

<p style="text-align: center;"><b>PORTLAND CITY COUNCIL AGENDA</b> <b>The Portland Building – 1120 SW Fifth Avenue</b></p> <p><i>Council Chambers in City Hall will be updated with new audio technology March 1-April 14. City Council meetings will be held in the Portland Building Auditorium on the 2nd floor while the changes are made.</i></p> <p style="text-align: center;"><b><u>WEDNESDAY, 9:30 AM, APRIL 5, 2017</u></b></p>	<p style="text-align: center;"><b>Disposition:</b></p>
<p style="text-align: center;"><b>CONSENT AGENDA – NO DISCUSSION</b></p> <p style="text-align: center;"><b>Mayor Ted Wheeler</b></p> <p><b>318</b> Reappoint Jeff Bachrach, Michelle Rudd, Katherine Schultz, Chris Smith, and Mike Houck to the Planning and Sustainability Commission for terms to expire May 31, 2021; and extend the terms for Gary Oxman and Margaret Tallmadge to expire on May 31, 2017 (Report)</p>	<p style="text-align: center;">No fiscal impact.</p>
<p><b>319</b> Appoint Stephen Green, Jes Larson, Susan Emmons, Todd Struble, and Allen Lazo to the Portland Housing Bureau's Bond Oversight Committee for terms to expire March 1, 2022 (Previous Agenda 297)</p>	<p style="text-align: center;">No financial impact.</p>

<b>Bureau of Planning &amp; Sustainability</b>	
<p><b>*320</b> Accept an Intergovernmental Agreement in the amount of \$100,000 from Metro to develop the Southwest Corridor Equitable Housing Strategy and authorize the Director of the Bureau of Planning and Sustainability to execute grant agreements with nonprofit organizations (Ordinance)</p>	<p>Grant milestone payments will begin in January 2018. There is a 20% matching requirement for this grant, which will be met through personnel costs in FY 2016-17 and FY 2017-18.</p>
<b>Office of Management and Finance</b>	
<p><b>321</b> Extend term of franchise granted to MCI Communications Services, Inc. to build and operate telecommunications facilities within City streets (Ordinance; amend Ordinance No 170954)</p>	<p>The City will continue to receive franchise fees from MCI Communications Services based on the existing contract.</p>
<p><b>322</b> Grant a franchise to Level 3 Communications, LLC, for telecommunications services for a period of 10 years (Second Reading Agenda 298)</p>	<p>The franchise agreement with Level 3 Communications was recently renegotiated, following a \$2.75 million settlement agreement in December 2016. Under the renegotiated agreement, the City will continue to receive approximately \$600,000 per year in franchise fee payments from Level 3 Communications.</p>
<b>Portland Housing Bureau</b>	
<p><b>*323</b> Amend contract with Income Property Management Company for operational expenses of the Joyce Hotel not to exceed \$100,000 for a total value of \$190,000 (Previous Agenda 299; amend Contract No. 30005526 )</p>	<p>Funding for this contract will come from the Housing Investment Fund and are included in the FY 2016-17 budget. While acquisition and renovation costs of the Joyce Hotel will be covered by South Parks Blocks URA funding, operational costs cannot be covered by TIF funds and will likely be covered by HIF funding until rental income materializes.</p>
<p><b>Commissioner Dan Saltzman</b> Bureau of Transportation</p>	

<p><b>*324</b> Amend Intergovernmental Agreement with Oregon Department of Transportation for design of the Burgard/Lombard at North Time Oil Road project (Previous Agenda 300; amend Contract No. 30003916)</p>	<p>This amendment only modifies the current schedule to increase it one more year due to delay in right-of-way acquisition. No change in budget is expected due to this amendment. PBOT received funding for design, right-of-way work, and construction in a previous IGA, and funding was allocated in FY 2016-17. The bureau is just extending the schedule.</p>
<p><b>Fire &amp; Police Disability &amp; Retirement</b></p>	
<p><b>*325</b> Extend contract with Milliman, Inc. for four years for actuarial services and increase by \$325,000 for a not-to-exceed total of \$575,000 (Ordinance; amend Contract No. 30003232)</p>	<p>Additional costs of the contract will be funded by FPDR levy resources. These costs are included in FPDR's FY 2017-18 budget and in its five-year plan.</p>
<p><b>REGULAR AGENDA</b></p> <p><b>Mayor Ted Wheeler</b></p> <p><b>Office of Management and Finance</b></p>	
<p><b>*326</b> Authorize a contract with the lowest responsible bidder for Elevator Modernization of two Smart Park Garages for an estimated \$1,676,325 (Ordinance)</p>	<p>The project estimate's confidence level rating is High. PBOT's parking garage revenues are being used to pay for the almost \$1.7 million in estimated costs.</p>
<p><b>*327</b> Authorize an agreement with LMK Enterprises to provide inversion built trenchless sewer repair liner system for five-years not-to-exceed \$5,000,000 (Ordinance)</p>	<p>Funding is part of the interagency agreement with BES. Amounts to be spent as part of the sewer maintenance and repair program are authorized and funded by BES. The contract has an estimated not to exceed cost of \$1 million per year and \$5 million for 5 years.</p>

