



CITY OF TROUTDALE

"Gateway to the Columbia River Gorge"

AGENDA

CITY COUNCIL – REGULAR MEETING

Troutdale City Hall - Council Chambers
219 E. Historic Columbia River Hwy. (Lower Level, Rear Entrance)
Troutdale, OR 97060-2078

Tuesday, May 23, 2017 – 7:00PM

Mayor

Casey Ryan

City Council

David Ripma
Randy Lauer
Larry Morgan
Glenn White
Rich Allen
Zach Hudson

City Manager

Ray Young

1. **PLEDGE OF ALLEGIANCE, ROLL CALL, AGENDA UPDATE.**
2. **CONSENT AGENDA:**
 - 2.1 **MINUTES:** April 11, 2017 Joint City Council & Community Enhancement Program Committee Regular Meeting.
 - 2.2 **RESOLUTION:** A resolution approving an intergovernmental agreement between the City and Multnomah County for the Beaver Creek Culvert Project.
 - 2.3 **MOTION:** A motion to reappoint Norm Thomas as Troutdale's representative on the Mt. Hood Cable Regulatory Commission.
3. **PUBLIC COMMENT:** Public comment is limited to comments on non-agenda items. *Remarks shall be limited to 5 minutes for each speaker unless a different time is allowed by the Mayor. The Mayor and Council should avoid immediate and protracted response to citizen comments.*
4. **PROCLAMATION:** National Public Works Week. Mayor Ryan
5. **PUBLIC HEARING / ORDINANCE (Introduced 5/9/17):** An ordinance vacating a segment of SE Sandy Avenue Right-of-Way.
Ryan Krueger, Acting Community Development Director
6. **RESOLUTION:** A resolution authorizing an Enterprise Zone application with extended tax abatement benefits for a \$178.4 million investment by Amazon.com in the Troutdale Columbia Cascade Enterprise Zone.
Erich Mueller, Finance Director

7. **RESOLUTIONS:** Resolutions adjusting the water commodity fee, sanitary sewer utility fee and storm sewer utility fee and rescinding current corresponding resolutions.

7.1 **RESOLUTION:** A resolution adjusting the water commodity fee, confirming other water related fees and rescinding Resolution No. 2336.

7.2 **RESOLUTION:** A resolution adjusting the sanitary sewer utility fee, confirming the average flow rate for an equivalent residential unit and rescinding Resolution No. 2337.

7.3 **RESOLUTION:** A resolution adjusting the storm sewer utility fee and rescinding Resolution No. 2324.

Steve Gaschler, Public Works Director

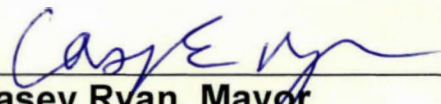
8. **DISCUSSION:** Sandy River Improvement Company Troutdale Reynolds Industrial Park Weir flow control structure additional funding request.

Ray Young, City Manager

9. **STAFF COMMUNICATIONS**

10. **COUNCIL COMMUNICATIONS**

11. **ADJOURNMENT**



Casey Ryan, Mayor
Dated: 5/16/2017

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Further information and copies of agenda packets are available at: Troutdale City Hall, 219 E. Historic Columbia River Hwy. Monday through Friday, 8:00 a.m. - 5:00 p.m.; on our Web Page www.troutdaleoregon.gov or call Sarah Skroch, City Recorder at 503-674-7258.

The meeting location is wheelchair accessible. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to: Sarah Skroch, City Recorder 503-674-7258.

MINUTES
Troutdale City Council – Regular Meeting
Troutdale City Hall – Council Chambers
219 E. Historic Columbia River Hwy.
Troutdale, OR 97060

Tuesday, May 23, 2017 – 7:00PM

1. PLEDGE OF ALLEGIANCE, ROLL CALL, AGENDA UPDATE.

Mayor Ryan called the meeting to order at 7:00pm.

PRESENT: Mayor Ryan, Councilor Ripma, Councilor Lauer, Councilor Morgan, Councilor White, Councilor Allen and Councilor Hudson.

ABSENT: Ed Trompke.

STAFF: Ray Young, City Manager; Sarah Skroch, City Recorder; Erich Mueller, Finance Director; Ryan Krueger, Planning Associate; David Schaffer, Public Works Superintendent; Tim Seery, Parks & Facilities Superintendent; and Greg McIntire, Waste Water Services Superintendent.

GUESTS: See Attached List.

Mayor Ryan asks, are there any agenda updates?

Ray Young, City Manager, responds there are no agenda updates. Mr. Trompke, City Attorney, is not available. He is flying from out of town and won't be landing until 8:30pm.

2. CONSENT AGENDA:

2.1 MINUTES: April 11, 2017 Joint City Council & Community Enhancement Program Committee Regular Meeting.

2.2 RESOLUTION: A resolution approving an intergovernmental agreement between the City and Multnomah County for the Beaver Creek Culvert Project.

2.3 MOTION: A motion to reappoint Norm Thomas as Troutdale's representative on the Mt. Hood Cable Regulatory Commission.

MOTION: Councilor Lauer moved to approve the Consent Agenda. Seconded by Councilor Morgan.

VOTE: Councilor Lauer – Yes; Councilor Morgan – Yes; Mayor Ryan – Yes; Councilor White – Yes; Councilor Allen – Yes; Councilor Hudson – Yes and Councilor Ripma - Yes.

Motion passes 7-0.

3. PUBLIC COMMENT:

Mayor Ryan states I want to take a few seconds to say that the next several Council meetings are going to have a lot of items. A lot of the items and agenda items are going to be things that are going to stir a lot of emotions with big decisions for our City moving forward. I ask that the Council moving forward that we disagree without being disagreeable and we do the best we can to represent the City and leaders we're supposed to be. We're going to try to move through these items over the next few weeks the best that we can but there are a lot of items on here and it will change some of the things that go forward in Troutdale. These are very important issues and I know that every Councilor on here thinks very diligently about the decisions that they make. Sitting in this seat on this side of the table, you don't realize the magnitude of some of the things that you have to think about when you're casting your vote. I will respect everybody's opinion and their votes.

Bruce Wasson, Troutdale resident, states I would like to thank the City Council and Ray Young for all the help that you gave me with the address problem. The issue is pretty much resolved. Thank you for all of your work and thank you to the former Mayor, Doug Daoust. It's nice to see when you come before the City Council that something does get done. It is nice to see a City that works for us. Thank you to Mr. Trompke too.

Nate McCoy, Executive Director, National Association of Minority Contractors (NAMC), states I am the Oregon chapter lead for NAMC. We mostly reside in Portland, Oregon and I work very effectively with government bodies and the City Council of Portland. I have a handout that gives you more information about our engagement in the community (a copy of the handout can be found in the meeting packet). What I do day to day is provide advocacy for minority contractors and getting opportunities on city jobs but through public processes and policies. A lot of times there are pitfalls with trying to get contractors working on key projects. Projects in the Troutdale area come to my attention. We're working a lot with Gresham around the Rockwood Rising project. We're doing a lot of work with Portland. I'm here to introduce myself to the group and hopefully become an advocate and maybe get support of some of the new projects. I'm an architect and a former city construction manager for the City of Portland. Now I am in a non-profit role for this organization. We have 42 members and some of the biggest contractors in this state. We deal with ODOT and the Port of Portland and other big agencies. We're trying to make sure folks know who we are and to find opportunities for our members. We are also a part of some big bond measures. We would love to support future bonds.

John Wilson, Troutdale resident, states this last week I was in Daytona Beach and we've all been talking about an off leash dog park out here and it's kind of gone back and forth as for people wanting it and not wanting it and the financing of it. Part of the park was financed through a grant and so that just reminded me that there is the city enhancement fee that the City can also use to help on projects. If the dog park ever comes to fruition then maybe we can make it better by adding that. As I have talked to different people about the park they just kind of wanted a chain link fence and maybe some bark dust. This particular park has an area for small dogs and large dogs and has its rules laid out (handouts were provided and can be found in the meeting packet). It's also an exercise

area so you can take the dogs over jumps and other things. When I saw this in Daytona Beach I thought if we're going to have a dog park I think that this would be a way to look at it instead of just putting up a chain link fence.

