

<p align="center"><b>PORTLAND CITY COUNCIL AGENDA City Hall - 1221 SW Fourth Avenue WEDNESDAY, 9:30 AM, AUGUST 30, 2017</b></p>	<p align="center"><b>Disposition:</b></p>
<p align="center"><b>TIMES CERTAIN</b></p>	
<p><b>953 TIME CERTAIN: 9:45 AM</b> – Report on recent audit work from the City Auditor: Portland’s Financial Condition, Risk Management, Tree Code (Report introduced by Auditor Hull Caballero) 20 minutes requested</p>	<p>No fiscal impact</p>
<p><b>954 TIME CERTAIN: 10:05 AM</b> – Accept and appropriate a Metro Nature in Neighborhood Capital Grant award to Portland Parks &amp; Recreation in the amount of \$1,000,000 for the development of Gateway Green (Ordinance introduced by Commissioner Fritz) 20 minutes requested</p>	<p>Funding of \$1.0 million will be added to the Gateway Green project in the FY 2017-18. In addition to this grant, this project will be funded by outside contributions and system development charge revenues. Ongoing funding for the operations and maintenance costs of Gateway Green was approved by Council in the FY 2015-16 budget.</p>
<p><b>955 TIME CERTAIN: 10:35 AM</b> – David Campbell Memorial Board Report to Council (Presentation introduced by Commissioner Saltzman) 20 minutes requested</p>	<p>No fiscal impact</p>
<p align="center"><b>CONSENT AGENDA – NO DISCUSSION</b></p>	
<p align="center"><b>Mayor Ted Wheeler</b></p>	
<p align="center"><b>Office of Management and Finance</b></p>	
<p><b>*956</b> Pay claim of CLJ Properties, LLC in the sum of \$5,357 involving the Bureau of Environmental Services (Ordinance)</p>	<p>This ordinance settles a property damage claim resulting from a sewer backup. Total cost to settle the claim is \$5,357. All settlement costs are in the current fiscal year. The source of funding is the City’s Insurance and Claims Fund.</p>
<p><b>*957</b> Pay settlement of Armando Olivas bodily injury lawsuit in the sum of \$65,000 involving the Bureau of Transportation (Ordinance)</p>	<p>\$65,000 from the City’s Insurance and Claims Fund. All costs of the settlement are in the current fiscal year.</p>
<p align="center"><b>Commissioner Dan Saltzman</b></p>	

**Portland Fire & Rescue**

**958** Authorize contract with Burlington Water District to pay \$120,546 for fire prevention, suppression and emergency response services for FY 2017-18 (Ordinance; Contract No. 30004731)

Resources provided under the contract have already been included in the bureau's FY 2017-18 budget.

**Commissioner Nick Fish**

**Bureau of Environmental Services**

**\*959** Authorize Bureau of Environmental Services to enter into lease agreements with City Center Parking to store fleet vehicles during the Portland Building remodel (Ordinance)

This ordinance authorizes the City to enter lease agreements for fleet vehicle parking during the Portland Building construction. The bureau has identified 3 parking garages with price ranges from \$215 to \$256 per space, per month. \$100,000 is the estimated cost for parking 30 vehicles. Funding is available in the bureau's FY 2017-18 adopted budget.

**City Auditor Mary Hull Caballero**

**\*960** Create a new Nonrepresented classification of Auditor's Senior Staff Representative which is exempt from the Auditor's functional equivalent of the City's classified service, and establish a compensation range (Ordinance)

