

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

Tuesday, June 11, 2013

1. ROLL CALL, AGENDA UPDATE

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

PRESENT: Mayor Daoust, Councilor Ripma, Councilor Anderson, Councilor White, Councilor Allen, and Councilor Wilson.

ABSENT: Councilor Thomas.

STAFF: Craig Ward, City Manager; Debbie Stickney, City Recorder; David Ross, City Attorney; Erich Mueller, Finance Director; Travis Hultin, Acting Public Works Director; and Amy Pepper, Civil Engineer.

GUESTS: See Attached.

Mayor Daoust stated I would like to add an item to the agenda after Item 3, which would be an update from AMR on the Sandy River Lifeguard Program.

2. CONSENT AGENDA:

2.1 ACCEPT MINUTES: April 23, 2013 Regular Meeting, May 7, 2013 Work Session, May 14, 2013 Regular Meeting, and May 21, 2013 Work Session.

2.2 RESOLUTION: A resolution authorizing the City Manager to execute an agreement with the cities of Fairview and Gresham and Multnomah County for Temporary Holding Services.

2.3 RESOLUTION: A resolution recognizing the completion of public improvements associated with the Love's Tire Shop commercial development and accepting them into the City's Fixed Asset System.

2.4 RESOLUTION: A resolution accepting a public utility easement from JLE Investments, LLC adjacent to SW Halsey Street Right-of-Way.

2.5 RESOLUTION: A resolution authorizing the Chief of Police to execute an Intergovernmental Agreement with the Reynolds School District to fund two School Resource Officer positions.

MOTION: Councilor Anderson moved to adopt the consent agenda. **Seconded by Councilor Wilson. Motion Passed Unanimously.**

3. PUBLIC COMMENT: Please restrict comments to non-agenda items at this time.

None.

3a. REPORT: Update from American Medical Response regarding the Sandy River Lifeguard Program.

Randy Lauer, General Manager for American Medical Response (AMR) in Oregon, stated with me is Paul Priest, Operations Manager for Multnomah/Clackamas County. Mr. Lauer showed the Council a PowerPoint Presentation (attached as Exhibit A to these minutes), which gives an overview of the program and statistics.

Councilor Wilson stated my son was part of your program for a couple of summers and it helped him grow as a person. I appreciate everything you are doing down there.

Councilor Allen asked were the losses pre-season, post-season, or just outside of your normal hours?

Randy Lauer replied they were outside of the area that we guard and they are typically after hours when it is warmer. There have been no drownings since the start of this program at your beach site; there was one at High Rocks a couple of years ago. The drownings that have occurred on the Sandy River have been further down river at Lewis and Clark or further up the river.

Councilor Allen stated it is very impressive data. I appreciate the work that is being done.

Paul Priest stated we were typically seeing about 2 to 3 drownings a season in this area before the program started in 1999.

Councilor White stated my daughter was also one of the rescue swimmers early on in the program. I am very familiar with that stretch of the river because I live right near the bridge. It has been a real improvement having the lifeguards at the beach. In addition to their lifeguard duties they also pick up garbage and pull debris out of the river. The key to the program is to catch things before it is too late. I think you would have a lot more rescues if you counted all of the times the lifeguards stopped something before it happened. If there is anything we can do, or me personally, please let me know.

Mayor Daoust stated prevention is worth a lot. Even though you didn't come here to ask for anything, is there anything that you need from the City for the program?

Randy Lauer replied the last few years you have provided some financial support and we do appreciate that. Any time we ask for help from the parks department or public works department they have always responded. The police department is also a very

strong partner to the program. The level of cooperation here is phenomenal and I think that is why the program has been such a success.

Councilor Anderson stated this is how it is supposed to work. Good for AMR and good for the council back in 1999 when this program was adopted, and to subsequent councils for keeping this going. It is a program that gets results and makes people feel safe in our community and in our park. You do wonderful work; keep it up. If there is anything we can do don't hesitate to ask.

Councilor Ripma thank AMR and congratulated them on their Centennial.

4. PRESENTATION: A presentation regarding membership in the Greater Portland Inc.

Mayor Daoust stated I recently attended a Regional Mayors meeting followed by a Small Cities Consortium meeting where I met Derrick Olsen. He was explaining to the small cities in the Metro area what Greater Portland, Inc. (GPI) does and how they can serve the small cities. I found out at that meeting that Fairview and Troutdale were the only two small cities that did not belong to GPI. GPI is an economic development group that helps the Metro area. I invited Mr. Olsen to come talk to us about the benefits of becoming a member in GPI.

Derrick Olsen, VP of Regional Strategy & Coordination for GPI, showed the Council a PowerPoint Presentation (attached as Exhibit B).

Derrick Olsen stated it can be challenging at times to do economic development in the region. GPI came together as a public-private partnership almost two years ago. Regional Partners, a public organization, and a private group called Green Light Greater Portland formed this organization. We are non-profit covering the full Metropolitan Area - five counties in Oregon and two in southwest Washington. We have numerous cities who are members of GPI to jointly do economic development work for the region. We are a neutral organization that does not favor one jurisdiction over another which gives us a unique opportunity to market the area for businesses outside of the region. Numerous small cities have joined GPI. We have created something called the Small Cities Consortium to provide a tiered membership opportunity so that cities of varying sizes can join. In addition to the large cities like Gresham, Beaverton, Hillsboro, and Vancouver, there are probably about 14 (and growing) small cities throughout the region that have joined or are about to join to give a voice to the small cities. The small cities are represented through an elected board member who is on the board the same as a larger city that pays a higher membership fee. The representative for the Small Cities Consortium is Mayor Lou Ogden of the City of Tualatin.

Derrick Olsen stated we approach this on behalf of the region and with a very global perspective. We compete not amongst ourselves within the region, but against other large metro areas in the United State and across the world. We focus on goods and services that can be traded outside of the region because they bring in the revenue

that helps support the small business service industries and others in the community. That is the focus of our economic development efforts.

