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# You Spent Our Money On What!?!?"

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From a new video camera to record Sam Adams' every move to accommodations at a chi-chi D.C. hotel, here's how city council is spending taxpayers' money.

BY BETH SLOVIC

EXPENSE ACCOUNT	
RANDY LEONARD	→ \$14,750
NICK FISH	→ \$14,000
AMANDA FRITZ	→ \$10,000
DAN SALTZMAN	→ \$8,734
SAM ADAMS	→ \$23,065

IMAGE: Kate Bingham Burt

It's been dubbed the mother of all British scandals.

Three months ago, England was rocked by revelations that members of Parliament had used secret expense accounts to supplement their six-figure salaries. For years, according to London's *Daily Telegraph*, British lawmakers spent taxpayer money on everything from porn movies to nonexistent mortgages to tennis court repairs. One British lawmaker even used public funds to clean the moat at his country estate.

In the U.K., as in the United States, the only thing more important than politicians' voting records is their spending record. Remember Sarah Palin and her \$150,000 wardrobe from Saks Fifth Avenue and Neiman Marcus? Or Sen. John McCain's jabs at then-presidential-candidate Barack Obama for his \$3 million earmark? The one for the "overhead projector" at

a Chicago planetarium?

Like sex scandals, spending scandals are a bipartisan blood sport, and it doesn't always matter whether the money in question is public or private. Take for example, the firestorms that followed the disclosure of former Sen. John Edwards' \$400 haircuts (which were covered by campaign funds) and former President Bill Clinton's \$200 haircut from "Christophe" aboard Air Force One (which came at public expense). Both indulgences became metaphors for Democratic politicians who'd lost touch with their working-class supporters.

Earlier this summer, *WW* decided to examine the expense accounts of Portland's City Council. To do that, we examined months of credit card statements from all four commissioners and the mayor.

The City Council does not have unlimited expense accounts. But commissioners do have wide discretion over how they spend their money, which in their individual budgets fall under the category of "external materials and services." And members of the Council ask for, and get, different amounts in their expense accounts. Commissioner Randy Leonard has \$14,750 for the 2009-2010 fiscal year; Commissioner Nick Fish, \$14,000; Commissioner Amanda Fritz, \$10,000; and Commissioner Dan Saltzman, \$8,734. Mayor Sam Adams has far more for the larger mayor's office, \$23,065—though that's still a small fraction of Portland's \$472 million general fund budget.

The good news is, we found no publicly financed home remodels nor any tax-subsidized hookers in their expense accounts. What we did find, though, was a complete lack of consistency among city commissioners as to what is considered appropriate to charge to city taxpayers.

The city has adopted rules that spell out expense violations, some of which should be obvious to anyone with half a brain. For example, they declare no one should use public money to pay personal taxes. And the rules still leave a good deal open to interpretation, which means it's up to individual Council members to make their own judgments about their offices' spending (see [below](#))—and it's up to voters, then, to decide whether they made good choices.

This still leaves plenty of room for guessing. What about monthly subscriptions for an office blog? Flowers for the deceased? Or gifts for visiting dignitaries? Such expenses would probably be rejected in Seattle, according to the City of Seattle's Legislative Department. But all three show up on Portland City Hall credit cards. "I don't know that there are any standards in the building," says Fish. "It's left to every office to decide how you allocate the money."

Saltzman says there could be improvements.

"Each commissioner is accountable for his or her budget, but I would welcome guidelines," he says. "I just don't think we're going to get around to doing that, absent a big scandal. Then we would change it tomorrow."

Get your No. 2 pencil ready. To test your knowledge of how City Hall is spending your money—and to see if Portland's leaders walk their talk on fiscal responsibility—we've devised this pop quiz.

**Q:** Why is Mayor Sam Adams shredding "confidential documents"?

**A:** We thought this would get your attention. On April 7, Adams' office spent \$67.50 on document shredding. But Adams confesses ignorance on the topic. When shown the line item on his expense report, he suggested the documents could have been confidential personnel records. His spokesman, Roy Kaufmann, later confirmed that. "It was required at the time, because the City's old payroll system included confidential information such as employee Social Security numbers, and law required that those confidential documents be destroyed," Kaufmann wrote in an email.