<p><b>*328</b> Extend contract with Environmental Systems Research Institute, Inc. for Graphic Information System Software for three years and increase by \$1,310,000 for a not-to-exceed total of \$2,424,000 (Ordinance; amend Contract No. 30004099)</p>	<p>This ordinance extends the City's existing contract with ESRI by 3 years, and increases the not-to-exceed contract total by \$1.3 million. The cost of the contract for FY 2017-18 is included in BTS's base budget and will continue to be funded via BTS rates in the Corporate GIS Program in BTS.</p>
<p><b>*329</b> Amend contract with US Bank/Elavon to provide merchant bankcard services for an additional one-year period and at an estimated amount of \$8,800,000 (Ordinance; amend Contract No. 30003476) 10 minutes requested</p>	<p><b>See below.</b></p>
<p><b>*330</b> Authorize a competitive solicitation for Merchant Services for a 5-year contract period at an estimated cost of \$25,000,000 (Ordinance) 10 minutes requested</p>	<p>No direct fiscal impact to authorizing the competitive solicitation; contract costs are estimated to be \$25 million (moderate confidence level) and will be funded by bureaus that accept credit/debit card payments.</p>
<p><b>*331</b> Authorize a competitive solicitation process to furnish fuel for City authorized vehicles and equipment for an estimated \$6,500,000 per year (Previous Agenda 304)</p>	<p>This ordinance authorizes CityFleet to identify a provider and execute a contract for the purchase of fuel. Fuel purchases are funded via interagency agreements with vehicle or equipment-owning bureaus (and included in annual base budgets) or via sales to external partners (e.g. Portland Public Schools).</p>
<p><b>*332</b> Authorize a contract with Willis of Oregon, Inc. for insurance broker/agent of record services for a total not-to-exceed amount of \$555,917 (Previous Agenda 305)</p>	<p>This ordinance authorizes a contract for insurance broker services at an annual cost of \$99,500, with the option of 3 annual renewals and additional add-on services such as property appraisal. The cost of the contract will be included in Risk Management's interagency agreements with bureaus.</p>

**Commissioner Nick Fish**  
**Bureau of Environmental Services**

<p><b>333</b> Authorize a contract with Cornforth Consultants Inc. in the amount of \$139,776 for the Federal Energy Regulatory Commission Part 12 Dam Safety Report for Portland Hydropower Project 1 and Project 2 (Ordinance) 10 minutes requested</p>	<p>The contract funds a Federal Energy Regulatory Commission (FERC) approved independent consultant for a review and inspection of the Bull Dam No. 1 and 2. Per a Settlement Agreement with Portland General Electric (PGE) and the City in 1989, PGE has agreed to fund the proposer's work in exchange for the information and data completed by the consultant. The contract term is 4 years; the contract not to exceed amount is \$139,776</p>
<p><b>334</b> Authorize a competitive solicitation and contract with the lowest responsible bidder and provide payment for construction of the Beaverton-Hillsdale Hwy – Phase 1 Drainage Retrofits for Water Quality Project No. E08675 for an estimated cost of \$787,000 (Second Reading Agenda 308)</p>	<p>This capital improvement project constructs stormwater retrofits along SW Beaverton—Hillsdale Hwy near Shattuck Road. The estimated cost for the project is \$787,000. The level of confidence in the cost estimate is high. \$1.065 million is budgeted in the FY 2017-18 requested CIP.</p>

<p><b>Commissioner Dan Saltzman</b>  <b>Bureau of Transportation</b></p>	
<p><b>335</b> Approve an agreement with Christopher D. Duffin and Elizabeth C. Staver in the amount of \$75,975 to construct sidewalk improvements to the north side of SE Henderson St from 300 feet east of SE 78th Ave to 545 feet west of SE 82nd Ave (Ordinance)</p>	<p>This LID agreement is with a single property owner, with an estimated assessment of \$75,975. The level of confidence is Low. 100% of the LID revenue (\$75,975) is to be added to PBOT's FY 2017-18 budget.</p>
<p><b>336</b> Authorize the Bureau of Transportation to acquire certain temporary rights necessary for construction of the NE 47th Avenue Phase I LID project, through the exercise of the City's Eminent Domain Authority (Ordinance; C-10052)</p>	<p>Property values associated with the property acquisitions have not yet been quantified since negotiations are not completed; however, an estimate for the right of way phase has been budgeted in the Transportation Operating Fund. The level of confidence for the estimate is moderate. Funds are available in the Transportation Operating Fund's FY 2016-17 budget.</p>
<p><b>Commissioner Amanda Fritz</b>  <b>Portland Parks &amp; Recreation</b></p>	
<p><b>*337</b> Authorize a competitive solicitation per City Code 5.34.880 for an Energy Savings Performance Contract for existing buildings and structures owned and managed by Portland Parks and Recreation (Ordinance) 10 minutes requested</p>	<p>Funding for the audit and design costs will be funded through Parks Trust Fund, which includes energy rebates that must be used upon energy efficiency projects. Construction costs for efficiency upgrades do not yet have a funding source. These costs could either be financed through internal or external loans. Alternatively, Parks has requested \$2.5 million in one-time General Fund resources for these project costs in its FY 2017-18 requested budget.</p>

