

## The Oregonian

### Portland's minimum wage: Mayor Charlie Hales holding Twitter 'town hall' on \$15-an-hour proposal

*By Andrew Theen  
February 18, 2015*

Portland Mayor Charlie Hales will answer questions about his proposal to pay 157 full-time city contractor \$15-an-hour in a Twitter "town hall" event Wednesday.

According to Hales' schedule, he'll answer questions about the \$15 proposal via the social media network from 1:15 p.m. to 1:50 p.m.

More: Read about how local activists and political candidates raised the profile of the \$15 Now movement in Portland.

The City Council will hold a public hearing at 2 p.m. on Wednesday to discuss the proposal to amend the Fair Wage Policy. The elected officials are expected to vote Wednesday as well.

Hales will answer questions with the hashtag #pay15. The mayor's Twitter handle is @mayorpdx.

We'll monitor the town hall and add some of the tweets and conversation here if warranted.

### Portland investigation says Columbia Building payment process 'appears improper'

*By Brad Schmidt  
February 19, 2015*

An outside investigation of Portland's overbudget Columbia Building repeated damaging conclusions from an October city audit but did little to clarify who is at fault or if violations occurred.

The report by the Barran Liebman law firm, released Wednesday by Commissioner Nick Fish, concluded that a city contracting pass-through of money "appears improper" but did not detail why.

Even so, the investigation served the implicit purpose of putting heat on Dean Marriott, the Bureau of Environmental Services' longtime director with whom Fish had a fractured "trust relationship."

Marriott resigned in January in exchange for nearly \$200,000 in severance and \$50,000 for legal fees. In turn, Fish changed the scope of the investigation from determining if laws, rules or ethical guidelines had been violated to instead focus it on "lessons learned."

The report offered little new insight into one key audit finding: that BES employees circumvented contracting controls to ensure that \$95,581 made its way to the Columbia Building's architects, despite orders from Commissioner Dan Saltzman to end payments.

The city's October audit discovered that Saltzman, who was in charge of the bureau in 2012, told officials that he would not approve more contract change orders or more money for Skylab Architecture, which already had a swollen design contract worth \$1.3 million.

Employees then implemented a workaround. They tapped the Columbia Building's construction budget to pay the general contractor, Skanska USA Building, which in turn paid Skylab \$95,581 more than authorized.

"At a minimum, this method of paying Skylab appears improper and has had a negative impact on the general public's view of how this project and its expenses were handled," the outside investigation reads.

The report confirms that employees viewed Saltzman's instruction as an "edict" but also states that Marriott didn't think Saltzman forbid additional design costs. The investigation found no effort by employees to clarify Saltzman's stance or raise concerns with him.

Instead, some employees found it professionally "embarrassing" that Skylab would not be paid for work that needed to be done. The report "found it difficult to trace the decision-making for the final true-up payment." Marriott told investigators he knew it had been resolved but didn't ask for specifics, only that he "understood" normal practices had been followed.

The report concludes that BES' decision to route Skylab payments through Skanska "appears to be subterfuge."

Ed Harnden, managing partner of Barran Liebman, said in an interview that the law firm determined Skylab performed all of its work and the work was integral to the project. There was no evidence of criminal fraud or misappropriation of public money, he said.

Harnden compared the firm's conclusion about improper payment methodology to a U.S. Supreme Court Justice's famous 1964 quote about knowing something when you see it, even if you can't describe it.

Harnden said the firm did examine contracting protocols for change orders but did not find a direct violation. He was unable to point to any other specific rules or ethical guidelines that were reviewed.

"You kind of know that this process was not working right," said Harnden, who earned \$350 an hour under a contract worth up to \$60,000.

The report concluded that the City Council should have weighed in on the building's fancy design. Bureau officials also should have more precisely described the project and changes that increased the budget to about \$11.5 million, triple early estimates.

Among 11 recommendations: better cost estimates, new communication guidelines and clearer lines of command if disputes crop up.

Fish is satisfied with the report, said policy director Jim Blackwood. Fish's office released the report moments before a 2 p.m. City Council meeting, leaving Fish unavailable to comment.

