

The Oregonian

City of Portland to pay former Portland police Lt. Kristy Galvan \$50,000 to settle legal claim

*By Maxine Bernstein
July 14, 2014*

The City of Portland is poised to pay former Portland police Lt. Kristy Galvan, who accused police Capt. Mark Kruger of workplace harassment, \$50,000 to settle her legal claim.

Galvan, who was demoted to sergeant in May 2013 after filing a notice to sue the city and police captain, contends Kruger harassed, retaliated and discriminated against her as her supervisor in East Precinct.

She also alleged former police director of services Mike Kuykendall, who later resigned while under investigation, "minimized" her concerns that Kruger might have been violating bureau policies.

Galvan was seeking financial and non-economic damages for "extreme emotional distress, humiliation, loss of esteem, impairment of reputation and exacerbation of existing medical conditions," wrote Galvan's lawyer, Charese Rohny, in her notice to sue the city. The claim said Kruger made Galvan physically ill, and her stress and fear of him caused her ulcers.

City officials recommend the City Council on Wednesday approve the negotiated settlement. They noted there is "some risk that the City may be found liable. Therefore, in order to avoid the expense of litigation and risk of an adverse outcome, we feel it is prudent to compromise the claim," according to an emergency ordinance that goes before the City Council.

The city noted that a city Bureau of Human Resources inquiry into a Galvan complaint that Kruger retaliated against her was substantiated, and that Galvan also has a complaint still pending against the city with Oregon's Bureau of Labor and Industries.

For these reasons, the city negotiated a settlement with Galvan and her attorney.

Under the proposal, the city would pay Galvan and her lawyer \$50,000 "in exchange for a full release of claims against the city and all our employees and agents," wrote Becky Chiao, of the city's Risk Management office.

The city initially found that Kruger had not harassed Galvan. Galvan later complained to the chief's office that she felt Kruger had retaliated against her by posting his exoneration letter from the city on the door of his East Precinct office.

The typed April 29, 2013 letter from the city did not identify who had accused Kruger of workplace harassment. Yet the name "Galvan" was handwritten in red marker and capital letters atop the letter, which was posted on the outside of Kruger's office door.

The typed letter, written by the city's Bureau of Human Resources assistant director to Kruger, cautioned Kruger not to retaliate against the unnamed complainant.

Instead of initiating a full-blown investigation right away, then assistant chief Eric Hendricks wanted another assistant chief to ask Kruger if he had posted the letter and what his intentions were. If Kruger responded that he was not retaliating against Galvan, then he would face command counseling as his discipline and no internal inquiry under Hendricks' plan, according to the auditor and the former and current directors of the Independent Police Review Division.

In her notice to sue the city, Galvan complained that police brass were wrong to assign her to work under Kruger because she played a role in his internal affairs investigation in 2010. That investigation led to his 80-hour suspension for erecting a public memorial to Nazi soldiers at a city park.

Once assigned to East Precinct after her promotion to lieutenant, Galvan said, Kruger told her that her promotion "was a disservice," the tort claim notice said.

Galvan said she looked to Kuykendall for advice on "how to deal with a bully."

Galvan had worked closely with Kuykendall as his executive assistant when she was a sergeant. She said in her tort claim that she shared her concerns about Kruger with Kuykendall via text messages. Galvan gave police internal affairs the text messages she swapped with Kuykendall, saying they reflected "their shared concern regarding Capt. Kruger's prejudices."

Kruger made those text messages public in his own tort claim notice against the city, which led to Kuykendall's resignation - then Chief Mike Reese's right-hand man as the bureau's director of services.

The explosive text messages – in which Kuykendall characterized Kruger as a Nazi – led Kuykendall to resign.

Kruger had been disciplined by the bureau in 2010 for erecting a public memorial to Nazi-era German soldiers on Rocky Butte.

The bureau in May 2013 demoted Galvan to lieutenant.

The city also has been in negotiations with Kruger and his attorney to settle Kruger's legal claim against the city.

