

MINUTES
Troutdale City Council – Work Session
Troutdale City Hall – Council Chambers
219 E. Historic Columbia River Hwy.
Troutdale, OR 97060-2078

Tuesday, February 19, 2013

1. Roll Call

Mayor Daoust called the meeting to order at 6:29pm.

PRESENT: Mayor Daoust, Councilor Anderson, Councilor Thomas, Councilor White, Councilor Allen, Councilor Wilson, and Councilor Ripma (6:43pm).

ABSENT: None

STAFF: Craig Ward, City Manager; David Ross, City Attorney; Debbie Stickney, City Recorder; Charlie Warren, Public Works Director; and Rich Faith, Community Development Director

GUESTS: Matt Wand and Neil Handy.

2. Report on street and parks maintenance fees.
--

Charlie Warren, Public Works Director, reviewed the information in his staff report and the spreadsheets attached as Exhibit A to the minutes.

The July 2012 staff report (Exhibit A to the Feb. 19th staff report) identifies a funding deficit of approximately \$430,000 per year to maintain our streets. What the July 2012 report didn't show was the revenue that we've been receiving from the new state gas tax, which is about \$100,000. So our deficit for maintaining our streets went from \$430,000 to a little over \$300,000 per year. The spreadsheet (attached) has been updated to show the increased gas tax revenue.

What I am seeking is not to once again present to you the fact that we have a deficit in the streets maintenance, but instead I want to say that I think we are ready to assign a committee the task of studying a maintenance fee for streets. The committee would then come back to you in four to six months with a recommendation of what a street maintenance fee would be.

Councilor Anderson stated we need to do something and we should probably discuss what that something is rather than go through and find out what the PCI is on Dora as opposed to Harlow and get down in the weeds. Are we \$330,000 short?

Charlie Warren replied approximately.

Councilor Anderson stated and we are \$330,000 short every year for how long?

Charlie Warren replied for the foreseeable future.

Councilor Anderson asked what options are there other than forming a committee and discussing a user fee?

Charlie Warren replied the Council has the ability to implement this maintenance fee immediately. You could also wait until 2014 (when the moratorium expires) to initiate a gas tax.

Councilor Anderson asked how much would that (gas tax) generate?

Charlie Warren replied it depends on what that tax amount is. A \$0.01 gas tax would generate close to \$300,000 per year.

Councilor Anderson asked does a \$0.01 gas tax solve all of the problems?

Charlie Warren replied it doesn't solve all of the problems, but it at least makes up the yearly deficit. Remember we have had 5 to 6 years where we have been suffering from the deficit so our PCI has gone down from almost 74 to below 70.

Councilor Anderson asked do we have other options?

Charlie Warren replied the do nothing option.

Councilor Anderson asked how about a local option levy? Have we ever asked the voters?

Charlie Warren replied we have not. I don't recommend that. The problem with a local option levy is it is a one-time shot. You are saying that we are going to catch up but it doesn't solve the \$300,000 per year deficit. It gets you a number of years of quick improvements and then you are falling behind again.

Councilor Anderson stated so there is a difference between a local option levy and a fee. The option levy is only for a set period of time and it is only to catch up.

Charlie Warren replied it depends upon how you craft it. If you put forward a levy for \$1 million and you do \$1 million worth of improvements that will catch you up about 3 years as far as improvements. Your PCI may go up 1 to 2 points but two to three years after that you start to fall behind again and you have to go back to the voters and ask for another levy and they are going to ask what happened to all of the money from the last levy.

Mayor Daoust asked if we were to think about a gas tax we wouldn't be able to implement it until 2014, correct?

Charlie Warren replied that is the way it currently stands. The Oregon State Legislature may change that and extend the moratorium. The moratorium was put into place because the State increased the gas tax, which did improve our financial situation.

Councilor Anderson asked at one time didn't you show us the costs for the next 7 to 8 years?

Charlie Warren showed the Council two spreadsheets: 1) Street Fund Projections with No Additional Revenue; and 2) Street Fund Projections with Constant Additional Revenue (copies included in Exhibit A to the minutes).

Councilor Anderson asked can we use general fund money?

Charlie Warren replied sure. Wood Village utilized around \$150,000 per year from their general fund to support streets. It is not recommended, but you can.

Councilor Wilson asked the deficit spending, is that from the reserves from that gas tax?

Charlie Warren replied it decreases the amount of the reserves in the adopted budget each year for the street fund. In 2011-12 the ending balance in the street fund was a little over \$1 million, and in 2012-13 it is \$771,000, so we were spending down those reserves. Our revenue is going to be substantially more than we originally budgeted; the actual numbers are \$891,000 (FY 11-12) and \$910,000 (FY 12-13). We are predicting that the revenue will increase about 2%. One of the problems with forecasting the revenue from that state gas tax is that the efficiency rating of vehicles is getting better and the money that is coming in is based on the number of gallons sold statewide and it is distributed by population. So we have two things going against us - cars are more efficient and use less gas and the population of Troutdale is stagnant. The spreadsheet shows that the estimated average monthly user fee of \$5.44 (for each residential user) would be necessary in order to get the additional \$300,000.

Councilor Wilson asked does the ending balance of \$743,000 in 2013-14 include the user fee?

Charlie Warren replied this particular spreadsheet includes the user fee. I have a spreadsheet that shows it without the user fee. With the additional revenue from the user fee this analysis shows us getting below a \$200,000 fund balance in 2022-23. So even with this additional revenue we are still utilizing our reserve funds. You would have to charge more than the \$5.44/month in order to last longer than that.

Councilor Wilson asked what does it look like without the user fee?

Charlie Warren showed the spreadsheet without the user fee (included in Exhibit A).

Councilor Thomas asked the \$5.44 fee is based on everybody that has a water meter?

Charlie Warren replied right now it is only based on residential. It is anticipated that we would include our commercial accounts. We have about 4,000 residential accounts and around 200 commercial/industrial accounts and they would pay a larger share. The residential amount may be less than \$5.44 when we get into it.

Councilor Wilson asked so what if we included any business, any building that has a water utility bill, basically everybody in Troutdale?

Charlie Warren replied it would be based upon their impact on traffic. You would look at a business that may not have much traffic at all and their fee would be substantially less than a Wal-Mart for example. Then you have to discuss the fact that we have 42 miles of local streets but a business may only use I-84 and County roads. Do you handle that in the same way? Wood Village said yes. Our committee may come up with a different recommendation.

Mayor Daoust stated but the \$5.44/month figures that all water accounts pay the same amount?

Charlie Warren replied correct. If you were to increase it based upon their actual impact the residential rate goes down and the commercial/industrial rate goes up.

