

CITY OF MILWAUKIE  
CITY COUNCIL MEETING  
JUNE 4, 2002

**Call to Order**

The 1887<sup>th</sup> meeting of the Milwaukie City Council was called to order by Mayor Bernard at 6:00 p.m. in the City Hall Council Chambers. The following Councilors were present:

Mary King

Brian Newman

Staff present:

Mike Swanson,  
City Manager  
Tim Ramis,  
City Attorney  
Larry Kanzler,  
Police Chief

Alice Rouyer,  
Community Development Director  
Dennis Lively,  
Engineering Director

**PLEDGE OF ALLEGIANCE**

**PROCLAMATIONS, COMMENDATIONS, SPECIAL REPORTS, AND AWARDS**

Rouyer introduced Milwaukie's newest Planning Director, John Gessner.

**CONSENT AGENDA**

It was moved by Councilor Newman and seconded by Councilor King to approve the Consent Agenda that included:

1. City Council Minutes of May 20 & 21, 2002;
2. Intergovernmental Agreement with Clackamas County regarding Industrial Pretreatment Program Implementation; and
3. Resolution 12-2002: Renewal of Intergovernmental Agreement with Clackamas County for Juvenile Diversion Program.

**Motion passed unanimously among the members present.**

**AUDIENCE PARTICIPATION**

None.

**PUBLIC HEARING**

None scheduled.

**OTHER BUSINESS**

**Amend Municipal Code Title 1 Pertaining to Ordinance Maintenance**

DuVal presented the staff report in which the City Council was requested to adopt an ordinance that would give the city recorder authority for general code maintenance and for correcting scrivener's errors.

It was moved by Councilor Newman and seconded by Councilor King to read the ordinance amending Municipal Code Title 1 pertaining to ordinance maintenance for the first time by title only. Motion passed unanimously among the members present. The ordinance was read for the first time by title only.

It was moved by Councilor King and seconded by Councilor Newman to read the ordinance amending Municipal Code Title 1 pertaining to ordinance maintenance for the second time by title only. Motion passed unanimously among the members present. The ordinance was read for the second time by title only.

It was moved by Councilor Newman and seconded by Councilor King to adopt the ordinance amending Municipal Code Title 1 pertaining to ordinance maintenance. Motion passed unanimously among the members present.

**ORDINANCE NO. 1902:**

**AN ORDINANCE OF THE CITY OF MILWAUKIE, OREGON, AMENDING TITLE 1 OF THE MILWAUKIE MUNICIPAL CODE PERTAINING TO GENERAL PROVISIONS AND ORDINANCE MAINTENANCE.**

**Intergovernmental Agreement for Right of Way Acquisition for the Johnson Creek Boulevard III Improvement Project**

**Rouyer** and **Lively** presented the staff report in which the City Council was requested to authorize the Mayor to sign an intergovernmental agreement (IGA) with the City of Portland to acquire right-of-way. The impact of Milwaukie's delaying the signing would be to delay Portland's signing process. **Rouyer** said, if the agreement is not signed, right-of-way acquisition would be handled in a different manner.

**David Mayfield**, 3905 SE Johnson Creek Boulevard, Milwaukie, discussed the feasibility of an alternate design concept, a raised bike/pedestrian lane, which could be constructed in a 36-foot right-of-way. He does not believe the City of Portland has provided a response that honors the community. He recommends an amended IGA that includes specific protections for the residents and allows adequate time for meaningful citizen involvement.

**Linda Hatlelid**, 8617 SE 36<sup>th</sup> Avenue, Milwaukie, urged the Milwaukie City Council to delay entering into the IGA until the City of Portland resolves and incorporates residents' issues. The main issues that need to be addressed are: overall width of the project; traffic calming; project shift to the south; tree removal; and the environmental zone.

**Carlotta Collette**, 3905 SE Johnson Creek Boulevard, Milwaukie, is concerned about the decision-making hierarchy in this project and does not feel citizens' positions have been listened to over what is now a 15-year process. The issue is moving traffic through the neighborhood and making good, safe paths for bicycles. This could be one

of the City's prettier streets, but residents must deal with traffic, noise, and pollution on a daily basis.

**Gene Hatlelid**, 4277 SE Johnson Creek Boulevard, Milwaukie, urged the City Council to support Johnson Creek Boulevard residents by voting against signing this agreement. He feels Milwaukie has been misled several times over the life of this project. Significant concerns are: this improvement project is not actually about safety but rather a storm water and sewer project; the road is out of its right-of-way; the environmental zone; supposed standards that must be met to use federal funds; and the conflicting surveys. He recommended the Milwaukie City Council not sign the IGA until Portland makes an effort to provide what the citizens have requested. It seems premature to acquire property before resolving design issues. There have already been many exceptions made on that street, and Hatlelid feels there is probably room for more. Delaying this IGA for what he feels are the desired results is the last card the residents have to play.

**Councilor Newman** believes the residents' concerns are legitimate but wonders if delaying the IGA is the right avenue. Some issues may not be resolved until they go to court.

**Mayor Bernard** would fully support a neighborhood committee if the City of Portland chose to form one. The design is not fully completed, so there should be adequate time for input on issues. There are still some issues that need to be clarified with Clackamas County about what will be done with the property after the project is completed.

**Councilor King** added the IGA with ODOT is only for acquisition. There has been a promise to give back property when the project is complete.

**Councilor Newman** noted the travel lane widths in Mayfield's drawing are 10' 4". This concept seems to be within 4 feet of what the community wants.

**Mayfield** explained this is a concept, and 11' lanes may be necessary. One accepted way to slow traffic is to cut down on lane widths. Because of the proximity to the Springwater Corridor, he believes the combined 7' ped/bike lane and 8" transition would be sufficient. This is not the time to sign the IGA for acquisition because of the City's increased liability. The lack of collaboration with citizens needs to be addressed.

**Swanson** summarized e-mail correspondence from Steve Johnson, 3707 SE Johnson Creek Boulevard, Milwaukie. Johnson spoke to movement of the roadbed to the north, environmental zone, closure of his driveway, tree loss, the Endangered Species Act, and vested water rights.

**Lillie Moore**, 4001 SE Johnson Creek Boulevard, Milwaukie, discussed her participation in the initial Metro SE Corridor process where Milwaukie representatives were out voted by Portland members. She noted many large trucks still use the street although it is prohibited, and there is a lot of vibration.

**Mayor Bernard** said the Milwaukie City Council would reiterate the message delivered to the City of Portland several months ago. He is still committed to looking at alternatives.

**It was moved by Councilor King and seconded by Councilor Newman to authorize the Mayor to sign an intergovernmental with the Oregon Department of Transportation for services to acquire public right-of-way for the Johnson Creek Boulevard improvement project.**

**Councilor Newman** said his objective is to make the project as narrow as possible and still have safe bike and pedestrian lanes. He would ultimately like Milwaukie to take over jurisdiction of Johnson Creek Boulevard so traffic calming could be implemented. He is frustrated with Clackamas County for leaving it up to the Milwaukie City Council to resolve an issue it cannot. It has taken an enormous amount of effort to get the funds to finish the project. He feels strongly that if the project is delayed, the City of Portland will use the money on a Foster Road project. He fully supports addressing neighborhood concerns before finalizing the design.

**Councilor King** is opposed to moving any of the project into the environmental zone.

**Motion passed unanimously among the members present.**

Staff will prepare a letter from the Mayor to the Portland City Council urging consideration for Milwaukie residents' design concerns.

#### Other

**Mayor Bernard** read several letters he received after speaking to a second grade class at Hector Campbell School.

**Mayor Bernard** announced that ODS was awarded the Oregon Downtown Development Association Adaptive Use Award for its renovation of the Pendleton building.

#### **ADJOURNMENT**

**It was moved by Councilor King and seconded by Councilor Newman to adjourn the meeting. Motion passed unanimously among the members.**

**Mayor Bernard** adjourned the meeting at 7:00 p.m.

*Pat DuVal*

Pat DuVal, Recorder

**CITY OF MILWAUKIE  
CITY COUNCIL AGENDA  
JUNE 4, 2002**

**MILWAUKIE CITY HALL**  
10722 SE Main Street

**1887<sup>TH</sup> MEETING**

**REGULAR SESSION - 6:00 p.m.**

**I. CALL TO ORDER**  
**Pledge of Allegiance**

**II. PROCLAMATIONS, COMMENDATIONS, SPECIAL REPORTS, AND AWARDS**

**III. CONSENT AGENDA** *(These items are considered to be routine, and therefore, will not be allotted Council discussion time on the agenda. The items may be passed by the Council in one blanket motion. Any Council member may remove an item from the "Consent" portion of the agenda for discussion or questions by requesting such action prior to consideration of that portion of the agenda.)*

- A. City Council Minutes of May 20 & 21, 2002**
- B. Intergovernmental Agreement with Clackamas County regarding Industrial Pretreatment Program Implementation (Rouyer)**
- C. Renew Intergovernmental Agreement – Juvenile Crime Diversion Program – Resolution (Kanzler)**

**IV. AUDIENCE PARTICIPATION** *(The Mayor will call for statements from citizens regarding issues relating to the City. It is the intention that this portion of the agenda shall be limited to items of City business which are properly the object of Council consideration. Persons wishing to speak shall be allowed to do so only after registering on the comment card provided. The Council may limit the time allowed for presentation.)*

**V. PUBLIC HEARING** *(Public Comment will be allowed on items appearing on this portion of the agenda following a brief staff report presenting the item and action requested. The Mayor may limit testimony.)*

**None Scheduled**

**VI. OTHER BUSINESS** *(These items will be presented individually by staff or other appropriate individuals. A synopsis of each item together with a brief statement of the action being requested shall be made by those appearing on behalf of an agenda item.)*

- A. Amend Municipal Code Title 1 Pertaining to Ordinance Maintenance – Ordinance (DuVal)**
- B. Intergovernmental Agreement for Right of Way Acquisition for the Johnson Creek Blvd III Improvement Project (Lively)**

**VII. INFORMATION**

- A. Center/Community Advisory Board Minutes, April 12, 2002**
- B. Library Board Minutes, April 15, 2002**
- C. Park and Recreation Board Minutes, February 26, 2002**
- D. Riverfront Board Minutes, April 9, 2002**

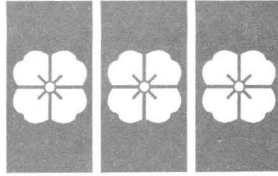
**VIII. ADJOURNMENT**

**EXECUTIVE SESSION** -- *At the end of the regular meeting, the Council may hold an Executive Session under the authority of Oregon Revised Statutes 192.660 as needed.*

*For assistance/service per the Americans with Disabilities Act (ADA), dial TDD 786-7555.*

***The Council requests that all pagers and cell phones be either set on silent mode or turned off during the meeting.***

C I T Y   O F



MILWAUKIE

**\*\*\*\*MEMORANDUM\*\*\*\***

May 29, 2002

To: Mayor and City Council

From: Barb Kwapich, OCR Administrative Specialist <sup>BK</sup>

Subject: Regular Session June 4, 2002 Packet Item Change

Attached is Item Iii. B. Intergovernmental Agreement with Clackamas County regarding Industrial Pretreatment Program Implementation (Rouyer). There were some problems with the copy machine yesterday. Please replace the copy you received in your packet with the attached copy.



TO: Mayor and City Council  
FROM: Mike Swanson, City Manager  
DATE: May 27, 2002  
RE: City Council FYI Update

Following are meetings of interest for the weeks of May 27, 2002 and June 3, 2002:

- June 3, 2002 at 5:30, Council Work Session in the Council Meeting Room
- June 4, 2002 at 6:00, Council Regular Meeting in the Council Hearing Room.
- June 6, 2002 at 5:00 P.M. in the Council Hearing Room, community update on the North Main Project.

## **JUNE 3, 2002 COUNCIL WORK SESSION**

**(1) Dinner and Information Sharing at 5:30 P.M.**

**(2) Board and Commission Interviews at 6:00 P.M.:** Five applicants are to be interviewed for vacancies on the Design and Landmarks Commission, Park and Recreation Board, Planning Commission, and Traffic Safety Board.

**(3) Policy Discussions on NDA Tree Grants and NDA Social Service Funds:** During the budget policy discussions on both issues were tabled for further Council discussion.

**(4) Discussion on Possible Annexation to CCFD1:** This matter will formally appear on the Council's June 18, 2002 agenda as part of the FY 2002-2003 budget adoption process. This is an opportunity for a general discussion.

## JUNE 4, 2002 COUNCIL HEARING

**(1) Intergovernmental Agreement with Clackamas County Service District 1 for Wastewater Pretreatment Services:** Federal and State environmental laws require the City to provide an industrial wastewater pretreatment program. The program is required to ensure that industrial wastewater is properly treated on-site before it enters the Kellogg Wastewater Treatment Plant. The programs will include the following:

- Record keeping of all industrial wastewater contributors in the City;
- Permitting;
- Monitoring;
- Inspecting; and
- Sampling.

The agreement creates a joint City/County program to meet these requirements.

**(2) Amend Municipal Code Chapter 1.01-Ordinance:** This is a housekeeping matter that vests authority in the City Recorder to correct scrivener's errors in the Municipal Code. **[NOTE: THIS IS AN ORDINANCE, AND, THEREFORE, IT WILL REQUIRE A MOTION, SECOND, AND VOTE TWICE TO READ BY TITLE ONLY BEFORE FINAL PASSAGE.]**

**(3) Intergovernmental Agreement for Right of Way Acquisition for the Johnson Creek Boulevard III Project:** This agreement between the City, Portland, and ODOT commences the right of way acquisition for the project. ODOT will assume the responsibility for right of way acquisition.

## OTHER MATTERS OF INTEREST

(1) At our first public meeting on the North Main Project, we committed to schedule another public meeting to report back. That meeting is scheduled for June 6, 2002 at 5:00 P.M. in the Council Chambers. The purpose of the hearing is to explain the marketing report and Council direction to proceed.

(2) Downtown is getting a new building. Electra Credit Union, located at 10501 SE Main, is in the process of reconstructing the former branch office to create a new 21,000 square foot executive office building. The new brick and glass structure will house three floors of office space with ground level exterior and interior parking. The project will also include street and sidewalk improvements required under the City's new public use requirements. The new building will also voluntarily meet the as yet unadopted new design guidelines.

(3) Centex Homes has requested additional time to evaluate different development options for its proposed Lake Road subdivision. The matter has been scheduled for the June 11, 2002 Planning Commission.

(4) The IGA for the North Industrial Land Use Study is working its way out of Salem. Staff hope to have it before Council at its June 18, 2002 meeting.

(5) On May 28, 2002 the Planning Commission will be considering final code language for a variety of projects, including flag lot and house design standards. If all goes well, adoption hearings will be scheduled in July and August. State law requires notice to all property owners who will be affected by the changes. Depending on the public response, staff may suggest another work session to allow more public hearing before adoption. The Planning Commission will also be considering final draft code language for cell towers.

(6) Reminder: Only a few weeks remain until the Library's annual book sale. You can donate books, CDs, tapes, and records by bringing them to the Library.

(7) I am taking vacation time both May 30 and 31 to pursue sporting activities.

DuVal, Pat

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**From:** rouyera@ci.milwaukie.or.us  
**Sent:** Thursday, May 23, 2002 7:02 PM  
**To:** DuValP@ci.milwaukie.or.us  
**Subject:** Article from bizjournals.com: Some leaders may be born, but most work at it

Hello from bizjournals.com! Alice Rouyer (rouyera@ci.milwaukie.or.us) thought you might like the following article from The Business Journal:

The sender's comment about the article:

Great story! Like it.

ACR

Opinion  
Some leaders may be born, but most work at it

Joan Lloyd

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Are you a leader others look up to? Whether your title is fancy or plain, would you say you are successful?

There was a time in my life when I looked up to people in powerful jobs and thought that they had it all: success, power, happiness. After working my way up a few corporations and many years as a consultant with a bird's-eye view, I came to know the truth; that there are many roads to success, happiness doesn't automatically come with a big paycheck and real leadership doesn't come with the title.

I study successful leaders. After all, my job is to help people build a successful career. And while there are many individuals who understand the technical parts of their business and are wizards in their industry, in my view, there are very few who have mastered the art and science of great leadership.

Here are some of the characteristics that I think makes the difference.