Derrick Olsen reviewed slides 7-17 of his presentation (Exhibit B).

Derrick Olsen stated fundamentally we respond to the cities that we work with, and the private investors we have. We have about half of our investment from private companies and half from public entities. The larger cities like Beaverton, Hillsboro, and Vancouver are paying \$25,000 or more. For a city the size of Troutdale it would be \$2,500 a year. What that means is that you are investing in our work and you get representation on the board through Mayor Ogden. On a yearly basis that board position is up for election. We provide an economic development data base that your city would have the option of using as a tool. You would be linked up with our website and have the ability to post featured properties for industrial use on our website on a rotating basis.

Mayor Daoust stated I have been trying to get a handle on economic development and what layers of marketing we need at the city level, and how many organizations we need to represent us. You start at the state level with Business Oregon and they are concerned about bringing business and industry into the state. GPI works with them and narrows that down to the Portland Metro area. Then we have East Metro Economic Alliance which takes it to the next level for the East County area. We also had the West Columbia Gorge Consortium which focused on this area, but the functionality of that group is in question right now. We also have the Port of Portland who does their own marketing. Why do we need GPI? I happen to think that we do because it doesn't cost that much and any level of support that we can get to give us more exposure for our industrial land would help.

Derrick Olsen stated one of the key points is that we do not do advocacy and we do not do policy. We are not in Salem. We don't have the monthly sort of chamber events, which are great and have their place but that is not the type of work we do. We are very focused on business development. When there is a company that comes to town they will be meeting with us and Business Oregon, they will not generally be meeting with a regional chamber or a regional advocacy organization. We work well with EMEA, Westside Economic Alliance and Columbia Corridor Association. They play a very important role and they do things we don't do. We are the ones that get more involved with the specific deals. On the marketing aspects, we really have a global focus. We frankly do things that not even Business Oregon does and I say that as a former Business Oregon employee. Everything we do is very focused on business development as opposed to some of the larger, important but separate from our work, job, policy and advocacy areas. Sometimes it is a fine distinction, but I think it is an important one.

Councilor Wilson stated one of your goals was to double the amount of exports in the next five years. I think you said part of the focus was on existing businesses. Would

you work directly with the businesses in Troutdale to try and increase that or do they have to join to get that service?

Derrick Olsen replied we manage and lead the implementation of the export initiative, but it is a pretty large initiative that includes economic development professionals and private companies throughout the region. We look to our local partners to identify companies that can take advantage of some of the opportunities here. For instance, on the 21st one of the things we are doing as part of the initiative is we are training economic development colleagues throughout the cities in the region so that they understand how they can connect companies in their jurisdictions with export services. There are a lot of free services out there from the feds and the state, and many small and medium sized companies don't know they exist. We received a grant from Business Oregon and the federal government to provide this training so that economic development officials in the cities know how to talk to their companies about exports. We do not provide that direct level of service because we are a staff of eight folks. Our vision is to empower and connect up the resources in the community.

Councilor Anderson asked what is the difference between your organization and EMEA? Is it just policy or legislative advocacy, or are there more differences?

Derrick Olsen replied policy and advocacy are the key ones. One thing that is really key is we are a platform where top CEOs and top elected officials are together in one place. There are very few areas where that is the case. They (EMEA) have more of a niche focus, where we have a larger focus. Those types of organizations are usually not involved with the work of a site selector, or a company that is looking to locate in the area. They can play an important role in helping with business retention, but rarely would they be the ones connected when there is a site selector.

Councilor Anderson asked and you work well with EMEA now?

Derrick Olsen replied yes.

Councilor Allen stated I have been in manufacturing for over 30 years. I have come across companies that you have already talked to. I appreciate the work that you do. One of the things I am used to is the federal government working against us, and that sounds like it may be changing. By against I mean as far as job creation.

Derrick Olsen stated the export initiative was initially the President's initiative, which then Brookings Institution said here is this big goal, how can we double exports in 5 years. Brookings said if the metro area is really the key to the US economy, why don't we help a few select metro areas to try and implement this on the local level. So that is what we are trying doing. We are responsive to the business community. It definitely is federal grant dollars that we are able to use for this.

Councilor Allen asked do you have a feedback loop to let the policy makers know what roadblocks you run into?

Derrick Olsen replied through the export initiative we have a high level body that meets two or three times a year so we can get that type of interaction and when we have results starting to come out we will be able to bring them to CEOs and key officials so that as they look into things like transportation planning or policy decisions they can be informed of what we are learning throughout the export initiative. We will not be the ones going down and proposing legislation, we will defer that to others.

Councilor Ripma stated I looked at your website and your board is enormous, but it has a lot of very distinguished public officials and business folks. You represent a region that crosses the river and often in Oregon we are in competition with Washington for business development. How do you handle that?

Derrick Olsen stated all of the members of the board invest in GPI to be on the board; there are no appointed members of the board. For the small cities, we have representation where they elect their board members. Mid-level private investors do the same thing. As far as the jurisdiction, that is the federal metropolitan statistical area. Metro areas really do cross borders. Near Spokane, Washington where it spills over into Idaho, or San Diego where it spills into northern Mexico, there are some really interesting new ways in looking at this. Our approach is that if you are helping the companies stay and grow in the region it is quite likely that a resident of Troutdale may be working for Intel, or a resident of Vancouver may be working at Boeing. There is a lot of cross-migration in jobs. Intel is the fourth or fifth largest employer of Clark County even though they have no facilities there; there are so many people who go to Intel from Clark County. Because you have two different tax structures, two different regulatory structures, a lot of the time that frankly strengthens our hand in our opinion when we talk to companies from outside of the region because depending on the type of business they are in and what type of production, etc., one might suit them over the other. In our opinion it gives us more variety for the customer looking at the region.

Councilor Ripma stated if a company is looking for a place to locate, you have members on both sides of the river with different tax structures. I recognize people work in different places; I work in Washington for a company that was actively recruited by Oregon. I am just wondering how Troutdale would come out in an organization like GPI.