Mayor Daoust stated do we need more than \$5.44/month? If we had that in combination with a \$0.01 gas tax?

Charlie Warren replied I think it is premature to say whether we need more or less. 4 to 6 months of analysis by a committee is going to decide whether they think it is more or less and then you can agree or disagree. Right now staff is saying that \$5.44 gets you all of the improvements you need to keep the streets at the existing PCI. It doesn't do any of the substantial rebuilds of streets and after ten years you have depleted your reserves from \$1 million down to \$200,000. So it would be easy to argue that it doesn't provide enough money.

Councilor Thomas stated if we look at this \$5.44 which is based on water meters, then it sounds like to me that you are putting most of the onus on the single-family residences.

Charlie Warren replied and that is the weakness of it.

Councilor Thomas stated when I look at the 200 to 300 unit apartment complexes they are getting off pretty cheap with this. The other thing that I question is we are talking \$400,000 per year for the foreseeable future, I just don't see how that is going to work. You are talking about a potential rise of 2% in fuel, but they are talking \$5/gallon by the end of May so that is going to cut down on the consumption, so I don't think those 2% numbers are right. When I look at the cost to do the construction and repair work it

seems to be going up faster than what we are seeking here. What would have cost us \$100,000 last year might be \$125,000 this year. If we base this on looking at future growth and we have \$300,000 and \$400,000 a year for the foreseeable future, I think in 3 to 4 years we are going to look at this and find out we are still short.

Charlie Warren stated that is very likely. It is what you feel comfortable with projecting. If we project now that everything is going to inflate at 5% to 8% you are probably going to have people upset with that. The question is what are you comfortable with projecting.

Councilor Thomas stated I like the Mayor's idea of a combination. What is a committee really going to provide that we don't already know? I don't mind having committees but there needs to be a purpose. If all they are going to do is hash over the same facts that we have, and you have citizens that really don't understand traffic and all of the impacts of it, what are they going to provide back to us that is of value that we can't get from someplace else?

Charlie Warren replied my guess is buy-in of what you are attempting to do.

Councilor White stated myself, Councilor Thomas and Councilor Allen met with you about 2 months ago and you showed us a different spreadsheet with an \$8 fee that was much more complete. Do you happen to have that spreadsheet?

Charlie Warren replied all of these have been updated since then.

Councilor White stated I wanted to see all of the categories that the \$8 fee showed plugged in with the new amount. Is there a way to do that?

Charlie Warren replied we have our preservation costs for crack seal, slurry seal and overlay (shown on the spreadsheets in Exhibit A). These dollar amounts go into those formulas.

Councilor White stated the particular slide I am interested in was the main body of your presentation.

Mayor Daoust stated that was the dollar amount associated with the \$430,000 deficit.

Charlie Warren stated I don't have that spreadsheet with me.

Councilor Anderson stated in the detailed spreadsheet the thing that jumps out at me is personnel services. What is that?

Charlie Warren replied that includes the escalator based upon what we have been suffering through with our PERS and those kinds of things. We have assumed a 4% escalator.

Craig Ward replied that is the staff cost to run the street maintenance program.

Councilor White stated I am a little confused because I thought this Council had already come to a conclusion that we were going to be the committee; we weren't going to form an outside committee. We have had more meetings on this than anybody in the City of Troutdale at this point. Secondly, our solution was going to be to do the gas tax at \$0.01 per gallon. This is like the third time we have gone over this. I haven't changed my position.

Mayor Daoust stated we considered the gas tax back in 2010 but we didn't really push it.

Councilor Wilson stated back then it was going to be a \$0.02 or \$0.03 per gallon tax.

Councilor White stated we were told \$0.01.

Charlie Warren stated I think we started at \$0.03 back three or four years ago and we have been trying to refine it since then. We still really don't know because the private gas companies won't tell you how much they are actually pumping.

Mayor Daoust asked are we at a point where we think we need to do something? Are we beyond that to the discussion of whether to have a committee study this?

Councilor Anderson replied I think we are at a point where we need to do something. I don't want to get anywhere near what Portland is going through. I think we need to address it and we need to do something.

Mayor Daoust asked is everybody there? Are we ready to discuss how to do it now, or do we still have questions on whether we actually need to do anything?

Councilor Allen stated I still have some questions. On your expenses it looks like a large portion of the money is on transfers.

Charlie Warren stated each fund has a certain amount that is transferred to the general fund for the oversight of that fund. Those funds go towards the utility billing clerk, the city manager, city recorder, and everyone else who deals with public works issues. There is a transfer for administration and then there is also a franchise fee that is charged to public works funds.

Councilor Allen stated the gas tax revenue increases, but you talked about the efficiencies of vehicles not bringing in as much. Do you mean it isn't rising as much as we would expect?

Charlie Warren replied for FY 2011-12 it is at \$862,000, we know that for a fact. We are making a guess for FY 2012-13 that it will be closer to \$879,000. The problem is that as you go further into the future we all know that vehicles will be more efficient, so the question is will there be more cars on the road in the future, or is mass transit going to

usurp that number of gallons, or is the price going to go up so much that it reaches a point where people stop using as much gas. Those are all factors. It is kind of like when you raise the water rates to high people use less water. The same thing will apply to gas. The weakness of a water maintenance fee is that it puts the burden on your own taxpayers and the strength of it is that it will secure money. The strength of a gas tax is that you can put it on the people passing through town and the weakness is that its source is very dependent to the demand.

Councilor Anderson asked does this assume that our staff is doing the job?

Charlie Warren replied no. The pavement preservation program is contracted out. The pavement preservation line item in our budget for FY 2012-13 is \$450,000 and all of that goes towards contract services for street improvements. The personnel services line item is for our crews and our engineering staff.

Mayor Daoust asked would the \$5.44/month fee totally take care of the pavement preservation need?

Charlie Warren replied it will, but your reserve funds will go down to \$200,000 by FY 2022-23 with these assumptions.

Mayor Daoust asked if we do not collect that monthly fee when will our PCI rating drop below 70?

Charlie Warren replied remember the curve, it is a slow curve. So probably within five years we are going to be on the steeper portion of the slope. Since I have been here we have gone from a 73 or 74 pavement condition index (PCI) down to a 70 PCI. So it is probably going to drop to a 68 or so in the next two to three years. That will accelerate over time. Once you get down to a certain point you are on the slope where the cost increases.

Councilor Anderson asked if we do a gas tax you would not need the \$5.44/month?

Charlie Warren replied that depends what the gas tax is. If the moratorium is lifted in 2014, you could initiate the action but you would not collect any money for at least a year after that. We are talking about 2½ years from now before we get any additional revenue.