Diane Castillo-White, Troutdale resident, states I am on the Troutdale Summerfest Committee and I'm letting everybody know that our Summerfest is just around the corner. The date this year is July 22nd and this year's theme is "Kids Rock" so at this time we're asking anybody who would like to participate in our parade float, volunteer or sponsor please visit the West Columbia Gorge Chamber of Commerce and call us. We would love to have anybody out there in Troutdale or nearby cities to participate in this awesome event.

Paul Wilcox, Troutdale resident, states I was reviewing the January City Council presentation about the Councilors and the way you interact and the rules and order and also the way you interact with public comment. It was actually recommended that you don't respond or engage in public comment. What I'm actually here about is public comment regarding public comment. Is there going to be public comment allowed on items 6, 7 and 8 tonight?

Mayor Ryan responds yes.

4. PROCLAMATION: National Public Works Week

Councilor Lauer read the National Public Works Week Proclamation.

Mayor Ryan states it goes without saying that, Steve, we appreciate everything that you do and other Public Works people.

Steve Gaschler states thank you, Council, for the recognition and all the support you give us in the work we do. Tonight I've invited our interns here that are through the Mt. Hood Community College program that Council graciously approved through our budget process last year. We have Nick Massey, Vitaliy Postevka and Karen Hazlett. These are the 3 interns that came over from Mt. Hood Community College and did just a bang up job for us. It was a huge success and they did a lot of work for us. We learned a lot from them and we taught them a few tricks too. We also have tonight, Mike Brayson, who is a faculty member at the engineering department at MHCC and he's been helping us put this together. Nick went through a process and was hired first as our summer intern and then 2 weeks later interviewed for our engineering tech full time position and was selected for that. We're real happy to have Nick on board.

Mike Brayson, MHCC Engineering Department, states I would like to thank Steve and the City of Troutdale and the Council and Mayor for the opportunity provided to our students. We have a dynamite engineering tech operation and training facility right up the hill at MHCC. Thank you very much.

5. PUBLIC HEARING / ORDINANCE (Introduced 5/9/17): An ordinance vacating a segment of SE Sandy Avenue Right-of-Way.

Ryan Krueger, Planning Associate, states tonight is the second reading and I brought the presentation with me if you would like to go through it again.

Mayor Ryan opens public hearing 7:20pm.

No public comment.

Mayor Ryan closes public hearing 7:20pm.

MOTION: Councilor Morgan moved to adopt the ordinance vacating a segment of SE Sandy Avenue Right-of-Way. Seconded by Councilor Lauer.

VOTE: Councilor Lauer – Yes; Councilor Morgan – Yes; Mayor Ryan – Yes; Councilor White – Yes; Councilor Allen – Yes; Councilor Hudson – Yes; and Councilor Ripma - Yes.

Motion passes 7-0.

Mayor Ryan states I want to thank you for your presentation and Jay for coming in.

Councilor White states I also want to thank Jay. He does fine development work and he was there during the big recession and he's attracted to Troutdale and we're glad to have him.

6. RESOLUTION: A resolution authorizing an Enterprise Zone application with extended tax abatement benefits for a \$178.4 million investment by Amazon.com in the Troutdale Columbia Cascade Enterprise Zone.

Erich Mueller, Finance Director, states this is the next step in a process. I'll briefly cover the 62 pages that are in the packet. Quite a few steps have been taken and there are more to come. In the Enterprise Zone process this is the first of 3 approvals that need to occur to have that authorization come into effect. This is our third Enterprise Zone application company that has attempted to make use of the Enterprise Zone here in Troutdale. The Enterprise Zone provides 100% tax abatement on new investment that's made within the Enterprise Zone boundaries. The land or the physical real estate as well as any existing improvements would continue to be taxed as usual. It's available both to the new companies as well as existing companies that are located in the zone. There are 2 basic programs, one being the standard 3 year program that is outlined by the State statute that is administratively processed by staff for those that choose to pursue that. That is how Fed-Ex chose to proceed. There's also an extended program that is a 5 year program that entails the requirements of the 3 year program as well as additional requirements that need to be approved in a written agreement and approval by a City Council resolution which is the reason why we're coming to you tonight. The potential project is an 855,000 square foot robotics fulfillment center to be located in the TRIP site in lot 6, 7 and 8 on an approximate 74 acre site. The facility is a regionally sited facility for their next step of their operations here in Oregon. They currently have about 1,000

employees in Oregon in a few different facilities. They're anticipating at least 1,000 jobs but in reality it's going to be more like double that and then another significant increase in that from a seasonal standpoint during the holiday season. There will be a significant employment impact in the area. The Enterprise Zone application that is included in the packet relates to the \$178.4 million in new investment that would qualify under the Enterprise Zone program. The basic criteria is that they have to invest more than \$1 million to be qualified. The expectation for the extended program also involves a business procurement plan for local businesses in East Multnomah County, a community service fee of 25% of abated taxes, employment increase by 10% in order to qualify for an abatement and then to utilize the Oregon Employment Department's WorkSource Oregon First Source hiring agreement for recruitment. The qualified property provides a tax abatement and that is for the 5 year period following what would be 1 year construction and process tax exemption which we would anticipate being the calendar year 2018. Effectively the 5 year abatement period would start in 2019. There are 3 different major components that include the building, affixed machinery, and business personal property. Each of those has a kind of different tax twist to them so exactly how the assessment will value those isn't quite known yet until they undertake the project to do so. It is estimated, based on what I know at the moment, to be \$9.6 million in tax abatement over the 5 year period. That would be the gross amount, the community service fee is approximately \$2.4 million so an estimated savings of about \$7.2 million for the program for bringing the 1,000 to 2,000 jobs, the local procurement, the local hiring, the community service fee, the substantial investment and capital investment.

Councilor Morgan asks, the typical Enterprise Zone is a 3 year tax abatement?

Erich Mueller responds there is a standard program that is 3 years that's basically administrative. You check the boxes, fill out the paperwork and then it's pretty much approved by staff based on the paperwork under the State's framework that's provided.

Councilor Morgan asks, they're asking for the full 5 which is the net cost of \$7 million?

Erich Mueller responds that's \$7.2 million that I estimate that they would save.

Councilor Morgan asks, Amazon is committing \$178.4 million in investments?

Erich Mueller responds yes.

Councilor Morgan asks, lots 6, 7, and 8 are 74 acres?

Erich Mueller responds approximately 74 acres just north of the airport.

Councilor Morgan asks, 1,000 new full-time jobs in the City of Troutdale?

Erich Mueller responds yes, 1,050 is what they put on the application that would be at that facility full-time and year round. The reality and the expectation is that they believe it will be twice that and those are year round, full-time.

Ray Young states they plan on putting in 2,200 parking spaces.

Councilor White asks, was Fed-Ex a 3 year tax abatement?

Erich Mueller responds yes and Troutdale Energy Center was a 5 year.

Ray Young states the key point for the Council to understand is that the City of Troutdale essentially gets all the property taxes they would have had without this. It does not cost the City a dime to approve this. We get approximately \$400,000.00 to \$500,000.00 every year during those 5 years.

Paul Wilcox states I have prepared written comments regarding Project Piper. I was hoping there would be more questions from Council. I can't believe they don't have anything to comment about. I have two very brief comments regarding the staff report. We have been hearing about "Project Piper" for nearly a year now. If this is in fact Project Piper, I would have expected an acknowledgement of that in the report. Or perhaps a press release by the City might have been in order. I also noted what appears to be a "typo" in the summary where the project value is written as \$187.4 million, rather than \$178.4 million. I was very pleased to see that both parties agreed to the terms for the extended tax abatement that the Council recommended to Staff at the December 13, 2016 Council meeting. The agreement is completely in line with what neighboring cities would have offered. The following is a quote from the Enterprise Zone Tax Abatement Contract: 3.5.1.1 Subject to the Qualified Property being placed in service in accordance with Exhibit A, Investment Timeline and the first year of the abatement period beginning January 1, 2019, the required minimum hourly amount is fixed at the time of authorization as \$12.19 per hour and shall remain unchanged for the duration of the tax abatement contract period. The \$12.19 figure quoted here is I assume arrived at by multiplying the current \$9.75/hr minimum wage times the 125% of minimum wage total compensation enterprise zone requirement. That \$9.75 expires at the end of June 2017, and becomes progressively higher on July 1 each year through 2022 as a result of Oregon Senate Bill 1532. The way this contract section reads is that the total compensation requirement is fixed or frozen at \$12.19/hr for the entire five-year abatement period. My first question would be why is the current fiscal year 2016-2017 minimum wage rate being used as the base when Amazon's application states they will not be hiring until May 2018? I also question why the 125% of minimum wage requirement would not track with the minimum wage as it is increased annually over the next several years? In 2019 the base minimum wage alone, regardless of benefits, will be \$12.50, rendering that \$12.19 figure meaningless. It should go without saying that being in an enterprise zone does not exempt a company from the basic minimum wage requirement. The estimated value of benefits provided by Amazon, \$6.47/hr, indicates that they would easily satisfy the 125% requirement, even at the highest minimum wage in 2022. Of course, the value of benefits would rise over that time also. The only difficulty I foresee is the average annual compensation reporting would be more challenging because the reporting requirements are on a calendar basis, and the annual minimum wage increases occur on a July-June fiscal year schedule. This might require reporting twice per year. I'd like to close by complimenting former Mayor Doug Daoust and past and present Councilors who wisely rejected the request that the USPS re-locate to this site, which would not have provided

