

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

Tuesday, June 26, 2012

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

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

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

ABSENT: None.

STAFF: Craig Ward, City Manager; David Ross, City Attorney; Rich Faith, Community Development Director; Sarah Skroch, Deputy City Recorder; and Erich Mueller, Finance Director (7:30pm).

GUESTS: See Attached List.

Mayor Kight asked is there an agenda update?

Craig Ward replied there are no amendments to the agenda.

2. CONSENT AGENDA:

2.1 RESOLUTION: A resolution authorizing the Mayor to enter into an Intergovernmental Agreement with Multnomah County for the Community Development Block Grant program and the Home Investment Partnership program for the program years 2013-2016.

2.2 MOTION: A motion approving a revised purpose statement for the Economic Development Subcommittee of the City Council.

MOTION: Councilor Thomas moved to adopt the consent agenda. Seconded by Councilor Daoust. Motion passed unanimously.

3. PUBLIC COMMENT

None.

4. MOTION: A motion to approve the Mt. Hood Cable Regulatory Commission's 2012-13 Budget.

Councilor Thomas stated I'm here tonight with David Olson, Director of the Mt. Hood Cable Regulatory Commission (MHCRC). This will probably be the last meeting that he'll be attending because he's retiring at the end of this month. Also here tonight is Mary Beth Henry who is the

assistant for our cable staff and she'll be assuming David's responsibilities when he retires. In the audience are Sanford Inouye with Comcast and Sean Files from Commissioner McKeel's office.

Councilor Thomas reviewed the Commission's major accomplishments and budget highlights. A copy of the talking points are attached as Exhibit A.

Councilor Daoust stated I was looking at the costs we incurred when we moved into the new City Hall Buildings for Institutional Network (I-Net) which were paid to the City of Portland. Is the City of Portland in charge of I-Net equipment and data service?

Mary Beth Henry replied the funds flow to the City of Portland and a portion of those funds flow to Comcast to pay their fees and the other fees are for the City's staff that does the customer interface.

Mayor Kight asked how many staff members do you have?

Councilor Thomas replied about 3.5 employees.

Mayor Kight asked are you (Mary Beth Henry and David Olson) City of Portland employees?

David Olson replied we are. Under the Intergovernmental Agreement (IGA) the Commission contracts for staff services through the City of Portland.

Mayor Kight asked do you feel you are adequately staffed?

Councilor Thomas replied more staff would be nice. One of the reasons we're looking at hiring a Compliance Officer and using the grant funds to help fund that is to be able to accomplish some of the work that we can't with our limited staff. Part of that compliance is managing grants from Metro East Community Access and following up on it. **Inaudible due to background noise.** That would give us about \$80,000 a year to have somebody do full time compliance. We've never had any problems but it's always good to make sure.

Mayor Kight asked were you doing this workload?

David Olson replied I was doing the directorial portion of the workload and now Mary Beth Henry is stepping up to do that. We will still have Julie Omelchuck, Assistant Director and Rebecca Givens, Program Coordinator. Overall it's a net cut in staff but as Norm mentioned there is an increment coming up for compliance work. It is an overall cut but everyone is committed to making absolutely certain that you have the same quality of services that you had before.

Mary Beth Henry stated right now we have 30 grants given throughout Multnomah County to schools and libraries. Those grants normally are over a 3 year period. It really is complex in terms of oversight because we manage each of those and they may not implement the entire grant in the first year, it may be done over a 3 year period. Each year we're adding additional grants. We plan to invest \$3,000,000 into the community in the next fiscal year and compliance will become even more of a burden.

Mayor Kight asked is there anybody here to speak to this item?

Sanford Inouye, Comcast, stated I'm here to offer some comments in regards to the proposed budget. We don't oppose the budget or the compliance fee that's been mentioned. What we are concerned about is how this compliance fee is being paid, and that the use of these funds is restricted. The funds that are being generated are through grants that are issued by the Cable Commission to eligible entities for the purchase of equipment related to public education and government access. These are called capital grants because it's something that you buy physically and it is not for operational support such as staff. This compliance fee is 7% of the amount of the grant awarded to the entity. We understand it can be paid from the capital grant fund. **Inaudible due to background noise.** The source of funding is our concern. Capital grant funds should not be used to pay the 7% fee. Other sources of funding available to the grant recipient may be used. We have two recommendations for the City Council tonight. The first is that you consider the recommendation that contracts that are entered into by the Cable Commission and the grant recipient includes a provision that basically states no portion of the capital grant funds can be used to pay the 7%. The second recommendation is that the grant recipient be required under the agreement to identify the source of funding used to pay the 7% compliance fee. We believe those recommendations will ensure that grant recipients won't be placed in jeopardy down the road of being required to refund the capital funds used to pay the 7% fee because it is not a capital cost tied directly to the capital improvements purchased under the grant. Thank you for your consideration and I'd be happy to answer any questions that you may have.

Councilor Daoust stated I'm not sure how to fit your recommendation into approving a budget package.

Sanford Inouye replied as a member jurisdiction of the Cable Commission, you have the authority to approve that budget. In connection with that authority you can condition that approval by stipulating certain requirements. What I mentioned tonight would be part of the approval back to the Cable Commission stating that the contracts that are awarded by the Cable Commission for these capital grants contain the two provisions that I mentioned earlier. That would be appropriate as your authority to the Cable Commission. The franchise that we have with the City of Troutdale is with you and not the Cable Commission. The Cable Commission is an advisory body to the City per the IGA. We believe that would be an appropriate recommendation by the City Council.

Councilor Allen asked does our representative have any comments on this?

Councilor Thomas replied we've looked at this and it's legally within our bounds. We are currently in negotiations with Comcast to iron out the details. When you get a grant it requires a 100% match. If you want \$100,000 grant from the Commission, you have to have \$100,000 to go with it. They aren't simple grants to get. Troutdale will be one of the last Cities to approve this budget. So far Portland, Wood Village, Gresham, and Fairview have all approved it without any additional restrictions. The Commission does not take it lightly. Our goal is to work together. I don't know that adding any of these restrictions would really help out the budget process. One of the reasons that we're nationwide leaders is because we have all 6 jurisdictions working together as one group. For \$11,000 you are getting a tremendous amount of service that you would never be able to get by yourself.