**Q:** Who spent \$112.48 on a wall mount to hang a Pendleton blanket in City Hall?

**A:** On Feb. 18, Randy Leonard accepted a commemorative Pendleton blanket on behalf of the city at the Expo Center's Portland Home and Garden Show. And Leonard's office bought a wall mount March 6 to hang the gift, which belongs to the city, in the reception room of Leonard's office, where it will stay even after Leonard leaves City Hall, he says. "It's a very expensive blanket, and I thought it should be mounted appropriately," Leonard explains. "It's my anticipation that my successor will get the importance of that."



**True or False:** A staffer for Commissioner Amanda Fritz paid her own way to a conference.

**True.** Fritz's liaison with the Office of Neighborhood Involvement, Dora Perry, spent more than \$2,000 of her own money to pay for a business trip in April to Vancouver, B.C., where she attended a conference on increasing public involvement in government. Fritz says she's not opposed to spending public funds on conferences, but Fritz decided her office couldn't afford to send Perry to Canada. That's because, when Fritz took office Jan. 1, she inherited the physical space once occupied by the mayor. And, since the fiscal year had not yet ended, she also inherited his expense budget, parts of which had been overspent by the time Fritz replaced Adams as commissioner.

**Q:** Which official appears never to have heard of the Internet?

**A:** Until May, Commissioner Nick Fish spent about \$700 on a news monitoring service called Allen's Press Clipping Bureau. During that time his office received regular updates on regional news related to housing issues and other topics from the press agency. (Fish is the commissioner in charge of the newly reconfigured Housing Bureau.) The commissioner could have accomplished much of the same with Google Alerts, which automatically sends emails with comprehensive lists of news stories by topic. For free. Today, Fish says, each staffer is responsible for tracking his or her own topics, newspapers and electronic media outlets. They do use Google Alerts, too, now. "I did learn about Google Alerts, and we do have Google Alerts set up," Fish says. "But *when* I learned about it as a technologically challenged middle-aged man, I refuse to answer."

**Q:** Why did Adams charge taxpayers \$485.45 for video equipment?

**A:** When Adams wanted to apologize for lying to Portlanders about his relationship with Beau Breedlove and tell the city he would not resign, he felt he needed to tell people directly. And for that he needed a good video camera. The video equipment Adams' office bought that fateful weekend after the news broke in January has since been among the gear used to capture Adams going through a metal detector on Capitol Hill in Washington, D.C., digging with a golden shovel in City Hall's vegetable garden, and accepting an award from SustainLane declaring Portland "the most sustainable city" in America. Adams' office posts the videos on the mayor's website with a \$59.95 annual subscription to Vimeo, an online video-sharing service.

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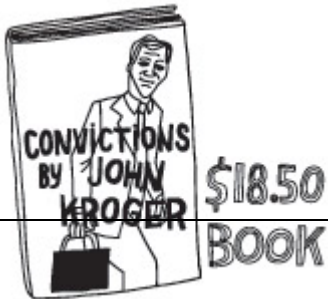


**Q:** Who's too good for the City of Portland's regular email system?

**A:** Both Fish and the mayor pay for extra email services that aren't provided by Portland's citywide service. In May, Fish's office started using Emma, the email marketing and communications provider, which allows the commissioner to send out

newsletters and email blasts to every constituent who's ever written to his office. The service cost \$249 to set up and another \$45 a month to run. Fish calls Emma the cheapest way of communicating with a large audience. Mayor Sam Adams, meanwhile, has spent \$2,280 on Vertical Response direct marketing service, which his office called an e-newsletter tool. Neither Fritz, Leonard nor Saltzman employs anything similar. Saltzman says he'd be worried such an expense would appear self-serving. "Do people really want to know that much," he asks, "about what Dan Saltzman wants to toot his horn about?"

**Q:** Can you charge taxpayers for books?



**A:** Apparently. On Jan. 14, Fish bought a copy of John Kroger's \$18.50 memoir, *Convictions: A Prosecutor's Battles Against Mafia Killers, Drug Kingpins and Enron Thieves*. Kroger, of course, is the Oregon attorney general who, one week after Fish bought the book, started an investigation of Mayor Sam Adams' relationship with Beau Breedlove. Fish says he bought the book because he was preparing to introduce Kroger as the keynote speaker at *The Skanner's* annual Martin Luther King Jr. celebration. On Aug. 21, in response to questions from *WW*, Fish decided to reimburse the city.

