

## The Oregonian

### Portland's top accountant returned to work after Jack Graham shifted to 'advisory capacity': Portland City Hall Roundup

By Brad Schmidt

Portland's top accountant returned to work in December just days after Chief Administrative Officer Jack Graham was replaced by an interim administrator, Fred Miller.

City Controller Jane Kingston abruptly took leave from the city on Oct. 24 following a tense email exchange with Graham, her boss, over who was at fault for a potentially negative audit finding.

In the emails, Kingston complained that she repeatedly attempted to raise concerns about the highly technical accounting practice but didn't gain traction because Graham clipped her authority. Graham blamed Kingston for not addressing the issue sooner.

Kingston was originally expected to return from her leave, authorized under the Family and Medical Leave Act, around Nov. 15 -- but she didn't.

Portland Mayor Charlie Hales announced Nov. 20 that he was firing Graham as "controversies involving OMF have become a distraction." But Graham -- who was investigated in 2012 for attempting to misspend water and sewer funds -- remained in charge of the Office of Management & Finance because his firing wasn't immediate and Hales hadn't found a replacement.

At the same time, city officials expected Kingston to return Dec. 5. She didn't come back as scheduled, however.

On Dec. 18, Hales named Miller as Graham's replacement. Miller began working Dec. 19 and Graham shifted to an "advisory capacity" through January.

Kingston returned to work Dec. 23.

### Commissioner Nick Fish, faced with two possible lawsuits, requests mediation regarding sale of Freeman Tank property

By Melissa Binder

Faced with a lawsuit whether he completes the sale of the Freeman Tank property in Southwest Portland or backs out, Commissioner Nick Fish has proposed doing neither.

Fish, via the deputy city attorney, has requested mediation regarding the sale of the property with the lawyers representing the Multnomah neighborhood and Renaissance Homes, both of which are in a position to sue the city.

In a letter to both parties the deputy city attorney asked Renaissance to delay the completion of the sale and the neighborhood to hold off on legal action until mediation had a chance to work.

The city agreed to sell the Freeman Tank property, a 0.7-acre wooded site with a defunct water tank, to Renaissance Homes in September 2012. The deal was set to close by the end of this month. Controversy arose in late summer when neighbors learned that the city had agreed to sell the property and asked Fish to cancel the contract.

Fish repeatedly told neighbors he was bound by the contract, though he agreed the public notice process was insufficient. The neighborhood association hired an attorney and, early this month, threatened to sue the city if the sale of the property was completed. The attorney argued the city had violated state and local law with the sale.

"The commissioner now finds himself caught between two potential lawsuits -- one from the neighborhood, which asserts that the contract is illegal; and one from Renaissance, which expects the city to honor the contract," Deputy City Attorney Terence Thatcher said in a letter to lawyers representing the neighborhood and Renaissance.

"Fish's preference is to find a mutually agreeable compromise and to resolve this issue outside of the courthouse," Thatcher wrote.

Kristian Roggendorf, attorney for the Multnomah neighborhood, said his clients will consider the city's request over the weekend and respond on Monday.

"We're very glad the city has agreed to put the sale on hold," he said.

This story will be updated.

## **The Portland Tribune**

### **Water district petitions to be filed Tuesday**

By Jim Redden

Supporters of an independently elected Portland Public Water District now plan to file petitions with over 50,000 voter signatures with city elections officials on Tuesday.

They had originally planned to file the petitions Friday morning, but decided to wait and collect signature sheets that are still being circulated.

"We just found out you can't turn in any additional signatures if we turned in today, and we still have some sheets circulating, so we're going to wait till the last minute," says co-chief petitioner Kent Craford.

The proposed measure only needs a little more than 29,000 valid Portland voter signatures to qualify for the May 2014 Primary Election ballot.

"I'm very confident the measure will qualify," says Craford, a lobbyist and co-chief petition for the measure. The other co-chief petitioners is Floy Jones, co-founder of Friends of the Reservoirs, a grassroots organization trying to preserve the city's five open water reservoirs.

The proposed measure would amend the City Charter to create an elected board that would take control of the Water Bureau and the Bureau of Environmental Services, which operates the city's sewer system

and stormwater management programs. It was filed in reaction to skyrocketing city utility rates and the council's decision to stop fighting the U.S. Environmental Protection Agency rules requiring the city to replace the open reservoirs. The petition drive was primarily supported by companies that use large amounts of city water.

Although the measure has yet to qualify for the ballot, it is already opposed by a number of environmental organization who worry the board will cut innovative stormwater management programs.

A Multnomah County Circuit judge has issued an opinion questioning some of the wording of the measure, suggesting it will be challenged in court if it passes.