They are courageous. When times are tough and hard decisions need to be made, they step forward and make the call. While others are running for cover, they are willing to do what they think is right and take responsibility for the outcome.

They can envision the future and are able to help others see it too. They believe so strongly in their picture of a desired future that their steps are a decisive march in one direction and their actions leave a clear path to follow.

They make the most of even the smallest opportunity. Because they are so clear about their vision, they are quick to see a potential advantage or an alternative solution to a problem. Their pace may be slow and steady but they are alert to any avenue that will help them reach their goals.

They don't need to waste time playing political games. While they have the emotional intelligence to deal with different personalities, they don't stoop to manipulation, social climbing or patronizing behavior. They don't need to.

They add value. Rather than take the easy way out, they look for problems to solve and apply themselves to untangling the mess. They are willing to move laterally within the company or move to an undesirable area of the organization to get the job done.

They are survivors. Rather than whine about fairness, they empower themselves to do whatever it takes to rise above adversity. Entitlement and victimization are not on their radar screen.

They get a thrill from developing others. They make it a point to know the career goals of the people around them and then look for opportunities to put in their path. They are also quick to give credit and visibility to others.

They believe in the inherent goodness and integrity of people and treat their co-workers and employees as though they have the best intentions. This trust is rewarded more than it's betrayed because people want to live up to this trust in them.

They are students who never stop learning. They read books, attend classes and seek advice from those who can teach them how to approach challenging situations. They study behaviors and are close observers of people and strategies. Mistakes are opportunities to learn lessons.

They have a servant mentality. They dedicate themselves to the outcome, not to personal recognition. Given the choice, they would rather see the team win and don't need to be the "star of the show."

They are dependable to a fault. Everyone knows that their promise will be kept and a deadline will be met. Great leaders know that their word is the currency on which trust and credibility is built.

When they're wrong they admit it and make it right. They don't blame others or faulty circumstances. They have the backbone and the character to own up to their mistakes. They don't wallow in their error or seek reassurance; they suck it up and move on.

They have integrity. Even if it's easy to take the road to personal gain, they won't go down that path if it is at the expense of someone else. They make decisions as though a room full of people was observing each action.

Instead of doing what is fast and easy, they will slow the process, if necessary, to do what is right.

They define success in their own terms. They don't let others make the rules for their own happiness. Often it's a balance of family life, personal achievement and doing good for others.

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<http://portland.bizjournals.com/portland/stories/2002/05/20/editorial3.html>

# Lead *for* Loyalty

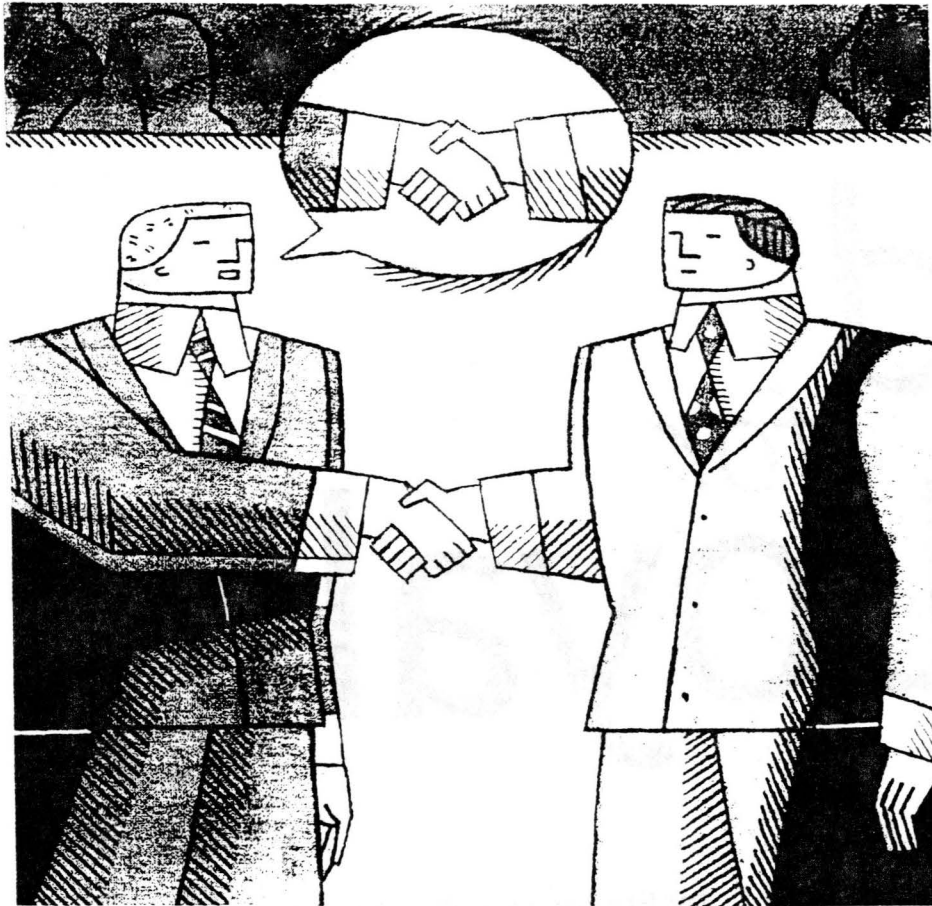
New research shows that companies with faithful employees, customers, and investors share one key attribute: leaders who stick to six bedrock principles.

by Frederick F. Reichheld

THE GREATER THE LOYALTY a company engenders among its customers, employees, suppliers, and shareholders, the greater the profits it reaps. Most businesspeople today understand that. But what can an organization do to win and retain the allegiance of all those stakeholders?

My most recent research, building on the work of more than a decade, points to an answer that busy executives may not want to hear. A study of the “loyalty leaders”—the companies with the most impressive credentials in that area—has convinced me that the challenge of engendering loyalty can’t be delegated to a task force or a bright young up-and-comer. It can’t be addressed with a software upgrade or a new wireless strategy. It isn’t simply a matter of having better customer databases, measurement systems, or rewards programs. Outstanding loyalty is the direct result of the words and deeds—the decisions and practices—of committed top executives who have personal integrity. The companies I studied don’t skimp on talent, technology, or strategy. But it’s their top management that separates them from the pack.

The loyalty leader companies are a diverse bunch, ranging from Northwestern Mutual and Vanguard to Chick-fil-A, Enterprise Rent-A-Car, Harley-Davidson, and Intuit. It may seem far-fetched to suggest that they have



anything in common, but beneath the surface variations lie relationship strategies that are strikingly similar. The strategies, which can be expressed as six concise principles, originate at the top of the organization and inform all of its relationships, both within and beyond the company walls. These strategies are the starting point for senior executives seeking to place their organizations among the ranks of the loyalty leaders. In the pages that follow, I'll describe how exemplary corporate leaders have put the six principles into action.

## The Six Principles of Loyalty

**Preach what you practice.** Many business leaders are vaguely embarrassed by the idea of trumpeting their deepest values. They believe actions speak louder than words. But only by preaching the importance of loyalty in clear, precise, powerful terms can executives and businesses prevail against digital-age dogma that disparages the notion that loyalty remains relevant to success in today's world.

Scott Cook, chairman of the Executive Committee and founder of Intuit, a leader in personal-finance software, rarely misses an opportunity to remind employees of the company's commitment to treating customers right.

He also preaches that total honesty and openness is a bedrock principle at Intuit. The messages have obviously gotten through. In February 1995, Cook was en route to a speaking engagement when he read a newspaper report that a bug had been discovered in Intuit's tax preparation software, TurboTax. There was no time to cancel the speech and return to Intuit's headquarters, so Cook instructed his executive team to handle the crisis in accordance with the company's core values. Before Cook even began his speech, the crisis-management team had issued a press release describing the bug and explaining how customers could fix it. By the time Cook finished his talk, Intuit had offered to send a new copy of TurboTax to any customer who requested it, even though the bug affected fewer than 1% of Intuit's 1.65 million customers. The company said it wouldn't require proof of purchase, which almost certainly meant that Intuit would end up replacing software that hadn't been paid for. But as Cook said later, "This was our problem, not our customers'." And in a gesture that left no doubt about Intuit's priorities, the company immediately pledged that it would pay any penalties that TurboTax users incurred as a result of the flawed software. The pledge could have bankrupted the company - Intuit made the promise before the full extent of the problem was known.

Intuit's candor and devotion to its users have produced such intense customer loyalty that even when mighty Microsoft gave away its personal-finance software for free, it couldn't steal the customer base from Intuit's Quicken. That product and TurboTax remain far and away the most popular titles in their categories.

**Play to win-win.** In building loyalty, it's not enough that your competitors lose. Your partners must win. That

*Partnerships are not simply about mutual benefits; partnership does not equal collusion. True partnerships serve the customer's best interests.*

sounds obvious, but many businesses seem to have missed the point. Why do the Big Three auto companies, for example, demand concession after concession from unions and suppliers? For that matter, why do U.S. carmakers pressure dealers who routinely abuse their customers? My research demonstrates that there is a clear connection between a company's treatment of its partners—above all, its employees—and its attitude toward its customers. I have yet to encounter a company that has achieved extremely high customer loyalty without fostering similarly high loyalty among employees.

I am convinced that customer and employee loyalty spring from the same root: principled leadership. Leaders who are dedicated to treating people right drive themselves to deliver superior value to customers, which allows them to attract and retain the best employees. That's partly because higher profits result from customer retention, but, more important, it's because providing excellent service and value generates pride and a sense of purpose among employees. Dedicated employees who put customers' needs ahead of their own short-term interests reinforce the organization's capacity to generate superior results.

That's clearly the case at Harley-Davidson, whose customers are so loyal that thousands tattoo the Harley logo on various parts of their bodies. Such loyalty is the result

**Frederick F. Reichheld** is a director emeritus of Bain & Company in Boston and a Bain Fellow. He is the author of *The Loyalty Effect: The Hidden Force Behind Growth, Profits, and Lasting Value* (Harvard Business School Press, 1996) and *Loyalty Rules! How Today's Leaders Build Lasting Relationships* (Harvard Business School Press, 2001).

of a series of relationships between Harley and its partners, beginning with its employees. Unlike many of its counterparts in the transportation business, the motorcycle manufacturer enjoys cooperative and mutually respectful dealings with its unions. In fact, the manager of Harley's Kansas City, Missouri, plant shares his office with the presidents of the plant's two union locals. As the following story attests, they also share a deep commitment to making the best possible machines for Harley's customers.

One day a few years back, a Harley plant employee (and union member) noticed a sudden spike in quality problems on the production line and shut the line down. The plant manager and his top lieutenants were out of town, and the union presidents would have been perfectly within their rights to send their people home until management returned and addressed the problem. That's what would have happened at most union shops. But at Harley, one of the union presidents investigated the problem and discovered that a piece of equipment on the line needed adjustment. He called in the mechanics and had the line up and running in less than an hour. Despite the downtime, the union workers were paid for a full day's work, and Harley's dealers and customers were assured of a steady flow of high-quality bikes from the plant.

This could happen only at a plant where the customer is the top priority of both management and labor. That's one of the key points to remember about win-win arrangements and about partnerships in general. Partnerships are not simply about mutual benefits; partnership does not equal collusion. True partnerships serve the customer's best interests.

Another point worth raising is that partners don't kick each other when they're down. The clout and membership of unions have been in decline since the 1980s, and Harley-Davidson could have taken advantage of labor's weakness in any number of ways—by siting new plants in right-to-work states, for instance. Instead, when Harley-Davidson was considering where to build a new plant, CEO Jeff Bleustein invited his union heads to join him in the site selection process. That's the mark of a leader who commands loyalty—he understands his obligation to look out for his partners, even (or especially) those who are out of power. Compare the tone of labor-management relations at Harley with the rancorous tone prevailing in, say, the airline industry. I don't think it's a coincidence that under the industry's pricing structure, most airlines charge the highest possible tariffs based on information from sophisticated systems that gauge how badly customers want each ticket. Fairness is secondary to maximizing price per transaction. As a result, the airlines' relationships with many of their best customers are adversarial. The loyalty leaders concentrate instead on help-

ing their best customers find the best value. That brings us to the third principle of loyalty:

**Be picky.** At first blush, such advice sounds arrogant, summoning up images of a snooty maitre d' shooing away unsuitable diners. But real arrogance is thinking your company can be all things to all customers. A truly humble company knows it can satisfy only certain customers, and it goes all out to keep them happy. Thus Enterprise Rent-A-Car has risen to the top of the car-rental industry by generating business from its existing customer base, not by chasing after frequent travelers in every airport terminal.

Vanguard, the loyalty champion in mutual funds, has always been very selective about its customers. Its ideal account is a substantial investor who is cost conscious and oriented to the long term. Vanguard designs its value propositions to appeal to this investor while discouraging high-turnover, quick-trade accounts. It limits transfers to combat frequent fund-switching, and it reserves its low-cost Admiral shares for high-balance investors and lower-balance investors who have kept their money with the company for at least three years.

Vanguard's strategy may sound foolish—by discouraging rapid-fire trading, the company is forgoing substantial

revenue. But those transactions carry significant attendant costs, which ultimately would be borne by Vanguard's customers. By keeping account churn to a minimum, Vanguard can hold its average expense ratio to 0.3%, compared with an industry average of more than 1.2%. Lower expenses translate to higher returns over time, benefiting not only investors but Vanguard's employees, who share in a bonus pool that's funded when returns on the company's funds exceed the competitive average. A virtuous circle takes shape: long-term customers create the platform for above-average performance, from which the company, its employees, and its customers gain.

Vanguard is so picky that it turns away high-balance customers if they don't appear to be in it for the long haul. One institutional investor who tried to place \$40 million in one of the company's funds was rejected because Vanguard suspected the investor was going to flip the position within a few weeks, leaving behind a trail of higher costs that Vanguard's more loyal customers would have had to cover. The thwarted investor complained to Vanguard CEO Jack Brennan, who not only declared his full support for the decision but used the incident to remind employees to be selective about the revenue they accept.

Careful selection of employees is just as important as selection of customers. It's easier to get into Harvard or Princeton than to be hired by Southwest Airlines, which accepts only 4% of its 90,000 applicants each year. For its part, Chick-fil-A refuses to grow faster than it can recruit outstanding store operator candidates. It attracts a highly qualified pool of applicants by offering greater earnings potential than its competitors, and from this pool it picks only those candidates whose values are most closely aligned with those of the company. The result: impressive loyalty. Turnover among Chick-fil-A store operators is less than 5% in an industry where operator turnover of 30% to 40% is common. At high loyalty companies, membership is a privilege.

**Keep it simple.** This straightforward statement has multiple applications, the first of which is strategic. To make their organizations as flexible and speedy



as they need to be in an increasingly complex world, great leaders understand they must simplify the rules for decision making.

Jim Ericson, Northwestern Mutual's CEO from 1993 to 2001, steered a straight and steady course through a brutally complex business by keeping his company focused on one simple rule: do whatever is in the customer's best interest. Strict observance of the rule has produced some decisions that appear at first glance to be bad business. For example, several years ago a Northwestern Mutual

customer wanted to buy an insurance policy for his newborn daughter. He completed the application and sent in his first premium payment, but the company couldn't issue a policy because the baby's physician had not yet sent in the necessary medical paperwork. When a Northwestern Mutual representative called the baby's father to explain the delay, the father cut her off, saying it was too late—the little girl had died that morning of sudden infant death syndrome. After conferring with her manager, the Northwestern representative decided that since the child's

parents had done all that had been asked of them, the company should issue a policy if the medical records indicated that the child would have qualified for a policy. The doctor eventually provided the necessary information, and Northwestern issued a policy and paid the claim. Although Ericson didn't even hear about this remarkable decision until after it was made, he was responsible for it, because he and his leadership team had clarified the simple rule that produced it. There may be costs associated with a company's loyalty to its customers, but the long-term economic benefits are far greater.

Simplicity has a structural application as well. Organizational complexity impedes the quick, decisive execution that a fast-changing business environment demands. An organization composed of many small teams, however, can respond with entrepreneurial creativity as conditions change. What's more, loyalty comes naturally in a small team. In teams of five or six people, the lines of accountability are clear, and team members don't want to let one another down. In large teams, it's difficult to measure each member's contribution. In the face of this lack of recognition and accountability, high achievers can lose motivation and slackers can get away with not pulling their weight.