Fish largely inherited the Columbia Building project from Saltzman when Fish took over the bureau in June 2013, although the \$95,581 pass-through payment to Skylab occurred under Fish's watch.

Blackwood said Fish's decision to launch an outside investigation "is a challenge to BES employees to be more rigorous in their decision making and how they communicate back to the commissioner in charge."

## **Portland approves \$15-an-hour minimum wage for full-time city workers, contractors**

*By Andrew Theen  
February 18, 2015*

The Portland City Council voted 5-0 to amend the city's Fair Wage Policy on Wednesday, raising the hourly wage for about 173 contractors and full-time workers to at least \$15 an hour.

The vote came after nearly three hours of testimony from employees, contractors and union representatives.

"We're here because the community has spoken," said Commissioner Nick Fish, citing \$15 Now PDX and other advocates who campaigned for the wage for the past year.

The vote signals that Portland is invested in the growing push to raise the minimum wage for workers and the community as a whole. Portland follows Multnomah County and Home Forward, the county housing authority, in raising wages for its workers, moves that advocates say are crucial to addressing stagnant wages and growing inequality.

A bill introduced in the Legislature would increase the state's minimum wage, now \$9.25 an hour, to \$15 in several years. The federal minimum is \$7.25.

Mayor Charlie Hales and Portland Commissioner Dan Saltzman introduced the proposal, outlined in broad strokes in Hales' State of the City speech Jan. 30, to pay full-time city employees and contractors \$15 an hour.

Of the workers affected, about 16 are full-time city employees. The remaining 157 employees are parking attendants, janitors, or security workers who are full-time but paid by contractors that are subject to the city's Fair Wage policy. Budget officials say the plan will cost at least \$1.1 million per year.

"We need to do what we can when we can," said Commissioner Amanda Fritz, who oversees the Parks Bureau. But Fritz said "the people who most need it are not getting" the raise.

Much of the testimony focused on workers who won't see a raise anytime soon, some 1,800 seasonal and part-time "casual" employees who largely work for the Parks Bureau.

Fritz and other commissioners said those employees are part time in name only.

Icarus Smith, one of the workers, told the City Council he earns \$10 an hour and will top out at \$11 an hour. Smith said he loves working at the Mt. Scott Community Center, but he has no health insurance. He, like other temporary workers, is limited to 1,200 hours a year. Smith said most workers take their full allotment of hours, then go on unemployment around October. "This is the situation a lot of us so-called casual employees find ourselves in," he said.

Robby Schaul, a parks maintenance worker who helps maintain the city's famous rose gardens, said he still doesn't make \$15 an hour, despite working for the bureau for seven years. He said fellow employees feel like they can't talk about their situation for fear of losing their jobs.

Commissioner Steve Novick said he was disappointed the city didn't have the resources to address those 1,800 part-time workers now. "It pains me that we have city workers who are not working full time, yet that's their only job and they earn less than \$15 an hour," he added.

Fritz said it could cost \$3.1 million a year to pay part-time and seasonal workers \$15 an hour.

Midway through the hearing, Hales said he was looking for ideas on how the city can move quickly to pay those temporary and seasonal workers more money. That includes discussing new funding sources. "It doesn't exactly fall out of the sky, politically, when one brings up the subject," Hales said.

It's possible Portland's decision could have ramifications for others, such as downtown Clean and Safe staffers, who work for third-party vendors that honor the city's Fair Wage Policy. Finance officials said they would study that.

City Council members said the vote sets a policy direction, but the elected officials pledged to continue what they called a "first step" into action during the coming budget year and beyond.

## **No smoking allowed: Portland City Council approves smoking ban for city parks, nature areas**

*By Andrew Theen  
February 18, 2015*

The Portland City Council voted 4-1 on Wednesday to pass a total smoking ban in city parks and nature areas.

Starting in July, smoking or consuming tobacco products in more than 200 Portland parks and nature areas could lead to a misdemeanor citation. City officials say that's unlikely, and that the primary goal of the policy is education and public health-related.

The ban applies to all tobacco, e-cigarettes, marijuana and vaping products.

"I think it's a common sense thing to do," said Commissioner Nick Fish before voting.

