

MINUTES
Troutdale City Council – Regular Meeting
Troutdale City Hall – Council Chambers
104 SE Kibling Avenue
Troutdale, OR 97060-2099

Tuesday, June 14, 2011

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; Elizabeth McCallum, Senior Planner; Amy Pepper, Civil Engineer; Erich Mueller, Finance Director; Travis Hultin, Chief Engineer; and Sarah Skroch, Deputy City Recorder.

GUESTS: See Attached List.

Mayor Kight asked is there an agenda update?

Craig Ward replied there are no amendments.

2. CONSENT AGENDA:

2.1 ACCEPT MINUTES: May 17, 2011 Work Session and May 24, 2011 Regular Meeting.

2.2 RESOLUTION: A resolution documenting the contents of the Centennial Arch Monument Time Capsule, and setting a date for it to be opened.

2.3 RESOLUTION: A resolution implementing compliance with, and establishing a fund balance policy in accordance with, the Government Accounting Standards Board Statement No. 54.

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

3. PUBLIC COMMENT

Sam Barnett, Troutdale Resident, came before the Council regarding 2 issues. First he felt that the Mayor had not done anything significant enough to earn the Co-Citizen of the Year award and that he should recues himself from receiving it. Then he voiced his displeasure on the progress of the remodel to the kitchen at the Sam Cox building. He felt that the job was

taking much longer than necessary and that the City was losing rental money because the kitchen could not be used. He asked for an answer as to when it will be completed.

Craig Ward, City Manager, responded that he would ask the Building Official, Dick Bohlmann for an update when he returns from vacation.

4. MOTION: A motion to approve the Mt. Hood Regulatory Commission's 2011-12 Budget.

Councilor Thomas stated good evening Mayor and fellow Council Members. I am your appointed representative to the Mt. Hood Cable Regulatory Commission (MHCRC). Also with me tonight is Sebastian Rodrigues, Senior Financial Analyst for the MHCRC, and Rob Brading, Executive Director of MetroEast Community Media.

Councilor Thomas reviewed the budget highlights to the Council. A copy of the talking points are attached as Exhibit A.

MOTION: Councilor Daoust moved to approve the Mt. Hood Regulatory Commission's 2011-2012 Budget. Seconded by Councilor White. Motion passed unanimously.

5. DISCUSSION: A discussion regarding the 39th Annual Troutdale SummerFest and the financial needs for the July 16, 2011 event.

Councilor Anderson stated I have a potential conflict of interest. While I was the Interim Executive Director at the West Columbia Gorge Chamber of Commerce in 2009, I did have an initial meeting with Mr. Wilson about the 2009 SummerFest.

David Ross asked do you have a current professional relationship with the Chamber?

Councilor Anderson replied no.

John Wilson, Chair of SummerFest, gave the Council a brief history of SummerFest.

Karen Schaaf, Vice President of the Board of Directors, stated I'm going to hand out a packet of information to you. It includes the Memorandum of Understanding (MOU) highlighting why you asked us to do the event, a flyer on the Ducky Derby, and a report on the expenses and income for SummerFest (copies of these handouts are included in the meeting packet).

John Wilson stated this year we were given a budget for expenses of \$7,000. Based on the past, SummerFest had raised about \$9,000. We had a zero balance to begin the year with so we had to go out and find sponsors. At this point we have \$4,150 in cash, we are projecting income from the Kidz Zone and vendors to be \$1,100, for a total of \$5,250. Originally our expenses for the entertainment totaled at \$9,645 which way off of where we needed to be. I've worked with everybody to get the cost down to \$7,295. I've cut and saved \$2,350 to the event. To this date I am still short \$2,045. Karen and I are here to see if the City would like to be our official sponsor to SummerFest and donate \$2,045.

Councilor Daoust stated in talking with the members of the Get A Life Band, they say they're not coming to Troutdale this year.

John Wilson replied that would be a recent development that they have not communicated to me. I was told that they would come for \$500.

Councilor Daoust stated that may be the case but I was talking to some of the band members last week and they said they were going to Hillsboro.

John Wilson replied that could be because we've been so far up in the air that I haven't been able to send out our official contract to anybody. They have not communicated that with us and maybe they don't feel that they need to.

Councilor Daoust stated if that's the case then it would be \$500 less.

Councilor Anderson asked how long is the selling season for this event?

John Wilson replied we send out our initial requests in January.

Councilor Anderson asked have you contacted Fred Meyer?

John Wilson replied I have not heard that the Chamber has contacted them. I've worked with Fred Meyer's in the past outside of SummerFest and at this time it would be too late to contact them.