Councilor Ripma stated the gas tax is like walking into a buzz saw. That would be brutal.

Mayor Daoust stated you hadn't arrived yet when Charlie mentioned that just a \$0.01 gas tax would raise \$300,000 per year.

Councilor Ripma stated that is kind of what Dave Fuller said about a sales tax in Wood Village. All of the businesses, truck stops, down along the freeway are going to...

Councilor Thomas stated the trucks don't pay it; it is only passenger vehicles. Trucks pay a weight mileage tax.

Councilor Ripma asked so Wood Village has recently adopted a fee like this?

Charlie Warren replied correct.

Councilor Ripma asked did it go to a vote of the people?

Charlie Warren replied no.

Councilor Ripma asked are you thinking that we are going to adopt this without a vote of the people of Troutdale? We are just going to impose it ourselves? I just wondered because that is not our usual way of doing things. If we put it to a vote I just think it will lose.

Councilor Anderson stated Wood Village offset their user fee out of their general fund. So it is a blend of general fund and the user fee.

Charlie Warren stated let me clarify. Before their user fee the general fund was paying \$150,000 per year towards street maintenance. After the user fee they were able to maintain the streets without taking anything from the general fund.

Councilor Ripma asked do we contribute general fund money to street maintenance?

Charlie Warren replied no.

Councilor Thomas stated one of the questions is whether or not to send this to a committee. I don't think we have reached a consensus on that yet.

Councilor Ripma stated I think Wood Village did something like that. I just question whether or not it would work in Troutdale without a vote of the public.

Mayor Daoust stated 20 cities in Oregon have created a utility fee I suppose without going to the voters for approval.

Councilor Wilson stated Oregon City just adopted it.

Mayor Daoust stated like Gresham did with their utility fee.

Councilor Ripma stated is that something we are thinking of doing?

Councilor Allen replied I would want to be sure that we are being as good as we can with the money that we have prior to asking for more.

Councilor Anderson stated this is great information for me because it gives us a target that we have to hit, and I think it is up to us to figure out how we are going to hit it. Doing nothing is the wrong thing. It will only cost us more later on.

Councilor Allen stated I would agree that we need to preserve the pavement, it is how we go about it that is really the question. In FY 2011-12 did we spent \$178,000 on pavement preservation?

Charlie Warren replied yes.

Councilor Allen stated and in FY 2012-13 it is budgeted at \$450,000. Is that trying to catch-up?

Charlie Warren replied we actually budgeted \$300,000 in 2011-12 and we weren't able to get all of it done because the County crew wasn't able to get around to it so we rolled that money over into 2012-13 and that is when we hired the private contractors to do the work.

Councilor Allen stated in time deterioration models it hurts when you miss years. Is that taken care of and not likely to happen again?

Charlie Warren replied right.

Councilor Ripma stated you said since 2007 this has been talked about and nothing has been done. I still have not understood why the gas tax that I think the public expects is devoted to paying for streets, highways, and roads isn't able to do the job. I really think the public sees that as the funding source. How did we get along before 2007? If that happened to be the first year we asked for it, that means in all of the years before that the gas tax did pay for it. I simply haven't been able to understand why we can't still pay for it with the gas tax.

Mayor Daoust stated our streets are getting older.

Councilor Ripma stated they were getting older before 2007. Are you saying that we were neglecting the streets before 2007? Because I don't believe that.

Charlie Warren stated before 2007 the economy was hot. Your developers were building brand new roads for you. Each development in the city did their own streets. They paid for a great deal of them. A lot of that 42 miles of streets was done by federal and state grants, and your developers. Now we have a duty to maintain those.

Councilor Ripma stated as we have grown we have more people paying registration fees and paying for gas. The growth itself ought to have brought in enough money to take care of the roads.

Charlie Warren replied it did up until about 2007 when the development slowed down.

Councilor Anderson asked do we get a share of the state gas tax?

Charlie Warren replied we do.

Councilor Anderson asked have we received the same share all along? Have we expanded at the rate of say West Linn, Wilsonville, or Happy Valley?

Charlie Warren replied no. In the past we did, but you see our new projections. We are at 16,000 population and we are only projecting to be around 17,000. Our biggest growth in gas tax came approximately 2 years ago when they initiated the higher gas tax. But as you can see that is still not enough.

Councilor Thomas stated if you are saying that it is distributed based on population, than as the population grows in other areas it will drop.

Councilor Wilson stated so with Happy Valley growing in leaps and bounds, and if we are not growing at the same rate we are getting a compression in how much money we get. Basically we are getting less money based on someone else growing in population. Is that correct?

Charlie Warren replied yes.

Councilor Allen stated I think the real answer to the question is do you have a spreadsheet that goes back before 2007?

Charlie Warren replied that is something that we can develop.

Councilor Anderson asked are we all in agreement that we need to do something, that we need to find some way to fund our streets going forward? Or should we do nothing?

Councilor Allen stated I am in agreement that we need to be doing our preservation cycles and that we should be doing it before now.

Mayor Daoust stated right now \$361,000 per year is all we can spend on maintaining the roads. According to Mr. Warren that is not enough. These numbers tell me, and Mr. Warren is telling us, that is not half as much as what we need to maintain our roads at the level we want to maintain them so that they don't drop off the maintenance curve to the point where it gets five times more expensive six or seven years from now. If you were to redo the spreadsheet six or seven years from now, we would have to be talking about a much larger utility fee or some larger revenue source than we are right now. We are fortunate that we are talking about it now, and the timing is right now to implement a lower fee for the residents, and/or a gas tax. If we wait we are going to be talking about a larger fee.

Councilor Thomas stated if you look at the \$361,000 going out for the next 10 years, that \$361,000 isn't going to buy you what it will buy you this year so you really are not going to be maintaining the same level of street preservation each year based on the future value of money.

Mayor Daoust stated Mr. Warren's point is that we have been talking about this for the last 4 years and we have yet to choose to do anything.

Councilor Ripma asked are you saying that as we accept more streets from developers we assume that liability but we don't get any more money?

Charlie Warren replied you get property taxes. You may have hit on an issue that scholars can disagree about - does development pay for itself?

Councilor Ripma asked aren't there grants based on lane miles? It seems like I have heard of that. As a city we accepted title to roads that were County roads at one time like Graham Road. Why should we do that? We should have never done that if it is just a liability with no corresponding funding source. That isn't what we were told at the time. I just don't understand. If we have additional lane miles doesn't the state's formula have something to do with the miles of lanes that you have to take care of?

