

MINUTES
Troutdale City Council – Regular Meeting
Troutdale City Conference Building
223 Buxton Avenue
Troutdale, OR 97060-2099

Tuesday, April 10, 2012

1. ROLL CALL, AGENDA UPDATE

Mayor Kight called the meeting to order at 7:02pm.

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

ABSENT: None.

STAFF: Craig Ward, City Manager; Debbie Stickney, City Recorder; David Ross, City Attorney; Charlie Warren, Public Works Director; Joel Wendland, Lieutenant.

GUESTS: See Attached.

2. CONSENT AGENDA:

2.1 ACCEPT MINUTES: January 24, 2012 Regular Meeting, February 14, 2012 Regular Meeting, and February 28, 2012 Regular Meeting

2.2 MOTION: A motion to adopt the 2012-2013 City Council Goals.

Councilor Anderson requested that Item #2.2 be pulled from the Consent Agenda and be placed on the April 24th Regular Meeting Agenda.

MOTION: Councilor Daoust moved to adopt Item #2.1 on the consent agenda. Seconded by Councilor White. Motion Passed Unanimously.

David Ross called for a point of order. If Item #2.2 is removed from the consent agenda it becomes a regular agenda item for this meeting unless a motion is made to delay it for a time certain to the next meeting.

MOTION: Councilor Anderson moved to discuss Item #2.2 of the Consent Agenda at our April 24, 2012 Regular City Council meeting. Seconded by Councilor Thomas. Motion Passed Unanimously.

3. PROCLAMATION: Proclaiming April 27, 2012 as Arbor Day in the City of Troutdale.

Mayor Kight read the Proclamation.

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

John Wilson, resident, stated with the budget meetings coming up I wanted to share some information with you. Our population is about 16,000 at this time. There are approximately 4,000 families living in Troutdale. Currently about 22% of that population uses food stamps (about 880 families in the City of Troutdale). There is 8.2% unemployed; based on 8,000 people working in the City of Troutdale that is 656 people that are currently not working. 16% combined of the unemployed, underemployed and those who can no longer file for unemployment totals about 1,280 people. There are currently about 90 homes that are in foreclosure and an undetermined amount that are going into foreclosure. Many businesses in Troutdale are just hanging on by a thread just making sure that their rent and employees are paid and they are not taking any money home for themselves. I mention this because the budget meetings are approaching and I am sure that the City will be asking for increases in business fees, water, sewer, etc. If you support your constituents you will just say no to any increase in fees. The City has been spending money in the last couple of years like there is no bottom line, so there must be plenty of money and no increases are needed. Help your constituents as they continue to use up their savings during the continued recession by not increasing fees. By approving increases you will be helping to promote the increased loss of businesses in Troutdale, and also driving people out of the City of Troutdale.

5. REPORT: Legislative update from Representative Matt Wand.

Matt Wand, State Representative, stated the "short" session was our first even-numbered year regular session constitutionally mandated at 35 days maximum and we got in just a little under that. We balanced the budget, which was not easy to do because we had hoped to have stronger revenues in the interim year which didn't materialize. One of the things that we did that was very important is we held back over \$400 million in an ending fund balance in the State budget. I have to say that during the 2011 session that was quite controversial. A lot of folks were hankering for that money to get spent and allocated in the two-year budget cycle.

This time we rebalanced the budget without making abrupt or deep cuts. We were able to fund schools, not at the level we would like, but at a subsistence level and in a way that can provide for the citizens here in the State of Oregon the best that we are able to do during difficult times.

There are two main areas I want to cover; East County specific areas and some job specific bills that we passed, and I want to talk to you about the League of Oregon Cities (LOC) and ask for your help.

Specific to East County: We were able to fund the East Metro Gang Enforcement Team (EMGET). The second item had to do with the East County Courthouse. I was happy to see the Mayor, Councilor Daoust and Councilor White at the Grand Opening this morning. It is a beautiful building and I am proud of it. As you know the rule of law is very important to me personally, but more importantly it is critical for equal access to justice, for civil rights and for business transactions. The rule of law is really the foundation that allows us to move forward fairly and equitably with freedom. The next steps for the Courthouse will be to ensure funding for landlord/tenant law, to make sure that we have small claims cases heard in that facility, and perhaps more importantly than that is that we have family abuse prevention act restraining orders. A family that is being abused shouldn't have to try and find the Gateway Area Center or ride the Max downtown to get a restraining order and get that level of protection.