Another reason small teams are so effective is that customers don't get lost within an anonymous bureaucracy. That's why Dave Illingworth, the first general manager of Lexus U.S., used the small-town car dealership as the model for the Lexus retail system. He understood that small-town dealers can't afford to abuse or deceive customers—everyone in town would hear about it. Consequently, small-town dealers make a point of cultivating personal relationships and providing superior service. And so do Lexus dealers, who have translated their small-town style into enormous success for Lexus. In only a few years, the company's sales volumes

## *Loyalty's Six Principles*

High loyalty companies, though extremely diverse, have several things in common: exemplary leaders who are committed to engendering and retaining loyalty, and relationship strategies that are based on the following six principles.

### **Preach what you practice.**

It's not enough to have the right values. You must clarify them and hammer them home to customers, employees, suppliers, and shareholders through your words and deeds.

### **Play to win-win.**

If you are to build loyalty, not only must your competitors lose. Your partners must win.

### **Be picky.**

At high-loyalty companies, membership is a privilege. Clarify the difference between loyalty and tenure.

### **Keep it simple.**

In a complex world, people need small teams to simplify responsibility and accountability. They also need simple rules to guide their decision making.

### **Reward the right results.**

Save your best deals for your most loyal customers, and save your best opportunities for your most loyal employees and partners.

### **Listen hard, talk straight.**

Visit call centers, Internet chat rooms, and anywhere else customers offer feedback. Make it safe for employees to offer candid criticism. Use the Loyalty Acid Test survey. Explain what you've learned and communicate the actions that will be taken.

have grown to levels that match or exceed those of luxury brands that have been around for decades.

Andy Taylor, CEO of Enterprise Rent-A-Car, says small teams are the key to growth: "The reason we have been able to grow so fast for so long is that we aren't really one big company. We are really a confederation of small businesses, a network of entrepreneurial partnerships." Taylor has observed that when branches grow large, their customer and employee satisfaction scores tend to suffer. So when an Enterprise branch grows to a specified size (usually between 100 and 200 cars), it is split in two and a new manager is put in charge of the new location. The manager responsible for the growth of the branch is compensated for the loss of potential revenue by being given favorable consideration for the next promotion—a strong incentive to keep growing and subdividing.

It's also important to keep an organization's score-keeping simple and consistent. When Truett Cathy opened his first Chick-fil-A store in 1967, he offered Doris Williams, his first store operator, the same basic deal he offers store operators today. Cathy gave Williams a guaranteed base draw plus half the store's profit. Operators today get essentially the same deal, except that the base has increased to keep pace with inflation. Operators don't waste their time dicker-ing over numbers, lobbying for a pay system that better suits their specific needs, or worrying that management will cut back on their profit participation because their incomes have grown dramatically. They simply dig in and concentrate on building their stores' profit pools by providing customers with the best possible value and service.

There's nothing magical about the 50-50 profit split, according to Jimmy Collins, who retired in May 2001 after a long tenure as Chick-fil-A's president. "There's lots of different deal structures that could have worked just as well for us," he says. "The secret of our success is not the deal; it's that we have never changed the deal."

**Reward the right results.** The fifth principle is an easy one to get wrong. Many companies reward the wrong customers. Cellular carriers, for instance, often inadvertently punish loyalty: existing customers who want new handsets are charged prices much higher than those offered to customers who switch from rival carriers. In a similar vein, companies often reward employees who grab short-term profits and shortchange those who build long-term value and customer loyalty.

Andy Taylor devised a pay system at Enterprise Rent-A-Car that balanced pure profit incentives with inducements to build long-term assets such as employee and customer loyalty. Taylor's first step was to develop a reliable gauge for customer service. This gauge eventually evolved into the Enterprise Service Quality Index (ESQI). Each month, the company conducts phone surveys of

sample customers from every branch, asking them to rate their rental experiences and inquiring whether they intend to use Enterprise again (keeping the questionnaire simple ensures a high response rate). Among other things, the survey data demonstrate how service excellence begets loyalty: 85% of customers who rate themselves completely satisfied say they're likely to rent from Enterprise again.

But Taylor and Enterprise's other senior leaders did more than conduct the surveys and analyze the data. They trumpeted the value of loyalty and customer satisfaction. They highlighted the ESQI at management meetings and business reviews. They redesigned branch financial statements so that each office's ESQI scores appeared next to its profits. And, most important, they instituted a policy that no employee would be promoted if the ESQI scores at his or her branch were below average. All candidates

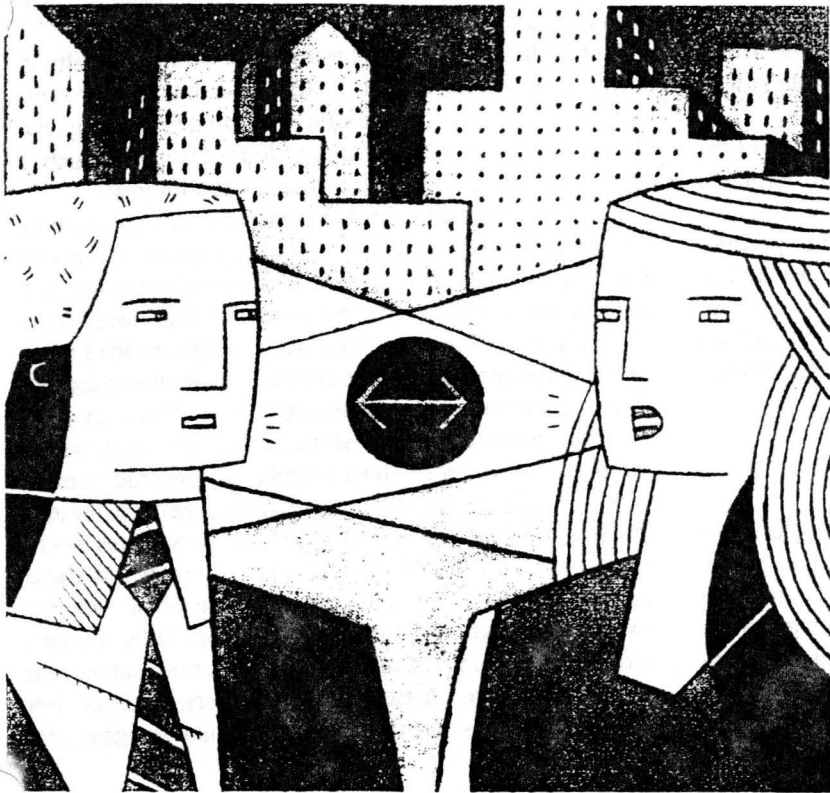
*Companies often reward employees  
who grab short-term profits  
and shortchange those who build  
long-term value and customer loyalty.*

for promotion are now measured by four criteria: branch ESQI score, branch growth, branch profitability, and the number of promotable management candidates developed at the branch.

By incorporating customer loyalty and employee development in the manager development process, Enterprise has improved the alignment of interests across several partner groups. Branch managers eager for promotion to area and regional offices know they must not only run profitable shops, they must deliver a superior experience to their customers and attract talented, high-potential employees.

Note that the effort to align profit incentives more directly with customer and employee interests didn't bubble up from the bottom of the organization. It wasn't the product of a compensation consultant or a staff task force. It happened because Taylor and the other senior executives took the lead. Their perspective as owners allowed them to look beyond immediate profits to the long-term benefits of a loyal customer base and a stable, motivated work force.

**Listen hard, talk straight.** Long-term relationships require honest, two-way communication and learning. True communication promotes trust, which in turn engenders



loyalty. Communication also enables businesses to clarify their priorities and coordinate responses to problems and opportunities as they develop. That's the thinking behind the public "bug database" that Cisco Systems has designed. It enables all customers, employees, and suppliers to post on-line any problem with a Cisco product or service and to chat electronically about possible solutions. Little effort is wasted on spin control in such a transparent relationship; the emphasis is on fixing and avoiding problems.

Even at a technology leader like Cisco, however, lower-tech methods of communication are sometimes more appropriate. Every night, CEO John Chambers receives personal updates on 15 to 20 major accounts via voice mail. "E-mail would be more efficient," he says, "but I want to hear the emotion, I want to hear the frustration, I want to hear the caller's level of comfort with the strategy we're employing. I can't get that through e-mail."

Chambers's comments reflect his bias toward candor, which is typical of leaders at high loyalty companies. Michael Dell, the founder and CEO of Dell Computer, has always been extraordinarily straightforward with employees, customers, and the press, especially when assessing his own mistakes and shortcomings. This was particularly noticeable when the company mishandled the introduction of a line of notebook computers in late 1992, and its stock price fell 68%. Rather than deflect inquiries or minimize the problems, the CEO admitted to share-

holders, customers, vendors, and the press that he had committed a series of strategic and operational blunders. Some observers, in fact, thought he had gone overboard with the mea culpas, but he doesn't see it that way. "Because we laid out our plan to correct the problem in a clear, straightforward manner," he says, "we never lost [customers'] trust."

Dell Computer is equally plainspoken with customers about more mundane matters. Customers can readily get information about costs, order status, delivery schedules, and technical problems on-line. This transparency is a trust builder. There's no fudging about costs or missed deliveries when the information is on-line. There are also some less apparent benefits to Dell's straight talk. Company president and chief operating officer Kevin Rollins points out that by posting all pricing information on the Web, Dell executives can devote the time they formerly spent in price negotiations on developing new solutions and im-

proving product quality.

The principle of straight talk extends to vendors as well. Dell constantly grades each of its vendors on a supplier report card in areas such as quality, efficiency, availability of technology, and integration of the supplier's Internet operations with Dell's. Vendors can check on-line at any time to see how their performance measures up against the company's other suppliers.

Most of the top loyalty companies are equally forthright about telling employees where they stand. Managers at many of these companies submit annually to 360-degree feedback—performance reviews from bosses, peers, and subordinates. But giving feedback is only half the battle. The leaders of the top loyalty companies are just as assiduous about soliciting evaluations of themselves and their companies from employees and customers. Vanguard's Jack Brennan regularly visits the call center, where he sits alongside the service reps and answers customer questions and addresses complaints. He also holds lunches with groups of employees in the company cafeteria. The price of admission: each employee has to bring a serious question or complaint. Not only does Brennan address each issue raised, he follows up with a handwritten note to each employee who attended the lunch, explaining what actions he has taken.

Intuit's Scott Cook practices a variation of this approach, holding regular lunches with employees, who are encouraged to ask questions and air gripes. But because

he understands that talking to even the most sympathetic boss can be intimidating, he asks attendees to write their questions on unsigned index cards. In addition to clearing the air, the sessions serve an educational purpose. Coaxing out negative feedback teaches the organization how to listen, how to take the right action in response to what's heard, how to explain the action taken, and how to sustain the flow of constructive criticism. Explains Robert Herres, USAA's CEO from 1993 through April 2000: "If employees feel like they are throwing pennies down a bottomless well and they never hear a splash, they are going to stop throwing the pennies. We have got to show them that we are listening and we are taking action if we want them to make an effort and keep the communication flowing."

## The High Road

If Herres and the other leaders were thinking only of themselves, would they go out of their way to solicit sometimes painful feedback, share information with customers, or own up to their own failings? Would they go to the effort of devising win-win solutions or crafting compensation schemes that recognize long-term loyalty-building efforts as well as immediate cash returns? Not likely.

## The Acid Test

Leaders who want to build lasting relationships must measure loyalty as carefully as profits. Satisfaction metrics are a good first step, but they are far from sufficient, because satisfaction can be fleeting. Far better than satisfaction scores are measures such as customer and employee retention rates, which track real behaviors with financial consequences. But even retention rates don't tell the whole story. Sometimes customers stick around simply because they aren't aware of alternatives or because they are hostage to long-term contracts. Some employees stay put only because they lack ambition or attractive options.

The Loyalty Acid Test, a set of surveys that specifically measure the loyalty of customers, employees, suppliers, and other corporate stakeholders, corrects for these shortcomings. The full text of the surveys can be found at [www.loyaltyrules.com](http://www.loyaltyrules.com), but in essence, the Loyalty Acid Test examines one simple question: does this organization deserve your loyalty?

These are the decisions and actions of leaders who put the welfare of their customers and partners ahead of their own comfort and interests.

Herein lies the essential paradox of business loyalty. If loyalty is about self-sacrifice—about putting ideals and relationships ahead of immediate personal financial gain—what relevance can it possibly hold for business, which is driven in large part by the pursuit of self-interest?

Some would argue that self-sacrifice has no place in a business context. According to this argument, the sole point of business is to maximize shareholder value. But this confuses profits with purpose and leads away from the high road of business practice. A single-minded focus on financial results will not create the conditions for loyalty or long-term success, and it may well lead an organization down a slippery slope to the low road, where money matters more than people. At low-road companies, it's standard practice to take advantage of customers, employees, vendors, and other business associates whenever they are vulnerable. The goal of strategy at those companies is to create market power; the job of leaders is to use that power to strangle competitors, bully vendors, intimidate employees, and extract maximum value from customers—all to please the shareholders, whoever they happen to be this month. In this Darwinian struggle, only


Respondents' answers reveal striking differences between the companies with the highest levels of loyalty in their segments and the rest of the pack. For example, 70% to 75% of the employees at the loyalty leaders agreed with the statement "I believe this organization deserves my loyalty." By contrast, only 45% of employees drawn from a broad cross section of U.S. businesses agreed with that statement, and 23% strongly disagreed.<sup>1</sup>

What explains the ability of the loyalty leaders to beat the averages so decisively? When we analyzed the results of the surveys, we found that one fundamental difference set the loyalty leaders apart: the perceived integrity of their top executives. This point comes through loud and clear. Of the 1,057 employees who agreed that the "senior leaders of [their] organization are people of high personal integrity," 63% also agreed that the organization deserved their loyalty. The negative correlation is just as strong: of the 444 respondents who did not believe their senior leaders were people of high personal integrity, only 19% considered their organization worthy of loyalty.

<sup>1</sup> The data on average companies is drawn from Walker Information and Hudson Institute, "National Employee Relationship Report," Bain & Company, Boston, May 5, 2000.

the toughest individuals survive. Trust and loyalty are weaknesses to be exploited.

Low-road strategies can generate impressive financial returns, for a time, and buoyant earnings and stock price provide the necessary bribes to keep followers committed. But eventually the low road leads to trouble. There comes a time when the company is blindsided by a competitor or fails to anticipate a shift in market preferences or discovers that a new technology has made its business model obsolete. That's when the value of loyalty becomes apparent. As its earnings and stock price plummet, the company can no longer fund the bribes it has been paying, leaving its leaders with no means of persuading customers, employees, dealers, and suppliers to work together toward a solution. Unless leaders have built relationships based on loyalty—loyalty to something more fundamental than today's earnings or stock price—nothing will keep partners from jumping ship the instant a better opportunity comes along.

This is not to say that profits and stock price don't matter. Of course they do. A company can't treat people right unless it can afford to. But high standards of decency and consideration don't impede profitability, they enable it. Leaders of high-road companies recognize this. They break through the cynicism of the times by showing they believe that business is not a zero-sum game, that an organization thrives when its partners and customers thrive. And implicit in each of the six principles I've outlined is the key finding of my research: the center of gravity for business loyalty—whether of customers, employees, investors, suppliers, or dealers—is the personal integrity of the senior leadership team. Through loyalty to ideals, leaders become worthy of loyalty from their partners. 

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DRAWING BY P. VEY

*"I'd get my people on that right away if I had people."*

## HOW TO GET A STAFF ACTION

Assigning a problem that requires a solution in such a way that completed staff work is readily possible.

1. Know the problem(s).
2. Make one individual responsible for the solution even if a work group is formed to identify possible solutions.
3. State the problem clearly, precisely; explain reasons, background; limit the area to be studied.
4. Give the responsible individual the advantage of your knowledge and experience with the problem.
5. Set a time limit or request an estimated completion date.
6. Insure that you are available for discussion as work progresses. Adequate guidance eliminates wasted effort and makes for completed staff work.

## HOW TO DO A STAFF ACTION

Study the problem and present its solution in such a form that **only approval or disapproval of the completed action is required.**

1. Insure that you have sufficient evidence.
2. Work out all details completely.
3. Consult other staff officers or individuals with specific expertise in the problem area.
4. Study, write, restudy and rewrite. It's your work product – be proud of your work.
5. Present a single, coordinated proposed action. Do not equivocate.
6. Do not present long memorandums or explanations.
7. Advise what to do. Don't ask what to do – make a recommendation.