Councilor Anderson stated there's a restaurant opening up in Wood Village called The Rock. They're very active promotionally and they're looking to get a foothold in the area. That might be an opportunity for product sampling.

John Wilson stated we're at a junction that we'll continue to look for people but we're going to have to make a decision on where we need to make cuts. If Get A Life Band isn't coming then that's a \$500 savings. Right now I've got to get contracts signed so we're going to have to start making cuts while we're looking.

Councilor Anderson asked is there any chance of getting The Outlook to come down from \$1,500?

John Wilson replied not at this time. This is our high end projection for them. I had to guarantee them \$1,500 for a 4 page insert instead of an 8 page insert like we've done in the past.

Councilor Anderson asked do you have a signed contract with them?

John Wilson replied no. We have a verbal agreement that if they can't sell the advertising then we will have to pay up to \$1,500.

Councilor Anderson asked is there a tracking mechanism to show that is \$1,500 well spent? Do people carry it around at SummerFest? Can you track the number of people that come via The Outlook insert, come via the sign, or are long time residents of Troutdale and know it's the third Saturday in July?

John Wilson replied that is our advertising for the event. If we get rid of it then we go for Run of Paper (ROP) advertising which is not as effective.

Councilor Anderson asked if we say no to this request or modify it, who's on the hook for the remaining balance?

John Wilson replied there won't be anyone on the hook because we'll ask you to decide what we're going to cut.

Karen Schaaf stated I'd like to go to the Memorandum of Understanding (MOU) and the background is at the top of the page. It says "In September of 1999 the Chamber, now West Columbia Gorge Chamber of Commerce, committed to the coordination and implementation of various City events. The City has appreciated the Chamber's leadership and realizes that these events would not exist or be as successful without the Chamber's facilitation." This is actually a City event that we help you with. It is your choice not to help us with the remaining money. If so we would ask you which one of these events that you would like to cut.

Councilor Anderson asked senior Councilors, is this our event?

Councilor Thomas replied no.

Mayor Kight stated it sounds like it's kind of a hybrid. It sounds like it's a collaborative effort between the City and the Chamber. Do we put actual money into this?

Craig Ward replied it's not currently budgeted but there is money in a generic account that we can use to support events.

Mayor Kight stated the majority of your operating fund is based on donations from private corporations.

John Wilson replied that's what the Chamber has done. As a volunteer not helping to make this event run and according to the MOU it says that the Chamber of Commerce has been charged by the City to handle the event. Where is the hand-off and where is the City responsible to make it happen? It's not going to affect me one way or another. I want this event to make the City proud, I want it to be successful, and that's all I've ever endeavored over the past 12 years that I've been involved with this event. Money in the past has just come and it hasn't been a worry for this event. For some reason this year it's an issue. I don't pride myself on asking the City to help with this event. All I want to do is make it successful.

Mayor Kight stated according to the MOU there is involvement on a part of the City Staff. We're fully immersed in this by both Police and Public Works.

Councilor Daoust stated if you look at the second page of the MOU it lists all of the City's participation and contributions. The City is definitely involved.

John Wilson replied we do appreciate that and we're not discounting that.

Councilor Daoust stated if we want to zero out the budget, I would look at The Outlook insert minus the Get A Life Band and give you \$2,000.

John Wilson replied we can't zero out The Outlook. The Chamber has agreed that if there is money left over that it will stay within the SummerFest budget as starting funds for 2012.

Councilor Allen asked what is the last day to sign up for a booth?

John Wilson replied it would be July 14th. We do have stragglers that come in that we try to accommodate because we don't want to turn down anybody. The park could hold over 100 booths but 50 seems to be where it's always topped out at.

Councilor Allen stated I know of a few more booths that will be sold so I expect this number would drop.

John Wilson replied I have to look at this at where we are today. That is why I'm saying that at the end of this if there's money left over that it's going to stay in the SummerFest fund.

Councilor Allen stated but what you're saying is if all the booths sold then you'd still be short.

John Wilson replied no, if I sold all of the booths then I would have \$1,250. My projection based on what we currently have is \$600.

Councilor Allen stated I thought you said it was \$50 per booth?

John Wilson replied I split that with the Lions and Kiwanis, they get 30-50%. Right now they're at 30% which is split between the two groups. If they get 40 or more booths then they get 50% which will drop this down to the \$1,250.

Councilor Allen stated people are asking me how much it costs for a booth.

John Wilson replied \$50 without electricity and \$60 with electricity.