new jobs for local residents. In addition, the on-going property tax receipts will most certainly help stabilize the funding of City operations.

Councilor Allen asks, are we going to address the new project authorization application fee?

Erich Mueller responds the formula is in the ORS and it's 0.001 of what is proposed on the application.

Councilor Ripma states the point Paul was making was that they'll have to meet the minimum wage set by the State but they won't meet the 125% of the minimum wage once it goes up. There's no other way to do it. It gives them a predictable cost.

Mayor Ryan states on another note, Councilor Allen, Councilor White and myself went up there and we met with the department that they have that gives money back to the community and they reached out to me and asked me what ones they should be involved in. They are going to be very good corporate partners. They give to the schools, they give Kindles and they give money too.

Ray Young states Mr. Wilcox asked about a press release and we are technically still under a non-disclosure agreement except for the passing of the Enterprise Zone contract and primarily there has not been a lease signed yet. It may not be signed for maybe a couple more weeks. Then after that we will arrange for an appropriate celebration of a new business in town. I want to thank Erich publicly for all the work he's put in the last 3 or 4 months to create this Enterprise Zone contract. We worked very hard, led by Erich, over the last several months to really make it a document as best we can to hold them accountable to their promises. Erich has led a strong effort to get a good agreement for this community.

MOTION: Councilor Morgan moved to approve the resolution authorizing an Enterprise Zone application with extended tax abatement benefits for a \$178.4 million investment by Amazon.com in the Troutdale Columbia Cascade Enterprise Zone. Seconded by Councilor Lauer.

VOTE: Councilor Lauer – Yes; Councilor Morgan – Yes; Mayor Ryan – Yes; Councilor White – Yes; Councilor Allen – Yes; Councilor Hudson – Yes; and Councilor Ripma - Yes.

Motion passes 7-0.

- 7. RESOLUTIONS:** Resolutions adjusting the water commodity fee, sanitary sewer utility fee and storm sewer utility fee and rescinding current corresponding resolutions.
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7.3 RESOLUTION: A resolution adjusting the storm sewer utility fee and rescinding Resolution No. 2324.

Steve Gaschler, Public Works Director, states this has been a long project. I've been here 4 years and I've been working on this for at least 3 years now. It was one of the big issues when I got here to take a look at and to see if the rates we were charging for our services were able to sustain those services over the long haul. There are 2 sides to that equation. There's the cost side and the revenue side. When I came here I was told by the previous Public Works director that the staff here at the City was excellent. He promised me that this is one of the better staff he has seen and you always want to join a good team. I'm here to say that he was correct. You do have a good staff. When I went looking for cost savings unfortunately most of what I found was that we're not spending enough. We're doing the bare minimum as far as equipment, staff and we're doing the bare minimum to check off the boxes and say we've done all we need to do. I wasn't able to come up much with the cost. You have people that show up to work every day and they want to get as much work done as they can and sometimes we've got some policies and things from management in place that kind of hinders that and they get frustrated but you do have a dedicated staff that does great work. The next step in this process is we went out to a private consultant and asked them to come in and look at our numbers. We selected a firm with a lot of experience and a great reputation around the area. They put out these numbers and they hold up the scrutiny and they know if they're caught putting out bad numbers they probably would not be in business very long. I think their work is excellent. I think we can count on the information that they've given you. What that information says is that you are not going to be able to provide the services you're providing at the rate you're charging and there needs to be some significant increases. Comparatively even with these rate increases we're still one of the lowest providers in the metropolitan area and that's a good thing. We do need to look at our system and analyze the cost and what we need to do in doing that. In that information I think you'll notice that one of the glaring things that jump out to you on large businesses is how far below we are from everybody else. I've been wondering what drives that. Really what it is, is a large business is a fairly large consumer of our services and when you have low rates that extrapolates out that when you're a large user of that service compared to other entities that's giving you a huge difference.

Ray Young states when we do traffic trials and somebody has a radar gun and the cop checks somebody's speed the officer tells us what he did to confirm the radar gun was working. They do an internal check and an external check. We've done the same thing for utility rates. The internal check was conducted by a consulting firm that has nothing to gain by telling us to increase or decrease rates because they're not the vendor and they're not going to get a dime out of where rates go. They did a full evaluation and the City spent somewhere over \$20,000.00 for this evaluation to make sure we had the best information. I have Steve, who is a wonderful Public Works Director, and he has no vested interest either because I anticipate he'll be retiring in the next 2 to 4 years. When we look at the source of the information we have good information. This is about making sure that 5, 10 or 20 years down the road the sewer keeps flowing, the water keeps coming out of the

faucets and the citizens have a continued good quality service to them. Utility rate increases are never fun. Nobody likes to do them because you're all going to be paying more for utilities if you approve this. I will tell you it's less fun if we don't make sure our system is working 5, 10 or 20 years down the road because if the system breaks down, if sewer lines break or waterlines break people will hear about that and people stop wanting to move to Troutdale because they've heard about the utility system. We're trying to keep ourselves ahead of the curve to make sure that we continue to have a first class utility system for our citizens. We are dealing with approximately 4,500 customers who all have this type of water meter. This water meter is rusting out on the bottom, it leaks through the bottom and loses water. This meter is so old that some of the meters actually let 30% of the water flow through without being monitored on the meter. When this kind of stuff breaks it leaks into the ground and causes a problem. We are in a process now of over almost 10 years of replacing all these with better meters that have non-corrosive bottoms on them. We are losing money and we're potentially going to have breaks so by doing this proactively we are creating a situation where we're getting accurate meter reads and we're decreasing the likelihood of losing water through the system. The last thing that I'll tell you is that the sewage treatment plant, it is amazing the maintenance that goes in down there because the stuff that goes into the sewage treatment plant is as caustic as it comes and you have to only use stainless steel, aluminum and plastics. Everything else rots away down there. It's a lot of maintenance to keep those things going to make sure everything flows well. We've done a good job of internal and external checks and the affordability. Mr. Gaschler has done a good job with the charts you have here. You'll also notice on the chart that the top chart is Wilsonville and on this chart the City of Portland doesn't exist. The City of Portland's rates would go off this page. It's unbelievable what they have to pay. We are probably about half their rates even with the increase. We are trying to give the Council the information necessary to be thinking long term care and maintenance of a very essential city service to be provided for our citizens. As I expressed to Councilor White before the meeting, even though this is a 5 year plan we need to know what our income is going to be and second of all so citizens will know what their rates are going to be. If a year or 2 down the road you guys think we're taking too much money and you look at the budget and we don't need that much you can always revisit this in a couple years. We don't suggest it but we are asking for the 5 years because we think it's necessary for planning.

Mayor Ryan opens public comment.

Gene Brandt, Troutdale resident, states I agree with a lot of what's been said about maintaining and what Ray went through. I think it's absolutely an essential service that we need and depend on. My only drawback and concern is that it should have been started long ago by his predecessors so that instead of these large rate increases it would be small rate increases in bits and pieces over the years. Everyone else is raising rates too. It would help to do the increase over 10 years or so.

Mayor Ryan states if we don't do something it's not going to get any cheaper if we wait another year or wait another 2 years. I would ask on Gene's comment about stretching it out. Is that something that can be done? Have we looked at that?