Charlie Warren replied we register our miles each year and what type they are. There is a grant that is available that has been reduced each year. Right now the way it works is East Multnomah County Transportation Committee (EMCTC) discusses that and generally it is county-wide that they fight over those funds. It used to be that there were a great deal of federal and state grants and money available. Things are tighter now and you have to be more efficient. There isn't money, and there never really has been, for maintenance. There has always been money for building the new streets.

Mayor Daoust stated the Council has the right to go forward with a utility fee without a vote of the public. To address your concern about public buy-in, it seems that is where a committee comes in.

Councilor Ripma stated I am not advocating that.

Mayor Daoust stated but that is where a committee would come in to get public buy-in because they could, and I suppose we could, hold public meetings to get buy-in from the people without spending money on a vote. I am not arguing for this, we can discuss whether we want a committee or not, but if we had a committee they could hold numerous public meetings over the next four or five months to try and get that buy-in without going out for a vote. If the Council does not want to organize a committee then we have to make the decision of whether to put it out for a vote or not, but if we don't then we will have to hold the public meetings.

Councilor Thomas stated the City Council could serve as the committee and hold public hearings, I've seen city councils do that before and I have no problem with that. One

thing that is not built in is the business factor. What are you going to do with those? Most apartment complexes have two cars and they put as much wear and tear on the streets as a standard homeowner. Those kinds of things need to be worked in there. Do we want a combination type of approach looking at both a gas tax and some kind of a user fee? Those are things I would want to see come back to either the Council or a committee. I think the Council is well-positioned to do this. If we set up a special committee to do this there is a lot of education that needs to be done. The Citizens Advisory Committee (CAC) could review this and they represent the community at large. There are other options besides setting up a special stand-alone committee to address just this one issue.

Councilor Wilson stated my thought is that anybody that has a utility bill needs to be included in this. I think we ought to look into those commercial buildings and maybe they will absorb more of the cost. I am really against a user fee for this because we are also going to be looking at another user fee for the parks. 80% of the gas tax money that would be coming in, based on earlier reports, would be coming from outside sources instead of the people that live here. I believe that there are people here that can't afford this increase and then we are going to have another increase from another department. I just think it is the wrong approach to put it on the backs of the citizens of Troutdale.

Councilor Anderson stated when we buy a car we can't realistically expect to walk into a dealership and get a zero down payment and zero interest car loan. I think we need to put our money where our mouths are a little bit. When I say that I mean, I will look at a user fee, gas tax or a combination of both, but I also think we have to fund some of this out of the general fund. That is us putting our money where our mouth is. That is the City Council saying we understand there is a problem so we are going to take our incumbent responsibility and allocate general fund resources towards the problem, but citizens of Troutdale or commuters we might need some help. If you are looking for buy-in I think that goes a long way; we are owning it at that point. How much is open for debate.

Councilor Allen stated nearly 40% of the money was transfers last year, and 30% this year...

Councilor Anderson interrupted and stated but Mr. Warren just said we don't fund it from the general fund and he said it wouldn't be a good idea to fund it from the general fund.

Councilor Allen stated no, I think it is the reverse. I think this ends up funding the general fund.

Councilor Anderson stated we need to take some ownership of it. I think if the citizenry sees us taking ownership of a problem and coming up with ways to pay for it out of things we can control then they may be more amenable to absorbing a user fee or paying \$0.01 more per gallon of gas, or a combination.

Councilor Allen stated right, we have to be as good as we can be with the money we are given prior to asking for more.

Mayor Daoust stated we are contributing by running the program. The City is just not sitting back and contacting a contractor to get the work done. There is a lot of work that has to be done for planning and monitoring. It is not just paving the streets, we are talking about the entire program. The danger of using the general fund is then you would have to tell the citizens we are contributing from the general fund but then you would have to turn around and ask them if they are willing to deal with less police officers so that we can do that. That is the catch here. We have a program that we run from the street fund and that is what it is for. To run that entire program in our city that is where the money needs to come from.

Charlie Warren stated to clarify, you have been discussing the money that is transferred to the general fund. In 2012-13 \$71,400 is the actual appropriation to the general fund. The rest goes to other funds that also help support the street fund.

Councilor Anderson stated so if we don't take that \$71,400 that is kind of us putting our money where our mouth is.

Charlie Warren stated that depends upon if you make the assumption that the City's general fund doesn't give any support to streets administratively.

Councilor Thomas stated if you asked the average property owner how that should be paid for they would tell you that the gas tax and property tax should pay for it. They expect their property taxes and gas tax to pay for everything they need. If you say we are using a portion of the general fund to pay for streets, I don't think that carries a lot of weight because it is an expectation that they already have. Everybody understands that the gas tax is supposed to go towards roads.

Councilor Anderson stated but we can't enact a gas tax until 2014. When is it that we would start collecting it?

Charlie Warren replied it depends on when in 2014 we are allowed to initiate it. If it is January, it would probably be a good year because you would need to wait until the next year to budget it and then you wouldn't be able to expend it until at least six months into the year. It would be at least a year from January 2014 before you would be able to spend it.

Councilor White asked how are the other 320 cities doing it without this fee? The older gas guzzlers did a lot of our damage to the roads; they were also paying more because they were burning more fuel. They weigh double what a new car weighs.

Charlie Warren replied the short answer is they aren't. The City of Portland is the prime example. They have 1,000 miles of roads and they aren't keeping up. The article in the paper today underscores that. The City of Wood Village wasn't keeping up so they

initiated a maintenance fee. Gresham is in a similar situation. They have a maintenance fee but their fee is \$0. They have tried some one-time levies that failed. They are falling down miserably as far as maintenance to their roads. I meet with the public works directors from the area once a month and they all wonder how we are doing it. The truth is we are not doing it and neither is anyone else around us.

Mayor Daoust called for a break at 7:33pm and reconvened the meeting at 7:42pm.

Councilor Anderson stated with the consensus of this Council, after listening to all of the questions and the thoughtful debate, I gather that the gas tax is the path of least resistance to fund our roads and maintain our PCI. Would I be fair in assuming that?

Councilor White stated that has been the previous consensus.

Several Councilors agreed.

Councilor Ripma stated the trouble is we can't do a gas tax right now.

Councilor Anderson stated I think we need to stay on top of it and when that window opens we need to rush in.

Councilor Ripma stated you do realize that is just kicking it down the road.

Councilor Anderson stated we are not going to stop doing maintenance on our streets. But what we are going to do is fund it in a way that is the path of least resistance as soon as we can. If we can't do a gas tax for whatever reason, then perhaps we will need to form a citizen committee.