No fiscal impact. This position was included in the FY 2017-18 budget

**REGULAR AGENDA**

**Mayor Ted Wheeler**

**Bureau of Police**

<p><b>961</b> Authorize application to the U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Assistance for a grant in the amount of \$385,515 for the Edward Byrne Memorial Justice Assistance Grant Program FY 2017 Local Solicitation to assist the Portland-Metropolitan area law enforcement and criminal justice community to prevent and reduce crime and violence (Ordinance) 20 minutes requested</p>	<p>This ordinance authorizes the City to apply for a Justice Assistance Grant (JAG) in the amount of \$385,515. The City of Portland is also applying on behalf of the City of Gresham. The City's portion of the grant funding (\$296,723) will be used to hire a limited term training and development analyst, contract for support services from LifeWorks NW New Options for Women program, and provide training for School Resource Officers. No local match is required.</p>
<p style="text-align: center;"><b>Commissioner Dan Saltzman</b> <b>Bureau of Transportation</b></p> <p><b>962</b> Create a local improvement district to construct street, sidewalk and stormwater improvements in the N Suttle Road Local Improvement District (Second Reading Agenda 928; C-10058)</p>	<p>The LID Administrator's low-confidence estimate of the cost of designing, constructing, and financing the improvements is \$9,633,875. The estimated amount of the future assessment for the LID is \$8,225,451. Additional funding is being provided by PBOT in the amount of \$1,108,424 for overhead costs and \$300,000 from the Heavy Vehicle Use Tax. Property owners' assessments range from \$1,220 to \$1,767,738. 100% of the LID revenue (\$8,225,451) is to be added to PBOT's FY 2017-18 budget.</p>

<p style="text-align: center;"><b>Portland Fire &amp; Rescue</b></p> <p><b>963</b> Authorize Portland Fire &amp; Rescue to provide limited fee-for-service patient transport under unique and unusual circumstances, and authorize application to Medicare as ambulance services provider (Second Reading Agenda 931)</p>	<p>PF&amp;R estimates that the fees for this service will add approximately \$10,000 annually in revenue. Transport fees in Multnomah County are set by the Multnomah County Contract Compliance and Rate Regulation Committee. Current charges for patient transport are \$1,008 plus \$23.17 per mile.</p>
<p style="text-align: center;"><b>Commissioner Nick Fish</b> <b>Bureau of Environmental Services</b></p> <p><b>964</b> Authorize a competitive solicitation and contract with the lowest responsible bidder and provide payment for construction of the Sunnyside East Reconstruction &amp; Green Streets Project No. E10370 for an estimated cost of \$2.64 million (Second Reading Agenda 932)</p>	<p>This ordinance authorizes a contract to construct storm water facilities and approximately 2,500 feet of new and replacement sewer pipe to resolve basement sewer backups and street backups. \$3.6 million is available in the Bureau's FY 17/18 budget for this project. The total project cost is the bureau's 5-year CIP is \$3.65 million.</p>

<p><b>965</b> Authorize a competitive solicitation and contract with the lowest responsible bidder and provide payment for construction of the Concordia Sewer Rehabilitation Project No. E10677 for \$4,824,200 (Second Reading Agenda 933)</p>	<p>This project is part of the Bureau's Phase 3 Pipe Rehab which rehabilitates critical combined and sanitary sewers that are at the end of their economic life and have a high consequence of failure. The project will replace/repair approximately 12,900 feet of sewer pipe in primarily the Concordia neighborhood. \$16 million is included in the bureau's FY 20017-18 adopted budget for this work. The total budget for this project is \$16 million.</p>
<p><b>Water Bureau</b></p>	
<p><b>966</b> Authorize a Service and Maintenance Agreement with Portland General Electric Company in the amount of \$1,000,000 for transmission maintenance services for the Portland Hydroelectric Project (Second Reading Agenda 906)</p>	<p>See below.</p>
<p><b>967</b> Authorize an Intergovernmental Agreement with Eugene Water &amp; Electric Board in the amount of \$420,000 for scheduling services for the Portland Hydroelectric Project (Second Reading Agenda 907)</p>	<p>See below.</p>
<p><b>968</b> Authorize a Power Purchase and Sales Agreement with Portland General Electric Company for the sale of hydroelectric power generated by the Portland Hydroelectric Project (Second Reading Agenda 908)</p>	<p>See below.</p>
<p><b><u>WEDNESDAY, 2:00 PM, AUGUST 30, 2017</u></b></p>	
<p><b>969</b> <b>TIME CERTAIN: 2:00 PM</b> – Accept update on Noise Control Office (Report introduced by Commissioner Eudaly) 1 hour requested</p>	<p>No fiscal impact</p>
<p><b>*970</b> <b>TIME CERTAIN: 3:00 PM</b> – Ratify a collective bargaining agreement between the City and Laborers Local 483 – Portland City Laborers relating to the terms and conditions of employment of represented employees in the Portland City Laborers bargaining unit (Ordinance introduced by Mayor Wheeler) 30 minutes requested for items 970-972</p>	<p>See below.</p>