Blue Ribbon Commission chaired by Dwight Holton meets for first time Tuesday: Portland City Hall Roundup

*By Andrew Theen
July 14, 2014*

The newly formed Utility Oversight Blue Ribbon Commission meets for the first time Tuesday night. Members will be presented with a six-inch binder filled with numbers and projects related to Portland's water and sewer bureaus.

Former U.S. Attorney Dwight Holton will chair the dozen-member handpicked group, assembled by Commissioner Nick Fish and Mayor Charlie Hales.

Tuesday's meeting serves as a table-setting affair for the new commission, formed in the weeks after voters overwhelming turned down an attempt to create a new public water district to oversee the bureaus.

The water and sewer bureaus have been under scrutiny in recent years, with allegations of questionable spending, pet projects and skyrocketing rates confusing some voters and leading to a lawsuit and the failed ballot measure.

Now the Blue Ribbon Commission joins a hodgepodge of other citizen groups that have one role or another in analyzing the two public utility bureaus. The list includes a budget advisory committee for each bureau, the Portland Utility Review Board and the Citizens' Utility Board of Oregon, which was brought in last fall to serve as an independent watchdog.

"We'll get everyone clear on what they're there to do," Jim Blackwood, Fish's policy director, said Friday. The group is expected to return with recommendations in November.

Tuesday's meeting will help clarify what exactly the new commission is supposed to be doing, and contrast that with the other advisory groups. Blackwood described it as defining the "existing utility oversight matrix."

"This is going to be far more focused on accountability and transparency," Blackwood said.

The first two meetings will be "huge brain dumps" on commission members, Blackwood said. There's a lot of information to digest: binders including the bureau's strategic plan, complete budgets, capital improvement plans and reports, and independent reports from both the Citizens' Utility Board and the City Club of Portland.

Fish and Hales will set the scene with some opening remarks, Blackwood said. Then commission members will have the opportunity to weigh in. After that the group will hammer out a rough schedule of meetings for the volunteer body throughout the next four months.

Tuesday's meeting is open to the public and will run from 4 p.m. to 6 p.m. at the Portland Building, Room C on the second floor. The Portland Building is located at 1120 S.W. Fifth Ave.

Public testimony won't be allowed at the first few meetings. Sept. 8 is expected to be the first chance for members of the public to chime in.

Portland man seeks recall of Mayor Charlie Hales, Commissioner Steve Novick

*By Everton Bailey Jr.
July 12, 2014*

A Portland man says he has filed petitions to recall Portland Mayor Charlie Hales and Commissioner Steve Novick over what he believes to be mismanagement of public funds.

Ray Horton, 69, said he filed both petitions Friday with the Portland City Auditor's Office. The petition to recall Novick was approved the same day, and the petition against Hales will likely be approved Monday, he said.

Horton said he will have 90 days to collect the roughly 35,000 valid signatures needed to force a recall election for Hales and Novick.

A recently shelved Portland street fee proposal and a diversity training retreat at a Mount Hood area resort were some of the driving factors for the recall effort, he said.

"As public servants they have a legal, contractual fiduciary duty to marshal those funds in the most responsible way," said Horton, a retired graphic designer.

"I think \$56,000 for a sensitivity junket to one of the finest resorts in the Portland area for 16 people who are old enough to know right and wrong is one of the latest examples of how they are not managing the funds they are responsible for in a responsible way."

Horton said he began collecting signatures Saturday, but cited the hot weather as the reason he collected only three. He said he plans to ramp up his efforts after the petition to recall Hales is approved.

Fixing up the parks is an easy yes: Editorial Agenda 2014

*By The Oregonian Editorial Board
July 12, 2014*

Portlanders have an historical love affair with their public parks. It could be that the parks, by their situation and design, magnify the already striking natural beauty of the city while offering open spaces and recreation for a largely urban clientele.