Derrick Olsen stated as your example illustrates, I would say our argument would be that it benefits the region overall. By you having a well-paid job in the region it keeps you here and benefits the city that you live in through the taxes you pay, etc.

Councilor Ripma asked you don't take positions on taxes, or for example a position on the Columbia River Crossing?

Derrick Olsen replied no.

Councilor Ripma stated I am a little skeptical but I think the Mayor's enthusiasm for joining has swayed me. The fee is modest at \$2,500. I also think very highly of Lou Ogden who I worked with for many years on MPACT. We will see how it goes. I would like to see some results.

Mayor Daoust stated when I think about why companies are struggling with the question of why they should come here or grow here, we don't have the skills to answer those questions; we don't have an economic development person at the city. If we don't take advantage of everything we can for economic development we will be at a disadvantage. If we don't join GPI we will not be represented so to speak.

Councilor Wilson stated do you have a graph that shows the businesses that have moved into the small, medium and large cities during your existence?

Derrick Olsen replied we are a fairly new organization. We are just approaching our 2nd anniversary. There are a few more deals that we have been involved with in addition to the three that I high-lighted in my presentation. Some of that we can't talk about publically due to non-disclosure agreements. I will check and see if there is additional information that can be shared.

Mayor Daoust asked the fee is just one year at a time, correct?

Derrick Olsen replied yes.

Mayor Daoust stated so we can decide every year whether we want to continue or not. I would like us to join. Can I see a show of hands of those willing to spend \$2,500 to join.

Councilor White stated I would like to do a little more research before I make a decision.

Mayor Daoust asked what additional information would you like?

Councilor White stated I think it would take too much time to go into it all right now, but it looks like you have enough votes without me.

Councilor Ripma stated we could vote on it at the next meeting.

Mayor Daoust stated we could, but it does look like we have five members of the Council that would be willing to join.

Councilor Wilson stated I think we need to look at a long-term commitment to any organization like this. I don't think we will see the results in one year.

Councilor Anderson stated I am in favor of joining this organization because they work well with EMEA and we respect EMEA and their board. We work closely with EMEA. The fact that GPI and EMEA work well together is nice. The thing that caught me, and this is what I want to pay to see, is they are all go and no blow and I like that.

Mayor Daoust stated it sounds like we have consensus to join, but the communication should remain open so to get answers to the questions that Councilor White has.

David Ross, City Attorney, suggested that the council make a motion to expend funds to join this organization.

MOTION: Councilor Wilson moved that the City join Greater Portland, Inc. for \$2,500.

Councilor Allen stated I would rather wait until Councilor White has a chance to get his questions answered.

Motion died due to a lack of a second.

Mayor Daoust stated it sounds like we need to get some questions answered first. We will take this up at the next meeting.

5. MOTION: A motion to approve the Mt. Hood Cable Regulatory Commission's 2013-14 Budget.

Mary Beth Henry, Staff Director for Mt. Hood Cable Regulatory Commission (MHCRC), stated I am sitting in for Norm Thomas who is your appointed representative to the Commission. I am here to highlight a couple of the 2013-14 MHCRC's budget requests and to seek your approval.

Each jurisdiction appoints citizen representatives to the Commission. It is an intergovernmental partnership among Gresham, Fairview, Portland, Troutdale, Wood Village and Multnomah County. Troutdale has two cable service franchises, Comcast and Frontier. Over the past year the Commission has provided many services to our communities. Some of those benefits include community grants funded at over \$1.3 million in 2012 for schools, libraries, non-profits and local governments to use technology to support local public services. A description of the 2012 grants is included in the budget narrative (copy included in the packet). The community access channels will be provided in high definition format starting in late June. The Commission has coordinated the first major upgrade of the Institutional Network (I-Net). As you recall the I-Net is the broadband connectivity that is provided at a low cost to the schools, libraries, and local governments in our region.

The Commission conducted its first stand-alone audit and we came through with flying colors. Prior to that the Commission's budget had been audited as part of the City of Portland.

We focus our resources on maintaining the core responsibility of franchise management and consumer protection. When you have problems, or your citizens have issues with the cable company they call us and we help resolve those issues. The second area that we focus on is managing the public benefit resources to positively impact our

community. A major workload planned for the upcoming fiscal year is a comprehensive re-design of the community grant program. If you look forward over the next ten years of community investment it is almost \$4.7 million annually or almost \$50 million over a ten year period. That is a substantial sum of money and we have the opportunity to make a real difference in our community. The Commission wants to step back and approach the grants more strategically so that after ten years they can look back and say that we set out to accomplish this and here is what we invested in and this is what we accomplished.

The franchise fee resources are based on the cable companies gross revenues. Overall we project that the franchise fee collection will be flat. We expect a slight decrease from Frontier and a slight increase from Comcast. We haven't seen a lot of increase in subscribership. Any increase has come from rate increases. Troutdale will receive about \$60,000 from cable franchise fees after disbursement of funds to Metro East Community Media, and to the MHCRC's operating budget. The contribution of Troutdale to MHCRC's budget is a little over \$15,000 and the Commission's operating budget is approximately \$822,000. I respectfully request that you approve our 2013-14 proposed budget.

MOTION: Councilor Anderson moved to approve the MHCRC's 2013-14 proposed budget. Seconded by Councilor Wilson.

Councilor Allen stated I really put a lot of respect in Councilor Thomas' opinion. Did anyone get a chance to talk to him about this?

Mary Beth Henry stated Councilor Thomas serves as the Chair of MHCRC's Finance Committee and the Finance Committee unanimously recommended approval of the budget to the full Commission, and the full Commission unanimously recommended approval.

Councilor Allen stated that helps.

VOTE: Councilor Anderson – Yes; Mayor Daoust – Yes; Councilor White – Yes; Councilor Allen – Yes; Councilor Wilson – Yes; Councilor Ripma – Yes.