<p><b>*971</b> Ratify a successor collective bargaining agreement between the City and Laborers Local 483 – Recreation relating to the terms and conditions of employment of represented employees in the Recreation bargaining unit (Ordinance introduced by Mayor Wheeler)</p>	<p>See below</p>
<p><b>*972</b> Ratify a successor collective bargaining agreement between the City and Professional &amp; Technical Employees Local 17 relating to the terms and conditions of employment of represented employees in the Portland City Laborers bargaining unit (Ordinance introduced by Mayor Wheeler)</p>	<p>See below</p>
<p><b><u>THURSDAY, 3:00 PM, AUGUST 31, 2017</u></b></p> <p><b>973 APPEAL WITHDRAWN TIME CERTAIN: 2:00 PM</b> – Appeal of Mary Sipe against the noise variance granted to Anderson Construction to conduct up to nine concrete pours with early morning set up between July 8, 2017 through October 15, 2017 for the construction of Condominiums at Block 20 project located between NW 11<sup>th</sup> Ave and NW 12<sup>th</sup> Ave and NW Overton St to NW Quimby St (Hearing introduced by Auditor Hull Caballero) 1 hour requested</p>	
<p><b>974 TIME CERTAIN: 3:00 PM</b> – Appeal of Landon Crowell against Design Commission’s decision of denial for design review of a new 5 to 6 story, approximately 70’ tall, 17 unit apartment building in the Central Eastside Subdistrict of the Central City Plan District, at 1122 SE Ankeny St (Previous Agenda 895; Findings introduced by Commissioner Eudaly; LU 16-184524 DZM)</p>	<p>No fiscal impact.</p>
<p><b>975 TIME CERTAIN: 3:05 PM</b> – Appeal of the Goose Hollow Foothills League against Design Commission’s decision of approval for design review of a 3-building development on two parcels under common ownership of 1.5 blocks in the Central City, at 817 SW 17<sup>th</sup> Ave and 1621 SW Taylor St (Previous Agenda 897; Findings introduced by Commissioner Eudaly; LU 16-273094 DZM AD)</p>	<p>This is not a legislative action, but rather an appeal of a Type III quasi-judicial land use review. The decision will not solely or substantially impact City revenues.</p>

**\*Council Calendar items 966,967,968 address the new agreements to operate and maintain the Portland Hydroelectric Project. An overview of the fiscal impact for the new agreements is provided below.**

Since 1982, the power generated from the hydroelectric facilities has been purchased by Portland General Electric (PGE) under a Power Sales Agreement (PSA). Under the terms of the agreement, PGE also operated, maintained, and distributed the power generated at the facilities. The sales agreement with PGE ends August 31, 2017. The expiring agreement will be replaced by four agreements to generate, sell and deliver power: a new Power Purchase Agreement (PPA), an Operations and Maintenance Agreement, a new Power Transmission Agreement, and a Scheduler Agreement to optimize the sale of the power to PGE. The

ordinance for the intergovernmental agreement (IGA) with Energy Northwest to operate and maintain the two-hydroelectric power generating facilities was approved by Council on July 20, 2017. Ordinances for PPA, Power Transmission Agreement and Scheduler Agreement are discussed below.