Ray Young states if I recall we asked the consultant back in March that very same question and went through the whole idea that showed you those charts and where you end up and if you don't start now and start doing it and stretch it out any longer it's going to make it even farther out to catch our rate up. It's going to be a couple years before we catch up to our current needs.

Steve Gaschler states we're just looking at 5 years and the bad news side is it's going to continue on for 10 or 15 years. This rate pressure is going to continue on. I don't want you to get the idea that by you guys approving this that you're going to solve all our problems. By approving this you're making the first step towards solving those problems and there's going to be additional steps required to continue this.

John Wilson states I agree with Gene but part of the problem was that we had and have certain City Councilors on here right now that want to keep the lowest and cheapest rates without looking forward. That's part of the problem. The other part of the problem was the previous Public Works Director would just come up with an unsubstantiated number unlike Steve has done. We need to move forward on this. If we don't get ready for replacing the infrastructure to our water system we're going to end up the same way that Gladstone ended up with a \$50 million infrastructure problem. We need to take these increases. I encourage you to move ahead and vote each one of these through.

Bruce Wasson states I want to put this in perspective. The federal government says the inflation rate last year was 1.2 to 1.9%. My railroad retirement went up a grand total of \$4 a month. My VA compensation for injuries that occurred in the service went up \$2 a month. This rate increase will wipe that out. I don't like the idea of doing this but I think it's necessary. On the other hand there are a lot of us on fixed incomes. I reluctantly support this.

Mayor Ryan states that's something we need to talk about. With these rate increases, is there places people can go to get help?

Sam Barnett, Troutdale resident, states I have some ideas regarding the rate increase. One of my concerns is that Public Works is contracting subcontractors to do their job. I don't know how necessary that is and I don't know who's in charge of the oversight there. Growth in Troutdale in the last several years has been flat. If my information is correct, Public Works has overspent their budget by \$1.5 million over the last 3 years. I don't know how or why that happens or where the accountability lies. Budgets are set for a reason. There is new money coming into Troutdale and I'm wondering whether or not the City might be able to rather than looking forward to dismissing supplementing Public Works if we might look at continuing to supplement and maybe take some of the new money coming into the City and to continue supplementing Public Works where it's not such a burden on the citizens of Troutdale.

Jon Brown, Troutdale resident, states after looking at all the work that Steve's done to this I really don't want to do this again so hopefully you can put in a plan now so we don't have this happen to us again in the next 5 years.

Paul Wilcox states I took my basic bill and I calculated out a 5 year progression these increases apply to and I'm only looking at \$5 a month over the next 5 years. I don't have a problem with this. One thing in the Budget Committee there was some concern that a good portion of this was being sold as a rainy day fund for an unexpected expense. There was some concern whether it's going to be parked in contingency. The other comment is that on some of the charts I saw that some cities their sewer and water were closely matched as far as cost per month. Can you address what accounts for that in other cities?

Steve Gaschler responds every city is different. Troutdale is a little bit unique in that we get all our water from wells and we don't have a water treatment plant where most other cities around here have a treatment plant. I don't like to come up here and correct any statement made but I am not aware of Public Works ever overspending our budget. I can assure you that Public Works is not overspending.

Gene Bendt states just in the conversations since I last spoke when Steve brought up the fact that this could go on for 5 or 10 years beyond the 5 years that's something new.

Mayor Ryan states we're only doing 5 years now.

Councilor Allen asks, where are we on the water tower maintenance?

Steve Gaschler responds it's still on our to-do list. We've got multiples to do and losing our engineers this year kind of put a wrench in it.

Councilor Allen asks, have you made any means to reduce the effects of the problem?

Steve Gaschler responds it's a corrosion problem inside. The damage is being done and we need to drain that tank and clean it up and re-coat it.

Councilor Allen asks, do you have all of them left to do?

Steve Gaschler responds we've got 1 that we've identified that we need to do first but it won't be too many years after that one we'll go ahead and do the next one.

Councilor Morgan states this is a 5 year plan that's about 50 years of maintenance or so but there's some folks that this raise in rates could be destruction on their fixed income. A lot of cities have an assistance program when they increase rates to help folks that are senior citizens, people on social security or what have you. If the majority of the Council agrees I think we should direct staff or ask staff to come up with a fund that could help people if they need to appeal a rate increase if they can't afford it because this huge increase might be \$5 for Paul or could be the equivalent of \$500 for other folks. I don't know if the Council's interested in giving staff direction to pursue a pathway that they can come back with something that we could adopt after these rate increases go into effect. I would be interested in making sure that we could haul out something for some folks that may need assistance in the future.

Ray Young states we have a budget approval coming up in June we could probably give you some options by then.

Councilor Ripma states I'm okay with researching what other cities do but in Multnomah County there are assistance programs for people and I'm reluctant to have the City do it. We pay more county taxes than we do city taxes and that is partly for that kind of thing. If it's just our rates that's causing someone hardship of course I'm sympathetic and we'll take a look but I bet there are county programs. I also wanted to say that we were presented a couple months ago with a giant increase and part of our solution was to do a 5 year. There is no getting around the fact that we are wanting more money out of our rate payers. We can't hide it and it should have been done years ago. Every single year I have been on the Council this was difficult and put off year after year after year. Frankly if we don't do it now it's going to be worse. It's never fun to do this but I actually favor the idea of doing a 5 year rate set. We can revisit it if it turns out it's too much. How many people call in and say my meter is defective and is not recording all the water I'm using?

Councilor White states I've been kind of a tough sell on this. I'm real careful with the public's money. I found today that there were 20 shut off notices sent out and that's down. In 2008 it was closer to 70. There a lot of people struggling out there. My kids want to live in Troutdale and they're having a real hard time even finding a house they can afford let alone these rates increases. It's important to me that we keep our community diversified. I'm concerned that we only looked at cities that have higher rates than ours. We didn't look at cities that have lower rates to figure out why. Steve mentioned that a lot of them have water treatment plants which we have the blessing of really clean water and we pump it out of the ground. I didn't fully agree with the consultant. They said that if you have a million dollar asset that it will wear out. We didn't calculate in that by changing these meters it's possibly a 30% increase in revenue right there. We're going to further bypass the Budget Committee by approving a 5 year rate increase, something we've never done before. We always do it annually year by year. I want to get as much input on this as we can. We get the lion's share of information but the citizens don't and their opportunity is during the budget to get that information and ask questions. None of the money is going to be earmarked for repairs. Everything is flat. Population is flat, the amount of water that is produced is pretty much the same, the amount of sewer treated is the same and the amount of storm runoff. It concerns me to see these kind of rate increases. I would like to do more work on it myself and I definitely don't want to approve a 5 year increase. I would rather do them year by year. It gives us more time to work together as a team to maybe solve some of these problems and see what these new meters can do for us. Look into better materials that last longer. I'm not trying to cut down our staff I'm just saying I would've liked to have the opportunity to hear from the citizens and take a better look at this and look at other cities that are successful. It's not affordable for everyone.

Councilor Lauer states I think Councilor White nailed it on the head when he said that he wants his kids to stay here in Troutdale. I have a 15 year old son and I'd love for him to stay in Troutdale when he grows up and gets a job. This rate increase, although not "sexy", will help us keep our city in a livable condition to where our kids can be able to live here in Troutdale further on long after I'm gone. It's easy to take for granted the water

that comes out of the tap and every time we flush our toilet and where that leads and we don't have to see it or do anything else with it after that. We have to keep in mind that without those utilities we can't have a city. Those meters and those pipes even though they're old they never break when it's cheap for the utility to break. It's always way more expensive to fix something than it is to preemptively maintain it. I think it's going to be better off for the citizens to be more proactive than reactive when it comes to our utility rates and our utility as a whole. I've been in public works now for 13 years and this is what I do and I love this job. It's one of those thankless jobs. None of this is easy but unfortunately it's necessary.

MOTION: Councilor Morgan moved to adopt the resolution adjusting the water commodity fee, confirming other water related fees and rescinding Resolution No. 2336. Seconded by Councilor Lauer.

VOTE: Councilor Lauer – Yes; Councilor Morgan – Yes; Mayor Ryan – Yes; Councilor White – No; Councilor Allen – Yes; Councilor Hudson – Yes and Councilor Ripma - Yes.