And Portlanders have for decades invested heavily, to the point there are now 209 developed parks and 14 community and art centers. That's to say nothing of several public swimming pools that in 2013 alone racked up 1.1 million visits. The parks and all their facilities – play structures and, to be unromantic about it, 97 restroom buildings – represent a massive taxpayer-owned infrastructure requiring maintenance and repair, some of it expensive. Tattered facilities, rust-sealed-but-out-of-view plumbing that support some pools, downed and compromised bridges along hiking trails, closed restrooms – they're just a few of the glaring replacement needs as park usage continues to climb.

The check's come due. It arrives in the form of a proposed 2014 Parks Replacement Bond that asks taxpayers for \$68 million. The City Council should refer the bond to the ballot when it meets on July 24. And Portlanders should say yes when the measure lands on the ballot, in November.

There are a few key points to consider. While \$68 million sounds like a lot of money and is, it would cover only the most glaring maintenance needs of more than \$300 million in major overhauls deemed to be

necessary in the next 10 years. While nothing's ever free, taxes would not go up for this bond, which replaces a similar parks maintenance bond approved in 1994 and which expires in 2015. To be pennywise-particular about it, annual taxes would go down by about \$13 on homes assessed at \$150,000 if the bond were to fail – providing, perhaps, a free dinner out per homeowner. Taking the dinner ticket, however, would be neither frugal nor thrifty. It would be pennywise and pound foolish to let Portland's century of investment in parks fall apart.

Separately, Portland is rocked by the subject of maintaining another massive public asset – roads, which are potholed and, in some instances, neglected to the point of requiring replacement. But the street fee brouhaha at City Hall is less about the notion folks should pay for public facilities than how individuals and businesses can fairly be charged to support them. By contrast the parks bond is not a fee decided by the City Council. It is a tax that voters will get to approve or reject. Conservative in its calculations, the bond would support only enough work and facility replacement to ensure safety at the parks and longevity to mechanical systems that in some cases are decades old.

Public infrastructure withstands hard use, breaks and, sometimes, must be replaced. But some parks are in greater need than others. In August, Parks Commissioner Amanda Fritz and the city's parks director, Mike Abbate, will sharpen the priority list of facilities that would receive overhaul if the bond is approved. This is the moment for the public to weigh in and ensure that, say, the dismantled Couch Park play structure downtown is fully replaced along with, say, deteriorating play equipment at Ventura Park, across town in east Portland. Ditto – and this one's a doozy – the waterproof membrane beneath the bricks of Pioneer Courthouse Square, which sees a whopping 10 million visits annually. (Still, how could something beneath bricks and mortar leak? The membrane, now 30 years old, was rated to last 20 years, and rainwater now pours into office spaces below the plaza. We'll reserve judgment on original designs....)

The proposed parks replacement bond is on-time and prudent. It will, if passed, act as insurance that one of Portland's most evolved and distinguishing assets – its award-winning system of public parks – remains as fully and safely engaging as the natural and social settings in which it flourishes.

The Portland Tribune

Novick on recall plan: 'Start working with us to find solutions'

*By Jim Redden
July 12, 2014*

City Commissioner Steve Novick says he was warned in a May email that a possible recall effort was in the works.

In a statement released Saturday, Novick says he and Mayor Charlie Hales were "morally obligated" to fix the city's streets with a proposed street fee. After proposing the fee, Novick says he received an email from a constituent saying, "There are ways to get you out faster than 2016."

"But since then that same constituent and I have had a lengthy, cordial conversation about how to address our transportation needs," Novick says. "We will keep on explaining as best we can how dire our transportation maintenance and safety needs are, and as time goes on I think more and more people, even those that are most unhappy, will start working with us to find solutions."

Ray Horton, an opponent of the street fee, filed a petition last week to remove Novick from office. Horton is seeking volunteers to circulate it on a Facebook page — Stop Portland Street Fee — set up to stop the City Council from adopting the fee proposed by Novick and Hales.

"What I need from those of you who really want to do something about these politicians is for you to send me a FB or email message indicating your willingness to actively work on recall efforts, and also what role you are willing to play: committee, signature gathering, fundraising, or what," Horton writes on the Stop Portland Street Fee page.