Councilor Allen stated it seems like we have stopped some maintenance on the streets. Going forward I believe our consensus would be that we do the maintenance.

Councilor Anderson stated I would love to fund the full amount this year if we could find a way.

Councilor Thomas stated rather than just waiting until 2014 we could get the ordinance in place and have it all taken care of so that when it does open up and we want to institute a gas tax we would have the ability to do that.

Mayor Daoust stated I have always agreed to a gas tax. I am sensing that is the consensus of the Council.

No objection voiced from the Council.

Mayor Daoust stated so we don't need a committee, we don't need to discuss a utility fee, we will just proceed down the gas tax road.

Councilor Anderson stated we can do all of the leg work in advance so when that window opens we are ready.

Charlie Warren stated if the Council has consensus on the issue, I think it is something that staff can get its hands around and start preparing for.

Councilor Anderson asked Craig to update the Council with any news on the legislature waffling on the gas tax issue.

Councilor Allen stated we should make our views known to the League of Oregon Cities.

Mayor Daoust stated lets move on to parks.

Charlie Warren stated we have a problem every year where the general fund struggles to support the maintenance of our parks and greenspaces. The question to the Council is do you support the concept of a maintenance fee for parks? If you do, does the Council want to make this decision or do you want to assign it to a committee to study before you make a decision. The first issue is whether or not you agree that there is a funding issue for parks and if so how do you want to proceed.

Councilor Thomas asked is the fee you are proposing only for the public use parks, or does it include the maintenance for city facilities (paid for from the public works utility fund).

Charlie Warren replied the fee that I am proposing is only for the 2 personnel paid for out of the general fund, and all of their associated costs - personnel, material and services and capital outlay. The Council could suggest a fee that would just pay for half of that. The philosophical discussion for the Council would be if you charge a parks utility fee is it to maintain your existing level of service, or do you want to continue to fund a portion of it from the general fund and improve the level of service.

Councilor Thomas asked what is your proposal for the parks fee?

Charlie Warren replied the proposal is that the maintenance utility fee would be somewhere in the neighborhood of \$8 per month per resident, and would not include industrial and commercial. The fee would go towards the two personnel, material and services and capital outlay just for the maintenance of our parks and would directly augment the money that is currently being spent from the general fund to free up that money.

Councilor Thomas stated so it would be off-setting the general fund.

Charlie Warren replied correct.

Mayor Daoust stated that would free up the general fund to fund other things.

Craig Ward stated in discussing the cuts that we may have to make this year, some of the items that are parks expenditures have been on the list of cuts for the last couple of years. I would expect to continue to bring those back. I have already asked Charlie for an estimate of the savings we can generate from removing the downtown flower baskets and containers. We will go back and we will be reducing our expenditures in parks this year. If you take this approach I am not saying it is an either or, we still have to balance the budget. It isn't really a matter of just saying that if we don't pass this everything will stay the same, because everything won't stay the same. We know we are going to have to make cuts this year and some of the things that we are spending money on through the parks budget are things that I believe that we can save. We will have a reduction of quality of some of the things that we are spending parks money on this year.

Charlie Warren stated we had two substantial new additions to our parks and maintenance this year. One is the new police facility which has a very large amount of landscaping that will be necessary to be done, and the second is the new College Nature Park at Beaver Creek. Our level of service at all parks will be reduced this year just from those two new areas being added.

Councilor Wilson stated you mention in the staff report a deficit spending of \$400,000 in parks. That is funded by the general fund correct?

Charlie Warren replied yes.

Councilor Wilson asked how do we get to a deficit spending?

Charlie Warren replied it is not supporting itself in any way shape or form. It is a burden to the general fund. Funding is only being supplied by the property tax revenue.

Councilor Wilson asked it has always been that way right?

Craig Ward replied that is correct.

Councilor Wilson stated at the budget committee work session in December it was stated that you saved \$140,000 in the parks budget. Am I remembering that correctly?

Charlie Warren replied yes.

Councilor Wilson asked so is that \$140,000 in savings reflected in this cost that you have here?

Charlie Warren replied it is not because actually that was a savings to the general fund. It saved us from having to spend more reserves this last budget year.

Councilor Wilson stated not that I am advocating for spending less in the parks department, but what did you do to save that \$140,000?

Charlie Warren replied I questioned every single expenditure and we cut and we cut and it is starting to show. The message from the Budget Committee was loud and clear to save where you can so that is what I did, unfortunately it is starting to show.

Craig Ward stated I made a comment at the Budget Committee meeting that I did not want to punish the parks department by expecting that they save another \$140,000 next year. He was able to reduce the expenses this year, but we really will see a progressive decline in many of our parks if we keep doing that. That was kind of a one-time shot as I see it. We may even have to spend more money this year to make that up.

Councilor Anderson asked do we have the option to contract for park maintenance?

Charlie Warren replied yes we do but we do have union agreements with your current employees.

Mayor Daoust stated it is not necessarily cheaper.

Charlie Warren stated we have been down that road. We currently have seasonal labor that we use. We have had folks from Employers Overload for maintenance at our treatment plant. The problem that you have with that is the training. They don't work for the City and sometimes they just don't care. You have to have someone teaching them and then before you know it they are gone and you are training the next person. Sometimes the efficiencies are not there.

Craig Ward stated our AFSCME contract does not allow us to unilaterally take work that is being done by union employees now and contract that work out and layoff our employees. We can bargain it. I have asked Erich to approach AFSCME and begin to bargain some things. It is not something that we can budget for because while they may accommodate that, almost certainly what they would do is say sure but you have to preserve the jobs of those people. They don't have to be parks maintenance, they could do utility maintenance, or something else. So we wouldn't save money out of the general fund with that scenario. The bargaining would certainly cost us money and significantly diminish the savings that we may generate from that, not to mention the morale impacts.

Councilor Allen stated its not unlike farming when you usually do best if you have a mixture of full-time and seasonal workers. That model tends to work more efficiently.

Mayor Daoust stated if we choose to pursue a utility fee of \$8 per month and we collect about \$400,000, but yet we are going to release \$400,000 for other uses in the general fund, and we may in fact spend even less on parks. Help me with making that argument to the public. We will collect \$400,000 through this fee, but that does not mean that we are going to spend \$400,000 more on parks. Is that what I am hearing?

Craig Ward stated I think the way Charlie phrased it was that there is a spectrum that you can choose. You could say that we are going to keep spending \$400,000 out of the general fund on parks, but we will take the additional money from the fee and improve maintenance to the parks. That is an option that the Council could exercise. Right now what we are doing is we are slowly starving our parks of maintenance. We really are not in a stable mode even in our current scenario and I have warned you that I think that will get worse. The other option is to simply say that we will take the \$400,000 and we will spend it on the staff and the expenses that we are currently spending out of the general fund. That is the full spectrum that is before you.