Motion passes 6-1.

Mayor Ryan states we're going to move to 7.2 resolution, a resolution adjusting the sanitary sewer utility fee, confirming the average flow rate for an equivalent residential unit and rescinding Resolution No. 2337.

Mayor Ryan opens public comment.

John Wilson states just like we're needing to prepare for the retirement of our infrastructure each one of you should go and have your retirement looked at to see if you're on course because you'll probably find out that by the time you get ready to retire you're going to need to put in more money than what you have. Or put in a lot more, later to make ends meet. Again, I hope that you'll pass this and take the rate increase that should've been taken years ago.

Taney Staffenson states I'm not opposed to the rate increases but I think we do have to take a look at everything because of this rate increase, 57% of it is going towards operations. If we're doing this to take care of our infrastructure over the long haul, is 43% enough to do that on an ongoing basis? Over the last 5 years our costs have gone up \$1.5 million which may not sound like a lot but that's 39%. At this rate we're going to have to increase probably faster than we are to make it work.

Councilor Allen states I've always believed in maintaining infrastructure and I look at it as logically as I can with the information given to me.

MOTION: Councilor Morgan moves adoption of the resolution adjusting the sanitary sewer utility fee, confirming the average flow rate for an equivalent residential unit and rescinding Resolution No. 2337. Seconded by Councilor Lauer.

VOTE: Councilor Lauer – Yes; Councilor Morgan – Yes; Mayor Ryan – Yes; Councilor White – No; Councilor Allen – Yes; Councilor Hudson – Yes and Councilor Ripma - Yes.

Motion passes 6-1.

Mayor Ryan states we move onto resolution 7.3 adjusting the storm sewer utility fee and rescinding Resolution No. 2324.

Councilor Allen states the storm water is one that I have been more cautious on regarding the rate for various reasons. My concern at this point is not the large profitable companies that won't have any trouble paying for it but for me it's the small businesses that the cost could transfer to. For me it's not really a resident versus business conflict because businesses like to be around residences and residences like to be around businesses because it's a convenience thing. My concern with this is we've got a number of road constructions about to happen this year. We've got Stark Street which is going to affect businesses and those businesses typically have large impervious surfaces and their leases often times have costs that get transferred to the business. The other thing that we've got is I-84 bridge work that's going to happen and we've got a number of truck stops and businesses there that are large impervious surfaces and their business is going to be impacted. That's why I've been asking for a smoothing out. We're talking about businesses with not only minimum wage increases but also construction loss and then on top of that large utility increases. I'm going to feel bad when they look at me in the face and tell me that they just lost their business because they can't afford to make it anymore.

Mayor Ryan opens public comment.

John Wilson states the big businesses aren't going to be the ones affected by lifting the storm water runoff. Those big businesses, or any businesses, have already been notified and there's been a ton of outreach done. Anybody that has improved their property for storm water runoff can get up to 70% discount on their storm water runoff. If you don't lift the storm water runoff the consumer rate will be at \$13. So \$13 a month up from \$8. If you don't lift it, it's going to cost the citizens more than the businesses. The businesses aren't going to go out of business because of a water bill and a storm water runoff rate. The only thing that's standing in our way is the city council.

Spiro Sassalos, Boring resident and Owner of Skyland Plaza, states I am here tonight because there's concerns with the businesses. I agree with Mr. Allen when he said keep businesses in town. Earlier Sam mentioned we need to have our City grow to get revenue to come back into this thing. We've kind of locked ourselves in to not open it up to development anymore. At one point minimum wage is going up, property values are going up and somewhere it has to stop at some point. I see the infrastructure needs to be taken care of and I don't mind that but somewhere along the line someone has to cap it and put a stop to it. We've paid a lot of SDC charges over the years when we developed our property. Where is all that money? Where is all this money that you guys are asking for? Where is it going? I'm a business person and I want to know. I want what's good for all

my tenants out there working who are already having problems with Stark Street being closed.

Tanney Staffenson states we've talked about this issue quite a bit and I'd have to say I don't exactly know what the answer is. What I do think is interesting is I read staff reports and we talk about subsidies and fair share and things of that nature. Are we going to apply that in all actions of what we do as a City? If we're worried about subsidies and fair shares and people paying their fair share, are we going to do that in everything that we do? I'm asking as a volunteer and as a resident because we're saying that people aren't paying their fair share. Is that what we're going to do in our operations?

Councilor White states I'm trying to be fair. I plan on voting negative again. I give Ray Young a pass on the subsidy. We had a lot of people complain about that. The business group didn't want to be pitted against residents. We didn't know there was a problem until we separated it out of the sewer fund. To think that that cost isn't going to get transferred to tenants and customers and patrons you're fooling yourselves. We're really taxing ourselves if we approve this. To me it's a bit of a baseless tax when government gets a free pass. They have more runoff than anybody and they don't have to pay a dime for it. When you see a big rainstorm come through here maybe 1% of that storm is going to be treated and the rest is going to go right into the rivers and creeks untreated.

Tanney Staffenson states I think it's important that we do our best. I know a lot of businesses are really frustrated with the whole subsidy and I don't know who's subsidizing who. Sometimes I think the residents are subsidizing and other times I look at what the business pays in taxes and they might be subsidizing on the other side. I think it takes both to make things work. I have to tell you I am one of those multi-million dollar businesses that can afford this and ended up losing millions of dollars in closing. So just because you're a multi-million dollar business doesn't mean you can afford something or not afford something. I think the only way you know if somebody can afford something is to look at their income statement or their balance sheet. Just to say the business is large and can afford something, I don't think that is something we should say. If we have to raise it for purposes of funding the operations then that's reasonable. I don't think we should make assumptions on who can afford what. We're in a unique position because we've got people that drain into the drainage basin that's managed by somebody else and people that drain into the city system. It will be good to have this conversation over with and just have all the chips fall where they may. With any decision we make there's ramifications.

John Wilson states the government does not get a free pass. Reynolds School District pays their water bills and storm water runoff. The Port of Portland was in here complaining about us pulling the cap off of it last year.

Bruce Wasson asks, is the rate increase or taking the cap off the sewer being done because the money is being used to fund more infrastructure rebuild in the future? Why is this coming off? No one in my opinion really addressed why it's coming off other than they think it's unfair. Who can define what fair share is? I would like to know the reasoning behind removing the cap.

Spiro Sassalos asks, what about the neighboring city of Gresham that's dumping into our system? Why aren't they getting bills sent to them?

Ray Young states this budget year you approved a budget to transfer \$360,000.00 from the General Fund to the Storm Water Fund. The reason the cap is being considered being lifted is because we are not receiving enough in storm water fees to pay for the system itself and the cap is causing that particular problem. First of all, for residential customers we're talking about a \$5 per month increase. For small businesses we're looking at a \$15 per month increase, medium size businesses is \$37 and large businesses is above \$100 per month. There are 24 large businesses in the whole city. There's very few businesses that it's actually touching upon. The last 3 years we have sent letters to every one of our business customers letting them know about the cap issue and it's not going to last forever. We have warned them for 3 years that this is going to happen.

Steve Gaschler states the only thing I would add is that the comparisons here isn't why we're asking to raise these rates. As you recall, I've told you what we're doing operationally and we're just meeting bare bones and minimum. Randy brought up a good point, it's more of a reactionary posture than before as a planning posture and it's not where we want to be. The other thing is we spend a lot of time and resources for financial services and consultants to show us what the operational costs are going to look like over the next 10 years and what we should be charging. That's the driver of this and that's what we're basing our rates on. If you look at Rockwood Water, Clackamas River Water, Tualatin Valley Water or Sunrise Water you will see that they're rates are all considerably higher than ours.

Councilor Allen asks, can you guarantee me that the businesses that are going to be effected by the Stark Street construction in the shopping centers won't be affected by this rate increase on the storm water?

Steve Gaschler responds I can't guarantee that.

Councilor Allen asks, then what about the construction in the 2018-19 and 2019-2020 of the I-84 bridge construction and the businesses north of the railroad tracks? Will they not be affected by the storm water increase?

Steve Gaschler responds that's a little different. They will all be affected by it.

Councilor Allen asks, when we talk about businesses that are already at their maximum rate it doesn't necessarily mean that the businesses in the truck stop area and Columbia Outlet Mall won't be affected?