Mayor Kight asked do you need unanimous support from all Cities?

Councilor Thomas replied we need to have a positive vote from all Cities.

Councilor Daoust stated I appreciate Comcast coming but I feel a little uneasy about getting into the middle of negotiations even though we have the authority to do that. It seems like some sort of mutual agreement is being worked on. I respect Mr. Inouye for his presentation. Is that fair?

Councilor Thomas replied I agree.

Councilor Anderson asked wouldn't it stand to reason that if an entity had to have \$100,000 to obtain a \$100,000 grant that they would have the fiscal wherewithal to pay the 7%?

Sanford Inouye replied that's a great question and they should have the funding to pay any fee imposed or tied to the grant. As Councilor Thomas mentioned, there is a matching requirement for the grant. This fee is in addition to the matching funds required.

Councilor Anderson asked what is this fee in real dollars?

Sanford Inouye replied according to the budget, they anticipate receiving \$280,000 from the 7% fee and \$80,000 of that is earmarked to pay for 1 full-time position. The other \$200,000, we're not sure.

Mary Beth Henry replied we put \$80,000 into contingency. Until we work through the details, we won't be moving forward with the grants. The other thing we've talked to some of our smaller grantees about is that the Commission would have the authority to waive the fee if it did prove to be difficult for some of the smaller non-profit organizations. We do have some flexibility.

Councilor Anderson stated Comcast is here, does this not matter to Frontier or any of the other providers? Did they not pay attention?

Sanford Inouye replied I haven't had any official communication with Frontier but I would think they'd be interested in the usage of capital grant funds because they pay a substantial fee. Unfortunately they're not here tonight.

Mary Beth Henry stated we have provided all of the information to our local Frontier representatives and they have not had any issues at all.

Councilor Anderson stated I agree with Councilor Daoust. It sounds like we're on the road to getting some sort of resolution. I don't know if I would want to be involved in something like this.

Councilor Ripma stated thank you for coming and bringing this up. I share the concern expressed about getting into the middle of it. Is Comcast's position that it's somehow illegal for the funds to be used in this way? Why would there be a reason that they'd have to refund it?

Sanford Inouye replied our position is that capital funds have been, and currently are, restricted for the use of purchasing equipment. There was an incident related to a non-profit in the

Portland area that used capital funding for operational support about 3 years ago. That raises our concern. We're trying to nip an issue in the bud because capital grant funds are truly restricted. They are not intended to be used for operational support or the hiring of staff. It is directly tied to capital costs incurred in connection with this capital grant. It is a serious concern to us. We don't want to have a potential situation next year when an audit is done and non-profits or government entities who received these capital grants and paid the 7% fee out of the grant monies only to find out that they shouldn't have done that and must pay it back. Don't put the carrot in front of them so they'll be enticed to use this capital fund to pay this 7% fee.

Councilor Thomas stated in response to the non-profit organization, the Commission stepped in and took care of it and the organization has refunded it in full. That's one of the reasons why a compliance officer is so important.

David Olson stated we respect this issue enormously. We absolutely are in agreement, these are restricted funds. These can only be used for proper capital purposes. That is provided in the franchise agreement and the agreements with Metro East Community Media. We have established this in a way so that the burden is shared with the grant applicants and it must be properly spent. If accepted accounting standards allow this and other capital related expenses to be capitalized so be it. The burden is on the grantee, their auditors, and their attorneys to make sure that is true. Comcast has audit rights as the MHCRC does to make sure that is so. We respect Comcast's concerns. We wish they had raised this issue with us a lot earlier. We respect them and will work with them. Please understand that at a staff level, we do not believe that the City Council of Troutdale or the other jurisdiction should become the board of accounting standards. Those conditions may differ from generally accepted accounting principles, auditing standards, and attorney's all of whom must review and sign off on this and make sure it's proper. We respect Comcast's arguments. We will work with them to make sure that they understand that at a staff level we are absolutely as invested as Comcast and everyone else is to make sure that these are spent properly.

Councilor Daoust stated I assume the auditors are ok with what the Cable Commission is doing with this 7% fee.

Mary Beth Henry replied yes. Our long time accountant, Mike Katz, CPA, has said this is acceptable and he advised us all the way along on exactly how to do this, as did our attorneys. One final point that might help is that Comcast has audit rights on all of these grants and for Metro East Community Media. At anytime they could ask to have the books opened and do a separate audit.

Mayor Kight asked how did you find out about the entity that was out of compliance using capital grants for operational costs?

Councilor Thomas replied we found out through the books.

Mayor Kight asked you were actually able to identify that they were spending money the wrong way?

Mary Beth Henry replied yes.

Mayor Kight asked are there any more comments?

Sanford Inouye replied we appreciate the comments offered by staff tonight that they're willing to work with us on this issue. If I heard correctly, if the receiving entity's own accountant says they can pay the 7% fee from the capital grant as a legitimate capital cost then that's fine. The funds go back to MHCRC as part of an operating budget that they can use for administrative support and other things that are not directly tied to capital costs. Our concern is that they may be wrong on that opinion. What we are trying to do is stop this at the very beginning and not place the carrot before the recipient by having a recipient use other sources of funding that are available to them and not use capital grant monies. You heard tonight that they do have that option. It is a serious concern. It is money that is not easy to come by for non-profits to suddenly make up a shortfall.

Councilor Allen asked do you need to bring the staff person in-house or can you contract such a thing? What if you did have a compliance person and what you find isn't enough to justify an \$80,000 position?

Councilor Thomas replied that's a hypothetical and hard to answer. We could probably contract for it but I imagine it would cost more than having an in-house person. Plus entities would need to be audited or checked in on a yearly basis and then on-going when they send in a request for funds. We don't give them any money until they show the expenditures. We want to make sure we manage the money properly.

Councilor Allen asked are you saying there's currently no auditing of any kind?

Councilor Thomas replied we've been doing some with existing staff.

Councilor Allen asked until now, have you had very much in the way of compliance?