Motion Passed 6 – 0.

- 6. PUBLIC HEARING / RESOLUTIONS:** A public hearing on the following resolutions:
- 6.1** A resolution certifying the City of Troutdale's *eligibility* to receive State Shared Revenues.
 - 6.2** A resolution declaring the City of Troutdale's *election* to receive State Shared Revenues for Fiscal Year 2013-2014.

Erich Mueller, Finance Director, stated these two resolutions are associated with state shared revenues. State shared revenues provide a significant portion of our budget;

approximately \$1.3 million in revenue. The bulk of that revenue comes from the gas tax and is directed toward the Street Fund. 1% of the gas tax goes to the Bikes and Trails Fund. The balance of the revenues from the liquor tax, cigarette tax, general revenue sharing and 9-1-1 tax go into the General Fund. The state legislature has outlined through the statutes essentially four primary steps or tasks that have to be accomplished. The first one was accomplished at our Budget Committee meeting where we held the required public hearing on the possible uses of state shared revenue. That hearing was held on April 15, 2013 and there was no public testimony at that hearing. The three other items will be accomplished tonight. One of those items is a public hearing before the City Council to allow the public to address any issues or comments on the proposed uses of the state shared revenues. That public hearing will be followed by two resolutions; one is certifying to the State that we are eligible to receive the state shared revenue and the second resolution is to declare that we want to receive that which we are eligible to receive.

Council had no questions.

Mayor Daoust opened the public hearing at 8:07pm and asked, is there was anyone here who would like to speak to the Council on the proposed uses of the state shared revenues.

No public comment received.

Mayor Daoust closed the public hearing at 8:07pm.

MOTION: Councilor Anderson moved to adopt a resolution certifying the City of Troutdale's *eligibility* to receive State Shared Revenues. Seconded by Councilor Allen.

VOTE: Councilor Anderson – Yes; Mayor Daoust – Yes; Councilor White – Yes; Councilor Allen – Yes; Councilor Wilson – Yes; Councilor Ripma – Yes.

Motion Passed 6 – 0.

MOTION: Councilor Anderson moved to adopt a resolution declaring the City of Troutdale's *election* to receive State Shared Revenues for Fiscal Year 2013-2014. Seconded by Councilor Ripma.

VOTE: Councilor Anderson – Yes; Mayor Daoust – Yes; Councilor White – Yes; Councilor Allen – Yes; Councilor Wilson – Yes; Councilor Ripma – Yes.

Motion Passed 6 – 0.

7. PUBLIC HEARING / RESOLUTIONS: A public hearing on the following resolutions:

- 7.1** A resolution adopting the City of Troutdale's Fiscal Year 2013-14 Annual Budget and making appropriations.
- 7.2** A resolution imposing and categorizing Ad Valorem Taxes for Fiscal Year 2013-14.

Erich Mueller, Finance Director, stated these two resolutions are necessary to fully adopt the budget and to allow me to file the necessary paperwork with the County Assessor for the taxes.

Taney Staffenson, Budget Committee Chair, stated the Committee members want to thank you for your approach to the process and for treating everyone with respect. The Committee is made up of 14 Troutdale residents; 7 elected and 7 appointed with each member having an equal vote. This approach allowed every member to be not only part of the process but a part of the solution. The proposed budget represents numerous cuts and uses a portion of the reserve funds. The Committee thought this was necessary given our economic position while attempting to provide the citizens the services that they expect. I also want to thank Erich Mueller, Craig Ward and the entire staff for the work they have done on the budget. Additionally I want to thank each of you and the other members of the Committee for the hours they have put in on the budget.

Council thanked Taney for his leadership in the process.

Erich Mueller stated the Budget Committee (BC) approved the proposed budget that staff had prepared. Subsequent to the approval by the BC the notice of the budget hearing required to be published was done in compliance with the local budget law, ORS 294.438. The Council is required to hold a public hearing on the resolution adopting the budget.

Councilor Allen stated the budget this year is pretty good. When you go through the columns you don't always get the detail; I am not talking about dollars, I am talking about the significance. What are the top three significant changes in this budget that were decisions made to save money?

Erich Mueller replied the budget is primarily an attempt to maintain existing services and balance that out with only using a portion of the reserves as well as trying to avoid layoffs. There are certainly reductions in what we might propose to do on the capital expenditure side particularly in the general fund because that is where the biggest pinch is. The utility funds have the mechanism and are expected, based on the budget law and process, to generate the revenue through the fee structure to fund both their operations and capital projects.

Craig Ward stated when we were going through the budget at the staff level trying to decide how to meet the Council's \$300,000 maximum use of reserves, if you look at the overview of the general fund what you will find is that a big piece of that is in emergency services, and in particular police. Consequently, Chief Anderson and his staff were quite diligent because if we were going to reduce the budget in order to hit our target they needed to reduce their budget. They went line item by line item and made reductions. We did have labor negotiations in both police and the general staff that increased our

expenses. Trying to stay within the \$300,000 limit for using reserves was quite a challenge, but nobody contributed more than the police department did.

Councilor Anderson stated it was \$400,000.

Councilor Allen stated I was comparing our FY 2010-11 budget with the proposed 2013-14 budget that we are about to adopt and I could see what was mentioned here in the numbers. I just wanted to hear that from you.

Councilor White stated the meetings were very well ran and we got through the process in two nights. It was a pretty straight-forward process and I appreciate that. However, there was one thing that I thought of after we went on the tour of city hall buildings. We toured Happy Valley's City Hall and Craig asked them how did they pull this off. Their answer was that they saved \$7 million and went to the voters for a bond which passed. Given the situation we are in we should model that and put together an account and start reserving some funds for a new city hall.

Councilor Anderson stated if there is a model to emulate that would be it.

Mayor Daoust stated that is certainly a goal worth discussing.