If you were the boss, would you sign the staff paper and stake your professional reputation on its being right? If not, take it back and work it over; it is not yet a completed staff work.

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When y  
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... initiatives, but none of them lasted.

Why? An epidemic of mountain sickness. They aimed too high, too fast.

Managers were encouraged to focus on complex initiatives like reengineering or learning organizations, without spending time on the basics. The stages on the mountain reveal that if the employee doesn't know what is expected of him as an individual (Base Camp), then you shouldn't ask him to get excited about playing on a team (Camp 2). If he feels as though he is in the wrong role (Camp 1), don't pander to him by telling him how important his innovative ideas are to the company's reengineering efforts (Camp 3). If he doesn't know what his manager thinks of him as an individual (Camp 1), don't confuse him by challenging him to become part of the new "learning organization" (Camp 3).

Don't helicopter in at seventeen thousand feet, because sooner or later you and your people will die on the mountain.

### THE FOCUS OF GREAT MANAGERS

Great managers take aim at Base Camp and Camp 1. They know that the core of a strong and vibrant workplace can be found in the first six questions:

1. Do I know what is expected of me at work?
2. Do I have the materials and equipment I need to do my work right?
3. At work, do I have the opportunity to do what I do best every day?
4. In the last seven days, have I received recognition or praise for good work?
5. Does my supervisor, or someone at work, seem to care about me as a person?
6. Is there someone at work who encourages my development?

Securing 5's to these questions is one of your most important responsibilities. And as many managers discover, getting all 5's from your employees is far from easy. For example, the manager who tries to curry favor with his people by telling them that they should all be promoted may receive 5's on the question "Is there someone at work who encourages my development?" However, because all his employees now feel they are in the wrong role, he will get 1's on the question "At work, do I have the opportunity to do what I do best every day?"

Similarly, the manager who tries to control his employees' behavior by writing a thick policies and procedures manual will receive 5's to the question "Do I know what is expected of me at work?" But because of his rigid, policing management style, he will probably receive 1's to the question "Does my supervisor, or someone at work, seem to care about me?"

To secure 5's to all of these questions you have to reconcile responsibilities that, at first sight, appear contradictory. You have to be able to set consistent expectations for all your people yet at the same time treat each person differently. You have to be able to make each person feel as though he is in a role that uses his talents, while simultaneously challenging him to grow. You have to care about each person, praise each person, and, if necessary, terminate a person you have cared about and praised.

F. Scott Fitzgerald believed that "the test of a first-rate intelligence is the ability to hold two opposed ideas in mind at the same time, and still maintain the ability to function." In this sense, great managers possess a unique intelligence. In the following chapters we will describe this intelligence. We will help you look through the eyes of the world's great managers and see how they balance their conflicting responsibilities. We will show you how they find, focus, and develop so many talented employees, so effectively.

## Performance Management

*"How do great managers turn the last three Keys every day, with every employee?"*

The exemplary managers Gallup interviewed described a variety of ideas for turning the final three Keys. But their real challenge lay in disciplining themselves to implement these ideas with each of their people, despite the day-to-day pressures of getting the actual work done. They met this challenge by following a routine, a "performance management" routine. This routine, of meetings and conversations, forced them to keep focused on the progress of each person's performance, even though many other business demands were competing for their attention.

Each manager's routine was different, reflecting his or her unique style. Nonetheless, hidden within this diversity we found four characteristics common to the "performance management" routines of great managers.

First, the routine is *simple*. Great managers dislike the complexity of most company-sponsored performance appraisal schemes. They don't want to waste their time trying to decipher the alien terms and to fill out bureaucratic forms. Instead they prefer a simple format that allows them to concentrate on the truly difficult work: what to say to each employee and how to say it.

Second, the routine forces *frequent interaction* between the manager and the employee. It is no good meeting once a year, or even twice a year, to discuss an employee's performance, style, and goals. The secret to helping an employee excel lies in the details: the details of his particular recognition needs, of his relationship needs, of his goals, and of his talents/nontalents. A yearly meeting misses these details. It degenerates into a bland discussion about "potential" and "opportunities for improvement." The only way to capture the details is to meet at a minimum once a quarter, sometimes even more frequently. At these meetings the specifics of a success or a disappointment are fresh in the memory. The employee can talk about how a particular meeting or interaction made him "feel." The manager can recall the same meeting

... suggest subtle changes in approach or a different way of interpreting the same event. The conversation can be vivid, the advice practical. Furthermore, in the intervening weeks between meetings the manager and the employee are motivated to concentrate on events as they occur, because each knows that a forum for discussing these events will soon arise. Frequent performance meetings force both manager and employee to pay attention. (If you are worried about the time drain inherent in frequent performance meetings, remember that the best managers spend, on average, only one hour per quarter per person discussing performance.)

Furthermore, frequent performance meetings make it so much easier to raise the always sensitive subject of the employee's areas of poor performance. If you meet only once or twice a year, you are forced to drop your criticisms on the employee all at once, like a bomb. When the employee inevitably recoils, you then have to dredge your memory for examples to support your argument. But by meeting frequently, you can avoid this battle of wills. You can introduce areas of poor performance little by little over time, and each time you raise the subject, you can refer to recent, vivid examples. Your criticisms will be easier to swallow and the conversation more productive.

Third, the routine is *focused on the future*. Great managers do use a review of past performance to highlight discoveries about the person's style or needs. However, their natural inclination is to focus on the future. They want to discuss what "could be," rather than allowing the conversation to descend into recriminations and postmortems that lead nowhere. Therefore, while the first ten minutes of the meeting may be used for review, the rest of the time is devoted to the truly creative work: "What do you want to accomplish in the next few months? What measuring sticks will we use? What is your most efficient route toward those goals? How can I help?" In their view, these kinds of conversations are more energetic, more productive, and more satisfying.

Last, the routine asks the employee to *keep track of his own performance and learnings*. In many companies "performance appraisal" is something that happens to an employee. She is a passive observer, waiting to receive the judgment of her manager. If she is lucky, she may be asked to rate herself before she sees how the company rates her. But even here she is still reactive. She knows that the purpose of her self-assessment is to serve as a counterpoint or comparison with the assess-

ment of her manager. So her self-assessment becomes a negotiating tool—"I'll pitch mine high and we'll probably end up somewhere in the middle"—rather than an honest evaluation of her own performance.

\* The best managers reject this. They want a routine that asks each employee to keep track of her own performance and learnings. They want her to write down her goals, her successes, and her discoveries. This record is not designed to be evaluated or critiqued by her manager. Rather, its purpose is to help each employee take responsibility for her performance. It serves as her mirror. It is a way to step outside herself. Using this record, she can see how she plans to affect the world. She can weigh the effectiveness of those plans. She can be accountable to herself.

Naturally, great managers want to discuss and agree to each employee's short-term performance goals, but the rest of the record—her discoveries about herself, the descriptions of new skills she has learned, the letters of recognition she may have received—are part of a private document. If the employee is fortunate enough to have a trusting relationship with her manager, she may feel comfortable sharing the whole record—successes, failures, perceived strengths. But this is not the point of it. The point is to encourage the employee to keep track of her own performance and learnings. The point is self-discovery.

Recent research into adult learning reveals that students stay in school longer and learn more if they are expected to direct and record their progress. Great managers realized this long ago and now apply it with their employees.

These four characteristics—simplicity, frequent interaction, focus on the future, and self-tracking—are the foundation for a successful "performance management" routine. In the basic routine below we describe some of the questions many great managers ask to learn about their employees and the format they usually follow. Our purpose is not to tell you exactly what to say, or how to say it, or to whom, because that would be cumbersome and artificial—you will of course want to adapt the questions and tools to your own talent and experience.

However, if you follow this basic routine and incorporate it successfully into your own style, you will give yourself the best chance possible

to *define the right outcomes*, to *focus on strengths*, and to help each person *find the right fit*.

## THE BASIC ROUTINE

### The Strengths Interview

At the beginning of each year, or a week or two after the person has been hired, spend about an hour with him asking the following ten questions:

- Q.1 What did you enjoy most about your previous work experience?  
What brought you here?  
(If an existing employee) What keeps you here?
- Q.2 What do you think your strengths are? (skills, knowledge, talent)
- Q.3 What about your weaknesses?
- Q.4 What are your goals for your current role? (Ask for scores and timelines)
- Q.5 How often do you like to meet with me to discuss your progress?  
Are you the kind of person who will tell me how you are feeling, or will I have to ask?
- Q.6 Do you have any personal goals or commitment you would like to tell me about?
- Q.7 What is the best praise you have ever received?  
What made it so good?
- Q.8 Have you had any really productive partnerships or mentors?  
Why do you think these relationships worked so well for you?
- Q.9 What are your future growth goals, your career goals?  
Are there any particular skills you want to learn?  
Are there some specific challenges you want to experience?  
How can I help?
- Q.10 Is there anything else you want to talk about that might help us work well together?

The main purpose of this session is to learn about his strengths, his goals, and his needs, *as he perceives them*. Whatever he says, even if you disagree with him, jot it down. If you want to help him be productive, you have to know where *he* is starting from. His answers will tell you where *he* thinks he is. During the course of the year it may be appropri-

### Career Discovery Questions

At some point during your performance planning meetings, the employee may want to talk about his career options. He may want to know where you think he should go next. A healthy career discussion rarely happens all at once. Instead it is a product of many different conversations, at many different times. However you choose to handle these conversations—and each will be unique, according to the potential and the performance of the individual employee—you need to ensure that, over time, two things happen. First, the employee needs to become increasingly clear about his skills, knowledge, and talents. Lacking this kind of clarity, he will be a poor partner as you and he together plan out his next career steps. Second, he needs to understand, in detail, what this next step would entail and why he thinks he would excel at it.

He must come to these understandings by himself. But you can help. You can use these five career discovery questions, at different times, to prompt his thinking:

- Q.1 How would you describe success in your current role?  
Can you measure it?  
Here is what I think. (Add your own comments.)
- Q.2 What do you actually do that makes you as good as you are?  
What does this tell you about your skills, knowledge, and talents?  
Here is what I think. (Add your own comments.)
- Q.3 Which part of your current role do you enjoy the most?  
Why?
- Q.4 Which part of your current role are you struggling with?  
What does this tell you about your skills, knowledge, and talent?  
What can we do to manage around this?  
Training? Positioning? Support system? Partnering?
- Q.5 What would be the perfect role for you?  
Imagine you are in that role. It's three P.M. on a Thursday. What are you doing?  
Why would you like it so much?  
Here is what I think. (Add your own comments.)

These questions, scattered throughout the year, will function as cues to get the employee thinking in detail about his performance. Does he

want to build his career by growing within his current role? Does he want to move into a new role? If so, what strength and satisfaction would he derive from it? These five questions won't necessarily provide the answers. But, asked in the right way, at the right time, they will help the employee focus his thoughts, and he will come to know your thoughts. Together you will form a few firm conclusions about his present performance and his potential. Together you will now make better decisions about his future.

## Keys of Your Own

*"Can an employee turn these Keys?"*

No manager can *make* an employee productive. Managers are catalysts. They can speed up the reaction between the talent of the employee and the needs of the customer/company. They can help the employee find his path of least resistance toward his goals. They can help the employee plan his career. But they cannot do any of these without a major effort from the employee. In the world according to great managers, the employee is the star. The manager is the agent. And, as in the world of performing arts, the agent expects a great deal from his stars.

This is what great managers expect of every talented employee:

- **Look in the mirror any chance you get.** Use any feedback tools provided by the company to increase your understanding of who you are and how others perceive you.
- **Muse.** Sit down for twenty or thirty minutes each month and play the last few weeks back in your mind. What did you accomplish? What did you learn? What did you hate? What did you love? What does all of this say about you and your talents?
- **Discover yourself.** Over time become more detailed in your description of your skills, knowledge, and talents. Use this increasingly deep understanding to volunteer for the right roles, to be a better partner, to guide your training and development choices.
- **Build your constituency.** Over time, identify which kinds of relationships tend to work well for you. Seek them out.
- **Keep track.** Build your own record of your learnings and discoveries.
- **Catch your peers doing something right.** When you enter your place of work, you never leave it at zero. You either make it a little better or a little worse. Make it a little better.

*"What do*

*pany?"*

In the winter of 1997 Gallup was asked by an extremely successful retailer to measure the strength of their work environment. They employed thirty-seven thousand people spread across three hundred stores—about one hundred employees per store. Each one of these stores was designed and built to provide the customer with a consistent shopping experience. The building, the layout, the product positioning, the colors, every detail was honed so that the store in Atlanta would have the same distinctive brand identity as the store in Phoenix.

We asked each employee the twelve questions—over 75 percent of all employees chose to participate for a total of twenty-eight thousand. We then looked at the scores for each store. The following table offers an example of what we found: two stores at opposite ends of the measuring stick. (We asked the questions on a 1–5 scale, where “1” equals strongly disagree and “5” equals strongly agree. The numbers in the columns are the percentage of employees who responded “5” to each question.)

	Store A % responding “5”	Store B % responding “5”
Know what is expected of me	69	41
Materials and equipment	45	11
Do what I do best every day	55	19
Recognition last seven days	42	20
Supervisor/someone at work cares	51	17
Encourages development	50	18
Progress in last six months	48	22
My opinions count	36	9
Mission/purpose of company	40	16
Co-workers committed to quality	34	20
Best friend	33	10
Opportunity to learn and grow	44	24

**MILWAUKIE CITY COUNCIL  
WORK SESSION  
May 20, 2002**

The work session came to order at 5:30 p.m. in the City Hall Council Chambers.

City Council present: Mayor Bernard and Councilors King, Marshall, and Newman.

Staff present: City Manager Swanson, Police Chief Kanzler, and Program Specialist Herrigel.

### **Information Sharing**

#### **Dispatch Services**

**Swanson** and **Kanzler** discussed emergency dispatch options and the viability of contracting with Lake Oswego for services. **Swanson** characterized dispatch as an invisible service. What is noticed is the officer who shows up at the door.

**Councilor King** asked how frequently the contract would be reviewed.

**Kanzler** said once the decision to contract with Lake Oswego is made, there can be no turn around. Lake Oswego contracts with numerous jurisdictions and special districts. It is a highly sophisticated operation with a very good customer service reputation.

**Mayor Bernard** asked if it would be feasible to move municipal court into the current dispatch area.

**Kanzler** responded there is a lot of computer wiring going through that area of the Public Safety Building, and he expressed concern about security. He suggested moving the IST department from the second floor.

#### **Mayor and Council Newsletter Articles**

**Swanson** discussed the plan to include a Mayor and City Councilor column in each issue of *The Pilot*. **Councilor Newman** suggested the column be rotated among the 5 members each month.

#### **Municipal Court Judge Contract**

City Council directed staff to prepare a contract extending Ron Gray's services for an additional year and to schedule an executive session with him.

### III. A. 2

#### Tree City USA

City Council directed Swanson to begin preparing a Tree City USA application.

#### **Open Public Forum**

None.

#### **Solid Waste Management Briefing**

**Herrigel** updated the City Council on solid waste management in the City. The franchise agreements with Milwaukie's 7 haulers expires in 2004. She recommends surveying residential and commercial customers to determine the best option for the City to pursue in the future. She reviewed 5 major solid waste options with the pros and cons of each: pure competition, licensing or permitting, franchising, contracting, and municipal service.

**Councilor Newman** asked if the licensing/permitting option could be done geographically.

**Herrigel** responded this option could be done geographically but not necessarily.

**Mayor Bernard** asked if 1 hauler has most of the commercial customers.

**Herrigel** said 1 hauler does have a large portion of the commercial area. Herrigel does not recommend Council consider the competition, municipal, or contracting options. Responding to a question from Councilor King, she said Milwaukie has been franchising with haulers for about 50 years. She hopes to begin the residential survey in June.

**Estele Harlan** was in the audience with several current franchisee representatives. Harlan said, though people tend to talk about service options, this is the livelihood for these individuals. In the past year, commercial rates have been lowered to meet business community concerns. Haulers also invested a lot of money in providing roller carts for yard debris. Harlan cautioned against the pure competition option because rates and service can vary significantly. She added that 2 companies currently provide drop boxes, and all current haulers have some commercial customers. With the exception of Waste Management, most of these would be considered family-owned businesses.