Commissioner Dan Saltzman cast the lone dissenting vote, saying the smoking ban was "simply unenforceable" and would lead to conflicts between law enforcement officers and smokers. Saltzman said the policy granted "a pretext for police to hassle somebody for smoking."

Portland joins New York City, Chicago, Philadelphia and other large cities in passing similar policies.

Last year, Commissioner Amanda Fritz asked the volunteer parks board to study a city ban. She brought the proposal to her City Council colleagues earlier this month.

Fritz said parks are "supposed to be about healthy behavior." She said she's pleased to follow the hundreds of other cities that have similar bans, but added that enforcement would be a low priority.

Parks rangers don't have the ability to write citations, she said, and police would be unlikely to do so. Fritz added that the "vast majority" of Portlanders would likely follow the rules.

Earlier in the meeting, Commissioner Steve Novick suggested an amendment that would allow neighborhood associations to request specific smoking areas in various parks, but that proposal failed.

City officials plan a five-month grace period, in which offenders will be educated about the new policy.

It's not yet clear how much the city will spend on signs and other enforcement measures.

## **The Portland Tribune**

### **Council passes demolition reforms, promises more action**

*By Jim Redden  
February 18, 2015*

The City Council unanimously approved changes to the residential demolition process intended to address growing neighborhood outrage about the increasing number of infill projects.

All five of the council members promised the changes were just the first step toward resolving numerous issues raised by neighborhood and preservation activists, including the fact that the replacement houses are larger and more expensive than the ones they replace.

Homebuilders say they are only meeting market demand, and many of them sell before they are even completed. But the activists complain they are out of character with surrounded homes and are reduce the amount of affordable housing.

"We all know the Joni Mitchell song that says you don't know what you've got until it's gone, and we have neighborhoods we don't want to lose," said Mayor Charlie Hales, who is working with the Bureau of Planning and Sustainability on projects to consider such issues in next year's budget.

The measure was introduced by Commissioner Amanda Fritz, who is in charge of the Bureau of Development Services, which issues demolition and construction permits. It was developed by a BDS advisory committee and some of the activists, including representatives of the grassroots United Neighborhoods for Reform group.

Among other things, the measure keeps an existing 35-day delay on all demolitions, allows anyone to request an additional 60-day extension for any house of significance to a neighborhood, allows the \$1,318 extension application fee to be waived for neighborhood associations, and provides for fundraising plans to be developed during the extension.

Future proposals discussed by the council included a demolition fee to help fund affordable housing projects. Commissioner Dan Saltzman said it will be taken up by the Housing Bureau, which he oversees.

Commissioner Nick Fish also asked Fritz to brief him on BDS policies related to hazardous materials in houses being demolished — including asbestos and lead-based paint chips — to ensure they are being properly handled.

## Willamette Week

### Sewer Office Building Investigation Says City Bureaus Should Report When Projects Get Bigger

*By Aaron Mesh  
February 19, 2015*

An outside investigation of a \$11.5 million office building for sewer workers that tripled in cost recommends Portland city bureaus provide elected officials with detailed reports when the scope of a construction project changes.

City Commissioner Nick Fish asked law firm Barran Liebman to review the project, which eventually cost longtime Bureau of Development Services chief Dean Marriott his job.

On Wednesday, The Oregonian obtained records that lifted the curtain on the fractious relationship between Fish and Marriott in the aftermath of the project.

The Barran Liebman report, also released Feb. 18, says bureau officials violated no laws or city rules as the office project grew. But it says Marriott and other BES officials allowed the elaborate design of the building to change the project's scale and budget.

The report suggests the creation of new city memos to disclose enlarged scope.

"The Bureau should provide to the Commissioner in charge of the Bureau a detailed report of all requested additions to the scope of a project prior to undertaking the implementation of the additions," the report says. "It is recommended that those requested or necessary additions to the scope be put into a separate memorandum to the Commissioner which clearly is designated as a 'Scope Enlargement' request."

The Barran Liebman investigation follows a damning city audit into the Columbia Wastewater Treatment Plant services building, which tripled in costs to \$11.5 million.