Councilor Anderson stated I want to commend Craig, all of the department heads and the staff for a job well done. The process worked. In November we gave the staff a target to hit. We heard all of the forecasts from Erich, we deliberated and discussed and at the end of the day we came out with a firm message from the BC, which was use \$400,000 of reserves and no more. We have a budget in front of us that I believe uses \$393,000 of reserves. That is a process working. The November Budget Committee meeting is critical and I would urge all of us to be there because that is when we make the rules that our staff will follow.

Mayor Daoust stated in November would be a good time to discuss the savings account for a city hall.

Mayor Daoust opened the public hearing at 8:19pm and asked is there anyone here that would like to speak to us on the proposed budget?

No public testimony received.

Mayor Daoust closed the public hearing at 8:19pm.

MOTION: Councilor Anderson moved to adopt a resolution adopting the City of Troutdale's Fiscal Year 2013-14 Annual Budget and making appropriations. Seconded by Councilor Wilson.

VOTE: Councilor Anderson – Yes; Mayor Daoust – Yes; Councilor White – Yes; Councilor Allen – Yes; Councilor Wilson – Yes; Councilor Ripma – Yes.

Motion Passed 6 – 0.

MOTION: Councilor Anderson moved to adopt a resolution imposing and categorizing Ad Valorem Taxes for Fiscal Year 2013-14. Seconded by Councilor Wilson.

VOTE: Councilor Anderson – Yes; Mayor Daoust – Yes; Councilor White – Yes; Councilor Allen – Yes; Councilor Wilson – Yes; Councilor Ripma – Yes.

Motion Passed 6 – 0.

Mayor Daoust called for a break at 8:21pm and reconvened at 8:37pm.

8. RESOLUTION: A resolution adopting the Sanitary Sewer Master Plan.

Amy Pepper, Civil Engineer, reviewed her staff report (copy included in the packet).

Amy Pepper stated the Planning Commission (PC), at their May meeting, deliberated on the Public Facilities Plan. The Public Facilities Plan is derived from various master plans including the Sanitary Sewer Master Plan that is before you tonight.

The PC, in reviewing that document, expressed concerns about the two extension projects listed in this master plan, which are the sewer line extension on SE Jackson Park Road and on Columbia River Highway east of the Sandy River. Including these projects in the Public Facilities Plan and in the Sanitary Sewer Master Plan does not obligate the City to build these projects. These projects are included in the Master Plan and Public Facilities Plan to show anticipated infrastructure needs in the 20-year plan horizon.

Councilor Anderson stated two things that I like. The double mention that adoption of this Plan does not commit the City to implement every recommended project. I think that is an important point of clarification. I also like the fact that one of my biggest beefs with our master plans has been the fact that they over-estimate our population and this plan does not. Are there any of these projects that are critically needed?

Amy Pepper stated currently our modeling showed that our system has adequate capacity to serve the existing customers. The projects proposed are for future expansion. One benefit to this master plan is that we have a sewer model. A lot of these projects, especially in the north industrial area, are very dependent on what kind of development occurs. Different types of industrial development will potentially discharge different quantities. It is our obligation in the future as development occurs to update that model and re-run the analysis to confirm that these projects are actually needed.

Councilor Anderson stated so the sewer line along Jackson Park Road will benefit 60 people.

Amy Pepper replied actually it is only about 20 plus or minus houses along Jackson Park Road. In the last couple of years we have been contacted by various property owners when their septic system fails and they are required to put in a new one. Sometimes they struggle to find a location on their parcel to put in that septic system. We think in the next twenty year planning horizon that their homeowners association may get together and want to install a sewer line.

Councilor Anderson asked do they have to have back-ups as well?

Amy Pepper stated I am not really sure.

Councilor Anderson stated I would appreciate hearing back on that. If a group of home owners gets together and wants to do something like that, we are a city of 16,000 and we are going to charge SDCs or spend money on 94 people. I have heard in other jurisdictions that there have been special assessments to homeowners for sewer because it actually increases their property value. Is that a realistic scenario here where the bulk of the folks who want sewer can pay the bulk of the cost?

Amy Pepper replied that is a policy decision. In the financial analysis we have assumed that the City would charge SDCs or increase SDCs to pay for 50% of those projects thinking that potentially the City would say it is an unfair burden to that small number and it would be better to spread that out over the population, but that is clearly a policy decision for the Council to decide when we review the Capital Improvement Plan.

Councilor Anderson stated I get expanding the pipe width from 14" to 18" down Buxton because that is a main collector and it serves the bulk of the citizenry, so if we need to expand that because it is failing I would be all for that. But I would be a little hesitant to spend \$900,000 for a project that benefits 30 to 50 people.

Councilor Allen stated I did not make it through reviewing the entire document; you can't do that in just a few days. I am concerned about our current sewer system. Have we sent a camera through their to tell us the condition of our pipes?

Amy Pepper replied as part of our on-going inspection program if we feel that there is a problem area in our system we will send in a television camera to inspect that, but we do not have a comprehensive program. As part of this master plan one of the things that is recommended is that we develop a comprehensive television inspection program. Our system is fairly new compared to a lot of sewer systems and right now if we were to implement that program we would be able to start tracking the age and condition of our pipes. The budget that you just adopted included funds for this inspection program that we plan to start in the next fiscal year.

Councilor White stated I know we had an outside agency prepare this. How much oversight did our staff have in the preparation of this document?

Amy Pepper replied I worked with the consultant, Brown and Caldwell on this. They produced work products and we reviewed them.

Councilor White asked why haven't we had a sewer master plan before?

Amy Pepper replied I believe a large part of the reason was due to no available funding.

Councilor White stated I don't want to run into the same problem we had with the Parks Master Plan where there is a big wish list of projects that may never be a priority or get done but yet they drive the cost for both the system development fee and the monthly fee. I know we will have an opportunity to take a look at that when the capital improvement plan comes before us. I am just trying to avoid that problem. Are there items in this manual that you feel will never be a priority or that will never see the light of day, yet they are included?