Steve Gaschler responds they will be affected because the rate change is for everybody. Every citizen in Troutdale will be affected by this.

Councilor Allen states the businesses will be affected by the construction period and the minimum wage increase and I just want them to be able to make it.

Steve Gaschler states I do too and I think it's important that we provide the service and don't keep kicking this down the road so then we're faced with huge increases. You're going to get yourself in a real predicament. The predicament is going to be is you're going to put this off and put this off, which has gone on here for far too long, and I'm begging you to stop it because what's going to happen is you're going to get caught in a situation where you have failing infrastructure, no money to repair it, an economy that goes south and you have high interest rates. If all that happens at the same time it's a perfect storm and you are in a huge problem. Be smart, do this now and take it easy because these are reasonable requests and just start moving that way.

Councilor Allen states it seems to me that we've been doing rate increases for most of my time on Council. I worry about large changes and shocks to the system.

Councilor White asks if a business can prove that they've retains 100% of their runoff they get a 70% reduction?

Steve Gaschler responds to me that's not the subsidy issue, that's a business actually retaining water on site and not sending it to us so we're saying that if you're able to do that we're not giving you the same service as everyone else because you've gone to the expense of doing that so we're giving them a 70% discount. If they show that we are doing a 50% and we agree that they did 50% then we give them a 35% discount.

Councilor White asks, how can we answer a business that asks why they have to pay anything if I'm retaining 100% of my runoff?

Ray Young asks, where do their customers come from? Where do their employees come from? They drove there on a public street which is the largest collector of storm water runoff in the city. Everybody in the city, businesses and residential, benefit from the storm water runoff that is processed in the city streets. That small fee represents their portion of paying for the largest source of storm water runoff in the city which is public streets.

Councilor White asks, how did we build this expensive infrastructure from scratch with these low rates, but it's costing higher rates now to maintain it?

Ray Young responds SDCs paid for the infrastructure, then we have to pay for the maintenance of it through ongoing fees.

Steve Gaschler states it was built one day at a time over a long period of time and there were different rules. You used to be able to dump your waste right out in the river. We can't do that anymore. We used to take our water out of the river 100 years ago and drink it. We can't do that anymore. There's a lot of changes. When the federal government passed the Clean Water Act they were giving out money to build treatment plants. Those days are long gone. They don't do that anymore. It's been artificially kept down in the way we've operated and the money we've gotten, those days are over. It's a local problem and the local people have to pay the price to provide that service. It's lower than your cable TV, it's lower than your phone and lower than your utility bills.

Ray Young states I believe both Steve and I are very approachable and if you have any business owners or anybody who want to ask how come, you can tell them to come talk to myself or Steve and we will talk to them. We are both very responsive.

Councilor Morgan asks, do we know how many actual square footage the Amazon plant is going to be of impervious surface?

Erich Mueller responds I don't have it off the top of my head by any means. You have the building footprint in those 2,100 parking spaces for cars plus all the parking and taxi ways for the trucks.

Councilor Morgan asks, is it going to be larger than Fed-Ex?

Erich Mueller responds it's going to be in that magnitude.

Councilor Morgan asks, under the current system they would be charged \$100.00?

Erich Mueller responds no. Based on the resolution in front of you there are no new accounts that receive the subsidy.

Councilor White asks, if we get this rate uncapped in the next 2 years and we have the Piper property come in and that amount of money is going to be new money coming in for this fund, why is it also necessary to increase the rate?

Steve Gaschler responds when we did the analysis we didn't have that. They're not included in that. That will be a plus. I think the storm water is so far apart. That graph on the cost and what we're bringing in and where those rates need to be. We've got a lot of catching up to do. At the end of 5 years we may get a chance to look at it and be able to look at those things and say some of these things we can profit back quite a bit and maybe even hold them steady for a while.

Councilor Ripma states I want to address Tanney's concern about the fairness and unfairness in all the decisions we make. We were elected to use our judgment for what's best for the City. Tax abatement, I think, was fundamentally unfair. Why should a big guy not have to pay as much taxes as everybody else? That's the way it's done now. It's the way we attract really good businesses and on balance it's better for Troutdale that we do it. Some people are going to be hit and be surprised with this removal of the sewer rate cap. They have been warned but it certainly isn't unfair. What we do now and have been doing ever since and since we started this system was unfair in my opinion. Instead of collecting the rates needed to maintain the infrastructure we subsidized it out of the General Fund. That means the little guy was paying for it and the big guy got subsidized. I don't shy away from that word. This is a fair compromise, I think. I think it's been very tough but it's a good compromise for the City of Troutdale which is why I support it.

MOTION: Councilor Morgan moved to adopt the resolution adjusting the storm sewer utility fee and rescinding Resolution No. 2324. Seconded by Councilor Lauer.

VOTE: Councilor Lauer – Yes; Councilor Morgan – Yes; Mayor Ryan – Yes; Councilor White – No; Councilor Allen – No; Councilor Hudson – Yes; and Councilor Ripma - Yes.

Motion passes 5-2.

Councilor White states if I could explain my reason, I mentioned this during budget that I would prefer to see it raised in quarters. We're kind of doing a triple whammy construction that's going to really make it tough for some businesses with minimum wage increasing and now this. I believe the costs are going to get transferred over to the tenants like apartment complexes where you have some really struggling people with rent increases. I think for Rich and myself we were trying to buy them a little time to help them through this little bump in the road. That's all.

8. DISCUSSION: Sandy River Improvement Company Troutdale Reynolds Industrial Park Weir flow control structure additional funding request.

Ray Young states this issue has been around for at least 6 months and was raised in public comment back in December. We had representatives from the Port and Multnomah County Drainage District here in March. The staff has put together a great report for you and I hope you've had a chance to study it because the staff has no specific recommendation for you on this issue. This issue is one that is very nuance and it's complicated in terms of the issue of the weir. The staff report lays out the landscape with a good history in there. Our Public Works Director had his own opinion, that's not the staff opinion, but he attached his memo in there also. You also have the letter from the Multnomah County Drainage Company (MCDC) that you saw before. This partnership over in the TRIP property, which is generally where this weir project would service primarily, has been a partnership between the Port of Portland and the Sandy Drainage Improvement Company (SDIC) and Troutdale for many years. It's been a very successful partnership that we've had with all these entities. In 2008, as you recall, we all thought at the time that we needed a new weir at the Salmon Creek and we'll put \$150,000.00 into it and they'll put \$50,000.00 and it will be a \$200,000.00 weir and we'll be good to go. In those 8 years the world changed substantially. North of I-84 and the TRIP property is soon to be probably as successful as we ever imagined. There are some predictions that by the end of 2018 Phase II will be completely full and businesses will either be there or building on those properties which impacts this area. The plans changed and as we've heard from the Drainage District before, the people running it now weren't here back then and they should have adjusted their rates better back then and anticipated better but that doesn't change the situation they're at now. They need about \$950,000.00 to complete a larger weir just west of the City property to be able to capture and hold the water that is necessary. 90% of the water and the drainage that you've seen from maps come from the City of Troutdale. It is technically the SDIC's responsibility but the City has partnered with them in this project before in the past and recognized the TRIP property is a large

joint project by a number of different public entities. In some ways it's a political policy decision you have to make on this issue and we as a staff are giving you 3 options. The first one, which I guess we could say we are giving you a staff recommendation but we would encourage you probably not to go route number one which is telling them to go pound sand. That's probably not great for the relationship with the Port and the Drainage District. The second option is delaying the project and spending more time and get staff involved and try to finagle out exactly who should pay what and take some more time which as the report shows takes it off the calendar for them to do it this year. Option number 3 is to say we can contribute \$1.00 to \$260,000.00 knowing that if we give them less than \$260,000.00 they're going to have to find an unnamed source for the balance of whatever we don't give them. The option for you is to decide what, if anything, you want to contribute to finally complete the weir which handles all the storm water drainage from most of Troutdale and TRIP property and allows it to be held and then it's pumped into the Columbia River. We have this levy system which is very amazing and it does a great job of keeping the Columbia River out but it does a very poor job of letting us get the water out. It's an issue for you to ask questions. We have the Port of Portland here and Tanney Staffenson who is on the SDIC board.