Since the 1980s, approximately \$14 million in total net revenue from power sales (a few hundred thousand dollars a year) has gone to the General Fund. Due to the ending of the existing PGE PSA and the uncertainty of future cash needs of the Hydropower Operating Fund, the Spring 2016-17 BMP ended those transfers; they are not currently included in the City's five-year forecast. Over the life of the 15-year PPA with PGE, the Bureau of Hydroelectric Power expects revenues to exceed expenses by \$3.0-8.5 million. The bureau estimates that total expenses will range between \$2.2-\$2.8 million a year and will grow with inflation to \$4.2 million in the last year of the PPA (2031). The bureau's expense estimates assume that the bureau will not reach the maximum contract amounts for the Operation and Maintenance Agreement and the Power Transmission Agreement. Both contracts will be managed on a work order basis.

During the August 8, 2017, Hydroelectric Power Contracting Work Session, the bureau provided financial analysis for two scenarios: Stress Test-Base Case and Stress Test-Worst Case. Both scenarios assume median annual revenue and estimate annual losses for the same three-year period: 2018, 2019, and 2020. In the base scenario, the \$1.8 million beginning fund balance offsets the three years of early annual losses. In this scenario, the fund balance remains positive for the entire 15-year PPA. In the Stress-Test Worst Case scenario, the bureau's estimate assumes three bad water years early in the contract and consequently lower revenues and higher under delivery charges are likely than under the base case scenario in 2018, 2019, and 2020. This results in larger annual losses for the same three-year period. In the worst-case scenario, the fund balance falls below zero, -\$404,537 in 2020, before it returns to a positive fund balance in 2021. Under the worst-case scenario, the bureau estimates \$5.9 million in net revenue by 2031. This is approximately \$1.7 million less in net revenue than the bureau's base-case scenario of \$7.6 million by 2031.

CBO notes that the Stress-Test Worst Case scenario presented at the work session was based on a Monte Carlo model reflecting the likely results if the area experienced three bad water years early in the contract period and median annual revenues thereafter. If the analysis instead used the bureau's Low (20th Percentile) Annual Revenue estimate for the length of the contract, the negative fund balance would be larger and last longer.

**966** Authorize a Service and Maintenance Agreement with Portland General Electric Company in the amount of \$1,000,000 for transmission maintenance services for the Portland Hydroelectric Project. This ordinance authorizes a Service and Maintenance Agreement with Portland General Electric (PGE) for the not exceed amount of \$1 million. The agreement will provide maintenance, replacement and repair services to the City's portion of the overhead electrical transmission line that interconnects the Hydroelectric Project on the Bull Run River with PGE's Dunns' Corner Substation. The length of the agreement is 5 years, plus two 5-year renewals. Funds to support the agreement are available in the Bureau of Hydroelectric Power's FY 2017-18 Budget. Additional funding will be requested in future budgets.

**967** Authorize an Intergovernmental Agreement with Eugene Water & Electric Board in the amount of \$420,000 for scheduling services for the Portland Hydroelectric Project (Ordinance introduced by Commissioner Fish)

This ordinance authorizes an Intergovernmental Agreement with Eugene Water & Electric Board for power scheduling services. The length of the agreement is 5 years with annual renewals thereafter. The total amount of the agreement is \$420,000. Funds to support the agreement are available in the Bureau of Hydroelectric Power's FY 2017-18 Budget. Additional funding will be requested in future budgets.

**968** \*Authorize a Power Purchase and Sales Agreement with Portland General Electric Company for the sale of hydroelectric power generated by the Portland Hydroelectric Project (Ordinance introduced by Commissioner Fish)

This ordinance authorizes a Power Purchase Agreement (PPA) with Portland General Electric (PGE) for the sale of hydroelectric power generated by the Portland Hydroelectric Project. The PPA is one of four

agreements that will replace the expiring Power Sales Agreement (PSA) with PGE. Some of the features of the agreement are highlighted below.

- The length of the PPA is 15 years.
- The value of the agreement is variable; annual revenue will vary with power generation and market conditions. Because the City and PGE have a non-disclosure agreement, the contract prices are not publicly available. The bureau asserts that the City is receiving favorable competitive rates.
- Over the life of the 15-year PPA with PGE, the bureau expects revenues to exceed expenses by \$3.0-8.5 million. Excess revenue will be used for repair, rehabilitation, and “sunny day” funds.
- The bureau is at the greatest risk for “under delivery damages” when energy prices are high during a low water year. These damages apply when the bureau cannot deliver the promised amount and the wholesale price exceeds contract prices. These damages can be mitigated by selling extra (“as-available”) energy into the market at the higher market price.