**Councilor Newman** asked if the licensing scenario would allow for standardized, equitable rates.

**Harlan** said, in a system like the City of Portland's, there is not that level of regulation. If Milwaukie wishes to have that level of regulation, it should probably continue with the franchise option.

Council felt most Milwaukie customers were satisfied with their garbage service and recommended using existing regional data and not spending a lot of money on customer surveys.

### **Enterprise Zone Update**

**Greg Jenks** and **Renate Mengelberg**, Clackamas County Department of Transportation and Development, updated the City Council on enterprise zone activities. Jenks outlined the economic development principles, reviewed the jobs/housing balance, and summarized the incentive programs. He noted Clackamas County has the largest "out commute" in the state, and Mengelberg added the average commute is 21 minutes.

**Jenks** described the Milwaukie/North Clackamas enterprise zone location, purpose, and tax abatement applicable to expansion as well as new construction. He discussed the concept of negotiated community service fees for such activities as schools and libraries. He briefly described urban renewal and tax increment financing. The group discussed the Clackamas Town Center renewal district and the effects of Measure 47 and 50 on countywide assessments.

Next steps to consider are revisions to the current enterprise zone agreement, consideration of vertical housing to encourage mixed use, and program re-evaluation upon completion of the urban renewal study.

### **Community Goals**

**Swanson** will incorporate Councilor Marshall's and Rouyer's comments. There were no further suggestions from Council.

**Councilor Marshall** requested an executive session to discuss potential litigation pursuant to ORS 192.660.

**It was moved by Councilor Marshall and seconded by Councilor King to adjourn the work session. Motion passed unanimously among the members present.**

**Mayor Bernard** adjourned the work session at 7:10 p.m.

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Pat DuVal, Recorder

CITY OF MILWAUKIE  
CITY COUNCIL MEETING  
MAY 21, 2002

**Call to Order**

The 1886<sup>th</sup> meeting of the Milwaukie City Council was called to order by Mayor Bernard at 6:00 p.m. in the City Hall Council Chambers. The following Councilors were present:

Mary King  
Brian Newman

Jeff Marshall

Staff present:

Mike Swanson,  
City Manager  
Alice Rouyer,  
Community Development  
Director

Larry Kanzler,  
Police Chief  
Jim Colt,  
Police Captain

**PLEDGE OF ALLEGIANCE**

**PROCLAMATIONS, COMMENDATIONS, AND SPECIAL REPORTS**

**CONSENT AGENDA**

It was moved by Mayor Bernard and seconded by Councilor Newman to consider the intergovernmental agreement with Clackamas County to participate in the Transportation Utility Fee Study in the consent agenda. Motion passed unanimously among the members present.

It was moved by Councilor King and seconded by Councilor Newman to approve the consent agenda that consisted of the following:

1. City Council Minutes, May 7, 2002;
2. Authorize Request for Proposals for Towing Services; and
3. Authorize Intergovernmental Agreement with Clackamas County to Participate in Transportation Utility Fee Study.

Motion passed unanimously among the members present.

**AUDIENCE PARTICIPATION -- None**

**PUBLIC HEARING -- None scheduled**

**OTHER BUSINESS**

**Councilor Newman** reminded the public there was still time to return primary ballots.

**ADJOURNMENT**

It was moved by **Councilor King** and seconded by **Councilor Newman** to adjourn the meeting. Motion passed unanimously among the members present.

**Mayor Bernard** adjourned the meeting at 6:04 p.m.

---

Pat DuVal, Recorder



**To:** City Council

**Through:** Mike Swanson, City Manager *ACD*

**From:** Alice Rouyer, Director of Community Development & Public Works

**Subject:** Intergovernmental Agreement with Clackamas County regarding Industrial Pretreatment Program Implementation

**Date:** May 24, 2002 for the June 4, 2002 meeting

**Action Requested**

Authorize the City Manager to sign an intergovernmental agreement (IGA) with Clackamas County to provide a joint City/County Industrial Wastewater Pretreatment Program within the City of Milwaukie.

**Background**

Federal and State environmental protection law requires the City to provide an industrial wastewater pretreatment program. The program is needed to ensure that industrial wastewater is properly treated on-site before it enters the Kellogg Wastewater Treatment Plant. The program includes the following:

- Record-keeping of all industrial wastewater contributors in the City;
- Permitting;
- Monitoring;
- Inspecting; and
- Sampling.

The attached IGA proposes a joint City/County program for providing these services in Milwaukie. Under this agreement, Clackamas County would provide a majority of the program implementation responsibilities including permitting, inspections, and long-term monitoring. Milwaukie, in return, would provide information and requirements to all new industrial users applying for connection to the City's sewer system. Milwaukie would coordinate with the County to ensure that all pre-treatment program requirements had been resolved prior to allowing the new connection to the system. The IGA also requires the City to adopt a pretreatment program ordinance within six months of signing the

### III. B. 2

nty Pretreatment Program

agreement, consistent with federal and state regulations. Engineering, Building and Sewer Department staff will work together in the next few months to ensure that the items needed to implement the program in Milwaukie are completed.

The agreement provides the City with the ability to terminate the pretreatment program relationship with the County with 180 days written notice. In the event that the City receives wastewater treatment services from another entity in the future, the City would need to enter into a new pretreatment program IGA with that governing body.

#### **Concurrence**

Staff in Community Development, Engineering, Sewer Operations, the City Attorney's Office and the City Manager's office has reviewed the proposed IGA.

#### **Fiscal Impact**

No direct fiscal impact. As part of this agreement, the County will now begin collecting all industrial wastewater permit fees on behalf of the City.

Approximately 80 hours of staff time is required to initially implement the program in Milwaukie. Over the long term, staff will also need to provide industrial pre-treatment permitting requirements to new industrial sewer customers and coordinate with County staff on an ongoing basis.

#### **Recommendation**

Authorize the City to sign the attached IGA with the County.

#### **Attachments**

Intergovernmental Agreement

**INTERGOVERNMENTAL AGREEMENT****FOR INDUSTRIAL PRETREATMENT PROGRAM IMPLEMENTATION**

This Intergovernmental Agreement For Industrial Pretreatment Program Implementation ("Agreement"), effective as of the \_\_\_ day of \_\_\_\_\_, 2002, is made and entered by and between the City of Milwaukie ("Milwaukie"), a municipal corporation, and the Clackamas County Service District No. 1 ("District"), a county service district formed pursuant to ORS Chapter 451.

**(1) RECITALS**

WHEREAS, the District is a county service district organized and operating under ORS Chapter 451, with the power to provide sanitary sewer services within its service territory, and provides transmission, pumping and treatment of sanitary sewage for Milwaukie;

WHEREAS, Milwaukie is an Oregon municipal corporation organized pursuant to its Charter and presently provides sanitary sewer collection services within its boundary;

WHEREAS, the District and Milwaukie desire to provide for an integrated Industrial Pretreatment Program within the City of Milwaukie as required by the Oregon Department of Environmental Quality ("Oregon DEQ") and the United States Environmental Protection Agency ("EPA"); and

WHEREAS, the District and Milwaukie have the authority to enter into this Agreement pursuant to their respective Charters or Principal Acts and ORS Chapter 190.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND AGREEMENTS CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

**(2) AGREEMENT****1. Industrial Pretreatment Regulation**

1.1 Within six month of the effective date of this agreement, Milwaukie shall adopt and keep current an industrial pretreatment program ordinance meeting all federal and Oregon statutory and regulatory requirements (the "Milwaukie Pretreatment Program"). The Milwaukie Pretreatment Program shall satisfy, among other requirements, the provisions of 40 CFR Part 403, OAR Chapter 340, Division 41, and the National Pollutant Discharge Elimination System Permit issued by the Oregon DEQ to the District.

### III. B. 4

#### County Pretreatment Program

1.2 Milwaukie shall ensure that the Milwaukie Pretreatment Program is at least as effective as the District's industrial pretreatment program rules and regulations, and provides to the District the authority to access Milwaukie's facilities and the facilities of non-domestic users of the sanitary sewer system within Milwaukie for purposes of inspection, sampling and any other activity relating to implementation of the Milwaukie Pretreatment Program.

1.3 Milwaukie shall amend the Milwaukie Pretreatment Program from time to time as necessary to ensure compliance with all applicable federal and Oregon statutory and regulatory requirements.

## 2. Fees and Charges

2.1 Milwaukie shall establish by ordinance such fees and charges, including but not limited to permit fees, user fees and cost of service fees, as are necessary to compensate the District for the costs of administering and implementing the Program ("Fees and Charges"). Such Fees and Charges shall be not less than the fees and charges that the District may set in its rules and regulations. Milwaukie shall amend the Milwaukie Pretreatment Program from time to time to ensure that the Fees and Charges remain consistent with, and not less than, the fees and charges set by the District.

2.2 Milwaukie hereby delegates to the District, and the District hereby accepts, the authority to assess and collect the Fees and Charges within the City of Milwaukie. The parties agree that the District shall retain all Fees and Charges to compensate the District for administering and implementing the Milwaukie Pretreatment Program and for treating discharges regulated under the Program.

## 3. District Implementation of the Milwaukie Pretreatment Program

3.1 Except as otherwise provided in this Agreement, Milwaukie hereby delegates to the District, and the District hereby accepts, the authority to administer, implement and enforce the Milwaukie Pretreatment Program.

3.2 The District implementation of the Milwaukie Pretreatment Program shall include, but not be limited to, preparation, issuance and enforcement of industrial user permits, wastewater sampling and analysis, industrial user inspection, and record keeping and reporting as required to maintain compliance with federal and Oregon statutory and regulatory requirements.

3.3 Nothing in this Agreement shall be interpreted or construed as requiring the District to take any action whatsoever to operate, inspect, maintain, repair or replace any of the sewer lines or other sewer facilities owned or operated by Milwaukie.

**4. Milwaukie Implementation of Pretreatment Program**

4.1 Milwaukie shall provide notice to all new Milwaukie non-domestic users of the sanitary sewer (non-domestic users) of the requirements under the Milwaukie Pretreatment Program and of the District's implementation responsibilities. Milwaukie shall consult with the District in developing the notice and, at a minimum, the notice shall include:

4.1.1 Information describing the industrial user permitting process and requirements, the wastewater discharge prohibitions and limitations, and the enforcement response requirements;

4.1.2 The name, telephone numbers and addresses of appropriate District and City officials responsible for implementation of the Milwaukie Pretreatment Program.

4.2 Milwaukie shall develop and implement a process to ensure that new non-domestic users of the sanitary sewer system are identified and surveyed to obtain the information necessary to evaluate the need for an industrial wastewater discharge permit under the Milwaukie Pretreatment Program ("Industrial User Survey"). Milwaukie shall implement the Industrial User Survey as a part of its building permit and zoning programs.

4.2.1 Milwaukie shall notify each non-domestic user applying for connection to the sanitary sewer of the potential need to obtain an industrial wastewater discharge permit from the District, and shall ensure that each such non-domestic user completes and submits to Milwaukie a non-residential questionnaire prior to permitting the sanitary sewer connection;

4.2.2 Milwaukie shall, on or before the 10<sup>th</sup> day of each month, submit to the District a report listing the names and addresses of all non-domestic users applying for sanitary sewer connection in the preceding month, and copies of all non-residential questionnaires completed in the preceding month;

4.2.3 Milwaukie shall not permit a non-domestic user to discharge to the sanitary sewer system until after the District has either: (a) issued an industrial wastewater discharge permit to the non-domestic user, or (b) determined that the non-domestic user is not required to obtain a industrial wastewater discharge permit.

4.3 Milwaukie shall develop and implement an Emergency Spill Response Plan. The Plan shall establish the actions Milwaukie will take in the event of a spill of material that enters or threatens to enter the sanitary sewer system in an amount or concentration that may damage the treatment system, interfere with treatment processes, affect biosolids quality, cause a pass-through or create other unsafe conditions. Milwaukie shall consult with the District in developing the Emergency Spill Response Plan and, at a minimum, the Plan shall contain the procedures for providing spill control and

### III. B. 6

#### County Pretreatment Program

containment, and for notifying the Kellogg Creek Water Pollution Control Plant and the District's Source Control Office.

4.4 Milwaukie shall provide the District with access to all records and other documents generated, compiled, assembled or obtained by Milwaukie and relating to the Milwaukie Pretreatment Program.

#### 5. Reporting

The District shall, where appropriate, include the Milwaukie Pretreatment Program and the implementation of that Program in the District's reports required under the federal and Oregon statutory and regulatory requirements.

#### 6. Governing Law

This Agreement shall be construed and enforced in accordance with the laws of the State of Oregon.

#### 7. Non-Waiver

Failure by any party to require performance by the other party of any provision hereof shall in no way affect such party's rights to enforce the same, nor shall any waiver by any party of the breach hereof be held to be a waiver of the succeeding breach or a waiver of this non-waiver clause.

#### 8. Binding Effect and Agreement

The covenants, conditions and terms of this Agreement shall extend to, be binding upon, and inure to the benefit of the representatives, successors and assigns of the parties hereto.

#### 9. Merger

This Agreement embodies the entire agreement and understanding between the parties hereto and supersedes all previous agreements and understandings with respect to the matters addressed herein.

#### 10. Term

This Agreement shall remain in full force and effect as long as the District provides wastewater treatment service or until either party provides 180 days advance written notice to terminate, which ever occurs earlier.

**11. Notices**

Any notice herein required or permitted to be given shall be given in writing and shall be effective when actually received and may be given by hand deliver or by United States mail, first class postage prepaid, addressed to the parties as follows:

If to Milwaukie:

Director of Community  
Development and Public Works  
City of Milwaukie  
6101 SE Johnson Creek Blvd.  
Milwaukie, OR 97206

If to the District:

Source Control Coordinator  
Water Environment Services  
Clackamas County  
15941 S. Agnes Ave., Bldg. B  
Oregon City, OR 97045

**12. Disputes**

In the event that a dispute arises regarding this agreement that cannot be resolved by the staff members working on the matters, the parties agree that the dispute shall be submitted to the Milwaukie City Manager and to the Clackamas County Administrator and if the City Manager and County Administrator are unable to resolve the dispute, the parties agree that the dispute shall be resolved by arbitration in accordance with the then effective arbitration rules of the Arbitration Service of Portland or the American Arbitration Association, whichever organization is selected by the party that first initiates arbitration by filing a claim in accordance with the filing rules of the organization selected. Nothing in this section shall preclude the parties from attempting to resolve disputes by mediation at any time."

IN WITNESS WHEREOF, the parties have, pursuant to official action that the respective governing bodies duly authorized in the same, caused their respective officers to execute this Agreement on their behalf.

Dated this \_\_\_ day of \_\_\_\_\_, 2002.

**CITY OF MILWAUKIE**

**CLACKAMAS COUNTY BOARD OF  
COMMISSIONERS**, acting on behalf of  
Clackamas County Service District No. 1

By: \_\_\_\_\_

By: \_\_\_\_\_

Attest: \_\_\_\_\_

Attest: \_\_\_\_\_



**To:** Mayor and City Council

**Through:** Mike Swanson, City Manager

**From:** Larry R. Kanzler

**Subject:** Renew Intergovernmental Agreement – Juvenile Crime Diversion Program

**Date:** May 23, 2002

Action Requested

Adopt a resolution authorizing the Mayor to sign and renew the current Intergovernmental Agreement with Clackamas County, which provides pass-through grant funding for the Milwaukie Police Department's Juvenile Diversion Program.

Background

During the last several years, the resources of the Clackamas County Juvenile Department have been depleted by the increasing demand for juvenile intervention of criminal offenders. In the past, police departments throughout Clackamas County could arrest a juvenile for a crime and refer that juvenile to the Juvenile Department of Clackamas County, knowing full well that there would be some timely sanction imposed by the Juvenile Court. That condition no longer exists.

Prior to the implementation of this program, when Milwaukie police officer arrested juvenile criminal offenders, and the report of the criminal behavior was referred to the Juvenile Department, routinely there was no sanction levied against the juvenile for their criminal conduct. The Juvenile Diversion Program is filling that gap by addressing, through a diversion panel comprised of local citizens, first time minor offenders.