Councilor Thomas stated one of the things I heard from a number of people when this first came up was why aren't they using the .95% hotel/motel tax which is supposed to be for promoting tourism to help pay for this. Then I look at the list of things that the City is obligated to pay. The first item says The City of Troutdale will provide liability insurance. Granted the City hasn't done this for the past few years that I'm aware of but it does say that we are supposed to. From the list, that is the only actual cash outlay that I see. We provide the City Staff at probably thousands of dollars for that given day to perform tasks at the City Parks, provide Police services, and we provide up to 5 Parks Staff to help manage the park, including having street sweepers come through and clean up. There is a fair amount of expense on the City's part. I understand that we have a need here to be met and you're asking for a \$1,500 sponsorship contribution.

John Wilson replied today I'm asking for \$2,000 until I get confirmation that Get A Life Band is not coming.

Karen Schaaf stated I'm really new at all of this and all that I have is this MOU. In the background it says in September of 1999 the Chamber, now West Columbia Gorge Chamber of Commerce, committed to the coordination and implementation of various city events. Is there a question that this is not a City event?

Councilor Thomas replied nobody is questioning that.

Councilor White asked is this due to the current economic status in your opinion?

John Wilson replied yes.

Councilor White asked would you consider this our town's biggest event?

John Wilson replied from what I've participated in, yes.

Councilor Allen asked instead of giving an exact figure now, could we commit to the shortfall that may occur?

John Wilson replied by the end of July 16th we will know what our shortage is. We would like to know if the City would make up the difference from the negative balance. I'd ask for you supporting us up to \$2,000.

Councilor Anderson asked how many members does the Chamber have now?

Karen Schaaf replied it's approximately 175. It's in flux right now because we have quite a few members about to join.

Councilor Anderson stated if you charged a \$10 assessment to each Chamber Member then you'd have \$1,750. Is that likely? I'm trying to come up with other avenues to generate revenue.

John Wilson replied that's a good suggestion. It's late in the game to commit that. As I've talked to you and other people, I have received several suggestions and we've taken them as time has allowed. We're down to a point where I have to make commitments to The Outlook for our entertainment and I have to get all of their bios written.

Councilor Anderson stated I understand that you have to make expense commitments right now. But you have revenue that could potentially be sitting out there. You're asking us to fund the difference. I would hope that after this discussion tonight and some of these ideas have been kicked around that the number doesn't even approach \$2,045. I think it's out there.

John Wilson replied I would ask for your assistance in finding that money. I've beat the bush, Karen has beat the bush, you've asked, Norm has asked, Mayor Kight has asked, I'm sure that other gentlemen here have, and all of our members have. It's not a matter of us giving up because we haven't. I would rather that number be zero but today I'm asking for a commitment up to \$2,000.

Councilor Anderson stated I don't think that you've given up. I think you are short staffed and you need some help. You can only do so much and I want to tell you that I can see the effort that you've put forth. I will pledge my support to go out and try to find those dollars.

Councilor Thomas asked if we were to fund this out of this year's budget would there be room for it?

Erich Mueller, Finance Director, replied we put an account in General Government for Special Events/Hospitality/Insurance. We had a budget of \$6,000 for that line item and there is \$2,900 left so there would be enough to cover the different amounts discussed this evening.

Councilor Thomas asked did we reduce that fund in next year's budget?

Erich Mueller replied we reduced that line item to \$3,000. My preference from a budgetary mechanism standpoint is if the Council is going to be supportive of a number and approve that in a motion this evening then I would expend it out of this year's budget. That would allow flexibility with that remaining half of the amount for this coming year's budget for what may occur.

Councilor White stated I think this may cause a problem for next year in getting donations if the City is perceived as paying into this event.

John Wilson replied I don't believe so because we'll approach it as a new year with a better economy.

Karen Schaaf stated I think it would show that the City supports community. This is a community event. This is a chance for everyone to get together, to play, watch the parade, eat, and it builds community.

Councilor Ripma asked has the Chamber asked the City for a cash donation like this before?

John Wilson replied in the 12 years that I've been involved with it, no. Prior to that, possibly.

Councilor Anderson stated I'd like to know what the businesses downtown are saying, the ones that are going to be direct beneficiaries from 3,500 people on the Historic Columbia River Highway. When you approach these businesses, what are they telling you as to why they won't sponsor it?

John Wilson replied funding and some don't feel that there is a benefit. Let's say that there's only 1,000 people downtown for the parade. There's an opportunity for each one of the retailers to take advantage of that. I know the General Store does but some of them feel that there isn't a benefit to them. If I were a retailer I would try to take full advantage of this. If I didn't have the money to give to SummerFest I would at least run an ad. If I couldn't afford to run an ad then I would make sure I had my store open prior to the parade and have something out that I could sell and entice people to come into my store.