Councilor Thomas replied we haven't had any issues other than the one organization that Sanford brought up. Other than that it's been pretty straight forward but we would like to stay on top of it. This year we gave out almost \$1.4 million in grants and next year we could be looking at \$3 million.

MOTION: Councilor Anderson moved that we approve the Mt. Hood Cable Regulatory Commission's 2012-13 Budget as submitted. Seconded by Councilor White. The motion passed unanimously.

5. RESOLUTION: A resolution endorsing the East Metro Connections Plan Recommendation and Action Plan.

Rich Faith, Community Development Director, stated this topic has a very long and perhaps pretentious history. Over several decades efforts have been made to find the best route between I-84 and Highway 26. Unfortunately that subject often pitted one jurisdiction against another. Over the years there have been several efforts put forth to try and bring the jurisdictions together to cooperatively work towards a solution to this issue. This led to a Memorandum of Understanding (MOU) that was signed by East County jurisdictions in 2007 which expressed their desire to have this corridor study done to analyze the major North-South transportation corridors in East County. After the MOU was signed by the jurisdictions the Metro

Council and Joint Policy and Advisory Committee on Transportation (JPACT) was able to see that East County was serious about wanting to have this issue studied and resolved to the point that they approved funding for the East Metro Corridor Refinement Plan which was really the beginning of this particular East Metro Connections Plan. Last year to demonstrate our commitment and support for that effort, the City agreed to enter into an Intergovernmental Agreement (IGA) with Metro and committed a portion of the required local match for the federal funds that are being used to partially pay for this study. We have also committed some funding as well. I have served as Troutdale's representative on the Planning Committee and Mayor Kight has been a representative on the Steering Committee. Over the course of the last couple of years I would say we have attended no less than 24 meetings on this project. There's been an enormous effort put into it. I think our commitment to it has been demonstrated. I would like to bring up Metro Councilor, Shirley Craddick, and Brian Monberg to go into greater details about this plan and what its recommendations are and seek your endorsement on that.

Shirley Craddick, Metro Councilor, stated this is the first City that we've been to asking for an endorsement of this resolution to support the projects identified in the East Metro Connection Plan. We've been working on this for at least 18 months. Mayor Kight has dutifully been attending all of the Steering Committee meetings. I thank the staff, Mr. Ward and Mr. Faith, for participating on the Technical Advisory Committee. Brian Monberg is the Project Manager, he has worked with all of the jurisdictions to put this together. It's an accumulation of a lot of work and we really commend you for your involvement and your interest in this and supporting this as we move forward. This is making quite a stir in the Metro Region. What you are endorsing tonight is an action plan and this action plan identifies a group of projects that we'll move forward with in the future as a group of jurisdictions to Metro, to the State of Oregon, and to the Federal Government to look for money to get these projects funded. These are also a group of projects that will then be integrated with your Transportation System Plan (TSP) projects, with the Columbia Cascade River District plans, and the plans that you have with your Urban Renewal property. These will be piled together and as funding becomes available we'll be moving them forward. We're already out of the box with one project which is the signal mobilization project, connecting the signals together to help improve mobility through the North-South routes on the streets of the 4 main corridors that we've been looking at. This agreement is already influencing funding. We'll be meeting with Wood Village on July 10th, Multnomah County on July 12th, Gresham on July 17th, and Fairview on July 18th. I will be turning this presentation over to Brian Monberg but first I would like to give Travis Stovall an opportunity to say a few words. He's been very involved in this and I really appreciate the support of East Metro Economic Alliance (EMEA).

Travis Stovall, EMEA Executive Director, stated we greatly appreciate your support on this key issue. A number of years ago we were here discussing this MOU and ensuring that this process moved forward. We have the opportunity to prove to the rest of the region that we can work in a collaborative and cooperative approach. Lately I've been saying that there's this rumor that the west side is now coming to the east side asking us to talk to them about how we work together. I longed for the day when I would hear that statement made because historically we've been characterized as the opposite. I'm ecstatic about the leadership that has been shown here. The Transportation Committee brought forth this recommendation to the EMEA Board a few weeks ago. They approved it and moved it forward and put their stamp of approval on it. As we start this process we talk about making sure that we support that kind of development ensuring that we keep livability and those key things in mind as we move forward. The Board feels that those

things were intricately and intimately involved in this decision. As we move forward with delivering the recommendation, I want to further encourage you to approve what's been done here. This isn't the end by any means. We still have a number of additional hoops to jump through including funding. Keeping the cooperative/collaborative approach through that process is going to be a key issue that's going to be needed. From EMEA's perspective we stand in alliance with what Metro's put forward through the East Metro Connections Plan and fully support it.

Councilor Craddick stated this was unanimously approved by the Steering Committee.

Brian Monberg, Metro Senior Transportation Planner, gave a PowerPoint presentation, a copy is attached as Exhibit B.

Brian Monberg stated the purpose of the study was to look at the connections between US26 and I-84. The project team established a planning area that primarily looked at I-84 to the north, south to the County line, the border between the City of Portland to the west, and the Sandy River to the east. This has really been a collaborative approach among the 4 Cities of East Multnomah County, the County, the City of Portland, the Port of Portland, Tri-Met, as well as Clackamas County. We looked at what types of road investments and public investments can really support the key land uses to promote economic development to the urban renewal area, north Edgefield, Columbia Cascade River District (CCRD), and the Troutdale Reynolds Industrial Properties (TRIP). This study hasn't been looking at any changes to land use. It's really been about where are the public investments in the transportation system that will help activate the land uses that currently exist. Just as this is going to update the Regional Transportation Plan, this is also going to affect the Troutdale TSP. That process will be initiated after the approvals for the East Metro Connections Plan. There are going to be other projects identified within the Troutdale TSP but what we've done is look at the regionally significant projects that are going to be right for collective advocacy among all the Cities.