### III. C. 2

The purpose of the panel is to listen to the offender's reasons for committing the crime and then negotiate a restitution agreement. This program has successfully used locally sponsored diversion panels to address criminal behavior by first time offenders since the inception of this program. The program has resulted in more than 80% of the first time offenders being held accountable for their criminal behavior, and more than 60% have not re-offended during the first 18 months of the program. The goal of the program is to get juvenile offenders to acknowledge their involvement in the crime charged, and be held accountable for their conduct. That self acknowledged responsibility serves to dissuade future misconduct.

This Intergovernmental Agreement will renew the existing agreement between the City of Milwaukie and Clackamas County for \$24,500 to implement and administer the Juvenile Diversion Program from July 1, 2002 to June 30, 2003.

#### Concurrence

Milwaukie Police Department

#### Fiscal Impact

Provides \$24,500 in grant funds to operate the Juvenile Diversion Program.

#### Work Load Impacts

Approximately 20 hours of staff time to prepare and administer administrative program support.

#### Alternatives

None

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, AUTHORIZING THE MAYOR TO SIGN AND RENEW THE INTERGOVERNMENTAL AGREEMENT WITH CLACKAMAS COUNTY FOR A GRANT TO MAINTAIN THE JUVENILE CRIME DIVERSION PROGRAM.**

**WHEREAS**, the City of Milwaukie is developing strategies to provide high quality livable communities ; and

**WHEREAS**, the City Council has directed city staff to develop cost effective programs to improve community livability; and

**WHEREAS**, first time juvenile criminal offenders need immediate intervention to discourage continued criminal activity ;

**NOW, THEREFORE, BE IT RESOLVED** that the City Council authorizes the Mayor to sign and renew the intergovernmental agreement with Clackamas County to receive a grant in the amount of \$24,500 to provide juvenile crime intervention for the City of Milwaukie, Oregon.

Introduced and adopted by the City Council on June 4, 2002.

This resolution is effective on June 4, 2002.

\_\_\_\_\_  
James Bernard, Mayor

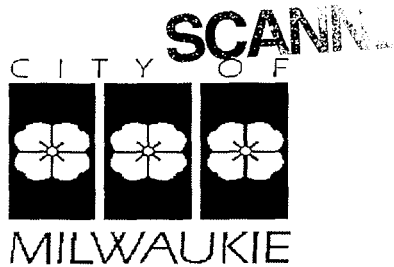
ATTEST:

APPROVED AS TO FORM:  
Ramis, Crew, Corrigan & Bachrach, LLP

\_\_\_\_\_  
Pat DuVal, City Recorder

\_\_\_\_\_  
City Attorney

Document7 (Last revised )



To: Mayor and City Council

Through: Mike Swanson, City Manager

From: Pat DuVal, City Recorder

Subject: Amend Milwaukie Municipal Code Title 1 Pertaining to Ordinance Maintenance

Date: May 21, 2002

Action Requested

Adopt an ordinance amending Title 1 of the Milwaukie Municipal Code pertaining to general provisions and ordinance maintenance.

Background

The City of Milwaukie began codifying its ordinances in 1986. Milwaukie Municipal Code Title 1 outlines the conditions and ongoing maintenance responsibilities for the official city code. When the code was first adopted, Milwaukie had an in-house attorney who was given the authority to maintain the municipal code as provided in Chapter 1.01. Since Milwaukie contracts for attorney services, staff recommends designating a city employee to carry out this assignment.

The proposed ordinance amends Municipal Code Section 1.01.010 by giving the city recorder code maintenance responsibilities. At the suggestion of our city attorney, a new section, 1.01.080, is also proposed which describes the types of edits the city recorder is allowed to make. In preparing ordinances for codification and distribution, the recorder may correct scribes' errors including grammar, inconsistent numbering, and general typographical errors. The recorder may not make any substantive changes to the ordinances.

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE OF THE CITY OF MILWAUKIE, OREGON, AMENDING TITLE 1 OF THE MILWAUKIE MUNICIPAL CODE PERTAINING TO GENERAL PROVISIONS AND ORDINANCE MAINTENANCE.**

**WHEREAS**, Milwaukie Municipal Code Chapter 1.01 describes the adoption and manner in which the official city code is maintained; and

**WHEREAS**, the current code does not provide the authority and parameters under which minor clerical or typographical errors can be corrected;

**NOW, THEREFORE THE CITY OF MILWAUKIE, OREGON ORDAINS AS FOLLOWS:**

Section 1: Milwaukie Municipal Code Section 1.01.010 is revised to read as follows:

**1.01.010 Title**

The Milwaukie Municipal Code is adopted as the official city code of the city of Milwaukie. The code shall be cited as the "Milwaukie Municipal Code." The Milwaukie Municipal Code is published under the general authority of the city council and shall be maintained as provided in this chapter by the city recorder.

Section 2: Milwaukie Municipal Code Chapter 1.01 is amended by adding a new section 1.01.080 to read as follows:

**1.01.080 Editing the Code**

In preparing adopted ordinances for codification and distribution, the city recorder shall not alter the sense, meaning, effect or substance of any ordinance, but, with such limitations, may correct manifest clerical or typographical errors.

Read the first time on June 4, 2002, and moved to second reading by \_\_\_\_\_ vote of the City Council.

Read the second time and adopted by Council on \_\_\_\_\_.

Signed by the Mayor on \_\_\_\_\_.

\_\_\_\_\_  
James Bernard, Mayor

ATTEST:

APPROVED AS TO FORM:  
Ramis, Crew, Corrigan & Bachrach, LLP


\_\_\_\_\_  
Pat DuVal, City Recorder

\_\_\_\_\_  
City Attorney



**To:** City Council

**Through:** Mike Swanson, City Manager

**From:** Dennis Lively, Director of Engineering 

**Subject:** Intergovernmental Agreement for Right of Way Acquisition for the Johnson Creek Boulevard III Improvement Project

**Date:** May 20, 2002 for the June 4, 2002 meeting

**Action Requested**

Authorize the Mayor to sign an intergovernmental agreement with Oregon Department of Transportation for all services required to acquire right of way for the Johnson Creek Boulevard III street improvement.

**Background**

The City of Portland and the City of Milwaukie have for some time had an agreement with the ODOT for a grant, made with federal dollars, to construct full improvements along Johnson Creek Boulevard. Substantial portions of the utility work have been completed. The City of Milwaukie has paid for design and contract management services from the City of Portland Department of Transportation. The City of Portland, City of Milwaukie and Oregon Department of Transportation need this agreement to proceed with the process of acquisition of the required temporary and permanent right of way. The Portland City Council will consider this matter at their June 5, 2002 Council Meeting.

**Concurrence**

Staff in Community Development, Engineering, Street Operations, the City Attorney's Office and the City Manager's office have reviewed the proposed INTERGOVERNMENTAL AGREEMENT. This agreement is required in order for the City to continue to comply with their portion of the Johnson Creek Boulevard Phase III Street Improvement Project and INTERGOVERNMENTAL AGREEMENT.

**Fiscal Impact**

The City has paid the City of Portland the funds agreed to under the Portland/Milwaukie INTERGOVERNMENTAL AGREEMENT for the Project. Funding for the right of way process will come from the Federal Grant for the project. If the right of way costs exceed

those estimated in this INTERGOVERNMENTAL AGREEMENT, federally allowed costs items or those in the Portland/Milwaukie INTERGOVERNMENTAL AGREEMENT, the City could incur a share of additional expenses under terms of that INTERGOVERNMENTAL AGREEMENT.

**Alternatives**

1. Sign the agreement and the Oregon Department of Transportation and they will proceed with acquiring needed right of way to proceed with construction.
2. Do not sign this agreement with the City of Portland and the Oregon Department of Transportation. There are alternatives including hiring a consulting firm having expertise in this area of practice. Firms familiar with the grant requirements are available but cost more than the services offered in this agreement. The three parties to the grant agreement would then have to discuss the implications of increased time and dollars. Since the City of Milwaukie signed the original agreement to accept grant money and to complete the project on time, an obligation under the existing intergovernmental agreement exists.

**Recommendation**

Authorize the Mayor to sign the attached Intergovernmental Agreement with the Oregon Department of Transportation and the City of Portland to implement the right of way acquisition for the project.

**Attachments**

**Attachment 1: Intergovernmental Agreement**

**INTERGOVERNMENTAL AGREEMENT  
FOR RIGHT OF WAY SERVICES**

THIS AGREEMENT is made and entered into by and between THE STATE OF OREGON, acting by and through its Department of Transportation, hereinafter referred to as "ODOT and the City of Portland, acting by and through its Council, hereinafter referred to as "Portland", and the City of Milwaukie, acting by and through its Council, hereinafter referred to as "Milwaukie." When Portland and Milwaukie are referred to in common they will be hereinafter referred to as "Cities"

**RECITALS:**

1. By the authority granted in ORS 190.110, 283.110, 366.770 and 366.775, state agencies may enter into agreements with units of local government or other state agencies for the performance of any or all functions and activities that a party to the agreement, its officers, or agents have the authority to perform.
2. SE Johnson Creek Boulevard is a public road that passes through Multnomah County, Clackamas County, the City of Portland, and the City of Milwaukie. Improvements have been planned for the road, including improvements within Portland and Milwaukie. Additional right of way is needed to construct the planned improvements. Milwaukie and Portland have previously entered into an intergovernmental agreement that transferred Milwaukie's authority and responsibility for acquisition of the needed additional right of way to Portland and established the price Milwaukie is to pay Portland for the services. Portland, Milwaukie, and ODOT have agreed in principle to transfer to ODOT the authority and responsibility for acquiring additional right of way for Johnson Creek Boulevard within Portland and Milwaukie. The parties enter into this intergovernmental agreement to implement the transfer of rights and responsibilities and detail the rights and obligations of each party. The right of way acquisition services to be provided by Agency are referred to in this agreement as the "project."

**NOW THEREFORE**, the premises being in general as stated in the foregoing recitals, it is agreed by and between the parties hereto as follows:

## VI. B. 4

### TERMS OF AGREEMENT:

1. Portland wishes to retain the services of ODOT to perform right of way acquisition services for the portions of Johnson Creek Boulevard that are within the city limits of the City of Portland and the City of Milwaukie. Milwaukie agrees to the transfer by Portland to ODOT of the authority Milwaukie has previously transferred to Portland. The project shall be performed as detailed in special Provisions Exhibit A attached hereto and incorporated by this reference. The amount to be paid for the services shall not exceed \$390,000.
2. The work shall begin on the date all required signatures are obtained and shall be completed no later than June 30, 2004 on which date this Agreement automatically terminates unless extended by a fully executed amendment.
3. The process to be followed by the parties in carrying out this Agreement is set out in the Special Provisions Exhibit A, attached hereto and made a part of this Agreement.
4. It is further agreed both parties will strictly follow the rules, policies and procedures of the "Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970" as amended, ORS 281.060, ORS 35.346, State of Oregon Right of Way Manual, and Federal Highway Administration Federal Aid Policy Guide.

### ODOT OBLIGATIONS:

1. ODOT shall perform the work described for it in Special Provisions Exhibit A.
2. With the exception of work related to appraisals, ODOT shall not enter into any subcontracts for any of the work scheduled under this Agreement without obtaining prior written approval from Portland and, for work related to properties in Milwaukie, from Milwaukie.
3. ODOT agrees to comply with all federal, state, and local laws, regulations, executive orders and ordinances applicable to the work under this Agreement, including, without limitation, the provisions of ORS 279.312, 279.314, 279.316, 279.320 and 279.555, which hereby are incorporated by reference. Without limiting the generality of the foregoing, ODOT expressly agrees to comply with (i) Title VI of Civil Rights Act of 1964; (ii) Section V of the Rehabilitation Act of 1973; (iii) the Americans with Disabilities Act of 1990 and ORS 659.425; (iv) all regulations and administrative rules established pursuant to the foregoing laws; and (v) all other applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations.
4. ODOT shall perform the service under this Agreement as an independent contractor and shall be exclusively responsible for all costs and expenses related to its employment of individuals to perform the work under this Agreement including, but not limited to, retirement contributions, workers compensation, unemployment taxes, and state and federal income tax withholdings.

5. ODOT, its subcontractors, if any, and all employers working under this Agreement are subject employers under the Oregon Workers Compensation Law and shall comply with ORS 656.017, which requires them to provide workers' compensation coverage for all their subject workers, unless such employers are exempt under ORS 656.126. ODOT shall ensure that each of its contractors complies with these requirements.

**PORTLAND/MILWAUKIE OBLIGATIONS:**

1. Portland shall perform the work described for Portland in Special Provisions Exhibit A. Milwaukie shall perform the work described for Milwaukie in Special Provisions Exhibit A.
2. Portland certifies that sufficient funds are available or receivable from Milwaukie and authorized for expenditure to match federal funds to finance the costs of this agreement.
3. Milwaukie certifies that sufficient funds are available and authorized for expenditure to finance its obligations under the Portland/Milwaukie Intergovernmental Agreement.
- 4.. Agency's right of way contact person for this Agreement is Jeanne Troeh Gibson 503 731-8434.

**PAYMENT FOR SERVICES and EXPENDITURES:**

1. In consideration for the services performed by ODOT, Portland agrees to pay or reimburse ODOT a maximum amount of \$390,000. Said maximum amount shall include reimbursement for all expenses, including travel expenses. Travel expenses shall be reimbursed to ODOT in accordance with the current State Department of Administrative Services' rates. Any expenditures beyond federal participation will be from, Portland funds, or from those funds Portland receives from Milwaukie under the agreement between Portland and Milwaukie. Milwaukie shall pay Portland under the terms of the Intergovernmental Agreement between the two cities signed by Milwaukie on January 5, 1999 and by Portland on February 17, 1999.
2. FOR PROJECTS IN ODOT STIP (STATE TRANSPORTATION IMPROVEMENT PROGRAM): Agency agrees to reimburse salaries and payroll reserves of State employees working on project, direct costs, costs of rental equipment used, and per-diem expenditures.

## VI. B. 6

### GENERAL PROVISIONS:

1. This Agreement may be terminated by either party upon 30 days' notice, in writing and delivered by certified mail or in person, under any of the following conditions:
  - a. If either party fails to provide services called for by this Agreement within the time specified herein or any extension thereof.
  - b. If either party fails to perform any of the other provisions of this Agreement or so fails to pursue the work as to endanger performance of this Agreement in accordance with its terms, and after receipt of written notice fails to correct such failures within 10 days or such longer period as may be authorized.
  - c. If Portland or Milwaukie fails to receive funding, appropriations, limitations or other expenditure authority at levels sufficient to pay for the work provided in the Agreement.
  - d. If Federal or State laws, regulations or guidelines are modified or interpreted in such a way that either the work under this Agreement is prohibited or if Agency is prohibited from paying for such work from the planned funding source.

Any termination of this Agreement shall not prejudice any rights or obligations accrued to the parties prior to termination.

2. The parties agree and acknowledge that each of them and the Secretary of State's Office of the State of Oregon, along with the federal government, shall have access to the books, documents, papers and records of each which are directly pertinent to this specific agreement for the purpose of making audit, examination, excerpts and transcripts for a period of three years after final payments. Each party shall make copies of such records available upon request. The requesting party is responsible for payment.
3. Since federal funds are involved in this Agreement, Exhibits B and C are attached hereto and by this reference made a part of this Agreement, and are hereby certified to by Portland and Milwaukie.
4. Since federal funds are involved in this Agreement, Cities as recipients of grant funds, pursuant to this Agreement with ODOT, shall assume sole liability for cities breach of the conditions of the grant, and shall, upon cities breach of grant conditions that requires ODOT to return funds to the federal agency, the grantor, hold harmless and indemnify ODOT for an amount equal to the funds received under this Agreement; or if legal limitations apply to the indemnification ability of cities the indemnification amount shall be the maximum amount of funds available for expenditure, including any available contingency funds or other available non-appropriated funds, up to the amount received under this agreement.

5. This Agreement and attached exhibits constitute the entire agreement between the parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. No waiver, consent, modification or change of terms of this Agreement shall bind either party unless in writing and signed by both parties and all necessary approvals have been obtained. Such waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given. The failure of ODOT to enforce any provision of this Agreement shall not constitute a waiver by ODOT of that or any other provision.

**IN WITNESS WHEREOF**, the parties hereto have set their hands and affixed their seals as of the day and year hereinafter written.