I suppose the silver lining to the economic hardships that we have experienced is that the construction industry is down, which means that a lot of the construction projects that we have engaged in at the public level have come in under budget. One of those was the interchange at 205 and I-5. There was between \$3 and \$4 million available under the 2009 Jobs Transportation Act. If you remember that was the bill that listed out a line item for each different transportation project throughout the state, complete with dollar amounts written into the statute. One of the projects is the I-84 Interchange, which they listed at \$24 million. About 3 or 4 months after the session ended we found out that wasn't enough money. ODOT wasn't able to break ground or move forward. As soon as we found out that one of the other projects came in under budget Senator Starr, Representative Sheehan and I, together with the Port, worked that issue as hard as we could and we were able to reallocate that money into the Troutdale Interchange. That closed about 50% of the gap. I am hopeful that this, combined with the lower construction costs, will get us to a place where we can break ground on that project. That project is almost a complete redesign of the interchange that allows for more truck traffic, more through traffic and makes it easier for commuters. I believe that is critical for the TRIP property to fully develop, which in turn will provide a stronger financial foundation for the City's budget.

Moving on to the area of jobs: As you know unemployment remains a critical problem in our state and we need to do everything we can to fix it. With regard to the enterprise zone law, we know from the FedEx experience and the Pressure Safe experience in Wood Village, enterprise zones work. They provide that last key piece to bring in local jobs with a limited duration concession. We passed two key bills. The first one expanded the number of enterprise zones in the state and expanded the geographic area allowable in rural enterprise zones. The second is what we call the facebook fix. That was an instance where a major employer moved a data center into central Oregon, signed all of the documents, moved it through the county and everything was all set to take advantage of the enterprise zone law when the Department of Revenue (DOR) decided they wouldn't qualify and would be centrally assessed for their taxes. You can imagine the ripples that sent through the industry when they had already broken ground and were moving forward only to have the rug pulled out from underneath them. It didn't seem to us in Salem that that was the right

way to conduct business. When you sign a contract, when you enter into a deal, when a person is bringing in a substantial investment and hiring employees in the county with the highest unemployment in the state, you don't change the rules of the game on them right in the middle of it. So we passed that bill and in the next session we will move on making decisions about the central assessment in general. Central assessment affects you at the city level because companies like telephone and cable companies get a central assessment on the value of their lines and equipment on a statewide basis that goes through the DOR. Then the DOR allocates that money to cities, counties and municipalities. That law came about because of the telegraph and has been applied to cable, telephones and other types of communications but what we don't know is how does that law apply to the transmission of data over the internet. At times the DOR has said that it doesn't apply at all, and at other times it says that it does. Now there is a case pending before the Oregon Supreme Court but nobody really knows the right answer. What we do know is that there is a way to solve it legislatively and that is one of the things we will be working on in 2013 with the idea of leveling the playing field for all types of data and communications, and communication systems so that everybody has a fair and equal opportunity to compete in the marketplace.

The second bill that we passed was from Treasurer Ted Wheeler, and I was the co-sponsor of this bill which is the Oregon Investment Act. What it does is it combines all of the different economic development pieces that right now are spread out all over several departments in the state government and it consolidates them into one stop shopping for businesses. So if you want to locate in Oregon, or if you want to grow your business in the State of Oregon you can go to this board and find out what is available.

Lastly, there is an unfinished bill that I will be working on in 2013. It is a limited duration investment incentive for businesses located only within the State of Oregon; not publically traded businesses. If a person invests in one of the qualifying businesses during the two year period, and if they hold that investment for a minimum of three years then when they realize the gain they will pay a lower tax rate than the full income tax rate. When we moved that through the analysis we found that this creates 1,000 jobs in the state in five years, it has no revenue impact in the first budget, and in the first six months when it has revenue impact it increases revenues to the State of Oregon because it creates jobs so quickly. It is exactly the type of program that the State of Oregon and people like you can advertise to investors. We were not able to get that bill through the system this time but I hope to do it next time. I won't give up. That is the kind of out-of-the-box thinking that we need.

I ask for your assistance with respect to the LOC. It has now been two sessions where I have submitted a bill or participated in a bill that was misrepresented actively by the LOC in the Capitol. In this instance it was a bill regarding the provision of utility services for property that is outside of city limits. It was frustrating to have lobbyists calling my mayors and in some cases city councilors and actively misrepresenting my bill. I appreciate those of you on this council that were concerned and called me so we

could straighten out the record. But what is more important is that the LOC now has some new employees and they are trying to change their organization to do a better job. In the instance of this particular bill it would have immediately created about 1,500 jobs. If not for the LOC that bill probably would have passed. Please get involved. Go to the LOC and get on the committees for public policy and hold them accountable when they hurt bills and defeat bills that would create jobs. Ultimately those jobs provide the economic and financial foundation for core services that you want to provide, and as a citizen I would like for you to provide.