Reed Wagner, Multnomah County Drainage District, states we provide contract services for the SDIC. The total bill is \$950,000.00. The SDIC is taking out a loan from the County for \$350,000.00 for that share. The City of Troutdale has put in \$150,000.00 and the Port of Portland has put in \$160,000.00. That \$260,000.00 is the remaining amount that gets us to the project.

Mayor Ryan asks, basically we're taking \$260,000.00 out of the General Fund?

Ray Young states \$150,000.00 came out of the SDC fund and that was City approved 8 years ago. Mr. Trompke has evaluated and indicated that if we modify the Capital Improvement Plan we could add up to \$260,000.00 to the plan which could be approved and then it could come out of earned SDCs. We have the money in our SDC plan to pay for it.

Councilor Morgan asks, this project has been known about for 9 years?

Reed Wagner responds yes.

Councilor Morgan asks, was it always anticipated that the City would pay maybe \$410,000.00?

Reed Wagner responds Councilor Morgan, you have a great question. I don't have a lot of great paperwork to answer that question for you. What I do know is that the long term plan in managing the drainage in the area which runs from the northeast to the southwest at about 223rd and Marine Drive is that the major conveyance is through 2 pipes that go into the forebay of a pump station. It was discussed in the mid-2000's that while that's a great plan, upgrade those pipes as needed, a weir would actually allow for the best land use and maximize the land use in the area. We worked with the City, the County and the

Port to adjust our plan for it to be a weir rather than the replacement of pipes which allows you to manage the level of the water in the area and not just convey the water.

Councilor Morgan asks, the main source of the revenue for the operating budget is through rates?

Reed Wagner responds it's through assessments on property based on pervious area and acreage.

Councilor Morgan asks, besides this year, there was a 40% increase in assessments?

Tanney Staffenson responds 57%.

Councilor Morgan asks, do you know what it was years prior?

Reed Wagner responds years prior it ran between 5 and 15%.

Councilor Morgan states we just went through going through rate increases to prevent a catastrophic nightmare and I want to be involved. It sounds like we're in a situation where you're seeing nearly 60% increases in assessments to pay for a project that we've known about for 9 years.

Tanney Staffenson states we have known about the project but the anticipated cost of the project at that time was \$280,000.00 and this was going to be done at a substantially later date. What pushed the weir forward was the TRIP development. SDIC doesn't have to do the weir now. The weir has to be done to develop the properties that are down there.

Ken Anderton, Port of Portland, states when we developed TRIP we looked at it from a holistic perspective. Someone had a question about impervious surface and how much Amazon will be creating and it is 2.5 million square feet of impervious surface. We had to plan jointly with the City of Troutdale, the Drainage District and the County as to how we're going to handle this storm water to develop TRIP. Another issue was, how do you handle flood storage in a 100 year flood event? The current area was designed for 20 year flood so we needed to bring that up. What we did was cut into the west wetlands and created flood storage. When it came to that, Tanney is correct in terms it was planned as an overall development concept. The Port's role in all of this was to provide land for flood storage plus issue all the easements. We've issued about half a million dollars in easements to the Drainage District in property value. That was going to be our original contribution.

Councilor Morgan states based on this understanding, my thought is to work with staff to figure out a decision and a number and paperwork and assessments because I am confused. It's dizzying because I'm trying to figure out how it went from \$280,000.00 to \$950,000.00 in less than a year and we have 60% increases.

Councilor Ripma asks, the \$350,000.00 for the project is a loan?

Reed Wagner responds it's a loan from the County.

Councilor Ripma asks, how are you able to pay that back? Can't you borrow more?

Reed Wagner responds our entire budget is roughly about the same as the loan that we're taking out so we're between \$300,000.00 and \$400,000.00 budget for SDIC this year. We're taking out a loan and increasing rates to be able to service that loan and when I say we, the board set those rates last year and they're going to be setting them again this year. To your point about the difference in one year, actually it was a conceptual design done pre-2008 and that's when the \$280,000.00 was put together. The project didn't move forward until we got a notice from the Port 2 years ago and when we did we sat down and did the appropriate design work with Troutdale, Port of Portland and the County. We came up with a design that was appropriate for the type of development that was going to happen and that's when the new number came up. We reached out to our partners and explained this and talked to our board and let them know we thought our portion was going to increase considerably and that's when we set out to find the other pieces of the puzzle to fund the property. We were also under a short timeline because as Ken Anderton pointed out, they had a deadline to get the land ready so we tried to move the project along as quickly as possible so we funding while we were putting the project together.

Councilor Ripma asks, could the TRIP property, with Fed-Ex and Piper, be built without the weir?

Ken Anderton responds they can be built but they wouldn't have the level of flood protection that you would hope for a job center of 4,000 or 5,000 people working there. You won't be able to get the full benefit of flood protection and flood storage. Quite frankly it's a risk to the Port of our millions of dollars investment in wetland mitigation. The Port took a leap of faith to develop and go forward with the TRIP project. One of the things we did not do was we never costed this out because it wasn't our project, it was a Drainage District project.

Councilor Ripma states the flood control land that you have given up for flood control, I'm not sure what you call it.

Ken Anderton states for example, last year Salmon Creek went over its banks and went into the basement. Instead of flooding Marine Drive it flooded into our property. Our property handled the flow and the Drainage District was able to pump it over to the Columbia River.

Councilor Ripma states I remember asking you this previously that the Port's contributing this land which you mentioned is worth \$500,000.00 earlier tonight.

Ken Anderton states we've issued easements for access to the weir, access to all the other levy systems and other flood control devices. We also included more flood storage.

Councilor Ripma asks, would the construction of the weir then make some of your land usable? Is the City contribution to make the weir happen basically making some of the Port land that was given out in contribution usable for development?

Ken Anderton responds that's a hard one to answer because when we look at the land out there, 700 acres and a little over 350 developable acres of that 700. Some of that is in front of the levy and floodplain area that can't be developed. We were assuming there would be a weir in place. Our assumption was to not pay for that weir because we felt that that the Drainage District or the City would contribute where we didn't contribute. The City and the other municipalities give their contributions.

Councilor Ripma asks, you don't think construction of the weir would free up some of the Port land that has to be devoted to flood storage now?

Ken Anderton responds it can't because it is deed restricted. All of that land is deed restricted as part of the development for open space. It's a deal we had to make with regulatory agencies.

Councilor Ripma states I've been skeptical about the City having to contribute to the Drainage District all along for years. In this case I can see the City is getting a great benefit from having that TRIP property being developed and being developable and being safe from floods and so on. I am a lot more sympathetic than I used to be. In Steve Gaschler's Exhibit A, I'm wondering if he still feels that way. That question is in my mind and then the City staff is basically saying that you're asking for \$260,000.00 and they don't know whether that's a good number or not. I think we all need to be concerned about that. If I could be convinced that it's a good number I would be willing to support it.

Ray Young states from the City's point of view and the staff's point of view, I don't think there's any way for us to be able to tell you that if you compare the \$260,000.00 plus the \$150,000.00 equals \$410,000.00 is roughly 43% of the overall budget. We can't tell you that 43% of the contribution is the perfect number to contribute to the project based upon storm water and all these other factors. It's not like the utility rates where we can do actual analysis. That's the struggle here.

Councilor Ripma states I was kind of exploring the idea if we put in this money and then if the Port opens up more land that they get to derive revenue from, could we have a refund of some kind or participation in any benefit? I was just trying somehow to see that we weren't getting a bad deal.

Ken Anderton states the Port also, in addition to these other contributions I've mentioned, upgraded the storm conveyance system for all the lots. The infrastructure that conveys water is all upsized. That had a concern for millions of dollars in costs. It needed to happen and we were trying to contribute what we had in our budget.

Councilor Hudson asks, what would be useful from us for City staff to decide?

Ray Young responds if the Council made a decision that they were going to contribute X amount of dollars to the project then you would give staff the okay for us to negotiate an intergovernmental agreement with them just like we did in 2008. What we're asking for is the Council to reach a decision on what, if anything, should the City pay from the SDC fund to help finish up this weir project. Once you give us a number we will take it, prepare an IGA and then put it back in front of you to approve that IGA. We need that authority from you what to put in the IGA.