**Q:** Is mozzarella a proper use of tax dollars?

**A:** According to Leonard and the mayor, yes. When he hosts mandatory staff meetings, Leonard charges taxpayers for lunch from Bellagio's or Old Town Pizza. Between January and July, he spent about \$280 on meals for staff meetings. The mayor's office also regularly dials out for pizza for meetings and charges taxpayers. When, for example, Adams' staff met Feb. 2 to discuss negotiations for bringing Major League Soccer to Portland, they deliberated over \$31.98 worth of pies from Pizza Schmizza. On Feb. 8, the Multnomah Youth Commission ate slices from Flying Pie Pizzeria that cost \$212.35. One month later, on March 8, the kids were again served pizza, this time from Pizza Schmizza for \$53.98. Staffers who work for Fish also occasionally get pizza after a long workday. But Fish pays for that expense himself, he says. "I'm very careful about what I put on the public taxpayers' card," Fish says. Fritz also uses her own money to buy refreshments for her staff. She has even been known to spend her own money to buy Hot Lips pizza for public meetings.



**Q:** Which commissioner spent \$236.47 to set up a blog so we could learn his or her thoughts on job creation and neon lights?

**A:** In March, Leonard created a blog and connected it to his official City of Portland website so he could express his views on city business, such as what to do with the Made in Oregon sign and why building a new baseball stadium was a good idea for Lents. It's also a running catalog of all the news stories that mention Leonard by name. But Leonard firmly rejects the idea his blog is a promotional tool funded by taxpayers. He points to news stories critical of his actions that are listed on his blog, despite being unflattering, as proof that it is not a vanity project. "It's intended to be a source for citizens," Leonard says. "I just felt my information dissemination ought to reflect the information technology most people use." Fritz also has a blog. But it is part of her official City of Portland website and requires no additional expenditure. Saltzman says he has no interest in creating one for himself. "My experience with blogs is that there are 10 people out there who respond to them," Saltzman says. "I don't see a lot of real value to the broader community of staying in touch with people that way."



**Fill in the blank:** When foreign dignitaries visit Portland, Adams' office buys gifts for the delegation from .

- A: The Real Mother Goose
- B: The Graphic Arts Center
- C: Made in Oregon

D: The Oregon Historical Society store

E: All of the above.

E. Many international officials have visited Adams since January, including the deputy consul general of China, the Suzhou Sister City Delegation and the mayor of San Juan, Puerto Rico, according to his calendar. Adams' office has spent \$1,521.60 on gifts for them that include CDs from Portland musicians like Pink Martini, locally made crafts from the Real Mother Goose, and the book *Portland From the Air*.

Q: In what neighboring city would those gifts be illegal?

A: Seattle, under a Washington law that bans the use of public money for buying gifts and prohibits spending taxpayer money on trinkets for foreign dignitaries.

Q: Whose office claims a popular magazine for design professionals is "related to city business"?

A: Adams' office has a subscription to *Metropolis* magazine, which features stories on a kite-design contest, the 50th anniversary of the Four Seasons restaurant in New York and the aesthetics of baseball stadiums in the July-August edition now on newsstands. Adams says the \$27.95-a-year magazine is a necessary expense because it addresses issues of urban planning.



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Q: Does the public pay for Portland politicians' parking?

A: From mid-January to May, Adams charged taxpayers \$195 a month to park his white GMC pickup truck in a private lot near City Hall. That is, of course, until he stopped driving after he plowed his pickup into another vehicle in a well-publicized incident at Car Toys. The mayor says he now depends on a combination of public transportation, his bike and shared rides to get to work. When Leonard drives his 2006 diesel Jeep Liberty to City Hall, he spends \$10.95 a day to park it. But he doesn't charge taxpayers. Instead, he charges the expense to his campaign fund, Friends of Randy Leonard. "I don't think it's appropriate for the city to pay for my parking," he says. "It's my responsibility to get here." Leonard defends Adams' old habit of billing the city for his parking because the mayor "faces real security threats," he says. "You cannot compare what the mayor does with what commissioners do in terms of parking," Leonard says. "I think it's absolutely justified." As for any threats to his safety, the mayor scoffs. "I'm fine," he says. Neither Fish nor Fritz nor Saltzman puts parking on the taxpayers' dime. "It would be nice if we had uniform guidance," Saltzman says. "Where I draw the line is that I would never [charge the city] for my personal parking." All three also drew the line at weighing in on the mayor's parking. "I have no comment on that," Fish says, although he did note, "I don't bill the city for my travel expenses."

