

Findings meeting with City Auditor Mary Hull-Caballero

Auditors: Alexandra Fercak, Bob MacKay, Kari Guy

Date: 3/31/2020, 11am - via online conference video

Alexandra shared the findings spreadsheet [D-1.8](#) on her screen with everyone and walked through column by column all elements.

Mary wondered if the City provides any additional money to the districts. **[Note: What about parking meter revenue to Central Eastside?]**

Mary asked if in the second bullet under Condition, the team was using ‘Council’ because no one is doing anything? Alexandra said yes, and that the wording around that is tricky. Mary suggested to use City and leave out Council.

Mary said she is thinking of these districts like the Camp Cleanups – where there is a single person in charge who you can call and interview. She noted that the Mayor has both OMF and the Police and the employee should be someone in that portfolio.

Alexandra walked through the condition of relationship between districts and business associations noting that the Central Eastside is “a bit of an anomaly” since it is newly formed. In that regard it seems that they are trying to have a good reporting structure in place. She pointed out that, as it stands, it doesn’t matter how much the districts are producing [in terms of contractual deliverables] if the City is doing nothing on its end. The districts are driving it.

Mary asked Kari if she saw any parallels between RACC and this. The City is outsourcing services to organizations then leaving them alone.

Kari said that it is also important to note that the districts feel the City is not providing adequate service and that’s why they fund their own.

Mary wondered if team was going to put this in background or report? She feels it is an important piece of information. She was curious as to why it was in cause and asked Alexandra to expand her thinking around this.

Alexandra said it revolved around the businesses stating it is not a tax and that they voluntarily put money in so there is a perception that they should be able to use it how they want to. She said the report should include context that the districts are providing needed services (she mentioned having the business surveys from Clean and Safe which could be used).

Under Cause, Alexandra said that in other cities and states, conflicts of interest have been huge issues.

Mary wondered why here we talk about no state law or city code existing, but earlier had discussed bringing in the City’s authority as stated in the Charter (therefore, not a cause – set it up in Criteria, or perhaps condition). It is the City’s responsibility to meet its chartered functions.

Mary said she didn’t find alignment across the last 3 [cause-effect-recommendations]. However, if we get the things out that don’t belong, it makes the alignment go easier.

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Mary said there is a huge equity issue here – people who can afford to pay extra get extra services. Mary was thinking perhaps the not holding districts accountable should go back in cause. She suggested cleaning up the findings document prior to writing report.

She continued that if we're talking about enforcement, perhaps we need to ask the bigger question as a City – if we want to continue to allow geographic areas of the city to allow this then we have to put governance structures and accountability in place. Need to look at it as if it is "a city within a city".

Mary said we should put in the report the background how the concept of the district(s) started as something but has evolved into extra policing, as IPR pointed out in their report.

Turning to recommendations, Alexandra pointed out how we were planning to address them to OMF, not Council. Mary talked about how there had to be a structure in place to build them on. Bob pointed out that the ED of Central Eastside alluded to that very point in that there was no guidance from the City how all parts should be set up.

Mary continued, saying if you are going to mirror City authority, then there has to be other parallel City accountability measures. Not huge bureaucracies, but accountability and transparency. Mary suggested adding 'accountability' to the list. She also wondered why they [PPI for C&S] didn't have to abide by police directives – have some version of IPR, or IAD.

Alexandra said how there was also a confidentiality clause in the contract between C&S and PPI, which makes sense from a private standpoint, but not once you're operating in the public sphere, providing public services.

Mary said one recommendation should be there needs to be a project manager, a liaison, or a single person in charge of the City's oversight of the district's activities. Kari suggested maybe the position should be in Carmen Merlo's group in the CAO's office.

Mary also pointed out it is not Council's job to develop guidelines. They should, however, review and confirm whether they want these districts and then guidelines should be put in place. Kari suggested perhaps add guidelines to City Code.

The meeting wrapped up with Mary re-iterating that the idea of the districts seems to have devolved and needs to be revisited. Mary suggested it needs to be revisited by Council and the input from the public and put on a foundation (City Code), then proceed.

Kari asked Mary how team should proceed in contacting the auditee? Mary suggested asking Tom [Rinehart] to find time to talk about it – see if he can spare 30 minutes.