Brian Monberg stated now I'd like to provide some of the project overview. There has been a lot of historical studies looking at a single highway route or limited access freeway connection between US26 and I-84. As we initiated this study we stepped back and looked at 4 interchanges of East Multnomah County and really looked at it as a network. We looked at where the congestion was and where the capacity was along that whole network. We looked at the needs and the types of facilities needed to support current and future needs for the road system. Based on that we established goals and the focus has been primarily on North-South connectivity between I-84 and US26 and secondarily on East-West connections. We looked at the investments that can optimize the existing system to the extent possible by doing a really focused return on investment so we aren't looking at major new facilities unless we really need them. We looked at all transportation modes including transit to really support the economic and livability opportunities. The needs did identify some congestion and capacity issues looking out to the year 2035 (see slide 9). Those are some of the issues that have warranted which projects were advanced. Based on the needs analysis for now and into the future, a single highway connection is not needed. Despite that, there are areas where we need to look at roadway improvements. The recommendation identifies the projects to advance. In addition to that there are a number of other areas where we can look at a variety of other lower cost solutions. We did a detailed safety study to look at reducing conflicts and reducing fatalities and injuries. Then we looked at how these investments support economic development and our

communities. What we really found in the needs analysis is how to support the arterial network in East Multnomah County which is arguably the best in the Metro Region. We'll be looking at how to support the East-West and North-South arterials and 4 interchanges along I-84 to look at how we balance the traffic and how we can make sure that we accommodate mobility through the system. We looked at about 200 projects, screened and evaluated about 120 and really looked at how to focus and find where we get the best cost benefit based on the studies. We looked at how to consolidate and focus a series of projects to provide the needs for that particular facility. That led to the packaging of a series of projects which then led to the recommendation before you that the Steering Committee endorsed on June 6th. I want to walk you through the highlights of this recommendation.

Brian Monberg reviewed slide 15 – 26.

Brian Monberg stated the regional mobility set of packages looked at the combination of transit, multi-modal connections and a regional signal project to support the regional improvements to the system. These packages are scoped to be competitive for State, Federal, and Regional funding. They can move individually or as a collection.

Brian Monberg reviewed slides 29 – 34.

Mayor Kight stated something that you might want to add to the widening of 238th Drive is that the lanes will accommodate 65 foot tractors and trailers. That is a major movement on the part of Wood Village. What that does is spread the truck/freight traffic across all of the routes.

Councilor Anderson asked are we doing anything with the County's 242nd right-of-way? I didn't see anything in the proposal about that.

Brian Monberg replied this process will update the set of projects and policies within the regional transportation plan. Historically there's been a regional designation along that right-of-way to preserve it for a potential facility if needed. The question for this study has been is there a need for that facility? The decision made based on the analysis was to advance the improvements to 238th/242nd. What that will do is move the regional designation that has been identified as a potential project within that right-of-way to the 238th/242nd facility and there will no longer be a regional designation within that right-of-way. That will allow the County and any other local actions to take place.

Councilor Anderson stated there's been a lot of contention in Troutdale about that right-of-way. Are all the stakeholders on board with this if it were to be vacated?

Brian Monberg replied there has been a lot of discussion about this. The unanimous decision by the Steering Committee was to advance the project on 238th/242nd and therefore remove the regional designation. There was some discussion about sequencing and timing of the actions that may take place. I think there's an opportunity to clarify that among all of the partners. But the decision has been made to remove the original designation.

Travis Stovall stated EMEA took up this discussion because it has been a piece of contention in regards to the sequencing and timing of how this all gets done. I won't call it concern but there is an effort from folks involved in the situation to ensure that the vacation happens to allow for

future economic development there. There is general support from the EMEA Board to look at vacating the right-of-way based on the information in the data that's been produced and delivered.

Councilor Craddick stated I think what initiated this agreement and will help bring us to consensus is the City of Wood Village saying that they would support widening of 238th. That really got the ball rolling on the other Cities to be willing to look at the notion of the vacation.

Councilor Thomas stated I think the culmination study is fantastic. For me the key is getting that extension off of the Regional Transportation Plan first and then moving forward from there.

Councilor Allen stated to me, development determines traffic patterns. What we're doing here is catching up. It's been needed for awhile and I appreciate the work that's been done. Could you further expand on the updated traffic signals as opposed to adaptive?

Brian Monberg replied we work with the owners of the facilities to identify the right mix and make sure that signals on the arterial network are coordinated as a starting point. Where there are noted areas of higher capacity there's an opportunity for the higher cost project. This opportunity is to make sure as many signals as possible that are on the network are coordinated. The interchange around 181st and I-84 has adaptive signals and this is looking at improving signals at US26 at Palmquist/Kane as part of the study. There will be opportunities to look at further investment where needed for signal treatments.

Councilor Allen asked do you believe the updated signals will be enough to help with the back-up of traffic on the hill on 238th?

Brian Monberg replied coordinating the signals and the widening project together will improve overall mobility in that section.

Councilor Daoust stated I'm very impressed with the connections plan. These collaborative approaches always work well. I'm particularly interested in statements like aligning projects with eligible sources, will clarify where prioritization needs to take place. What is going to happen from now on with deciding which projects will actually be implemented and funded and how that's going to continue? Is the Steering Committee going to continue functioning as a funding body or how is it going to work?

Brian Monberg replied there's going to be a variety of actions. One of the first opportunities is to try to best align these packages where funding is available and some of those are moving forward. An example is the signal coordination where there's been agreement among all parties to advance that. There are some other projects that are advancing and we're looking at some Federal Grant opportunities. What's been identified is that there are some opportunities to continue the collaboration with the East Multnomah County Transportation Committee (EMCTC) and the business community moving forward. What this project really establishes is making sure that there's agreement among everybody about what those priorities are.

Travis Stovall stated ultimately the plan is a great thing that comes together through a popular approach but the next step is what happens when the money needs to be doled out to specific projects. EMCTC is going to be the best organization to help decide that. Throughout the

process EMEA will continue to play its role. The parts and pieces that have gotten us here today is what will move us forward. EMEA is going to continue to take its leadership role through the Transportation Committee which all 4 Mayors are on the Board of. Then we essentially have access to the Columbia Cascade River District team. EMCTC will look at this list of the interests that exist around the region to be able to move forward in a prioritization perspective. The next step we're looking at is prioritization of the projects. We don't have it clearly identified how that next step is going to happen.