**Fill in the blank:** When Adams or his staffers want to treat business leaders or other elected officials to lunch, they prefer .

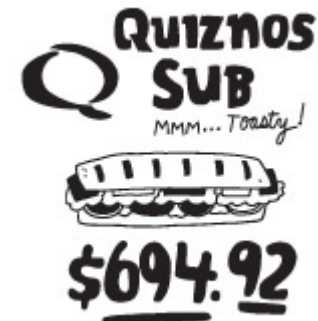
A: The Lotus Room

B: La Terrazza

C: Quiznos

D: A and B

E: Higgins



C. A Feb. 9 meeting to discuss the Major League Soccer deal took place over \$204.72 worth of Quiznos sandwiches. On Feb. 17, the mayor met with James Curleigh, the CEO of Portland-based Keen Footwear, and spent \$61.58 on Quiznos grub. And when Adams met March 13 with state Sen. Bruce Starr (R-Hillsboro), they broke Quiznos bread. Overall, Adams' office has spent a total of \$694.92 at the Colorado-based fast-food restaurant chain. Adams, who has pushed the city to buy local, admits no preference for the global submarine mega-chain. He says his staff picks the food.

**Q:** Whose staffer spent \$717.93 for accommodations at the Washington, D.C., hotel Donovan House, described on its website as a "luxury boutique hotel" that "injects an element of sensuality and sleek sophistication into the Washington hotel scene"?

**A:** The reservations were for Adams' chief of staff, Tom Miller, who was attending a "transportation-related conference." The annual League of American Bicyclists convention was in D.C. that week, and Miller paid an additional \$580 to register.

**Q:** Which city commissioner declined using city money for office furniture and spent close to \$2,000 of personal money on a new office couch and matching mirror?

**A:** Fritz, the newest member of City Council, won office in November 2008 using \$342,619.82 from Portland's public campaign finance system. So when it came time to buy furniture for her office, Fritz decided to spend her own money on a red couch from Shleifer Furniture on Southeast Grand Avenue, even though the city provides some money for such expenses. "I feel a great responsibility to the taxpayers who paid for my campaign, and I want to make sure I'm spending their money as frugally as possible," Fritz explains. Asked if Fritz was perhaps taking her parsimony too far, Saltzman admitted he, too, had bought his own brown leather couch from the old Meier Frank department store and paid for it with personal funds. "It's always better to err on the side of frugality," Saltzman says.



**Q:** How many city employees have credit cards?

A: 500

B: 2,074

C: 985

D: Doesn't everybody?

**C.** In any given year, about 985 full-time employees out of more than 6,000 workers hold city credit cards.

**Q:** How much do they spend in a year?

A: \$1 million

B: \$10 million

C: \$15 million

D: \$30 million

**C.** Together, the 985 employees with city credit cards spend on average about \$15 million a year.



**Q:** And who's making sure they're not buying subscriptions to eHarmony?

**A:** Aaron Thompson, a purchasing supervisor with Portland's Office of Management and Finance, stands between Portland employees and their unauthorized purchases. Thompson audits expense reports monthly and annually but says he rarely questions the purchases. In the past three years, not a single city employee has had his or her city-issued credit card taken away.

## PORTLAND'S EXPENSE ACCOUNT RULES

Portland's rules are vague about what is a permissible expenditure, especially compared, for example, with Seattle's rules, which spell out in much more detail what elected officials can do with their office budgets. According to the City of Portland's Procurement Card Program Policy Manual:

### **Allowable expenditures include:**

- Office supplies
- Refreshments for meetings
- Field supplies
- Small materials
- Temporary services (paid to an agency, not an individual)
- Membership dues
- Advertising

### **Prohibited expenditures include:**

- Anything for personal use
  - Alcohol
  - Airline tickets
  - Travel-related meals, snacks or beverages, including room service
  - Anything over \$5,000
  - Artificially dividing or fragmenting purchases over \$5,000 into smaller amounts
  - In-room movies, video games, music and other entertainment
  - Cash advances and money orders
  - Securities and savings bonds
  - Personal payment of taxes or liens
  - Medical and workers' compensation-related expenses
  - Private insurance payments
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