Fish asked for the audit after WW and KOIN-TV reported how the city turned what was supposed to be a utilitarian office building, originally estimated at \$3.2 million, into a "poster-child facility" for wastewater engineers in North Portland.

The audit showed bureau managers approved a design so ornate and inadequate that it required 85 change orders during construction, mostly to fix design problems like the ecoroof covered in wetland grasses.

Fish responded to WW's report by mandating that any BES and Water Bureau spending over \$500,000 be discussed by City Council. He placed Marriott on leave, and the 20-year bureau chief resigned in January.

## The Portland Mercury

### \$15... for Some

### Mayor Hales' Headline-Grabbing Wage Hike Affects 16 People

*By Dirk VanderHart  
February 18, 2015*

OF THE SEVERAL proposals Mayor Charlie Hales unveiled in his State of the City address on January 30, one generated the most headlines by far: Hales wants to make sure every full-time city employee is paid at least \$15 an hour.

"It's the right thing to do," Hales said—signaling that Portland might emulate Multnomah County, which recently committed to paying everyone but interns at least \$15.

But it turns out the mayor's attention-grabbing suggestion isn't much of a change. Records obtained by the Mercury show just 16 full-time city employees (out of about 7,940) earned less than \$15 an hour in 2014. And most of them weren't far off.

According to the Portland Bureau of Human Resources, 10 of those employees made more than \$14 an hour. Six earned more than \$14.70. Just one employee, a recreation coordinator working for the parks bureau, earned less than \$13.90 last year.

The data could be seen as proof the city already pays its workers well, but full-time employees are far from the total picture. As the Mercury's reported, more than a sixth of the city's total employees—roughly 1,840—earn less than \$15 an hour, once seasonal and part-time workers are figured in ["Starting at the Bottom," News, Jan 7]. Those workers overwhelmingly work for the parks bureau, and nearly 75 percent of them make less than \$12.

Happily, there are greater changes afoot than Hales' new proposal.

For months—partly at the behest of Commissioner Dan Saltzman—officials have weighed amending Portland's "fair wage" policy to pay roughly 150 contract workers at least \$15. Portland City Council was scheduled to take up that resolution on Wednesday, February 18.

The amendment also would require the city to study what its part-time and seasonal employees should be paid, while acknowledging \$15 as an important benchmark.

"Continuing research and evidence is showing that an hourly pay of \$15 provides a minimum level of compensation that allows employees and their families to live outside low-wage conditions," the resolution reads.

Thanks to state law, Portland officials can't set a minimum wage for the city. We're stuck, with the rest of the state, at \$9.25. The city, of course, can pay its own workers what it sees fit. Staffers have estimated bringing everyone up to a \$15 minimum could cost as much as \$4 million a year.

Given its narrow scope (the city couldn't provide a cost estimate for raising the wage of the 16 full-time workers by press time), Hales' proposal faces little adversity.

Parks Commissioner Amanda Fritz has said in the past that she'd oppose a minimum wage increase, favoring creating more full-time positions instead. But Fritz says she's fine with bringing full-time workers up to \$15.

What Fritz is not okay with is the proposed raise for 157 contract workers, which she says would result in part-time contractors being paid better than the hundreds upon hundreds of part-timers struggling within her bureau.

Fritz says she plans to introduce an amendment that stipulates only full-time contract workers earn \$15. She'll also suggest eliminating the requirement to study what seasonal city employees should be paid.

"How hard do we have to study," Fritz says, "to understand that we're underpaying our workers?"

## Hall Monitor

### Business as Usual in City Hall?

*By Dirk VanderHart  
February 18, 2015*

MAYOR CHARLIE HALES might have timed things a little bit better, given what's become of John Kitzhaber, the state's former governor, who was toppled after a corruption scandal involving his fiancée.

Just weeks before a Portland City Council vote on redrawing the city's urban renewal districts, a landowner who stands to gain from the changes was conspicuously first in line when it came time to revive Hales' campaign account ahead of a likely re-election bid.

As the Mercury was first to note, Hales on January 13 accepted \$5,000 from John Bollier, president of ubiquitous transportation contractor Stacy and Witbeck. It was the first major check, by several days, in what eventually became a gusher of campaign money from developers and others—some \$21,000 altogether, as of press time.

