenzel, Miller's wife of 12 years, said his name came up as a candidate for school superintendent, and the late business and civic leader Bill Naito wanted him to run for governor.

But Miller, leaning back in a patio chair on his back porch, insists he's happier behind the scenes in a job that can use his clout more than when he worked for government.

The political and charitable connections are there, Miller said, "but it's not because I was waiting to be condemned by the city."

"In this job I can do a lot more for the public good than I could when I was paid full-time to do it."

## **What do you think are Portland's top transportation needs?: Portland City Hall Roundup (poll)**

*By Andrew Theen*

Portland transportation and political leaders will host two more transportation town halls this week.

It's part of a campaign to ask residents how to prioritize transportation projects across the city. Last week more than 40 people attended the first town hall in Southeast Portland.

This week, the Portland Bureau of Transportation is hosting two meetings; the first is Tuesday at the Immigrant & Refugee Community Organization (IRCO), 10301 N.E. Glisan St. The second meeting is Thursday at the Multnomah Arts Center, 7688 S.W. Capitol Highway. Both meetings will run from 6:30 p.m. to 8:30 p.m.

Mayor Charlie Hales, Commissioner Steve Novick and PBOT Director Leah Treat will attend both town halls.

PBOT already conducted a phone poll, and has an online survey as well.

How would you prioritize funds to address Portland's significant transportation needs? Remember, we're not talking about specific financing plans just yet.

Should sidewalks be the top priority? What about safe crossings for pedestrians, or more bike access?

Take our poll and weigh in with your comments below.

We're declining to put an "all of the above" option in the poll, because as Hales and Novick consistently pointed out, it's unlikely that under any financing plan the city will be able to address all of its transportation needs.