Councilor White stated thank you for getting this study done. I appreciate all of the work that went into it. At the risk of embarrassing Matthew Wand, I want to compliment him as well. He was a City Councilor for Troutdale and was very vocal about getting this study done. I think he deserves some credit as well. One concern I have is on 242nd still being 1 lane heading North because it's such a bottleneck. Is there any way that it can be expanded to 4 lanes?

Brian Monberg replied we did look at that in terms of the traffic analysis and 4 lanes were not identified as a future need. Some of the intersection improvements would be an opportunity. A lot of the congestion that you see is about managing the traffic through the intersection. This project does identify those. It doesn't identify a need for expanding to 4 lanes.

Councilor Allen stated it's important to note that you also looked at projected development in the area of Glisan to Stark and 223rd to 242nd.

Brian Monberg replied this study did look at the forecasted growth within that area and looked at the improvements needed along both 223rd and 242nd to foster the economic growth.

Councilor Anderson stated I noticed all the different groups on your list of endorsements. Did you have any input from the Economic Development Consortium?

Travis Stovall replied they've been involved at the Columbia Cascade River District level and have been involved in discussions along with all of the other interest groups that were a part of the discussion but I wouldn't say that they were formally involved in the Steering Committee.

Mayor Kight asked is there anybody else here to speak to this item?

Representative Matthew Wand stated I want to make 2 brief points. The first is that we build trust among the 4 Cities and the County with baby steps. We did that starting with the MOU which was championed and written by EMEA who then shepherded it through the entire process. We've made little steps, little leaps of faith trusting the other jurisdictions and so far it's all worked out. I'm particularly happy with the ability to allow freight traffic on 238th. At some point we'll have to make another leap of faith here in Troutdale with vacating the 242nd right-of-way. I've asked my son Christopher to come with me today to put a face and a reminder on the 6th safety package which is along 257th. This plan is protecting about 200-500 residents in Wood Village that live nearby the 242nd right-of-way. They've fought long and hard to protect their neighborhood and to protect the safety of their residents. What we're doing is trading those residents for the several thousand that live along both sides of 257th. We as Troutdadians have to trust that everybody else in the region will be there for us when we ask for these safety improvements so that when my wife is driving around with Christopher in the car, she doesn't have to turn left on 257th and get slammed into by an 18 wheeler. It's very important as we

move forward to keep in mind that boulevarding 257th is a leap of faith. It's about trust, it's about safety, and it's about livability here in Troutdale. We have to have freight traffic and we understand that. When we move forward, please remember that and we'll all have to advocate together.

Councilor Craddick stated thank you. The reason that we're here tonight is because you gave your support and allowed the MOU to be put together and engaged as this moved along over the past 18 months. We will be back to talk with you about the next steps. We will continually need your involvement. What will give us strength at the Regional, State, and Federal level is working together as a group of jurisdictions moving forward coming to an agreement on the transportation qualities that we want to promote. If we don't do that, this project will not be worth anything. We need to continue to work together as a group of jurisdictions to promote the projects that we've identified. I can't thank you enough for your support in this and your willingness to look at some different opportunities for us and be willing to support that.

MOTION: Councilor Thomas moved that we adopt a resolution endorsing the East Metro Connections Plan Recommendation and Action Plan. Seconded by Councilor Anderson.

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

Motion Passed 7 – 0.

Mayor Kight recessed the meeting for a break at 8:40pm.

Mayor Kight reconvened the meeting at 8:53pm.

6. REQUEST: A request for the City of Troutdale to provide sponsorship for the 9th Annual Troutdale Cruise-In.

John Leamy, Kiwanis Club, stated there's been support by the City of Troutdale for the Rods and Customs Car Show which is now the Troutdale Cruise-In. I believe there is a Memorandum of Understanding (MOU) that says the City will provide the insurance and police staff to block the roadways for the Cruise-In and that the Chamber will apply for the permits. Last year The Chamber attempted to put on this event but ran into some issues with insurance. This year the Kiwanis Club in Troutdale has taken on the event and we have applied for the road closure permits, signage, and are also providing the insurance for the event. Since we are supplying the insurance, we are wondering if the City would be willing to help with some financial support. The staff report sent out by the City to all of you lists pros and cons. The pros listed are that it demonstrates the City's desire and willingness to make financial contributions for events that promote our community and bring people to it. The cons listed are that it uses limited public funds to assist and promote an event that principally benefits downtown businesses. I would like to add a pro that it also benefits businesses in the general Troutdale area including fuel, food, and shopping. It also benefits the youth in the Troutdale area because the proceeds from this will help sponsor underprivileged youths through the Mt. Hood Kiwanis Club. Also proceeds go to support underprivileged children here at Troutdale Terrace. We take on projects there for their Christmas Party and Easter Egg Hunt. This past weekend we helped with a bike rally,

supplying bicycles to children that didn't have them. The complex was able to acquire 3 bicycles and the Kiwanis Club provided 4 bicycles.

Mayor Kight stated both Councilor Allen and myself are members of Troutdale Kiwanis. I'm going to defer to our City Attorney to see if we may have a conflict of interest.

David Ross replied no, you don't because its membership in a non-profit corporation.

Councilor Anderson stated Troutdale SummerFest came to us asking us to be a sponsor about 4-6 weeks ago and I said, plan better. I see this event is on August 5th which is 6 weeks away. Out of fairness and principal, I can't support being a sponsor. That said, after reviewing the information and listening to what Kiwanis does, I'm assuming this is a fundraiser for Kiwanis?

John Leamy replied it is.

Councilor Anderson stated I would entertain matching a percentage of whatever you raise. I haven't talked to Craig about this so I don't know if we can or can't do this. This is a really good cause. I have to balance really good causes with fairness and statements that I've made in the past. For us to be a sponsor, I would say no. But I would certainly like to do something. I don't know what that something is.

Councilor White asked is there a need for volunteers?

John Leamy replied I think we have enough staffing. A car club is offering some major help.

Councilor Allen stated I would like to see this event happen. I think events like this are important to Troutdale. As you may know from previous meetings, I'm concerned about the budget. How much do you really need?

John Leamy replied right now we are running probably \$1,250 short But I'm still knocking on doors.