Mayor Daoust stated so we could decide anywhere in between.

Councilor Allen stated I look at a deficit as money you are spending that is more than you are taking in, and services that you should be providing that you no longer provide. It is the addition of those two that equal a deficit to me. Under those terms what is our deficit in parks?

Charlie Warren replied it is not really a deficit in that term.

Craig Ward stated using your characterization the deficit that we are having now is deferred maintenance in our parks. Remember the gentleman that came to a council meeting and complained about how we are not trimming the bushes? Or what is not happening in Beaver Creek Canyon. What may not happen in downtown regarding the flower baskets and planters.

Councilor Allen stated I understand the budget. It would answer my question to know how much maintenance we should be doing that we didn't do.

Craig Ward stated since I have been here we have been trying to prioritize all of the tasks that the parks staff do and trying to figure out which things we won't be doing next year. We could go through the list of the things that we think we should be doing to maintain our parks and then show you what we are doing and you could then see what the deficit is. What we are not doing right now is spending more money on things. What we are doing is starving the facilities that we have by doing less maintenance on them.

Councilor Allen stated it seems like we started cutting services 5 years ago. Prior to that we had a level of service that the citizens were comfortable with. I am trying to add up in my mind what we have cut over the last 5 years.

Craig Ward stated we can give you that number by looking back at the past budgets.

Mayor Daoust stated the parks committee could look at that if we decide to give it to them. I don't doubt that there is a lot of work that could be done in the parks that we are not doing. I get around to a lot of the parks and it is pretty obvious.

Councilor Thomas stated as you walk around the parks you see where picnic tables use to be and they are not there anymore which really makes the parks less usable. I am not comfortable with the \$8 fee being a full replacement and not continuing to fund at least some of it out of the general fund. One of my complaints with other groups has been as they pass levies it just off-sets it and you don't see any improvement. Cities don't really do a very good job of maintaining buildings over the long run and that is because it is the first thing that gets cut. My concern is that we could send this to the parks committee and I will guarantee that they will come back with an \$8 charge. If we are going to add some sort of a utility fee I want to have a utility fee that actually helps you cover the maintenance in addition to what you are already funding and not a replacement. If you are trying to cover all of your costs with fees, then you are basically burdening the taxpayer with a lot of extra fees and they don't get any benefit from it.

Councilor Allen stated I would agree with your line of thinking. It seems to me that sometimes we are more interested in things than others may be. It is hard to know what value people put on things so I can't help but wonder if there could be a voluntary fee and then we would find out how important it is to folks. Our roads are our infrastructure and are more of a need; I see parks as something that is an enjoyed luxury and it depends on how much your citizenry wants to support that.

Councilor Thomas stated parks help support the livability in your city.

Councilor Allen stated streets are infrastructure and they are necessary and they are what people expect when they pay their gas tax. Parks are not quantifiable. Mayor Daoust and Councilor Ripma are very passionate about parks and that is wonderful, but is that sentiment shared by the majority of the citizens. The one way to find the answer to that is to ask them. When you say voluntary, that is what a levy is. You can vote no; you still have to pay it if it passes. I think we should put it out there and see what people think.

Councilor Anderson stated I agree with funding equally out of the general fund and whatever money we add to it is great but this is another thing where we have to put our money where our mouth is. The assessed value per \$1,000, on what could amount to a levy of \$250,000 a year, isn't that extreme. I don't know if our citizens feel the same way about parks that we do and I would like to have the answer. These are tough decisions; I don't doubt the need. I hated sitting at the budget meetings last year and not lighting Kiku Park and having to be faced with that choice. We need \$400,000 to get the services to where they ought to be, correct?

Charlie Warren replied that is what I am asking you to do.

Councilor Anderson stated so the question is do we want to do that, and secondly how do we do it.

Councilor Thomas stated if we go with a levy then you are in the same situation as Charlie mentioned about the roads; it is a short-term fix. I definitely wouldn't say let's put it out there and if it fails then let's slap them with a fee. That doesn't fly at all.

Councilor Anderson stated but I wouldn't exactly put a fee out there without asking the question.

Councilor Wilson stated if it was a 5-year levy and at the end of those five years the home prices started to escalate again, the amount of revenue coming back to the city should increase to help off-set some of that.

Councilor Anderson stated every financial indicator that we have received from Erich Mueller says we are coming out of this but it is going to be slow.

Councilor Wilson stated imposing a utility fee is kind of permanent and with a levy after the 5 years you either try to get it renewed or let it go because you have sufficient general fund money coming in to take care of parks.

Councilor Anderson stated this is the instance where I think we need to engage the CAC and get citizens input on a parks operating levy.

Councilor Ripma stated I agree with Councilor Thomas' analysis that if we are going to impose a fee on the utility bills it has to be promised to the voters that it will be used for what we say it is going to be used for. It is not going to be used to off-set a cut in the general fund. We have pared down parks maintenance to the bone. My gut feeling is that an \$8 fee is way too much. If we imposed a \$2 fee and only received \$80,000 or whatever that brings in, that money would then be promised to go towards parks maintenance. Hopefully there would be a few things that people could notice. We kind of know that it will be holding the line at best. I also thought of a voluntary idea because I know I would pay it; I would be glad to pay more for parks. I just don't think it would work. Most people wouldn't pay it.

Councilor Allen asked if most people wouldn't then doesn't that kind of indicate their level of desire for parks?

Councilor Ripma replied no, I don't think so. It is just that they would let someone else take care of it. It is just human nature. The fact that someone won't volunteer to put money in the pot doesn't mean they don't support the general idea.

Councilor Thomas stated give me the option to pay the \$8 or not and I'm not paying it.

Councilor Ripma stated I do recognize the problem. There is no other way to contribute to parks other than our taxes and those are used up for police, fire and all of the big things. My feeling is a modest fee that we would promise would go towards additional park maintenance is worth a try.

Councilor Anderson stated when we were talking about the streets earlier you said you wanted to put it to the voters first; you didn't want to just impose a fee without first going to the voters. What is the difference here?

Councilor Ripma replied I want it to happen so I would be happy to put it to the voters if that is the feeling of the Council.

Mayor Daoust asked would that be a costly venture to put this fee to the voters?

Craig Ward replied if you want to put a levy out for a vote I am sure it would cost money, but I can't tell you how much.

Councilor Wilson asked could we put this in the newsletter and have something on the website where people could say whether or not they would support it?