Novick is in charge of the Portland Bureau of Transportation. The stated reason for recalling him on the petition is, "Failure to exercise fiduciary duties of his office, specifically regarding managing of public funds and initiative and application of taxes."

Horton needs to collect 34,921 valid signatures of registered Portland voters by Oct. 9 to force a recall measure onto a ballot.

Here is City Commissioner Steve Novick's statement on the possible recall effort:

When the Mayor and I came into office we inherited a transportation system that has been neglected for years, and we are morally obligated to do something about it. We've attended a lot of town halls, and there don't seem to be many people who want us to cut police, fire and parks to raise money for transportation, so I remain convinced that the only responsible thing we can do is raise more revenue. I understand that some people are unhappy. In late May I received an email from a constituent saying 'there are ways to get you out faster than 2016.' But since then that same constituent and I have had a lengthy, cordial conversation about how to address our transportation needs. We will keep on explaining as best we can how dire our transportation maintenance and safety needs are, and as time goes on I think more and more people, even those that are most unhappy, will start working with us to find solutions.

Street fee hearings announced

*By Jim Redden
July 11, 2014*

Commissioner Steve Novick announced the schedule for two upcoming advisory committee meetings on the proposed street fee late Friday afternoon.

Novick and Mayor Charlie Hales want the City Council to approve a new revenue source to pay to maintain city street and increase their safety features. Novick and Hales have proposed several ideas but pulled them back in the face of public opposition.

About 5:30 p.m. on July 11, Novick sent out an email with the following schedule for advisory committees appointed to consider various issues related to the proposal:

- Non-Residential, Business Stakeholder Workgroup. First meeting: Monday, July 14, 3:30-5:00 p.m., Portland Building, Room C. It will advise Hales, Novick and the Portland Bureau of Transportation on how to refine the non-residential portion of the proposed Transportation User Fee (TUF) to minimize negative impacts to the business community. This group will be chaired by Fred Miller, Chief Administrative Officer for the City of Portland.
- Non-residential, Non-profit and Low-income Stakeholder Workgroup. First meeting: Tuesday, July 29, 3:30-5:00 p.m., Portland Building Room C. Nonprofit and government partners will advise Hales, Novick and PBOT on how to refine the non-residential portion of the TUF to minimize the impacts to non-profits and public institutions. It will also advise on how low-income discounts for the transportation funding proposal and discounts for existing water and sewer ratepayers can be more easily accessed by low-income Portlanders. This group will be chaired by Ruth Adkins, Board Member for Portland Public Schools and Policy Director for Oregon Opportunity Network.

PBOT has posted the rosters and schedules of upcoming meetings for the workgroups that will advise on the Our Streets PDX process at www.OurStreetsPDX.com. While the meetings are open to the public, public testimony will not be taken.

Comments and questions can be submitted to TUF_Administrator@portlandoregon.gov

According to the release, council delayed a proposed TUF on June 4 after five months of town halls, online surveys, advisory committee meetings and a five-hour public hearing May 29. Public outreach and community engagement will continue, leading up to a council vote, expected in November.

Willamette Week

White Men Retreat Taught White Men to See White Men Differently

By Kate Wilson
July 11, 2014

Mayor Charlie Hales office has released testimonials from the \$56,000 diversity seminar for white managers held this week at a golf resort near Mt. Hood.

The retreat taught Hales and other high-ranking City Hall and Portland Police Bureau officials about the "small slights that affect women, people of color and the gay community that I have never had to deal with," one participant wrote in reflection on the seminar, held Monday through Thursday at the Resort at the Mountain.

WW first reported last month that Hales decided to spend \$56,000 on a 3 1/2-day training seminar run by a Portland company, White Men as Full Diversity Partners.

The mayor's office received criticism this week for sending 16 white men to a golf resort. Today, the mayor's office released the anonymous testimonials from the conference-goers.

"These are complex issues I cannot fix or take complete responsibility for," one attendee wrote. "I need to rest in the messiness of it all and be okay with that."

"I have learned to listen better, to not react so much by trying to fix 'the problem,' and to be vulnerable about the emotional impact I have felt by social pressures specific to white culture," said another.