Councilor Daoust stated I understand Councilor Anderson's point of fairness. I'm looking at the events/hospitality insurance. Kiwanis is covering it but if they hadn't the City would have had that expense. I'm thinking that it would be fair to donate what we would have had to pay for the insurance. Why is the Kiwanis Club covering the insurance when the City is willing to do so?

John Leamy replied the City has not been willing to do so in the past.

Councilor Daoust stated we have money in the budget to do that don't we?

Erich Mueller, Finance Director, replied the hospitality insurance reimbursement line item in the budget was put in by Mr. Garzini during his tenure. The challenge is that what is represented in the MOU is not something that City County Insurance Services (CIS), our insurance provider, will stand behind. I was exchanging e-mails with someone at the Chamber today about SummerFest. We have them purchase the necessary insurance and then submit an invoice to the City and we reimburse them for that cost. That's what we would have proposed to do last

year for the Cruise In but for whatever reasons it didn't come together. That keeps the entity that's required to get the insurance in direct relationship with the carrier.

Mayor Kight asked what is the cost?

John Leamy replied I called Kiwanis and they put us on and there was no out of pocket cost.

Councilor Daoust stated we are covering the insurance for SummerFest.

Councilor Anderson asked how much is that?

Erich Mueller replied I believe it was \$671 for the base coverage and endorsement to make the City an additional insured.

Councilor Daoust stated sold. We could donate the same amount to this event and feel good about it in my mind.

Mayor Kight asked does anybody else have any questions?

Councilor Ripma asked is the plan that we are going to do a similar donation for any organization that wants to put on something for the City? What's troubling me is that this is very last minute. We are spending tax payer's money here. The Kiwanis Club is very worthy. I'm second to none in endorsing the idea of having this Cruise In. On principal, I think it's a bad precedent to have an organization come up with an idea and come to the City a couple of weeks before the event and ask for money because we donated an amount to SummerFest. They're getting the insurance for nothing. I'm not comfortable gauging a decision to donate based on the fact that we gave some money to SummerFest. That's been a very long tradition in the City to support SummerFest with the insurance coverage, however we did it.

John Leamy stated about 3 weeks ago it was brought to my attention that I should come to the City Council because there is a line item for events. I spoke to Debbie Stickney about getting it on the agenda and it was too late. At that point I was told to bring it to public comment. I e-mailed all of you this information and told you I was going to be bringing it forward and nobody said not to.

Councilor Anderson asked are we still operating under the current MOU?

Craig Ward replied we are.

Councilor Anderson asked are we referring to the Rods and Custom Car show on page 4 of 6?

Craig Ward replied that's what I understand. Even though there's a Cruise In section above that, this is really an updated title for what was formerly the Rods and Custom Car Show.

Councilor Anderson stated I think I can get there because on page 4 it says the City of Troutdale will provide liability insurance. We now have a funding mechanism to do so and we're doing so for SummerFest because of what Ron Garzini set up. Were you aware of the event insurance fund?

John Leamy replied I didn't know there was an insurance fund. I do remember when Garzini set it up. We did get it for the Art Show that we had where the property owners refused to let the artists into their buildings without insurance. I was working for the Chamber at that time and we had artists standing on the door step waiting for us to get insurance.

Mayor Kight stated I think what Councilor Anderson is trying to say is that there's already a historical precedence?

Councilor Anderson replied it appears that way. It appears that if we are going to do this for SummerFest and we're honoring this MOU until the Economic Development Subcommittee takes a look at it, then this is what we're honoring and it's in the MOU. This is tough.

Councilor Daoust stated I could go either way. The Kiwanis Club is taking it on this year for the first time. There's probably some cost associated, maybe not with the local Chapter but with Kiwanis International. If Kiwanis was not doing this show and another group was, they'd have to pay for insurance. I don't want to penalize Kiwanis because they don't have a direct bill to pay. It says in our agreement that the City is going to provide liability insurance. If the Chamber were taking this on they, most likely, would have a bill for liability insurance and the City would cover it. I don't want to penalize the Kiwanis Club because they have been good enough to take on this event. I'm willing to donate a meager amount of \$670 towards the cost.

Councilor Thomas stated personally we're committing a fair amount of in-kind contributions already from our police department to support this event. We're talking about apples and oranges here by saying that we want to give the same amount that we supply to SummerFest. SummerFest is a much larger event and there is a whole lot more involved with it than what we're looking at for a Cruise In that takes up 3 City blocks. I don't feel real comfortable with that.

Councilor Ripma stated Kiwanis said that the insurance is costing them nothing. If another organization was going to put it on, are you saying that because it would cost them something then we are committed to support it?

Councilor Daoust replied we're committed to cover their insurance.

Councilor Ripma stated I don't believe so. This is not the same as what's in the MOU although it's very similar. I'm not proposing to support this now but I would be even less likely to support it if it was somebody putting it on for profit. I see no obligation on the part of the City to cover the insurance other than the desire to donate. If you want to donate, fine. But putting this insurance veneer on it, I'm just saying the argument doesn't hold together.

Mayor Kight asked would you like to share the impact on businesses in downtown when we've had the Rod and Custom Show in the past?

John Wilson replied I can tell you after handling SummerFest for 12 years, the amount of people that show up to SummerFest are about the same amount that show up for this car show. The difference is that the people are spending the money here downtown and throughout the City. It has a total different economic impact, probably greater on the retailers than SummerFest

because it's only downtown for about an hour and then it moves to Glenn Otto Park for the rest of the day. Not to say that people don't come back through town but the merchants downtown say they don't feel the impact of it. We've tried many different ways to get them involved and it just didn't work.

Mayor Kight stated I remember Terry Smoke from the General Store say that it was probably the most successful day that he's ever had in the history of the store because as you point out, everybody stays in the downtown. They stay for long periods of time as they look at cars and look for places to eat.

Councilor Ripma stated if it's an economic generator, a program versus a program like SummerFest that is more community oriented. I could easily make the argument that SummerFest is worthy of some modest tax payer support as the one downtown is not. I'm glad it's a success. I'm glad it's happening. I just don't think the City should be paying for it.