<p><b>*338</b> Increase contract with The Active Network, Inc. by \$1,300,000 for a not-to-exceed total of \$3,250,000 to provide software and online services to support class registrations, programs, and facility reservation payments (Previous Agenda 306; amend Contract No. 30000729) 10 minutes requested</p>	<p>Funding for the contract costs are built into the cost recovery model of recreation programming fees. Additional contract costs are driven by a larger number of transactions.</p>
<p><b>*339</b> Amend City Code to provide for towing of abandoned or derelict vessels from parks and municipal docks, subject to appeal to the Code Hearings Officer (Previous Agenda 307; amend Code Section 19.16.060) 15 minutes requested</p>	<p>Cost of towing and storage are estimated to be \$3,000 to \$5,000 per vessel and will be paid by owner. For any fees that cannot be collected, Parks will absorb costs.</p>

**WEDNESDAY, 2:00 PM, APRIL 5, 2017**

<p><b>340 TIME CERTAIN: 2:00 PM</b> – Adopt City of Portland Investment Policy (Previous Agenda 312; Resolution introduced by Mayor Wheeler) 2 hours requested</p>	<p><b>See below.</b></p>
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**THURSDAY, 2:00 PM, APRIL 6, 2017**

**DUE TO LACK OF AGENDA  
THERE WILL BE NO THURSDAY AFTERNOON SESSION**

**\*329** Amend contract with US Bank/Elavon to provide merchant bankcard services for an additional one-year period and at an estimated amount of \$8,800,000 (Ordinance; amend Contract No. 30003476) 10 minutes requested

CBO Analysis: This ordinance extends an existing contract with US Bank/Elavon for merchant bankcard services for one year while a new competitive solicitation is ongoing. The ordinance also increases the total contract value for the one-year period by \$8.8 million, \$3.8 million of which is to cover overspending on the current contract for merchant services and \$5 million of which is to cover the cost of merchant services during the solicitation period. The cost of the merchant services contract is primarily driven by per-transaction interchange fees and other charges over which the City has no control. These charges and processing fees are aggregated monthly and paid from transaction income from programs and services that accept credit/debit cards. The increasing contract cost is due to increases in the number of bureaus and programs that accept credit/debit cards, and increases in the total number of transactions processed by the City.

**340 TIME CERTAIN: 2:00 PM** – Adopt City of Portland Investment Policy (Previous Agenda 312; Resolution introduced by Mayor Wheeler) 2 hours requested

CBO Analysis: Currently, City of Portland Investment Policy (in conformance with ORS 294) allows up to 35% of the City's investment portfolio to be directly invested in corporate bonds rated Aa/AA or higher (A/A if issued by Oregon companies) or commercial paper rated A-1/P-1, with no more than 5% of the City's corporate debt portfolio invested in a given issuer. Based on City policy, bond purchases are limited to bonds with 3 years or less to maturity. Given these restrictions and the current low-interest rate environment, there are only 35 eligible issuers that meet the City's investment requirements.

Corporate debt provides a higher yield than investments in U.S. Treasury securities or other allowable

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investments, and investing less than 35% of the City's portfolio in corporate debt will lead to lower returns on investments for the City. Based on 10 years of historical data comparing average performance of U.S. Treasury securities and corporate bonds, the City Treasurer estimated that each percentage point of underinvestment in corporate debt (e.g. 34% of the portfolio invested in corporate debt rather than 35%) may result in foregone interest income of \$136,500 over a three-year investment period. While the actual financial impact of underinvestment would depend on yield spreads going forward and the availability of alternative investments, this figure provides a useful baseline for understanding the real monetary impact of underinvestment in corporate debt.

Council has indicated its support for Socially Responsible Investing (SRI), and previously established the Socially Responsible Investment Committee (SRIC) to inform decision-making around direct investment in corporate bonds. Since 2015, the City has contracted with MSCI ESG Research, Inc. (MSCI) for a subscription to proprietary research that includes a company rating, similar to credit ratings, that indicate a company's relative performance within its industry on Environmental-Social-Governance (ESG) SRI factors.

Based on the direction provided by Resolution 37262, the City Treasurer has proposed an amended City of Portland Investment Policy that includes a required minimum ESG rating for direct investment in corporate bonds. The inclusion of the required minimum ESG rating for direct investment in corporate bonds will obviate the need for the SRIC, as well as costs related to staffing the SRIC and materials and services spending for the SRIC. The cost for the MSCI subscription, currently \$37,000 annually, will be ongoing.

The City Treasurer recommends a required minimum ESG rating of BBB for all direct investments in corporate bonds (the midpoint of the MSCI ESG rating scale). Investments in companies on the Carbon Underground 200 list and Walmart remain prohibited. The primary driver for selection of the BBB minimum rating is the limited availability of eligible corporate bond issuers; approximately 24 eligible issuers currently have ESG ratings of BBB or higher, and the City Treasurer recommends that a minimum of 21 eligible issuers be available to prevent underinvestment in corporate debt and the associated reduced return on investment.