Amy Pepper replied no. There are development dependent projects. We will monitor development and we will adjust the capital improvement program as appropriate with development. Unlike the Parks Master Plan, these are capacity projects. We are hoping to avoid surcharging our system, or sewer coming out of our system, with these projects by making sure that the pipes and pumps are adequately sized so that we can convey sewer where it is supposed to go.

Councilor White stated I saw the one sewer line for \$3,250,000 for East Historic Columbia River Highway. I thought there was already a sewer line there.

Amy Pepper replied there is a short step system there. It serves three properties. This project would be to extend it all the way down the Historic Columbia River Highway to all of the parcels down there. In the future buildout there could be 68 residential properties. This would add a more conventional gravity system to one pump station and we would get rid of the step system.

Councilor Anderson asked is there a way that we can prioritize the project list? Can staff take a look at this and say that we have this great master plan and this is the stuff that we really need to focus on now. I understand some of this is development driven and will come when it comes, but there are probably a couple of things in here that you guys could tell us that need to be done right now. Is that reasonable?

Amy Pepper replied we don't have any capacity problems with our system currently, so it would be more anticipation of future growth areas. In other words what areas do we think are going to develop in the future and then what opportunities do we think that we have to dovetail upsizing of a pipe with another project that is going on in that area.

Craig Ward stated we do exactly that every year; that is what the capital program is. These master plans are umbrellas that take a big picture view of the system. Every year public works determines where they need to spend money in the next year, or next two

years by looking at the areas that we think may have problems. If a pipe busts or new development comes in, that is hard to predict.

Mayor Daoust asked is it the expectation that we will have a work session to go through the capital improvement plan?

Amy Pepper replied yes.

Mayor Daoust asked has that been scheduled?

Amy Pepper replied I don't believe so.

Craig Ward stated we did bring it to the PC as part of periodic review and we will bring that to you. At this point our planning department staff is a little over-committed so a lot of those tasks are being put off until the fall and that is one of them.

Councilor Allen stated that helps me. Not having enough time to do as much analysis that I like to do I was leaning towards saying no on this. Knowing that we will get a chance to look at it later does help me.

Councilor White stated I am concerned because the planning department is looking at aspects of this master plan. Would it make more sense to wait until they are finished with that process before we adopt this?

Amy Pepper replied I don't believe it will. One of the PC's concerns was that this document was not complete. It was nearing completion; it was at 90% at the PC. One of their concerns about approving the Public Facilities Plan was that this was not complete.

Craig Ward stated and had not been adopted.

Councilor Anderson asked is this just a part of the Public Facilities Plan?

Amy Pepper replied yes.

Councilor Allen asked are you saying we are out of sequence?

Councilor White replied I wasn't sure. I went to the PC meeting and I know that they were having some problems with the periodic review stuff. I see the same thing that they were having a problem with in this manual. One of them being the sewer on Jackson Park Road and the sewer line proposed for E. Historic Columbia River Highway.

Councilor Allen asked do we need to hold off on this, or will we catch it when we go over the details?

Councilor White stated I think that is my question.

Mayor Daoust stated in my mind approval of the umbrella document is perfectly okay at this point and when we get down to reviewing the seventeen projects we can highlight those as a lower priority. That is the time to do it in my mind.

Councilor Anderson stated I haven't read this as thoroughly as I probably should have, but I have read it pretty thoroughly. I think having a plan is good. These are just recommended fixes; we don't have to do them. We don't have to adopt the findings, but we should adopt the plan. It is the right thing to do to adopt the plan.

MOTION: Councilor Anderson moved to adopt a resolution adopting the Sanitary Sewer Master Plan dated May 31, 2013. Seconded by Councilor Ripma.

VOTE: Councilor Anderson – Yes; Mayor Daoust – Yes; Councilor White – No; Councilor Allen – Yes; Councilor Wilson – Yes; Councilor Ripma – Yes.

Motion Passed 5 – 1.

9. RESOLUTION: A resolution adjusting the storm sewer utility fee and rescinding Resolution No. 2152.

Travis Hultin, Acting Public Works Director, stated I am here tonight to talk to you about consideration of some rate adjustments for our water, sewer, and storm drainage systems. This is being brought to the City Council after consideration by the City's Budget Committee and inclusion in the 2013-14 budget hearings. Travis reviewed his staff report (copy included in the packet).

Councilor Anderson asked we are not doing anything differently than we did last time in terms of the rate increase, correct?

Travis Hultin replied I believe it was 4% last year as well.

Councilor Wilson stated over the 8 years that I was previously on the budget committee I heard pretty much the same thing every year about needing to build our reserves and that our rate is lower than everybody else. As I look at this chart (Exhibit A to the staff report), do we know why the other cities are charging more? Are they getting their water differently than us? It seems like we are always needing an increase. What are our reserves right now?

Travis Hultin replied in the storm sewer fund I think we are anticipating \$0 as an unappropriated balance with about \$217,000 in contingency, so you can look at that as what the reserve is in storm sewer. Regarding why other cities are charging more, that can be highly variable. You mentioned the source. Some cities buy their water from other providers. Some cities have wells and many cities have a combination of sources.

That creates a lot of variability. You have the age of the city and its utility systems. Cities that have very old systems tend to have higher rates because they have not banked the money for the rehabilitation or replacement that they probably should have and so now they have to make that up with bigger rate increases. In our case we had many years where we didn't have any significant rate increases and we probably fell behind.

Councilor Wilson stated so we are not necessarily behind our increases because our system is up to date and maybe some of the other cities aren't up to date so they had to increase their fees because they need to rebuild some of their infrastructure.

Travis Hultin replied in the storm sewer case, overall our system is in pretty good condition. The cities that have exorbitant rates now weren't saving money in the past. If we were to go on only carrying \$200,000 in reserves, when those systems start to fail the money won't be there to replace them because that \$200,000 won't go very far when you start to get into those big replacement or rehabilitation projects. In our case you also have to add in factors like we are adding more variety of facilities that we need to maintain these days for water quality requirements and things like that. We have water quality facilities that are not very maintenance intensive but they require a little bit more effort so that is slowly increasing some of our operational costs. Also in the storm sewer case we just purchased the new Vac truck which the storm sewer contributed to. There are those big one-time costs that come up every once in awhile and draw your balance down. We need to be putting away more money for the future. We are fortunate right now in that our systems are young and we don't have a lot of problems, but it is not always going to be that way.