Another attendee wrote: "Each relationship I have involves at least one white man — me — and having a much better understanding of what that means and the tools necessary to use that understanding will allow me the chance to deepen my relationships. I will be a better listener, a more understanding partner, and, inevitably, a more complete person."

"Each human has value!" was the take-away of yet another.



White Men's Caucus Learning Lab

Times	Overview of Learning
DAY 1	
5:00 – 5:30 p.m.	Arrival and Settle In
5:30 – 6:30 p.m.	Dinner
6:30 – 9:00	Opening Session: Foundation Setting
DAY 2	
8:30 – 12:30 a.m.	Morning Session: Seeing White Men Differently
12:30 – 1:30 p.m.	Lunch
1:30 – 4:00 p.m.	Afternoon Session: Focus on Race
4:00 – 6:00 p.m.	Personal Reflection
6:00 – 7:00 p.m.	Dinner
7:00 – 9:30 p.m.	Evening Session: Process Work of the Day
DAY 3	
8:30 – 12:30 a.m.	Morning Session: Focus on Leadership Behaviors
12:30 – 1:30 p.m.	Lunch
1:30 – 4:00 p.m.	Afternoon Session: Focus on Gender
4:00 – 6:00 p.m.	Personal Reflection
6:00 – 7:00 p.m.	Dinner
7:00 – 9:30 p.m.	Evening Session: Process Work of the Day
DAY 4	
8:00 – 11:30 a.m.	Morning Session: Focus on Sexual Orientation, Tools and Strategies, Personal Next Steps and Personal Reflections
10:15 a.m. – 12:00 p.m.	Personal Reflections and Taking Action Back at Work, Diversity Partners
11:30 a.m.	Working Lunch
12:30 – 2:30 p.m.	Afternoon Session and Closing

Portland Expects to Collect Nearly \$500,000 Annually in Taxes From Airbnb Rentals

*By Aaron Mesh
July 11, 2014*

Documents show that the city of Portland expects to collect nearly \$500,000 from hotel taxes on Airbnb rentals in the coming year.

As reported this week in WW, the San Francisco-based startup has been successfully lobbying the City Council to allow its clients to rent out rooms in their homes to tourists. Mayor Charlie Hales has suggested also legalizing Airbnb's rentals in apartments and condos.

Airbnb began collecting an 11.5 percent lodging tax from its clients on July 1—making Portland the first city in the country where the company is collecting taxes.

If the City Council approves rule changes on July 23, it will give Airbnb a legitimacy it has nowhere else in the nation.

In return, local governments will get tax dollars: 6 percent of each rental goes to the city, while another 5.5 percent goes to Multnomah County.

And the city has already calculated its potential share: \$460,992 in the first year after Airbnb's operations are legalized.

That's hardly a jaw-dropping amount—the city's general fund budget this year is \$515 million—but it could grow as the room-sharing service becomes more popular.

An email sent by city Revenue Bureau director Thomas Lannom to other city officials on April 22 explains how he reached that result, using Airbnb's own figures:

1. Airbnb reported 1,120 hosts in the past year ;
2. Airbnb reported average annual host income of \$6,860, presumably all or nearly all is taxable;
3. $(1) \times (2) = \$7,683,200$ taxable gross room receipts (total host revenue) attributable to Portland;
4. $(3) \times 6\%$ (City @ 5% and Travel Portland @ 1%) = \$460,992.

Lannom tells WW he hasn't changed his estimate since April.

Portland has already included those dollars into its budget projections for the next five years, city officials tell WW.

In the April email, Lannom notes that legalizing short-term rentals might cut into traditional hotel and bed-and-breakfast receipts, but not by much.

"Clearly there is some cannibalization going on," Lannom writes, "but we don't think it's material given that Airbnb has been operating in Portland for years and our... revenue from traditional hotels remains at an all-time high."

Read more about Airbnb's unprecedented deal with the city—and the powerful interests opposing it—in WW's examination of the controversy.