Mayor Ryan states like what Councilor Ripma was saying, it's hard to say that \$260,000.00 is the right number. It's hard to say that the \$163,000.00 is the right number. I think what I would like to see is, if the Councilors supporting that, that I'm for the \$260,000.00 and move forward with an IGA and a resolution.

Taney Staffenson states this came up a while ago. We had a number for a weir that was on the CIP list and it was quite a ways down the road and yes, we were starting to put a small amount of money aside for that project but then when this came up the \$945,000.00 is a very big number. I guess I would say I'm looking at all sides here. I don't feel like the Drainage District the cap in their hand because they really don't have to build the weir. I also know that if the Drainage District position is we can't build the weir now because we can't afford it and I also know that if that was the position they took and there was a development that didn't happen on the TRIP property you guys probably would have said, why didn't we come talk to you about it? So I thought, we can't afford to do this. We've beaten every bush we can beat. Let's go talk to Troutdale so we came to Troutdale. This is the fourth time now that we've been here and this is where it's at. The \$260,000.00, personally I think it's a well vetted number. I think it's a better more solid number than I've seen in a lot of my volunteer capacities over the years. I think it can be done for that. Is that right amount? I can't say that it's the right amount. We do know that there's well over the 20% of the water that flows through the device coming down off the hill from Troutdale. There is definitely a cost and there's a benefit there.

Mayor Ryan states I think we have the support on this.

Council agrees.

Councilor Ripma states I'm okay with it.

Councilor White asks, do we have adequate time to get it on the CIP?

Ray Young responds I think Ed thought about a 30 day process.

Erich Mueller states I think it's something we can have done between now and the end of the fiscal year so that soon after July 1st we would be able to release funds if we had an approved IGA in that timeframe as well.

Councilor Allen states I would support the \$260,000.00 and I prefer to do the SDC.

MOTION: Councilor Ripma moved to direct staff to add the \$260,000.00 weir project to the CIP list and proceed with funding out of SDC. Seconded by Councilor Morgan.

VOTE: Councilor Lauer – Yes; Councilor Morgan – Yes; Mayor Ryan – Yes; Councilor White – Yes; Councilor Allen – Yes; Councilor Hudson – Yes and Councilor Ripma - Yes.

Motion passes 7-0.

9. STAFF COMMUNICATIONS

Ray Young states we're going to close for Memorial Day so the City is closed on Monday. June 6th we have our meeting for Imagination Station and right now the citizens, Parks Advisory Committee and staff have recommended a total of 4 plans to consider. Also, the Mayor has asked for a work session at 5:30 that same evening before that 7:00 meeting to talk about council goals. The Community Enhancement grants are due by next Wednesday so get your applications in. June 21st at Visionary Park they have finished up the cement caps on the park there and they're soon to be dropping the 2 guys and part of the Model-T on top of that statue. On June 21st at 6 o'clock they're having an unveiling down there. We will not be having the July 25th meeting and the August 8th meeting. Then the next meeting will be August 22nd.

10. COUNCIL COMMUNICATIONS

Councilor Lauer states I think the meeting went well. I agree with Mayor Ryan that you don't always have to agree but you don't have to be disagreeable. Also, thoughts go out to the water utility workers, not city workers, in Happy Valley that were killed today. One was killed and 2 are in the hospital replacing water lines on the road. Just a reminder when there's people out there working in the streets with cones and signs they're there for a reason so just be careful.

Mayor Ryan states we had a lot of good discussion tonight and I'm proud of how the Council did. We did a really good job even though we didn't agree on everything. We did a really good job listening. Another thing I want to say is I went on a walk with my wife and kids at Sunrise Park and I ran into Randy's girlfriend and there was some suspicious activity with some gentlemen running around with backpacks and intoxicated. They were splitting up into different neighborhood. It was on a Sunday and a call went to the Multnomah County Sheriff's Office and there were 3 deputies there within a minute. I believe we're getting fantastic service from our sheriff's office.

Councilor White states I wanted to thank Mr. Watanabe from the State of Oregon regarding the request we had for the graffiti removal and that they've already taken care of that. I also want to apologize, I meant no disrespect to John Wilson. I just said his name because I worked with him for the last 4 years. It was not intended to be offensive to him. I have a follow up on his suggestion for the dog park. Is there any thoughts on us doing the community enhancement fund to possibly fund that.

Ray Young states my understanding is the City itself cannot ask for it. The Parks Committee could.

Erich Mueller states we could but until we have a project that is well defined we don't really have a way to put a request in. I think maybe a year from now.

Councilor Allen states as we were talking about Stark Street construction earlier affecting businesses we went to the meeting they had on Saturday and one of the concerns was how long of a process it was and how long it was going to affect the businesses. The question has come up, can we increase the hours in which they can work? Currently quiet time is from 7:00am to 9:00pm and if we can change that temporarily for this construction cycle to 6:00am to 10:00pm. That's 2 hours a day but it adds up over the weeks of the project it could add up as much as 10 or more days-worth of construction. The County is checking to see how much they can reduce that schedule but they're going to want to know if we're supportive of looking into reducing the quiet time hours.

Ray Young I received a call from Joanna Valencia at the County today and she indicated that they're still working with the contractors and you might be able to use those extra hours to cut down on the closure period for a while. They're not sure but if they gave us that option it would be helpful for them.

Councilor Allen states the Regional Disaster Preparedness Organization is asking for our input on House Bill 2889-A which establishes a task force on secured pipelines and associated storage units and terminals. They want to know what the different jurisdictions feel about this and they say they need a response by May 24th which is tomorrow. We can't do decision making outside of this meeting so I had to wait for this meeting. If you have some opinions on that I suppose as long as you're not copying the Council you can send me an email tomorrow and I'll get it out at the end of the day.

Councilor White states I wanted to add on to what Rich was talking about the meeting that happened at Skyland Pub with the County on the long shut down of Stark Street and I thought Rich had a really good idea at that meeting. He would like to see some possible additional parking be created for those businesses. Right now a lot of people use Dairy Queen or in Skyland Pub because there isn't very much parking. You guys missed a good meeting. A lot of good suggestions came out of that.

Councilor Hudson states Summerfest is coming up so we might think about how we can contribute to that and whether we might want to be a sponsor. We also might think about how we might participate.

Councilor Ripma asks, regarding the meeting on June 6th when does that start?

Ray Young responds the work session will start at 5:30 and the meeting for Imagination Station will start at 7:00.

Councilor Ripma asks, regarding the 5:30 work session, may I respectfully suggest we don't do Council goals? First of all 5:30 is very difficult for me but if you want something

divisive and useless and a waste of our time Council goals are the red letter example. We have not even discussed what kind of goals we want to do. There's no urgency to do them.

Mayor Ryan states I'm okay with whatever anybody wants.

Councilor Ripma asks, could we first have it tagged onto some other work session and have a discussion about Council goals? We have never done that.

Mayor Ryan states we can do that too.

Councilor Allen states we really haven't talked about what's important to us. I was hoping for a friendly work session.


Ray Young states I think Councilor Ripma has a good suggestion that maybe we should have a pre-council goal discussion as to what you mean by Council goals.

Councilor Allen states I'm really just looking for a good open discussion about direction of the City.

11. ADJOURNMENT

MOTION: Councilor Ripma moved to adjourn. Seconded by Councilor Morgan. Motion passed unanimously.

Meeting adjourned at 10:03pm.



Casey Ryan, Mayor
Dated: 4/14/2017

ATTEST:



Kenda Schlaht, Deputy City Recorder

CITY OF TROUTDALE

Regular Meeting

7:00PM

Tuesday, May 23, 2017

PLEASE SIGN IN

Name – Please Print	Address	Phone #
Karen Hazlett		503-975-1724
John Wilson		
W. Brown	IRONDALE	
Diane C White	Trout	503 888 1405
JOAN BROWN	Trout	
Greg McIntire	Troutdale	
PAUL WILSON	TROUTDALE	
VITALIA P		
Sam Bennett	Troutdale	
Ken Anderson	Portland/Portland	503-415-6525
Eugenia Terzis	26729 SE Stark	
Carol Allen	Troutdale	
SAY Ellis	GRESHAM	(503) 819-9144
Paul Shelley	Washougal	(360) 903-9904
Gene Bondt	Troutdale	503-667-8421
SPINO SASSALOS	BORING	503-793-7274
TANNY STATIONSON	TROUTDALE	503-319-7732