**970** Ratify a collective bargaining agreement between the City and Laborers Local 483 – Portland City Laborers relating to the terms and conditions of employment of represented employees in the Portland City Laborers bargaining unit (Ordinance introduced by Mayor Wheeler) 30 minutes requested for items 970-972

This ordinance ratifies a collective bargaining agreement between the City and the Laborers Local 483 – Portland City Laborers. The Bureau of Human Resources estimates the total fiscal impact for the Laborers Local 483 – Portland City Laborers agreement to be \$5.2 million over the life of the agreement, with a General Fund impact of \$1.03 million. The non-GF impact is primarily attributed to BES and PBOT. These costs increases are currently unfunded in FY 2017-18 and beyond.

<b>Laborers Local 483 Agreement</b>	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
GF impact	\$212,000	\$249,000	\$281,000	\$289,000
Non-GF impact	\$941,000	\$1,000,000	\$1,080,000	\$1,160,000
<b>Cumulative impact</b>	<b>\$1,153,000</b>	<b>\$2,402,000</b>	<b>\$3,763,000</b>	<b>\$5,212,000</b>

The Bureau of Human Resources has indicated that they will amend the ordinance to include direction from Council that the City Budget Office to work with the Bureau of Human Resources and relevant bureaus to determine an appropriate increase to bureau current appropriation level targets in order to fund cost increases associated with this contract. The intent of this language is to have CBO provide Council with General Fund cost figures to be added to CAL Targets as part of the FY 2017-18 Fall BMP.

**971** Ratify a successor collective bargaining agreement between the City and Laborers Local 483 – Recreation relating to the terms and conditions of employment of represented employees in the Recreation bargaining unit (Ordinance introduced by Mayor Wheeler)

This ordinance ratifies a collective bargaining agreement between the City and the Laborers Local 483 – Recreation. The Bureau of Human Resources estimates the total fiscal impact for the Laborers Local 483 – Recreation agreement to be \$2.9 million over the life of the agreement, which is entirely borne by the General Fund. These costs increases are currently unfunded in FY 2017-18 and beyond.

<b>Laborers Local 483 - Recreation</b>	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
GF impact	\$454,000	\$560,000	\$668,000	\$1,204,000
<b>Cumulative impact</b>	<b>\$454,000</b>	<b>\$1,014,000</b>	<b>\$1,682,000</b>	<b>\$2,886,000</b>

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**972** Ratify a successor collective bargaining agreement between the City and Professional & Technical Employees Local 17 relating to the terms and conditions of employment of represented employees in the Portland City Laborers bargaining unit (Ordinance introduced by Mayor Wheeler)

This ordinance ratifies a collective bargaining agreement between the City and the Professional & Technical Employees Local 17. The Bureau of Human Resources estimates the total fiscal impact for the Professional & Technical Employees Local 17 agreement to be \$5 million over the life of the agreement, \$1.6 million of which will be borne by the General Fund. The non-GF impact is primarily attributed to BDS and PBOT. These costs increases are currently unfunded in FY 2017-18 and beyond.

<b>Professional and Technical Employees Local 17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>
GF impact	\$373,000	\$382,000	\$405,000	\$417,000
Non-GF impact	\$813,000	\$834,000	\$878,000	\$901,000
<b>Cumulative impact</b>	<b>\$1,186,000</b>	<b>\$2,402,000</b>	<b>\$3,685,000</b>	<b>\$5,003,000</b>

The Bureau of Human Resources has indicated that they will amend the ordinance to include direction from Council that the City Budget Office to work with the Bureau of Human Resources and relevant bureaus to determine an appropriate increase to bureau current appropriation level targets in order to fund cost increases associated with this contract. The intent of this language is to have CBO provide Council with General Fund cost figures to be added to CAL Targets as part of the FY 2017-18 Fall BMP.