Councilor Anderson stated it is a good idea but the number of people who access the city website voluntarily is miniscule. It is a great idea; we can use the media and get the CAC involved and get as much information as we can.

Councilor Thomas stated the thing that gets to everybody is the Champion more so than the Outlook and the Oregonian.

Councilor White stated my thoughts are a little different. I tend to like to have the people that are using the parks pay for the parks. One idea is to sell park passes similar to what Metro does. I would also like to see us try to raise some revenue from the parks. Maybe there is a way to rent some of these facilities like we do at Glenn Otto Park and earmark that money for maintenance, or just simply enforce some of the laws like the liter laws. I see the amount of liter that occurs especially at Glenn Otto Park. It seems like a lot of revenue could be generated just from enforcement. For the neighborhood parks I like the idea of organizing a volunteer committee to help off-set some of the costs and have them do some of the maintenance similar to the Adopt a Highway program where you see the signs that indicate that this portion of the road is maintained by Sharis, or whoever. I think people are passionate about their parks but I think they are going to become less passionate if they are paying an \$8 per month fee. There are a lot of folks who don't even use the parks. I would like to see us steer more towards getting to the people who are actually using the parks and having them pay for it and also come up with some ideas on how to generate some revenue.

Councilor Allen stated isn't it kind of depressing if you are broke and you can't even go to a park.

Mayor Daoust stated the assumption is that most citizens use the parks.

Councilor White stated I look at Glenn Otto in particular and we have to provide increased law enforcement and I think that 90% of the people that go there aren't even from Troutdale but we are bearing all of the cost.

Councilor Anderson asked can we charge a user fee for Glenn Otto?

Charlie Warren replied you can but you run into a liability issue. When you charge a user fee for a park you are liable for what happens there.

David Ross stated you jeopardize your recreational immunity that is currently provided by statute.

Mayor Daoust asked even for a parking fee?

David Ross replied I don't know. If you charge for use of the property it waives the recreational immunity that we currently have.

Councilor White asked how can the State parks do it? They all charge a fee. Glenn Otto is the only place that doesn't charge and the word is out.

Councilor Anderson asked what is the difference between Dabney Park and Glenn Otto Park? If Dabney charges a fee do they waive their recreational immunity?

David Ross replied if there is a charge to use the land then the recreational immunity is waived.

Councilor Anderson stated so the State of Oregon assumes that liability.

Councilor White asked how many people would buy a parking pass so that they could continue to come to Glenn Otto Park in the summer? It is extremely popular.

Councilor Anderson replied then you should just disregard the Champion and the website because you are saying that 90% of the folks are coming from outside Troutdale.

Councilor Thomas stated you have two parks that are that way. You have Columbia Park and Glenn Otto Park. Those are the two that draw the most outside people. The other parks are the neighborhood parks and they don't have any visitors other than local residents.

Councilor Anderson stated so at Glenn Otto we can either do a parking fee or user fee and redirect that fee back into parks maintenance for all of the other parks.

Councilor Thomas stated we discussed a parking fee at one time for Glenn Otto with the idea that the money would go to Glenn Otto.

Mayor Daoust stated I don't necessarily like the idea of a user fee for every park but Glenn Otto Park has the ability to be a revenue generator. We talked about the Sam

Cox Building and increasing the building rental fees, I don't know if any of that money can be used towards parks maintenance.

David Ross asked doesn't that go to a dedicated fund.

Inaudible, several councilors responded at the same time.

Councilor White stated I think you might have misunderstood. My thought on the pass is to get the folks from outside of Troutdale to help support it. In addition to Glenn Otto they would also be allowed to go to these other parks.

Councilor Thomas asked how do you enforce it?

Councilor White replied the same way Metro does. I buy a Metro park pass every year and it is a great value. They give you a sticker that goes in the window of your vehicle. When I enter their parks I go right through where everyone is in line to pay to get in. It is periodic enforcement to make sure that you have a sticker in the window.

Councilor Anderson stated that is a great idea but those parks, Blue Lake, Oxbow and Chinook Landing are destinations. I am completely there for capturing revenue from Glenn Otto and redirecting it to either maintenance at Glenn Otto or for general parks maintenance.

Councilor White stated my other idea is to get the neighborhoods involved and form a volunteer committee.

Councilor Anderson stated we can use the Champion for that.

Councilor Wilson stated there are groups that we don't charge to use the building at Glenn Otto Park, maybe they could help maintain Glenn Otto Park as part of a trade...

Councilor Anderson interrupted and stated I think our city attorney might have some issues with liability on that.

Councilor Allen stated when our parks maintenance people cut a bush or plant that they think is a weed, some of our citizens get upset that a plant got cut and treated like a weed. Trying to get your parks maintenance personnel to identify what should be cut and what should be kept is hard to do, so I am suggesting that might be hard for the volunteers.

Councilor Thomas stated in that particular case it was a non-native plant that they were taking out.

Craig Ward stated something that a lot of other cities do is they charge for the use of their sports fields.

Councilor Ripma asked don't we charge for the fields?

Charlie Warren replied for the baseball fields, we have a very small fee for the concessions but the agreement with little league group does not have a fee.

Councilor Ripma stated but they take care of the fields.

Charlie Warren replied they do take care of them and they are very good about it but there is no fee. The soccer field use is \$100 per season.

Councilor Anderson stated I would be all for exploring a fee for the baseball fields but this year a lot of the parents have already paid the registration fees, etc. and to hit them up right now...

Craig Ward interrupted and stated I am not suggesting that we would hit them up this season, we are talking long-term. I just wanted to remind you that there are many ways to generate revenue.

Mayor Daoust stated here is what we could do. We could turn this over to the Parks Advisory Committee (PAC) and tell them to look at a lot of these ideas we have been discussing such as: volunteers for parks; a small utility fee; Glenn Otto Park parking fee; and sports field usage fees.

Councilor Anderson asked could we turn it over to the PAC and CAC?

Council discussed whether this issue should be referred to the PAC, CAC or maybe both committees. After discussing the Council reached a consensus that this topic should be referred to the PAC.

Councilor White stated when we forward this to the PAC to study I would like to leave off the issue of a utility fee and force them to look at revenue generators and alternatives. We already know we can do a utility fee increase.

Councilor Ripma stated so we can refer it to them and say that we are looking for ideas in lieu of a utility fee and invite them to come up with suggestions.

Council reached a consensus to forward this issue to the PAC and direct them to come up with ideas, in lieu of a utility fee, that would increase the revenue for parks maintenance.

Councilor White asked are we done buying parks in Troutdale?

Councilor Ripma replied no, I don't see that.