Meanwhile, city sources say, Hales has spent months emphatically evangelizing for something that would make Bollier (who didn't return a call seeking comment) pretty happy.

A long-aired plan to stretch the city's Central Eastside Urban Renewal Area south around the so-called "Clinton Triangle"—ostensibly to goose development around TriMet's new MAX line to Milwaukie—would also snag some land owned by Stacy and Witbeck.

The boundary change would clear the way for millions in infrastructure fixes, like sidewalks and extended streets, paid through urban renewal funds. Notably, that city spending would save Stacy and Witbeck the trouble of opening its own wallet. It also would make the land easier to develop—and thus far more valuable.

Of course, it would be simple to overlook that perk if Hales' plan was universally beloved. But that's not the case. The League of Women Voters is vocally unconvinced the city needs to encourage development that seems to be arriving anyway. Urban renewal money, the League notes, comes at the expense of the city's general fund, as well as schools and Multnomah County.

"I share their concerns," says Commissioner Amanda Fritz, who's likely to vote no.

Neither Fritz nor the League of Women Voters would comment on Bollier's check.

"Somebody who held office before us decided not to do planning around station areas that were coming online," says Hales' spokesman, Dana Haynes. "We've been talking about it for nine months. We've been putting it in speeches. The timing [of the campaign check] is odd only if one chooses to take a snapshot."

Haynes' explanation is valiant. But at the same time, Hales and Bollier have shared some mutually beneficial history. Bollier, whose donations tend to line up with his business interests, gave Hales \$7,600 during his last campaign. He also reportedly signed up to raise thousands more from other wealthy donors.

And the Oregonian has reported that Hales, not long after taking office in 2013, went out of his way to speed along land-use planning along the light rail line.

"The optics are not great," says Jim Moore, director of Pacific University's Tom McCall Center for Policy Innovation.

But it's also how things are done. Sadly. You tap your friends. And people with clout.

"Who has money?" Moore says. "Golly, it's the people who have business with the city. As long as Charlie's wife isn't involved, he'll be okay."

## **Portland's \$15 Movement Keeps Growing! Now Amanda Fritz Says Some Seasonal Workers Need a Raise**

*By Dirk VanderHart  
February 18, 2015*

The \$15 wage discussion keeps creeping wider and wider.

Just three weeks after Mayor Charlie Hales unveiled a proposal to ensure every full-time city employee makes at least that much (a change that's not as monumental as it sounded at the time), Amanda Fritz has now partially reversed course on her stance toward a \$15 minimum.

Fritz, who oversees the parks bureau and so the majority of the city's lowest-paid employees, has said for months she wants to create more full-time positions with benefits more than she wants to increase the minimum wage. But in the midst of a wonky, tangled conversation around upping the pay for city contract workers this afternoon, the commissioner adjusted her stance, announcing she'll make a budget request to bump maintenance workers up to \$15.

The proposal came as a surprise to some advocates with 15 Now PDX, the group that's been pressing for a raise to the city's (and state's) minimum wage for months. The group's pressure (along with Jobs With

Justice) is a key reason Portland leaders having the discussion. It got momentum from the upstart campaign of Nick Caleb, who ran against Commissioner Dan Saltzman last year on a platform that leaned heavily on the wage issues.

Exactly what Fritz's surprise proposal might cost was immediately unclear. But a mayoral staffer said there'd been indications for weeks Fritz might make such a proposal, and that early forecasts showed the raises are workable.

Meanwhile, costs associated with more immediate changes were laid out for the first time that I've seen (repeated requests to various city staffers last week turned up no answer).

Hales' proposal to raise full-time workers up to \$15 would cost only about \$47,000. But it could rise as high as \$90,000 once more-senior employees making slightly higher salaries get bumps in the name of fairness, city HR Director Anna Kanwit said. We reported in this week's issue only 16 full-timers made less than \$15 last year, and most of them made only slightly less.