The Oregon Transportation Commission approved on March 18, 1999, Subdelegation Order No. 4 in which the Director and Executive Deputy Director/Chief Engineer grants authority to the Technical Services Manager to approve and execute all Department real property deeds, contracts, agreements, and other documents pertaining to real property transactions. The Technical Services Manager, by way of Letter of Authority dated January 28, 1999, under its item 6, authorizes the Right of Way Manager to approve and execute agreements with other governmental jurisdictions to employ Right of Way Section staff.

**VI. B. 8**

*Department of Justice approval as to legal sufficiency required when amount of funds paid to or from state Portland >\$100,000. Amounts paid between State agencies are not subject to this requirement.*

APPROVED AS TO LEGAL SUFFICIENCY (req'd as noted above)

\_\_\_\_\_  
Assistant Attorney General

Date \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
CITY ATTORNEY  
CITY OF PORTLAND

Date \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
CITY ATTORNEY  
CITY OF MILWAUKIE

Date \_\_\_\_\_

STATE OF OREGON,  
BY AND THROUGH ITS  
DEPARTMENT OF TRANSPORTATION

By \_\_\_\_\_  
Deolinda G. Jones  
Right of Way Manager

Date \_\_\_\_\_

CITY OF PORTLAND, BY AND THROUGH ITS  
**1501 City Council**

By \_\_\_\_\_  
MAYOR

Date \_\_\_\_\_

By \_\_\_\_\_  
CITY AUDITOR

CITY OF MILWAUKIE, BY AND THROUGH ITS  
**1502 City Council**

By \_\_\_\_\_  
MAYOR

Date \_\_\_\_\_

By \_\_\_\_\_  
CITY RECORDER

**EXHIBIT A  
(SPECIAL PROVISIONS)**

THINGS TO BE DONE BY STATE OR PORTLAND/MILWAUKIE  
(ACCORDING TO CITY WHERE SUBJECT PROPERTIES ARE LOCATED)

**A. Preliminary Phase**

1. ODOT will provide preliminary cost estimates.
2. Portland will make preliminary contacts with property owners.
3. Portland will gather and provide data for environmental documents.
4. Portland will develop access and approach road list.
5. Portland will help provide field location and project data.

**B. Acquisition Phase**

1. General:
  - a. When performing acquisition work, ODOT will, upon request, provide Portland and Milwaukie a current status report of this work itemized by parcel within each city and will be on the form provided by the respective City.
  - b. Dedications acquired shall be in the name of the city in which they are located (Portland or Milwaukie).
  - c. Prior to the initiation of acquisitions, Portland and Milwaukie will adopt a resolution of intention and determination of necessity in accord with ORS 281.520, authorizing acquisition and condemnation. Since the State Department of Justice is to handle condemnation work, that information needs to be included in the resolution adopted by the Portland and Milwaukie. Prior approval by Department of Justice is required.
  - d. ODOT will bill Portland for all acquisition work performed in accordance with terms of this agreement. ODOT billings will show expenses allocated and itemized on a parcel by parcel basis within each city.
  - e. Milwaukie shall pay Portland under the terms of the Intergovernmental Agreement between those two cities. ODOT will itemize expenses for each city, dependent upon the city where the property is located.
2. Legal Descriptions:
  - a. Portland will provide sufficient surveys, vesting deeds, maps and other data so that legal descriptions can be written.
  - b. Portland will write legal descriptions, prepare right of way maps; provide construction plans and cross-section information for the project.

## **VI. B. 10**

- c. The city where the property is located will specify the degree of title to be acquired and the form for acquisition.
3. Real Property and Title Insurance:
    - a. ODOT will provide preliminary title reports before negotiations for acquisition commence, if necessary.
    - b. ODOT will determine sufficiency of title (taking subject to).
    - c. ODOT will conduct Level 1 testing for presence of hazardous material. ODOT will conduct reasonable testing up to Level 2, if requested. If contamination is found, a recommendation for remediation will be presented by ODOT to Portland or to Milwaukie.
    - d. ODOT will not be responsible for any necessary remediation, nor will remediation measures be initiated without the written approval of Milwaukie or Portland.
  4. Appraisal:
    - a. ODOT will conduct the valuation process for properties to be acquired.
    - b. ODOT will recommend just compensation, based on a review of the valuation by qualified personnel.
    - c. Property trades, construction obligations, and zoning or permit concessions are to be evaluated as part of the Just compensation offer.
  5. Negotiations:
    - a. ODOT will tender all monetary offers to land-owners in writing at the compensation shown in the appraisal review. Conveyances taken for more than the approved figure will be documented by an Administrative Justification for the increase in compensation. ODOT will provide the cities with all pertinent letters, negotiation records and obligations incurred during the acquisition process.
    - b. Portland and ODOT shall jointly determine a date for certification of right of way. ODOT agrees to file all Recommendations for Condemnation at least 70 days prior to that date if negotiations have not been successful on those properties.
  6. Relocation:
    - a. ODOT will perform any relocation assistance, make replacement-housing computations, and do all things necessary to relocate any displaced parties on the project.
    - b. ODOT will make all relocation and moving payments for the project.
    - c. Portland or Milwaukie will perform the relocation appeal process.

**C. Closing Phase**

1. ODOT will close all transactions. This includes drawing deeds, releases and satisfactions necessary to clear title, obtaining signatures on release documents, and making all payments.
2. The city where the property is located will record conveyance documents, only upon acceptance by appropriate agency.

**D. Property Management**

1. ODOT will take possession of all the acquired properties. Dedications acquired shall be in the name of the city in which they are located (Portland or Milwaukie).
2. The city where the property is located will dispose of all improvements and excess land.

**E. Condemnation**

1. ODOT may offer mediation if parties have reached an impasse.
2. **ODOT will handle the entire condemnation process.**

**EXHIBIT B**  
**(Local Agency or State Agency)**

**CONTRACTOR CERTIFICATION**

Contractor certifies by signing this contract that Contractor has not:

- (a) Employed or retained for a commission, percentage, brokerage, contingency fee or other consideration, any firm or person (other than a bona fide employee working solely for me or the above consultant) to solicit or secure this contract,
- (b) agreed, as an express or implied condition for obtaining this contract, to employ or retain the services of any firm or person in connection with carrying out the contract, or
- (c) paid or agreed to pay, to any firm, organization or person (other than a bona fide employee working solely for me or the above consultant), any fee, contribution, donation or consideration of any kind for or in connection with, procuring or carrying out the contract, except as here expressly stated (if any):

Contractor further acknowledges that this certificate is to be furnished to the Federal Highway Administration, and is subject to applicable State and Federal laws, both criminal and civil.

**AGENCY OFFICIAL CERTIFICATION (ODOT)**

Department official likewise certifies by signing this contract that Contractor or his/her representative has not been required directly or indirectly as an expression of implied condition in connection with obtaining or carrying out this contract to:

- (a) Employ, retain or agree to employ or retain, any firm or person or
- (b) pay or agree to pay, to any firm, person or organization, any fee, contribution, donation or consideration of any kind except as here expressly stated (if any):

Department official further acknowledges this certificate is to be furnished to the Federal Highway Administration, and is subject to applicable State and Federal laws, both criminal and civil.

**EXHIBIT C**Federal Provisions  
Oregon Department of Transportation**I. CERTIFICATION OF NONINVOLVEMENT IN ANY DEBARMENT AND SUSPENSION**

Contractor certifies by signing this contract that to the best of its knowledge and belief, it and its principals:

1. Are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal department or agency;
2. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery falsification or destruction of records, making false statements or receiving stolen property;
3. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
4. Have not within a three-year period preceding this application/proposal had one or more public transactions (federal, state or local) terminated for cause or default.

Where the Contractor is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

List exceptions. For each exception noted, indicate to whom the exception applies, initiating agency, and dates of action. If additional space is required, attach another page with the following heading: Certification Exceptions continued, Contract Insert.

**EXCEPTIONS:**

Exceptions will not necessarily result in denial of award, but will be considered in determining Contractor responsibility. Providing false information may result in criminal prosecution or administrative sanctions.

The Contractor is advised that by signing this contract, the Contractor is deemed to have signed this certification.

**II. INSTRUCTIONS FOR CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS—PRIMARY COVERED TRANSACTIONS**

1. By signing this contract, the Contractor is providing the certification set out below.
2. The inability to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The Contractor shall explain why he or she cannot provide the certification set out below. This explanation will be considered in connection with the Oregon Department of Transportation...

## VI. B 14

- ...determination to enter into this transaction. Failure to furnish an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the Department determined to enter into this transaction. If it is later determined that the Contractor knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government or the Department may terminate this transaction for cause of default.
  4. The Contractor shall provide immediate written notice to the Department to whom this proposal is submitted if at any time the Contractor learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
  5. The terms "covered transaction", "debarred", "suspended", "ineligible", "lower tier covered transaction", "participant", "person", "primary covered transaction", "principal", and "voluntarily excluded", as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the Department's Program Section (Tel. (503) 986-3400) to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
  6. The Contractor agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transactions with a person who is debarred, suspended, declared ineligible or voluntarily excluded from...  
...participation in this covered transaction, unless authorized by the Department or agency entering into this transaction.
  7. The Contractor further agrees by submitting this proposal that it will include the Addendum to Form FHWA-1273 titled, "Appendix B--Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transactions", provided by the Department entering into this covered transaction without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
  8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List published by the U. S. General Services Administration.
  9. Nothing contained in the foregoing shall be construed to require establishment of a system of records to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
  10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly...

...enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government or the Department, the Department may terminate this transaction for cause or default.

### III. ADDENDUM TO FORM FHWA-1273, REQUIRED CONTRACT PROVISIONS

This certification applies to subcontractors, material suppliers, vendors, and other lower tier participants.

- Appendix B of 49 CFR Part 29 -

#### **Appendix B--Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion--Lower Tier Covered Transactions**

##### Instructions for Certification

1. By signing and submitting this contract, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this contract is submitted if at any time the...

...prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

4. The terms "covered transaction", "debarred", "suspended", "ineligible", "lower tier covered transaction", "participant", "person", "primary covered transaction", "principal", "proposal", and "voluntarily excluded", as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this contract that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this contract that it will include this clause titled, "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transaction", without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not...

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...debarred, suspended, ineligible or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the nonprocurement list.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

### **Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion--Lower Tier Covered Transactions**

- a. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from...

...participation in this transaction by any Federal department or agency.

- b. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

## IV. EMPLOYMENT

1. Contractor warrants that he has not employed or retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this contract and that he has not paid or agreed to pay any company or person, other than a bona fide employee working solely for Contractors, any fee, commission, percentage, brokerage fee, gifts or any other consideration contingent upon or resulting from the award or making of this contract. For breach or violation of this warranting, Department shall have the right to annul this contract without liability or in its discretion to deduct from the contract price or consideration or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.
2. Contractor shall not engage, on a full or part-time basis or other basis, during the period of the contract, any professional or technical personnel who are or have been at any time during the period of this contract, in the employ of Department, except regularly retired employees, without written consent of the public employer of such person.
3. Contractor agrees to perform consulting services with that standard of care, skill and diligence normally provided by a professional in the...

...performance of such consulting services on work similar to that hereunder. Department shall be entitled to rely on the accuracy, competence, and completeness of Contractor's services.

## V. NONDISCRIMINATION

During the performance of this contract, Contractor, for himself, his assignees and successors in interest, hereinafter referred to as Contractor, agrees as follows:

1. **Compliance with Regulations.** Contractor agrees to comply with Title VI of the Civil Rights Act of 1964, and Section 162(a) of the Federal-Aid Highway Act of 1973 and the Civil Rights Restoration Act of 1987. Contractor shall comply with the regulations of the Department of Transportation relative to nondiscrimination in Federally assisted programs of the Department of Transportation, Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the Regulations), which are incorporated by reference and made a part of this contract. Contractor, with regard to the work performed after award and prior to completion of the contract work, shall not discriminate on grounds of race, creed, color, sex or national origin in the selection and retention of subcontractors, including procurement of materials and leases of equipment. Contractor shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices, when the contract covers a program set forth in Appendix B of the Regulations.
2. **Solicitation for Subcontractors, including Procurement of Materials...**

...and Equipment. In all solicitations, either by competitive bidding or negotiations made by Contractor for work to be performed under a subcontract, including procurement of materials and equipment, each potential subcontractor or supplier shall be notified by Contractor of Contractor's obligations under this contract and regulations relative to nondiscrimination on the grounds of race, creed, color, sex or national origin.

3. **Nondiscrimination in Employment (Title VII of the 1964 Civil Rights Act).** During the performance of this contract, Contractor agrees as follows:
  - a. Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, sex or national origin. Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notice setting forth the provisions of this nondiscrimination clause.
  - b. Contractor will, in all solicitations or advertisements for employees placed by or on behalf of Contractor, state that all qualified applicants will receive...

**VI. B. 18** ...consideration for employment without regard to race, creed, color, sex or national origin.

4. Information and Reports. Contractor will provide all information and reports required by the Regulations or orders and instructions issued pursuant thereto, and will permit access to his books, records, accounts, other sources of information, and his facilities as may be determined by Department or FHWA as appropriate, and shall set forth what efforts he has made to obtain the information.
5. Sanctions for Noncompliance. In the event of Contractor's noncompliance with the nondiscrimination provisions of the contract, Department shall impose such agreement sanctions as it or the FHWA may determine to be appropriate, including, but not limited to:
  - a. Withholding of payments to Contractor under the agreement until Contractor complies; and/or
  - b. Cancellation, termination or suspension of the agreement in whole or in part.
6. Incorporation of Provisions. Contractor will include the provisions of paragraphs 1 through 6 of this section in every subcontract, including procurement of materials and leases of equipment, unless exempt from Regulations, orders or instructions issued pursuant thereto. Contractor shall take such action with respect to any subcontractor or procurement as Department or FHWA may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event Contractor becomes involved in or is threatened with litigation with a...

...subcontractor or supplier as a result of such direction, Department may, at its option, enter into such litigation to protect the interests of Department, and, in addition, Contractor may request Department to enter into such litigation to protect the interests of the State of Oregon.

## VI. DISADVANTAGED BUSINESS ENTERPRISE (DBE) POLICY

In accordance with Title 49, Code of Federal Regulations, Part 26, Contractor shall agree to abide by and take all necessary and reasonable steps to comply with the following statement:

### DBE POLICY STATEMENT

**DBE Policy.** It is the policy of the United States Department of Transportation (USDOT) to practice nondiscrimination on the basis of race, color, sex and/or national origin in the award and administration of USDOT assist contracts. Consequently, the DBE requirements of 49 CFR 26 apply to this contract.

**Required Statement For USDOT Financial Assistance Agreement.** If as a condition of assistance the Agency has submitted and the US Department of Transportation has approved a Disadvantaged Business Enterprise Affirmative Action Program, which the Agency agrees to carry out, this affirmative action program is incorporated into the financial assistance agreement by reference.

**DBE Obligations.** The Oregon Department of Transportation (ODOT) and its contractor agree to ensure that Disadvantaged Business Enterprises as defined in 49 CFR 26 have the opportunity to participate in the performance of contracts and subcontracts financed in whole or in...

...part with Federal funds. In this regard, Contractor shall take all necessary and reasonable steps in accordance with 49 CFR 26 to ensure that Disadvantaged Business Enterprises have the opportunity to compete for and perform contracts. Neither ODOT nor its contractors shall discriminate on the basis of race, color, national origin or sex in the award and performance of federally-assisted contracts. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of such contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as ODOT deems appropriate.

The DBE Policy Statement and Obligations shall be included in all subcontracts entered into under this contract.

**Records and Reports.** Contractor shall provide monthly documentation to Department that it is subcontracting with or purchasing materials from the DBEs identified to meet contract goals. Contractor shall notify Department and obtain its written approval before replacing a DBE or making any change in the DBE participation listed. If a DBE is unable to fulfill the original obligation to the contract, Contractor must demonstrate to Department the Affirmative Action steps taken to replace the DBE with another DBE. Failure to do so will result in withholding payment on those items. The monthly documentation will not be required after the DBE goal commitment is satisfactory to Department.

Any DBE participation attained after the DBE goal has been satisfied should be reported to the Departments.

### DBE Definition.

### CONTRACTOR'S DBE CONTRACT GOAL

DBE GOAL 0 %

By signing this contract, Contractor assures that good faith efforts have been made to meet the goal for the DBE participation specified in the Request for Proposal/Qualification for this project as required by ORS 200.045, and 49 CFR 26.53 and 49 CFR, Part 26, Appendix A.