Mayor Daoust stated I don't think so.

Councilor White stated unless we expand our boundaries, do we have enough parks? To me this is an indication that we do. We are at a level where we cannot take care of them. Why do we want to increase that burden on the City and the residents? We have more parks than any other city in East County. We are also surrounded by parks that we don't count. I think we are there. I think this Council needs to take a serious look at that. I think we have plenty. Let's take care of what we have and improve what we have.

Councilor Wilson stated a moratorium on parks until we see revenues change.

Councilor Ripma stated this is a completely different topic.

Mayor Daoust stated we can discuss that when we talk about the Parks Master Plan on March 19th.

3. Capital Improvement Plan for Storm and Water.

Charlie Warren stated Council has already seen the presentation for the Water Master Plan and the Storm Sewer Master Plan and you have seen the projects. I have provided you with the full list of capital improvement projects (Exhibit A of the staff report) for storm sewer, which includes projects from the S. Troutdale Storm Master Plan adopted in 2012, the N. Troutdale Storm Sewer Master Plan adopted in 2007 and the other projects brought to us from other agencies and staff. The Water Master Plan was adopted July 31, 2012 and I have provided you with a list of those projects (Exhibit B of the staff report).

The project lists include the name of the project, the construction estimate, the fund that it can be paid from, whether it is a replacement/maintenance or a capacity enhancing project, the estimated year of construction, description of each project and the source of the project.

Councilor Anderson stated you want to spend \$780,000 of storm sewer SDC funds for sewer improvements to N. Graham, Beaver Creek storm drainage and Salmon Creek Weir. Is that correct.

Charlie Warren replied that is correct.

Councilor Anderson asked how much do we have in the fund?

Charlie Warren replied we have over \$1 million.

Councilor Anderson stated so we are going to deplete the fund by 78%.

Charlie Warren stated that is if every project is done. Several of these projects have been carried over from year to year because the agency that is going to do the work is not prepared to go forward yet. For example, the County and the Army Corp of Engineers are the entities that will do the Beaver Creek Storm Drainage project. The North Graham Road project has been on the list for the last four years. We are waiting

for the Tiger Grant and the funding from the Port of Portland. The \$550,000 is our portion for the project.

Councilor Anderson stated if we plan on spending \$680,000 from this fund then we won't have enough money to pay for anything else.

Charlie Warren replied that is correct. That is the problem that we have with our system development charges (SDCs) right now. There is not enough development, and hasn't been for the last four years, to be able to pay for our projects.

Councilor Anderson asked which project is more important the N. Graham Road or Salmon Creek Weir?

Charlie Warren replied I would say that N. Graham Road sewer improvement would be the most important. However, putting both of them in the budget for this year allows us the opportunity to be able to do the project if the other agency comes in and says we need the money now.

Councilor Anderson stated so we can budget it but we don't have to spend it.

Mayor Daoust asked how much do we have in the water improvement fund? I see a new well planned for FY 2017-18 which is almost \$2 million.

Charlie Warren stated \$15,771. The problem is our SDC funds are starving. We need something to be able to fund them. Charging more or less for SDC's right now doesn't help us because if there is no development we aren't receiving SDCs.

Mayor Daoust stated there is a new Well #9 planned for FY 2017-18. Is that when we will need a new well?

Charlie Warren replied we just had a proposal on the table from a company that could have used over 600,000 gallons of water per day. They wanted a commitment that we could provide that every day 24/7. We weren't able to commit because we didn't have this well. If you want to have development and have business come to Troutdale you have to over-design. But if you just want to design for what we have today we have enough. It is a question of philosophy.

Mayor Daoust stated this company that came in was only looking at one lot out of fifteen lots that are available to develop. That got me thinking, even though they were a large water user, but if we can't even guarantee their needs for one lot out of the fifteen lots on the TRIP property, what if we have multiple users wanting to develop on the TRIP property and they are all asking for water in some quantity or another. I have a concern about that.

Craig Ward stated keep in mind that this company was peculiar in that they wanted a contractual commitment from us for water supply. If we were to have a drought situation

where you might have the need to put water restrictions on businesses and residents, while that isn't an unusual thing to do, in the case of this one company if we did that we would be in violation of the contract with them and we would be sued. Our only choice in that scenario would be to essentially put water restrictions on all existing Troutdale homes and businesses while we provide full water supply to that one company. To me that is completely untenable. We are very close to capacity. Most businesses however are not that demanding and if they were they would probably provide their own water reservoir but this company wasn't willing to do that. Also keep in mind that there are water rights for a well that have to go through the state so there is a long lead time before we can get a well drilled.

Charlie Warren stated I don't want anyone to walk away from this meeting thinking that we have a shortage of water. We have the capacity to handle well over 3 million gallons per day and right now we are only using about 1.5 million per day. Except in the most extreme circumstances we have plenty of water. If we are going to start enticing businesses here like that one, or even close to that, we are going to need to have this additional well and reservoir.

Councilor Allen asked if average businesses developed those fifteen lots are we going to be okay?

Charlie Warren replied we should be. Our Master Plan says that if we are going to have full development of the city, at some point we are going to need this additional well and reservoir.

Councilor Anderson asked does the Water Master Plan assume the 20,000 population?

Charlie Warren replied no, it should assume the 17,000 figure. I would have to go back and look at that.

Councilor Anderson asked what are you asking for from the Council tonight? Do you need our blessing?

Charlie Warren replied yes. You will get another shot as this. You first looked at the Master Plan and now you are looking at the CIP. Next we will combine the CIP with proposed SDC's based upon the CIP and that will develop what the new SDC will be. In an upcoming meeting you will be looking at this CIP and asking yourself are we trying to do these too quick or not quick enough, and is this an appropriate SDC fee.

Councilor Anderson stated I think what I would like to see is prioritization. Does this list reflect that? Should the well be done next year or can it wait?

Charlie Warren replied I don't believe that we should do it next year; it should be done within the next 5-10 years.

Mayor Daoust stated roughly there is \$500,000 worth of projects in the water fund for next year. We only have how much in that fund?

Charlie Warren replied \$17,000. We will be going through that on our SDCs and we will amend those. Some of the project years listed are just an estimate. We will have that finalized for our actual presentation.

Mayor Daoust asked so you will present the SDC structure to get us where we want to be?

Charlie Warren replied correct. I don't really want to change the SDC fee. I am going to try and structure it so that it is reasonable.

4. Adjourn:

Meeting adjourned at 9:03pm.

Doug Daoust, Mayor

Approved April 9, 2013

ATTEST:

Debbie Stickney, City Recorder

Attachments to these minutes can be viewed in the packet.