John Wilson stated it's my understanding that last year the reason the event didn't happen was because Terry was told that the City couldn't cover his insurance. It probably wouldn't happen this year if it hadn't been for a group that had the insurance set up. Maybe there needed to be a clearer line of communication between the past sponsor and the City.

Councilor Daoust asked I don't remember did I get an answer to the question of what would it cost if the City were to take out the insurance policy?

Erich Mueller replied the nature of the event and how it is insured will determine if CIS will allow it to be covered. Just because we have represented it in a document doesn't mean that they'll cover it. Stand alone event insurance is available, it's generally more expensive than adding it to an existing policy. We as the City, as an independent organization, could go buy this separate stand alone policy from another carrier. What that would cost, I don't know because I haven't priced it. I don't know what the exposures are or what the liability would be. Those will all be issues that an underwriter is going to want to know. Comparing the liability exposure cost for the one event that will have lots of valuable vehicles to the liability exposure of children jumping on an inflatable at the park, they are both liabilities but they are different types of exposures. I don't have a good answer as to what it would cost the City to go out and acquire it independently. I just know that I can't cover it the way that it's structured because it's not an event that the City is putting on. It's being put on in the City by another organization.

Councilor Daoust stated we budgeted \$3,000 for special events and hospitality insurance so I just assume that somehow that figure got drawn up as an adequate amount to cover the insurance that the City would have to cover.

Erich Mueller stated it started out as \$6,000. Through reductions in the budget over the years it's been reduced to \$3,000. There is not a specific list of events other than SummerFest that I've been given that we are committed to covering. We have about \$1,200 unspent in this fiscal year. Potentially there is some money to do something. The original intent was to provide for these types of expenses that were for events that the Council might want to support that the City wasn't actually putting on, whether it's reimbursement for the insurance, or it might be the carolers for the Tree Lighting Ceremony. It's not 100% for insurance costs.

Councilor Daoust stated as long as we're meeting the MOU I'm ok. The MOU does say that the City will cover liability insurance and for some reason we all agreed that we would.

Councilor Allen stated Troutdale is on the outskirts. It's easy to get people to go to central areas. It's tougher to get them to go to the outskirts. We need events to draw people to Troutdale so that it's in their mind and they may return. That keeps a City vibrant. To me it's a business decision. I am tight on the budget but I do like to see these events go on as opposed to not.

MOTION: Councilor Daoust moved that we donate \$670 to the Kiwanis Club for the car show. Seconded by Councilor Allen.

VOTE: Mayor Kight – Yes; Councilor White – Yes; Councilor Allen – Yes; Councilor Daoust – Yes; Councilor Ripma – No; Councilor Anderson – No; and Councilor Thomas - No.

Motion Passed 4 – 3.

7. RESOLUTION: A resolution providing for approval of the 4th Amendment to the Operating Agreement with Jack's Snack and Tackle.

Erich Mueller, Finance Director, stated as provided in your packet there is a brief staff report and exhibits showing the existing third operating agreement that expires at the end of the month. Mr. Glass came to the Council during public comment on May 22nd and indicated that he was interested in renewing the final term available under the agreement. A copy of the request to renew is included in your packet as Exhibit B. Exhibit C is the fourth amended Construction and Operating Agreement to implement that renewal. Finally, the resolution is attached approving it and authorizing substitutions.

Jack Glass stated fifteen years has gone by quickly, hasn't it? Most of you have watched the remodeling of Jack's Snack and Tackle which was originally built in 1921. When I approached the City, Mayor Kight brought up the idea. We conversed about it. We took an old dilapidated building that was about to fall down and restored it to code. We opened it as Jack's Snack and Tackle. We maintained its appearance and kept the grounds up. I wanted to come before the City Council to renew a fourth term to this agreement. There are a few alterations including taxes which have been delinquent a couple of times but they have now been brought current. In this agreement, those taxes will remain current through the next 5 years of this term. I'm asking for your approval to renew this contract.

Councilor Allen stated it weighs on my mind that you offer so much to our City and I see you volunteering a lot. That plays a factor in my mind.

Councilor Thomas stated I sure hope this isn't your final contract with us.

Jack Glass replied not likely but I do a lot with the State and Fisheries. I put a lot of efforts into that but I am passionate about Troutdale. All of you that volunteer your time, many of you for many years, I thank you.

Councilor Ripma stated I've loved your place ever since you started it. It's been a great asset to the City. I did notice that the City's right to terminate the lease was stricken from section 21 in this amended version. Is there was a reason why that happened?

David Ross replied there is still a default provision in section 17. We have the right to terminate the agreement if there is a default. We eliminated section 21 because that was all tied to our right to terminate the agreement if the construction was not done in accordance with the schedule.

Councilor Ripma stated in section 21 A, independent of any other right, the City may have under this agreement, the City may terminate this agreement for any reason by providing the operator 30 days notice. However reasonable or unreasonable that may seem, that was a right that we had. We always retain the right to terminate for cause because currently we enjoy the right to terminate for any reason and we are losing that. I'm not that worried about it but I wondered if there was a reason. It seems like the City ought to retain the right to terminate. If we start out with another set of agreements on that building, and I hope we do and I hope it's with you, we ought to retain some flexibility should there be a reason that we need to terminate.

Councilor White stated I live very close to that location and realize that it definitely is an asset to the park. The operators keep an eye out and I think it has added to the safety of that park. I'm glad it's there.

Jack Glass replied prior to Jack's there was a lot of vandalism that went on down there. Since the store opened there's been little to no vandalism. It helped reduce that.

Councilor Daoust stated I too appreciate all that you do for the City, State, and Fisheries. I noticed that the rent goes up this next period to \$300 a month. Is Rob Brown going to be liable for that and will it affect his business?

Jack Glass replied I'm liable for all of the taxes and rent but Rob and I worked out an agreement to try and keep him in there. It's going up and you've been very lenient with that to allow me to recoup my investment of restoring the building. It's been very nice to work with the City all through this process. It's more than understandable for the rent to go up.

MOTION: Councilor Anderson moved to adopt a resolution approving and authorizing the City Manager to sign the fourth amended construction and operating agreement with Jack Glass. Seconded by Councilor Allen.