Councilor Wilson stated if our outlook is that we are not going to return any money back to the citizens after the sewer bond is paid for, you are going to have a big chunk of money at that point. Is that correct?

Travis Hultin stated the storm sewer is not paying towards the sewer bond. That is the sanitary sewer fund.

Councilor Allen asked impervious surface, how are we keeping track of that?

Travis Hultin replied we track that through the system development charge process. When a new development comes in, or through an expansion where they add impervious area, that is assessed at the time to determine the system development charge and then that impervious area figure can then be carried through to the billing system in the case of commercial and industrial properties. For residential properties we don't keep track because it is standardized; we assume that everyone is at 2,700 square feet.

Councilor Allen asked do you ever say anything to someone if they have a parking pad that we don't know about and they haven't been paying enough and they owe us money?

Travis Hultin replied in the case of commercial and industrial that could happen, but not residential because it is always a standard 2,700 square feet no matter what.

MOTION: Councilor Anderson moved to adopt a resolution adjusting the storm sewer utility fee and rescinding Resolution No. 2152. Seconded by Councilor Ripma.

VOTE: Councilor Anderson – Yes; Mayor Daoust – Yes; Councilor White – No; Councilor Allen – No; Councilor Wilson – No; Councilor Ripma – Yes.

Motion Failed 3 – 3.

Councilor Ripma stated we passed a budget that included these rate increases. I am completely surprised.

Councilor Wilson stated unfortunately I wasn't at the budget meetings.

Councilor Ripma stated you do realize that the budget for the city includes these increases.

Councilor Allen stated for me it is more of a timing issue. If this had been the next meeting my answer would have been more favorable.

Mayor Daoust asked how so? We are curious as to what the main reason is for not voting for an increase.

Councilor White stated I made my comments at the budget meeting and I still feel strongly that we are about to hire a new public works director and I think it is worth having that new person review these increases. I am hopeful that the increases could be less. A lot of the city doesn't even have this service and you have to justify an annual increase to a person that doesn't even get any benefit from this particular service.

Councilor Ripma stated you do get benefit. Even if it doesn't happen to be at your house the city benefits from having a storm sewer system because it helps take water that would otherwise flood streets and so on. This is right in line with what we have been doing for the last few years. I thought the staff fully justified it. You are all entitled to your opinion. I hope that we revisit this next meeting and it might garner another vote.

Mayor Daoust stated it is \$2.20 a month for all three utility increases.

Councilor White stated it is unsustainable to expect an increase every single year for all three categories.

Councilor Ripma stated unsustainable.

Councilor White stated I believe so.

Councilor Ripma stated requirements keep getting stricter. There are reasons that I thought were justified. Can we vote on this next meeting?

Mayor Daoust stated we could. What is the rule for it to be reconsidered?

Councilor Allen stated I would be willing to reconsider.

Councilor Anderson stated I can appreciate what Councilor White said and I am of the same opinion that hopefully when the new public works director gets in and has a fresh set of eyes on all of these master plans, then perhaps we can have different methodology going forward. That said, I have to agree with Councilor Ripma that we just passed a budget in which the fees increases were included in. We are a victim of poor timing.

David Ross, City Attorney, stated when a question has been decided any councilor who voted on the prevailing side, which in this case would be those that voted no, may move for reconsideration at the same or the next meeting.

Councilor Wilson stated last year there was approximately the same amount of an increase in all of these of \$26.40 a year, so now we have basically doubled in two years the amount of money we are charging the residents.

Councilor Ripma stated no.

Councilor Anderson stated my water bill for a year is \$600. We increased my water bill \$52; \$26 each year for the last two years or 4% which is roughly the rate of inflation.

Councilor Wilson stated \$26.40 a year is a huge increase for some families. I think we are putting too much of a burden on the people who are still struggling to get by.

Councilor Anderson stated I respect that argument. What do you say to the person 20 years from now when the well fails and we have to increase the water rates by 15% or 16% just to maintain the integrity of the water supply?

Councilor Wilson stated we are looking a long ways down the road.

Councilor Ripma stated we are supposed to be.

Councilor Wilson stated I would say as soon as our economy, our employment gets better than I could support these, but right now I just don't see supporting these increases when people are still out there struggling.

Mayor Daoust stated it is a minimal increase.

Councilor Wilson stated it is \$26.40 a year.

Councilor Ripma stated it is also good planning; being prudent.

Mayor Daoust stated we have a split vote. In order to reconsider this at the next meeting we will need a motion from the prevailing side of the vote.

Councilor Allen stated just to explain, it was a lot of material thrown at us in a few days. I read through it all and I didn't make it through all of it this time which affected my ability to talk to other people who are affected by the rate increases. I like to take a segment of the population and just talk to them about it and find out how they feel and I haven't had a chance to do that. I am reluctant to approve an increase tonight, but next week I am fine.

Councilor White stated I plan on voting no on all of these increases. We can skip a year and make an adjustment next year when we have a public works director that has had time to review everything. It puts a little pressure on him and lets him know that we are not happy with annual increases for all three. We want to look at prioritizing, getting down to some real numbers, real priority lists of the capital improvement projects. These increases hurt people; there are people who get shut-off notices. Water and sewer is a monopoly. You can lose your house if you don't pay these bills. They can take the deed to your home. It is really serious. I think it is worth having a new set of eyes look at it. I don't plan on voting for any of these this year. I plan on skipping this year even if it costs us a little more next year. I think it makes better sense to do that.

MOTION: Councilor Allen moved to reconsider the storm sewer rate increase at the next council meeting. Seconded by Councilor Ripma.