The other wage bump commissioners are discussing—to raise the wages of 157 janitors, parking attendants and other service workers who contract with the city—is expected to cost \$900,000 to \$1 million, according to Portland's Office of Management and Finance (OMF). It's unclear how relevant those numbers are, though, given an amendment from Fritz stipulating the raise should apply only to full-time contract employees.

A lot's unclear, actually. City council seemed unanimous that there needs to be further study about the nearly 2,000 part-time and seasonal city workers (detailed here!) who make less than \$15, but could come to little agreement about who should lead that effort, and who should be involved. Fritz scotched a provision that would mandate the HR bureau to conduct that study (Kanwit says they're too busy, at present) and proposed that the Parks commissioner (her) should lead. Fritz pointed to her good work around paid sick leave, and said she had a track record getting things done.

But her suggestions inspired a tart-sounding retort from Commissioner Nick Fish, who noted: "The last time I checked the charter, the mayor decides the parks commissioner. There's no guarantee you'll be parks commissioner tomorrow." (Fish took pains to indicate he agreed with the need for further study.)

And even with the central change bandied about today—an increase to the wage mandated in Portland's Fair Wage Policy—it's unclear who's affected. The uptick could affect the Clean and Safe employees who clean up and patrol downtown, as well as contract workers who patrol the transit mall, but city finance staffers weren't sure who'd be on the hook to pay for those raises.

There was no shortage of repetitive testimony today, but also very powerful accounts from seasonal parks workers, allowed to work a maximum of 1,200 hours a year, and reliant on food stamps and medicaid.

"I ration my 1,200 hours and, like many others, I'm living in poverty," said a woman named Sarah (Sara?) a 5-year parks employee. "I struggle to feed myself. I currently depend on food stamps and I have sought the help of food pantries."

And then there was this great video from Laborers' Local 483.

But as far as this discussion has crept, there's no immediate indication city council's willing to pay all the city's 10,500 workers \$15. Mayor Charlie Hales and other commissioners have said they want to look more fully at that tweak, but there's also a notion—frequently trumpeted with great hyperbole by opponents of the wage hike—that not all jobs the city offers should pay \$15.

"Some jobs in our community really are starter jobs," Fritz said today. "There are truly seasonal aquatic instructors in parks who in their college summers come back here because they love being in parks. It's important to continue to have some jobs that are starter jobs."

As we've reported, informal city estimates suggest it would cost roughly \$4 million a year to bring all city workers—seasonal, part-time, and full-time—up to \$15.

(The city is relatively flush right now, with an estimated \$4.6 million extra in ongoing money going forward, and more in one-time money.)

As context for this, by the way, consider: Multnomah County is making everyone look bad. The county, which has less employees to deal with, took steps last year that will bump up all workers (except interns) to \$15 or higher within a couple years.

Update, 4:57 pm: Fritz wanted to vote on the resolution—with her amendments—at a later date, so staff could work out verbiage. But Saltzman, Fish, and Hales say the resolution only sets the city's policy, not the nitty gritty details. That can be worked out later, they say.

So it passes! 5-0! Portland's leaders say we need to pay full-time workers and full-time contractors at least \$15 beginning July 1 (the start of the next budget year).

A lot of people who spoke today demanded more. City leaders demanded more, and have now appeared to embrace that \$15 is the baseline Portland should work from.

"The people who most need it are not getting it under this resolution," Fritz said before her yes vote.

And more may come. This is a start. As Fish noted, regarding the funding challenge: "We had no way to pay for a Portland-Milwaukie light rail, and we funded it."

## **Daily Journal of Commerce**

### **Portland enacts \$15 minimum wage ... for certain city workers**

*By Andy Giegerich  
February 19, 2015*

Portland's City Council has taken a bold stand toward instituting a higher minimum wage.

The Oregonian reports that the Council voted 5-0 to raise the hourly wage for 170-plus contractors and full-time workers to \$15 an hour or more. The vote technically amended Portland's Fair Wage Policy.

While the vote perhaps only hints that Portland's leaders would back higher wages citywide, Oregon's legislature could consider a \$15 minimum wage bill during its 2015 session.

Seattle businesses reacted with horror when that city's commission enacted a \$15 minimum wage last year.