Councilor Thomas stated in regards to the cable telecommunications, I would like to sit down and talk with you about that. I know that the Mt. Hood Cable Regulatory Commission has been pushing for some things that we would like to talk to you about.

Councilor Ripma thanked Representative Wand for doing a good job.

Councilor White thanked Representative Wand for fighting for jobs for this area.

Councilor Allen stated your representation has been refreshing, thank you.

Councilor Daoust stated we are proud of you. You talked about balancing the budget. I am curious how the state legislature goes about balancing the budget for state departments. Do you get real directive or into the weeds on each state department?

Representative Wand replied at the beginning of the session the Co-Chairs of the Ways and Means get together with the Speaker of the House, the Senate President and the Governor's staff. They agree on the big numbers, like education, Department of Human Services, etc. Once they have the full all-funds budget number agreed upon, based in part on the revenue projections, then they send the actual budget documents down to the subcommittees that deal with each different department. The subcommittees on Ways and Means work together with the department heads to put together a budget, but what they don't do is what my experience was here in Troutdale where we have very specific line items. What they have there in general terms are larger numbers and there is what is called a budget note. Sometimes if a legislator or a committee wants a particular thing to be done they will add an instruction such as funding the EMGET; that is a budget note item and they will put a dollar amount there. Other times they will leave it more general. The types of things that we authorize or don't authorize are the number of employees and ending fund balance. Various policy packages come forward and add into those budget documents as they work through the process. So maybe we pass a bill that says that the penalty for animal abuse will be a "C" felony instead of an "A" misdemeanor. A "C" felony carries with it prison time and an "A" misdemeanor doesn't, so we will get a fiscal impact on that. If we pass this bill to increase that penalty they will have to add a policy package to the budget and allocate additional funds. To answer your question, we don't get into the weeds of line items, or particular people unless it is a budget note, otherwise we will have policy packages that support another bill.

Councilor Daoust stated I did hear you say that you get involved with the number of employees in each department.

Representative Wand replied my understanding is yes. Not sitting on Ways and Means I was not deep into that. The reason why I understand that to be the case is because when we were working with the Governor on reducing the number of middle managers, my recollection is that was included in the budget items, so they were modifying the number of employees in that regard. Other than that there is pretty broad discretion in the department heads for how they adjust their own budget and how they allocate their own money as long as they are not violating any specific budget notes.

Councilor Anderson extended his heartfelt wishes on this National Lawyer Appreciation Day to Representative Wand and David Ross. How fitting it is that we open the East County Courthouse on National Lawyer Appreciation Day. To overcome the registration disadvantage that you had to get elected, and then to go down in an evenly split house to get the results that you did, all of you did, it is kudos to every legislator in the House and the Senate, and even the Governor. You guys did a wonderful job; you got a lot of work done in an environment that could have been very toxic. Congratulations.

Mayor Kight stated as a Representative who has served on the City Council you understand the workings of a city. Some of the folks haven't had that experience. I appreciate that you communicate not only with the City Councils but the Mayors on a regular basis. You are a great communicator. That is something we haven't had in the past. You are looking out for the interest of Troutdale. You serve the community at the state level very well and we really appreciate it.

6. PRESENTATION: Mt. Hood Cable Regulatory Commission will give a presentation on: Cable Franchise Public Benefits – A Decade of Community Investment.

Councilor Thomas stated tonight I have with me Julie Omelchuck and Rebecca Gibbons of the Mt. Hood Cable Regulatory Commission (MHCRC) staff. At our last retreat there was a presentation given that showed the benefits of the cable franchises that we have had over the past ten years and how they have benefitted the community. It was a very good presentation and I thought it would be very informational for the City Council to see what goes on behind the scenes and what the benefits are from having a cable franchise.

Julie Omelchuck and Rebecca Gibbons showed a Presentation to the Council (copy of the presentation and the text are attached as Exhibit A to the minutes).

Councilor Thomas stated normally on a yearly basis we come and give you a budget report analysis. This presentation actually shows you what really happens in a pictorial format. I hope it helps clarify what the real advantages are with the cable franchises.

Councilor Daoust asked is the youth media program just for high school students?