VOTE: Councilor Anderson – Yes; Mayor Daoust – Yes; Councilor White – No; Councilor Allen – Yes; Councilor Wilson – No; Councilor Ripma – Yes.

Motion to Reconsider Passed 4 – 2.

MOTION: Councilor Anderson moved to postpone Agenda Items 10 and 11 until a date certain of two weeks from today. Seconded by Councilor Allen.

VOTE: Councilor Anderson – Yes; Mayor Daoust – Yes; Councilor White – Yes; Councilor Allen – Yes; Councilor Wilson – Yes; Councilor Ripma – Yes.

Motion Passed 6 – 0.

Erich Mueller stated not to put Travis on the spot, but it is my understanding that he won't be at the next meeting so if you have questions on Items #10 and 11 maybe you could ask them this evening.

Councilor Wilson asked when the sewer bond debt is retired will the money that we have been collecting to help pay off that debt go back to the consumers that are paying it?

Travis Hultin stated I am not following the question.

Councilor Wilson stated the staff report says, "At that point, the sewer debt will be retired and no further sewer rate increases are currently forecasted through the end of the master planning period."

Travis Hultin asked is your question will the rates go back down?

Councilor Wilson asked after the bond is done are those monies going to go back to the consumers that are paying for it; that part that is going through their taxes and through the other rate increases they've had for sewer over the years, is that planning on going back to them?

Travis Hultin stated the general fund would no longer have to make its portion of the bond payment and the sewer fund would no longer have to make its portion of the bond payment.

Councilor Wilson asked so the sewer fund that we have been collecting for, that gets cancelled then?

Mayor Daoust stated no, it just says no further increases would occur.

Councilor Wilson stated my understanding was that this is a three-legged chair with how this gets paid and our rates have increased over the years because not all three of the legs are paying.

Travis Hultin stated that actually has not affected the user fee (the sewer rate). It has continued to make its normal payment. What the general fund has been making up was the leg that was paid by the system development charges. The sewer improvement fund, for several years now, has not been able to make that payment and that fund is almost dried up at this point. The general fund has been covering that. It has not been subsidizing the user fee portion of it.

10. RESOLUTION: A resolution adjusting the sanitary sewer utility fee, confirming the average flow rate for an equivalent residential unit and rescinding Resolution No. 2153.

This item will be taken up at the June 25, 2013 Council meeting, however, due to the fact that Travis Hultin will not be at the June 25 meeting he presented his staff report to the Council (a copy of the report is included in the packet).

11. RESOLUTION: A resolution adjusting the water commodity fee and the water installation charge, confirming other water related fees and rescinding Resolution No. 2154.

This item will be taken up at the June 25, 2013 Council meeting, however, due to the fact that Travis Hultin will not be at the June 25 meeting he presented his staff report to the Council (a copy of the report is included in the packet).

12. STAFF COMMUNICATIONS

Craig Ward reminded the Council that there is an Urban Renewal Agency Board meeting on Tuesday, June 18 at 7pm.

13. COUNCIL COMMUNICATIONS

Councilor Anderson congratulated all of the high school graduates, specifically Reynolds High School graduates, as they embark on their journey into adulthood.

Councilor Anderson stated I thought the Visioning Workshop that was held last week was a resounding success.

Councilor Allen stated there was a time when my children were small and cute and SummerFest was a good fond memory; a bit of a magical moment for them. I have filled out the Friend of SummerFest form and donated \$75. I have forms available if anyone is interested. They can also be picked up at the Visitors Center.

Councilor Allen stated I wanted to say to Craig Ward, you were right in having us bid the demolition of the old police station. I would rather be corrected and succeed, then pretend I am always right and fail. I encourage you to keep that up.

Councilor Wilson stated the Troutdale Terrace held their Bike Rodeo which I participated in. The Kiwanis Club participated and Jon Brown and his dad were both there. The police gave the kids instructions on bike safety and how to wear their helmets and then the kids rode through Troutdale Terrace following the police car with their sirens and lights on. It is fun to see all of the kids enjoying their bikes. It was a great event.

Mayor Daoust stated we need to schedule performance reviews for Craig Ward, David Ross and Judge Young. We should probably get those done after the July 9th meeting. Debbie, can you work on scheduling some executive sessions for the evaluations.

Mayor Daoust stated there has been some discussion among some of the business people about the design of the new development on the Marino block. Some feel that it doesn't match the design of the other side of the street. I think we need to have an informal meeting with Mike Greenslade and some of the business folks and talk about their concerns.

Mayor Daoust updated the Council on the following:

- The slurry seal work is starting and everyone is receiving notices about their streets being impacted.
- We have a tourism committee that has started up and is now running. There is some good leadership that is moving that along. I am looking forward to hearing more from them. Councilor Anderson is our liaison for that committee.
- The Corp of Engineers is doing a project on the Sandy River Delta. They are going to open up the other branch of the Sandy River that flows more northeast. They are going to take out the rock dam that is damming up that branch of the river that goes east, which used to be the main channel. There is about 6,000 cubic feet of rock that is going to be surplus that won't be used on-site and will have to be hauled away. I connected the contractor with the urban renewal area development folks, Ron Garzini, and he contacted the contractor to see if they could use that rock.
- We received a lot of really good input at the Visioning Workshop last week on what people want downtown.
- Saturday I participated in the Grand Floral Parade marching with Mayor Charlie Hales and about 25 other mayors.
- Monday I attended an EMCTC meeting. Tomorrow I will be attending a Regional Mayors meeting in Tualatin. Thursday I have an EMEA Board Meeting and Friday I will be attending a ribbon cutting for Tiger Elite Gymnastics. Later in July I will be attending the Oregon Mayor's Association Annual Conference in Corvallis.

14. ADJOURNMENT:

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

Meeting adjourned at 9:41pm.

Doug Daoust, Mayor

Approved July 9, 2013

ATTEST:

Debbie Stickney, City Recorder