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

Motion Passed 7 – 0.

8. RESOLUTION: A resolution providing for current FY 2011-12 Budget Transfers and Appropriation Changes

Erich Mueller, Finance Director, stated this is the customary resolution that I bring near the end of the fiscal year. This is the last step for the year. We've included many of the usual

rebalancing, reallocating, and adjustments to address compliance with the local budget law. This year it also includes expenditures associated with the relocation of City Hall operations to new facilities. I've provided you with some detail related to that particular item as Exhibit A. The second page is necessary to adjust the categories of appropriation in order to try and keep us in compliance with the local budget law.

Mayor Kight asked are there any questions?

There were no questions.

MOTION: Councilor Thomas moved to adopt a resolution providing for current Fiscal Year 2011-2012 Budget Transfers and Appropriation Changes. Seconded by Councilor Daoust.

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

Motion Passed 7 – 0.

9. STAFF COMMUNICATIONS

Craig Ward reviewed the following topics:

- July 4th is a City observed holiday. The Police will have enhanced enforcement of illegal fireworks and will be out in areas known to be problematic.
- He will be attending the Oregon City/County Managers Annual Conference on July 10, 11, 12th in Bend and will miss the next Council Meeting.
- A Council meeting may need to be held on July 24th regarding Development Partners proposal if a decision is not reached on July 10th.
- There have been requests from SummerFest and the Cruise In to install banners on the arch. Banners have not been allowed in the past but there is hardware that could accommodate them. The question of whether or not to allow banners was asked of the Council and they declined to allow them.

10. COUNCIL COMMUNICATIONS

Councilor Daoust read a joint press release from Troutdale and Metro titled "Metro and Troutdale Reach Consensus on Habitat Protections" attached to the minutes as Exhibit C.

Councilor Daoust stated Metro did their part by putting it in Metro News. We should do our part by putting this in The Outlook, Oregonian and Troutdale Champion. Is it appropriate for City Staff to forward this to The Outlook and Oregonian as a press release?

The Council agreed.

Mayor Kight stated this is a major turning point for the City of Troutdale. Title 13 has gone on for what seems like decades. Finally this City Council was able to bring it to a closure. My hats off to Councilor Daoust, Councilor White, and Councilor Thomas for a great job. On June 21st I attended the Adult Learning System's first Food Cart competition next to Home Depot and Key

Bank. They expected about 500 people and about 2,200 showed up. It was a real success and some of the food carts even sold out and left. On June 22nd I toured the Sellwood Boys and Girls Club. They're looking to have a location in East County and my hope is that they'll consider Troutdale as one of those possible locations. We are meeting with leaders in the community to see if we can garner enough support for East County to attract that kind of an operation. Today I toured with Janet Hillock with Business Oregon. She went through our split City Halls. I'm looking for money or funding, a grant perhaps, to do the planning and development for a new City Hall. Tomorrow Bill Wyatt, from the Port of Portland, will be the keynote speaker at the Sheraton Airport for the Columbia Corridor Association. That same day I'm taking a bus tour with the Oregon Department of Transportation to a sneak preview on all of the trail development in the Gorge.

Councilor White stated I'd like to thank Councilor Thomas for his involvement with the MHCRC. I think his experience has really paid off and helped this Council reach good decisions in regard to that subject. Thank you for that, I know it takes a great deal of time to do that. I want to wish everyone a happy and safe 4th of July.

Councilor Allen stated I have 2 concerns. The first is that time is ticking and we need to get a Citizen Committee together to look at what we do with City Hall. The second thing is that I've been a Councilor for a year and a half and I'm surprised by the level of desirable development that doesn't take hold in Troutdale. I was wondering what the opinion would be as to whether we have our Economic Development Subcommittee look at that topic and whether we need to change some Ordinances and identify what the road blocks are.

Councilor Thomas replied the Committee would be willing to look at it if the rest of the Council wants us to.

The Council agreed to have the Economic Development Subcommittee work on this.

Councilor Daoust stated I was approached by the Friends of the Columbia Gorge about an increase in train traffic coming through Troutdale. There have been 5 trains that have gone by during tonight's meeting. The concern is with the large coal companies shipping black coal from Wyoming to export facilities where they send the coal overseas. A lot of the coal burning plants are cutting back on the amount that they use so these companies are trying to find overseas clients to sell their coal to. In order to do that they have to open export facilities along the river and ship the coal via trains through Troutdale. The Friends of the Columbia Gorge are trying to gather steam and energy from a lot of Cities to write a resolution or letter in support of a programmatic environmental impact statement on this whole effort from the large coal companies. We're talking about numerous trains per hour per day that would go to one of the export facilities in St. Helens or they would go to Boardman and be barged down the river rather than transported by trains. It seems like it would be minimal impact for the City to hop onto this agenda and write a letter in support of doing a programmatic environmental impact statement, if the Council is concerned about that. The only way to find out is to have a work session. I'm sure the Friends of the Columbia Gorge would be willing to come and talk about it. When I talked to them they had a list of numerous Cities that had already joined in and provided resolutions, Hood River being one of them. I was thinking that so many trains go through our downtown area that it might prove worth our while to look into this subject.

Mayor Kight stated I was approached as well. We are scheduling it for an agenda item. I think one of the major problems is that these coal cars are not covered and they have about a 30% loss of coal as dust that comes off of those thousands or rail cars. They're really concerned about the contamination. I thought it was so important that I asked Debbie Stickney to schedule it.

The Council decided to schedule this discussion for a future work session.

Councilor Thomas stated two weeks ago Metro Policy Advisory Committee (MPACT) took a tour of the FedEx facilities and also the Troutdale Reynolds Industrial Park (TRIP) property. It was very informative. I learned some things that I wasn't aware of. There were several people from around the region that attended the tour including Travis Stovall.

11. ADJOURNMENT

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

Meeting adjourned at 10:08pm.

Mayor Jim Kight

Approved August 28, 2012

ATTEST:

Sarah Skroch, Deputy City Recorder

Exhibits can be viewed in the meeting packet which is scanned and microfilmed.