Julie Omelchuck replied I believe that currently Metro East Community Media focuses on working with high schools to integrate their expertise in digital and media literacy into some of the high school classes. The teacher invites Metro East to integrate video and multi-media production into the curriculum that they are teaching. What they have found is that hands on, relevant, media training as part of the curriculum really helps the students learn the content of the class better.

Councilor Daoust stated a couple of figures caught my attention. The \$12 million in grants and the \$12 million in the I-Net capital fund. That is a lot of money. Does the ability to fund grants of \$12 million all come from the franchise fees?

Councilor Thomas stated when we have talked about the 3% in the budget; 1% goes to the grant fund, 1% goes to the capital fund and 1% goes to the I-Net. Over the past 10 years each one of those has made about \$12 million dollars. That has helped to fund all of those things. The one part that goes to the capital fund generally is split between Metro East and Portland Community Media which helps them buy capital equipment that they need for their operations. For the grant fund, we have a grant process that we go through once a year and we give out in the neighborhood of \$1 million to \$1.2 million a year in grants. The I-Net fund was used to build the I-Net, and it is now being used to upgrade the I-Net.

Julie Omelchuck stated the franchise fee is the money that comes to your general fund, and also helps fund Metro East for their operations and a small portion of MHCRC's budget. In addition to the 5% franchise fee that is not dedicated under federal law, the additional 3% that the cable companies pay is dedicated to the purposes in both the franchise and under federal law. So there is 5% that is more discretionary and is more general fund oriented and then there is the 3% that is dedicated.

Councilor Daoust asked if the City of Troutdale or Reynolds High School were to submit a grant application would they have to show that they have an equal match?

Julie Omelchuck replied yes. If you are interested in the particulars of the grant program we have that information on our web site.

Mayor Kight asked what is the projection for increasing subscribers to cable services? Do you have any statistics in that regard?

Julie Omelchuck replied the actual number of cable subscribers throughout Multnomah County has not significantly increased. However, when you saw the chart that showed how franchise fees have risen consistently over the last ten years, that is because there is more revenue being gained per subscriber. Also, there is more revenue being gained by the cable company in things like advertising and other services. That is how the franchise fee base has really grown over the last ten years.

For Troutdale there has been a slight uptick in the number of cable subscribers as a result of the franchise with Verizon, now Frontier. Initially when Verizon applied for a franchise and came into the market it was unclear whether Comcast would lose subscribers and Verizon would gain those subscribers. In the last three years what we have seen is that there has been a slight uptick in the total number of people taking cable television service.

Mayor Kight stated what I am hearing you say is that the economy really hasn't had that much of an impact.

Julie Omelchuch replied that is correct. The theory is that even though cable services cost a certain amount of money, over a month it is a less expensive form of entertainment than maybe attending a professional basketball game, or going to a movie or concert which you can get at home on your television.

7. RESOLUTION: A resolution approving the agreement for the 2012 Edgefield Summer Concert Series.

Lieutenant Wendland stated this agreement is very similar to the past agreements with the exception that this year they are requesting one additional date, which is on Thursday, September 27th. This night does precede a school day, but there is a benefit to it. Edgefield has pledged to donate some of the proceeds from this concert to the Reynolds School Stadium Fund and to the Troutdale Historical Society. We do support it and we are looking for your approval.

Councilor Allen stated I have friends who live in the neighborhood just above Edgefield and they really like the concerts. That doesn't speak for everybody. I don't know how extensive your talks with the neighborhoods have been.

Lieutenant Wendland stated I know that Edgefield has gone out of their way to contact and have conversations with some of the neighbors over the years who have had issues with the volume and they have taken steps to decrease the volume. We have contacted representatives from Sedona Park and Cherry Ridge Homeowners Associations. We haven't heard of anybody who is particularly concerned with this event. I understand that as issues have come up over the summer months, between the City and Edgefield, they have been resolved.

Councilor Allen stated I know my friends enjoy them but I take it if there are other people that do not enjoy it you would probably be one of the first to know.

Councilor Anderson asked on average is there one or maybe two concerts a month?

DJ Simpco, Edgefield, replied that depends on how many concerts there are. It could be 2-3 a month or 1 a month, it depends.

Councilor Anderson stated I went to one concert last year and I thought it was easy to get out after the concert and there wasn't any traffic issues; much easier than I would have anticipated. Is that normal?

Lieutenant Wendland replied we have been doing this for years now and every year we get better at how we excuse different parts of the parking lot. We have made it so that certain exits can only go a certain direction on Halsey which has mitigated a lot of the congestion issues.

Councilor Anderson asked and the shows end at 9:30pm, 10:00pm at the latest?