### VII. LOBBYING

The Contractor certifies, by signing this agreement to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with this agreement, the undersigned shall complete and...

## **VI. B. 20**

...submit Standard Form-LLL,  
"Disclosure Form to Report Lobbying",  
in accordance with its instructions.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Contractor also agrees by signing this agreement that he or she shall require that the language of this certification be included in all lower tier subagreements, which exceed \$100,000 and that all such subrecipients shall certify and disclose accordingly.

**FOR INQUIRY CONCERNING ODOT'S DBE  
PROGRAM REQUIREMENT  
CONTACT OFFICE OF CIVIL RIGHTS  
AT (503) 986-4354.**

North Clackamas Parks and Recreation District  
**Milwaukie Center**  
**Center/Community Advisory Board**  
Minutes of Friday, April 12, 2002

Members Present: Eleanor Johnson, Alice Neely, Mary Siberz, Jim McCready, Sharon Phillips, Ben Tabler, Marc Burnham, Molly Hanthorn and Joan Newman

Excused: Joan Staley, Kim Buchholz

Guests: Pat Detloff, Sheriff's office and John Foote, District Attorney

Staff Present: Joan Young, Cheryl Nally and Laura Zentner, NCPRD, Admin. Services Manager

**Call to Order:** The meeting was called to order at 10 am by Chair, Eleanor Johnson.

**Guests:** Because of time needs, Pat Detloff and John Foote were introduced at this time. They presented information regarding Clackamas County Public Safety Levy. This levy will fund services in four county public safety agencies: Sheriff's office, District Attorney's office, Community Corrections and Juvenile Offender Treatment Dept. Approximately 37% of money allocated would be used to fund 115 jail beds currently used by the State Dept of Corrections. This building is located behind the current county jail. The county is receiving this facility at no cost from the state.

See flyer for further information regarding the levy.

Molly Hanthorn asked how this levy will affect cities with their own police departments. Pat Detloff answered by listing services needed by cities under the Sheriff's Dept, such as jail facilities, courts, probation officers, juvenile services, issuing restraining orders, domestic violence, forensic services, SWAT team and traffic investigation.

**Minutes:** Motion to approve minutes of the March 8, 2002, Board meeting was moved by Janet Witter and seconded by Sharon Phillips; motion carried.

**Correspondence:** Joan stated she had received a request from Ron Naso's office asking to update on the school district budget and needs and expenditures for next fiscal year. Board discussed if this should be presented as an open meeting for Milwaukie Center population or board members. Consensus of board was to invite him to the next board meeting.

**Board and Committee Reports:**

North Clackamas Parks and Recreation District Advisory Board (DAB) – Marc Burnham gave report on March 14 meeting. Portland Traction Line trail property has been acquired. Currently they are applying for grants to build the trail.

The Board had a discussion regarding the use of the Sunnyside Village for school classroom and meeting rooms for the public. Future public meetings are planned.

## VII. A 2

Building Review – Alice Neely reports the window in the Program office cannot be changed because it would not meet fire code. She's looking into suppliers for replacing yellow & green bucket chairs.

A Safety Committee is in place.

Chuck Kerns' (Maintenance Specialist) schooling in maintenance classes will be paid for so that he will not have to "contract out" repairs.

Plans are underway to have parking strips repainted in the parking lots.

History – Janet Witter states the book is a work in progress.

### **Other Reports:**

Friends of the Milwaukie Center, Inc. – Eleanor Johnson reported that the June 1 Dinner Theater plans are finalized. She states there will be limited seating so tickets should be purchased early.

The Rose Garden gazebo will be started in the summer.

The Friends are in their annual membership drive and she encouraged all C/CAB members to provide an annual donation.

### **Director's Report:**

Joan Young reported that that Friday, April 26, from 2-4 pm, will be the annual Volunteer Recognition. This year will be a Casino Carnival event.

May 2002 is Older American's Month, with the National Senior Center week May 12-18. The Milwaukie Center plans to celebrate with "An Exhibit of Images of Personalities and Politicos" by Allan DeLay, photographer. There will be an artist reception May 15, from 5-7 pm at the Center.

National Senior Center Week is May 13-19, 2002. The Board of Commissioners will read and sign a proclamation, recognizing the work of the Clackamas County senior centers on Thursday, May 9 at 10 am at the Commissioners Board room in Oregon City.

Joan passed out postcards to be sent to state legislators regarding cuts of \$3 million from Oregon Project Independence.

**Information/Announcements:** None.

**Agenda for Next Meeting:** Information on school budget update.

**Adjourn:** Meeting adjourned at 11:30 am by Eleanor Johnson.

Submitted by: Mary Siberz, Secretary

North Clackamas Parks and Recreation District  
**MILWAUKIE CENTER DIVISION**  
Monthly Report for April, 2002

***Programs and Services:***

Spring Garden Day – Saturday, April 6, Clackamas County Master Gardeners manned the Center's annual Spring Garden Day, providing 80 soil sample testing for 34 community residents, and expertise for many gardening questions.

Volunteer Recognition – Each year, staff puts together a “thank you” especially for the volunteers who give over 80,000 hours of time annually to support Milwaukie Center programs and services. Over 100 Milwaukie Center volunteers enjoyed the Center's “Casino Carnival,” with craps, blackjack, poker, roulette, face painting, caricature drawing, balloon art and magic! The community donated over 50 raffle prizes for the event.

***Fund-raising:***

The Nutrition Program held its annual Spring Rummage Sale April 5 & 6. Three rooms at the Center were filled to the brim with attic treasures. This was a great opportunity for community folks to do some spring cleaning and for the Nutrition Program, too, since it netted \$1,700 from the event!

The Friends of the Milwaukie Center hosts BINGO! with cash prizes every Thursday night, 6:30 - 10:30pm. This ongoing fund-raiser run through volunteer energy provides \$2,000/yr income to help grow the Friends' Endowment fund and over \$6,000/yr income to their general fund, which supports Center programs and services.

***Coming up:***

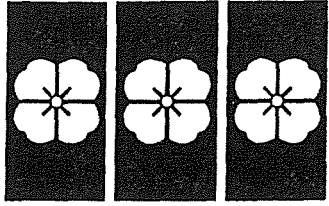
May is Older American's Month, and we are celebrating it by displaying a photography **Exhibit of “Famous Faces”**. The 90+ photographs were recorded by Milwaukian Allan DeLay during his career, spanning more than 50 years, as an Oregonian photographer. The exhibit will run through the month of May. May 15, 5 - 7pm, is the Artist's Reception honoring Allan DeLay.

Sunday, May 5, join us for a hearty home-cooked pork roast meal and great entertainment. The **Famous Sunday Dinner** fund-raiser benefits Meals on Wheels services in north Clackamas County. Seatings are 12 noon & 1 pm, at only \$7 for adults and \$3, children under 12.

Milwaukie Center's annual **Senior Housing Fair** is Thursday, May 9 from 10 am - 12 noon. Representatives from retirement and assisted living facilities, and private placement agencies will have displays and provide information about their housing options.

The Friends of the Milwaukie Center will be holding an elegant catered **Wine and Roses Dinner Theatre** on Saturday evening, June 1. Northwest Senior Theatre will present their “ShowStoppers” revue for grand entertainment. Tickets are only \$25 each, and reservations must be made by May 15.

CITY OF



MILWAUKIE

# Ledding Library Board

## April minutes

Monday, April 15, 6:30 PM  
Ledding Library

**Meeting called by:** Sue Trotter

**Attendees:** Attendees: Pat Healy, Tom Hogan, Sue Trotter, and Ed Zumwalt.

Absent : Mark Docken, Anna O'Guinn

Staff: Cynthia Sturgis

### Agenda topics

Approval of minutes

Approved as written.

### Librarian's report

Shannon Scott did not apply for a new term, so the Board has a vacancy. Pat DuVal has been notified and there will be announcements for board vacancies in the Pilot.

Mike Swanson has notified department heads that boards and commissions need to have their annual work plan ready for review in June or July. The Council plans to have individual work sessions with each group. Cynthia will find out more about this at the Department Head meeting on Wednesday.

The fourth Monday in May falls on Memorial Day, so the Board rescheduled the May meeting to Wednesday, May 29 at 6:30.

The planning session with Dallas Shaffer is scheduled for Thursday the 18<sup>th</sup> at 4:00. John Gessner from the Planning Department will report on planning issues. Ed reported that the Mayor is interested in the building project and may be interested in attending..

VII. B. 2

Budget review and comments

Sue reported that a meeting was held with Mike Swanson on April 10<sup>th</sup> to discuss the General Administration and Facility Occupancy charges.

In the budget discussion points prepared for the budget hearing next week, the Board will emphasize the importance of the library as a downtown attraction, continued growth in use by the public, the internet/PAC management system for next year, and funding contributions from the Friends.



# Park & Recreation Board

## PARB

Tuesday, February 26, 2002  
7:00 PM to 8:50 PM  
City Hall, Conference Room

### MINUTES

Attendees: Kathy Buss, Mart Hughes, Edie Kerbaugh, Suzanne Bader, Don McCarty  
Absent: Joe Loomis, Sharon Van Horn,  
Visitor: Jeff Milkes  
Staff: JoAnn Herrigel

Meeting called to order at 7:00 PM

**MINUTES:** Motion to approve minutes of January 22, 2002 meeting as amended by Bader and Hughes. Motion passed 4-0.

**OPEN PERIOD:** No participants.

#### UPDATES:

Herrigel provided the following updates:

- Herrigel toured the Portland Traction Line on Feb 15 with Metro.
- Pre app on community service overlay for Lewelling Community Park is March 7
- May 12 is proposed date for "Mother's Day Walk"
- La Salle Dean of Students will attend Feb 28 Linwood NDA meeting to address neighbors' concerns regarding Furnberg Park
- Herrigel is working with Laura Herbon of Walker Macy to coordinate wetland maintenance needs at Furnberg with a class of students at LaSalle.
- Lake Rd neighbors interested in purchasing 4 of 19 lots from a developer interested in the old Palm Property on Lake Rd. They have approached City Council, the Parks District and Metro regarding funding.
- Budget proposals have been submitted to Council for 2002-03.
- Title 3 Water Quality Protection Regulations to go to work session with Planning Commission Feb 26 and Council work session March 18. Anticipated formal adoption to be in Aug/Sept of 2002. (staff report in packet for 2-26-02)
  - 1) Figure out how to get what it is we want either through working with the District or using City staff and resources.

## VII. C. 2

### **DISTRICT UPDATE**

Suzanne Bader gave an update on the Master Plan noting that Discussion papers 5 and 6 (Programs and Facilities) were complete and the next pieces will be financing and implementation.

- March 14 is District Advisory Board meeting at which master plan update will be provided.
- Krista Markwardt is the new contact for the Master Plan and the coyote issue
- Split rail fencing was broken at Dogwood Park recently
- District staff will take report on coyotes to BCC in April
- March 21 is a meeting with all Neighborhood Boards regarding District Budget and Master plan update.

### **AQUATICS PARK**

Jeff Milkes, The District's Aquatics and Leisure Manager, addressed the group on Aquatics Park finance and use issues. Following is a summary (unedited by Jeff) of his presentation:

- He and his staff have attempted to estimate what % of users is in vs. out of District and what % of revenue is each group contributing to the general operation of the facility
- General fund subsidy of the Aquatics Park is about 10% of the total aquatics park operations budget.
- 25 % of users are in District, 75% are out of District
- Considering both taxes and user fees, In District users are paying 21% of operating budget and Out of District Users are contributing 79% meaning that Out of District users are paying a bit higher % than use.
- Primary source of revenue comes from Out of District – open swim patrons.
- District has placed a cap of \$325,000 on general fund use for the Aquatics Park
- Birthday parties, swimming lessons and open swim are the bulk of the operating budget
- Aqua exercise has below average fees and is primarily used by in District residents
- Trend since 1994 is less swimmers and more subsidy required
- Aquatic staff has looked at expense and now they are focusing on revenue generation
- Milwaukie Center uses more of the general fund for operations than the Aquatic Park
- With new marketing position trying to expand advertising using avenues such as transit benches, bill boards etc.
- Will offer more special events like Dive In movies, dances etc
- Also working on customer service
- Goal is 85% revenue coverage of costs. 75-80% looks realistic right now.

Board comments:

Hughes asked if Milkes could provide a written summary of his presentation – Milkes agreed to provide one.

McCarty said anything you can do to help bond pass will be good – but to be careful raising fees because you might lose people. McCarty also suggested using arm bands for 2 hour segments for Sunday swims.

It was commented that admission to the Aquatics Park is higher than the Zoo and OMSI.

Milkes was asked where District administration figured into the Aquatics Park budget – Milkes said that admin costs were NOT factored into the Aquatics Park budget

### **Board Positions**

Herrigel noted that there was one open position on the Board that needs to be filled and two positions with terms ending in March (Hughes and Van Horn). Hughes said he planned to reapply (Herrigel said she'd ask that his old application be resubmitted for him.)

It was suggested that Herrigel write a letter with Hughes' signature to send to prospective Board applicants.

Buss suggested that such a letter be sent to Park-related groups.

Bader also offered to get the District List of folks interested in Parks issues for Milwaukee to use to recruit for empty Board positions

There was a motion to adjourn by McCarty at 8:50, seconded by Buss – approved 4-0.

April 9, 2002 Meeting of the Riverfront Board  
Minutes

Members Present : Verbout, Klein, Stacey, Green, Martin

Absent: Loaiza, Wall

Visitors: Paul Klein

Verbout motioned to approve the February meeting minutes, second by Stacey and passed 5-0.

Boat Ramp Integration Criteria

Herrigel reminded the group that one of the tasks they told Council they wanted to pursue was: developing criteria for a reintegrating a boat launch into the Riverfront Plan.

Verbout said he remembered Wall's wording regarding the boat ramp to indicate that the Boat ramp was not to be formally integrated into the Riverfront Plan but rather that it be an interim boat ramp that the Board would develop criteria for.

Following is the motion as drafted by Wall and approved by the Board:

***The Riverfront Board recommends that City Council consider the boat launch, in some form, as part of the Riverfront Plan, without acknowledging any obligation that it remain, and that the Riverfront Board be charged with developing criteria for the boat launch in the Riverfront Plan.***

Green said he thinks of these current boat ramp discussions as an interim, short-term project. He said that begs the question, if the Marine Board only wants a long term project would we integrate the launch into the Riverfront Plan formally by going through a comprehensive plan amendment. He said we need to find out what the bottom line terms for the Marine Board are. Anything other than an interim plan would be a major change in the Riverfront Plan (and the ideas generated by the Riverfront Board over the past several years) and would prompt the Board to modify the Riverfront Plan, requiring another public process and an amendment to the comprehensive plan.

Martin, Green, and Verbout were firm in their assertion that any modification to the boat ramp should be a short term project – not a formal, long term one. Stacey supported modifying the master plan to incorporate the ramp and Klein said he felt the boat ramp should remain – but would rather see it sited further south and he wished it didn't take up so much room.

## VII. D. 2

A comment was made to the effect that there are only 40 motor boat ramp users (based on parking spot numbers..) and 20,000 people in the City – some of whom might want to use the site for more than motor boats. (Both numbers and concepts were challenged.)

The group generated a list of criteria that they felt should be incorporated into any boat launch modification.

### **Criteria for Boat Ramp Modification**

- The City should determine term of project (should be short - no longer than 5 years)
- Don't amend the Riverfront Plan formally, have plan be an interim solution
- Needs to be pedestrian friendly
- Needs to accommodate multiple uses (non-motorized craft, maybe a dock etc)
- Need a walk along the water edge
- Need walkways to connect to the City (downtown?)
- Integrate a dock so people can tie up temporarily to access lot or use facilities
- Move trailer parking uphill away from water to open up prime open space areas
- Expand parking to the north of existing site to decrease bulk of asphalt
- Have new parking area be grass, gravel or turf pavers
- ? can Treatment Plan drive be used for parking?
- Add greenspace near river
  - Restrict parking
  - Minimize visual impact using mounding
- Use specifications from Riverfront and downtown plan for types of lighting, landscaping etc.
- Develop open space to the south of existing ramp and area between parking lot and water for recreational uses (picnicking, play structure?)
- Limit parking to existing number of spaces

The group decided that the next month's meeting should focus on getting the input from members not in attendance at the April 9 meeting. The criteria would be further refined at that time.