Lieutenant Wendland replied they are supposed to end by 10:00pm at the latest.

Mayor Kight asked is there anyone who would like to speak to this issue?

No public comment received.

MOTION: Councilor Anderson moved to adopt the agreement between the City of Troutdale and McMenamins for the summer concert series as an Event of Citywide Interest. Seconded by Councilor Thomas.

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

Motion Passed 7 – 0.

8. PUBLIC HEARING / ORDINANCE (Introduced 3/13/12): An ordinance amending the Troutdale Code Section 2.52.050 and 2.52.060, disposition of personal property.

Mayor Kight read the ordinance title.

Charlie Warren, Public Works Director, stated this is the second public hearing for this proposed ordinance. At the first public hearing no one testified. The proposal is to streamline the process in recognizing our Charter change so that the city manager, or designee, will have the authority to designate surplus properties. We hope that will make it easier to recycle and sell surplus materials. We also increased the dollar amount for unclaimed property from \$100 to \$1,000 and we included a recycle provision in the ordinance.

Councilor Allen asked what is the rationale for \$1,000?

Charlie Warren replied it isn't worth going through a large process to identify who an item belongs to that hasn't been claimed unless it is a certain value. \$1,000 makes sense to us.

David Ross, City Attorney, stated it is the threshold value before you have to advertise in a newspaper of general circulation.

Councilor Allen asked do we know the average value of an item?

Charlie Warren replied I wouldn't know that.

Mayor Kight opened the public hearing at 8:16pm.

No testimony received.

Mayor Kight closed the public hearing at 8:16pm.

MOTION: Councilor Anderson moved that we adopt an ordinance amending the Troutdale Code Section 2.52.050 and 2.52.060, Disposition of Personal Property. Seconded by Councilor Daoust.

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

Motion Passed 7 – 0.

9. STAFF COMMUNICATIONS

Craig Ward, City Manager, provided the following information to the Council:

- Next Monday, April 16th at 6:30pm we will have the Volunteer Recognition Ceremony, followed by the first Budget Committee meeting at 7:00pm.
- Wednesday, April 18th we will have the second Budget Committee meeting at 7:00pm.
- We will have the City's Annual Spring Clean-up event on April 28th at the Troutdale Transfer Center. Volunteers are solicited. We will not be accepting yard debris this year.

10. COUNCIL COMMUNICATIONS

Councilor Daoust stated this morning Mayor Kight, Councilor White and I attended the East Multnomah County Courthouse Grand Opening. It was an enjoyable event that was well-attended. It is a very impressive building. It will receive a LEED Gold Certification. The idea that this has been discussed for a long time was kind of the main theme - 40 years worth of discussion was quoted. That seems like a long time to talk about wanting a courthouse in East Multnomah County, but that is what they were saying. Lonnie Roberts, along with all of the County Commissioners were present. Diane McKeel did a good job of kicking off the event. They had refreshments and tours of the building.

Councilor Thomas stated I was approached about the possibility of restarting what we use to call the 4 Cities Meetings which were held quarterly and all of the city councils got together to talk about general issues. I would like to get a sense from the Council whether you think this is a good idea. I would really like to see this move forward to have a chance to get together with all of the other councils to find out what is going on regionally.

Mayor Kight stated I think that is a great idea. I think it has already been published in the Gresham Outlook that the Mayors of the four cities are actually having that discussion. I have always found that it is critical to talk to our adjoining neighbors. It only makes sense, if for no other reason than the social value of meeting other councilors and mayors of the other cities and developing that relationship so when there is an issue we know who we are talking to. I think it is an idea that has a lot of merit.

I sent an email to the Council with some good news about new businesses moving into the area.

- Nissan of Gresham is now located in Troutdale adjacent to Gresham Honda, which is also in Troutdale. I met with both of the General Managers and asked why the names are Gresham and not Troutdale and they said it is a franchise name and it moves with the business. Nonetheless, I am very happy to see that vacant building occupied.
- We have a new owner for the Troutdale Thriftway Store property. He has already signed a lease and the new lessee will absorb about 20,000 square feet of the building.
- We have only one storefront left in downtown Troutdale that is available for lease. Troutdale's Open for Business Plan is an incentive to attract business to our city and it is working.

11. ADJOURNMENT:

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

Meeting adjourned at 8:28pm.

A copy of Exhibit A can be viewed with the meeting packet or on microfilm

Mayor Jim Kight

Approved May 22, 2012

ATTEST:

Debbie Stickney, City Recorder