Councilor Anderson asked how many businesses have said if SummerFest goes away it'll be devastating to their operation?

John Wilson replied nobody.

Mayor Kight stated I've talked to several of the downtown businesses. There are some that would like to donate but are hanging on by a thread. Some of them aren't even taking a salary, they're just hoping to make their lease payments.

Councilor Ripma asked how current is the budget that you've given us?

John Wilson replied I put that together today based on the information that I had. When we first started the shortage was \$3,000. I wanted to make sure I had the most current information for this meeting so I waited until 4:00pm today to see if any other donations had come in.

Councilor Ripma asked did you check any of the other costs today since it sounds like the band won't be here?

John Wilson replied my last conversation with Get A Life Band was that we wanted them here. There has to be a two way communication. If I'm not being communicated with by the people that we're hiring then I don't know. I could contact them every day but I would feel silly doing that and I think they would get tired of me.

Councilor Ripma stated I'm not asking you to contact them every day. I'm asking to bring up to date information when you're coming before the City Council to ask for \$2,000.

John Wilson replied that's the most up to date information that I have as of today.

Councilor Anderson stated you have a Kidz Zone that's going to bring in \$500 of revenue but we're going to spend \$2,100 on it.

John Wilson replied that is my estimate at this time. In the past it has brought in \$1,000 but just based on what I'm seeing now I'm estimating \$500.

Councilor Anderson stated I understand that kids are important and it's a great event but can't we do better than \$2,100 if we're only going to get \$500 in revenue?

John Wilson replied in order for us to get the pricing that we have and get 2 free rides then I had to commit to 4 rides. I'm spending that much but when you divide the cost by 6 rides then it's significantly less. This part has always run in the negative. However, in the past we've had people like Gresham Ford donate money to help support it. This year we're running into problems. The SummerFest Committee didn't want to cut this part because they felt it gave the kids a place to go and play while the parents visited the booths.

MOTION: Councilor Thomas moved to give a sponsorship to Troutdale SummerFest of \$2,000 for the 2011 SummerFest.

Mayor Kight asked is that out of this year's budget?

Councilor Thomas replied yes.

Councilor Allen asked is that a flat amount or return if there's extra?

Councilor Thomas replied a flat \$2,000 sponsorship to be the keynote sponsor for the parade.

Councilor Daoust asked what if the band doesn't show up?

Councilor Thomas replied then they have extra cash. To plan these things you need some assurance of your finances. Having been involved with planning these types of events and working with SummerFest in the past, without some assurance it's hard to commit to things. I think it is necessary for us to be the keynote sponsor for \$2,000 and whatever the SummerFest Committee has left over gets rolled into next year's budget.

Seconded by Councilor White.

Councilor Ripma stated I'm concerned that we don't control this budget, we don't have any oversight. We contribute a list of things that probably makes us the biggest sponsor of all toward this community event. It is a wonderful event and nothing I'm saying is meant to say you aren't doing a good job. I think the City is making a very bad mistake covering it. We are already a major sponsor and we are supporters. I've participated in this for many years. Next year we'll be in the same boat. I reluctantly but firmly decline to support the motion and I would urge my fellow Councilors to think about it and vote no. I see things that could be cut and I've heard suggestions of where money can be raised and that isn't going to happen if we come up with the funds.

Councilor White stated I want to compliment Ron Garzini because I think he foresaw this problem based on our economy and set aside \$6,000 for community events. This is our biggest community event. It's not just for the businesses but it's for the citizens of our town. Hopefully we won't ever have to do this again. I agree that the City does a lot to support this event. This late in the game you guys are up against a hard situation and the economy is the main factor here. I don't think it's a lack of work on anybody's part. We have the money set aside for just this type of event.

Councilor Daoust stated I think whether this passes or fails, you are seeing some resistance from the Council and I think you should take heed. I think there are items in here that could be cut back so you could zero out your budget. I could zero it out right now.

John Wilson replied I can leave here today and cut this budget and make it fit, I don't have a problem with that. I'll wake up tomorrow and whatever it is, is what it is. It'll just be the same as my household budget. We came to you wanting to be a sponsor above and beyond what the City is already contributing. Not that we aren't going to continue to fight for money. I don't want you to think that we don't know how to run a budget because I've run budgets for years. I think any good salesman would go and turn any rock over to make the funding work. This is just one place that we're asking for funding from. If the Council doesn't want to support it then I appreciate what you are already doing. I don't want to discount that.

Councilor Daoust stated I have to balance my budget at home and that's what I'm suggesting that the Chamber do. I respect everything that you do, the role that you're playing here, and the job that you're doing. I have to respectfully disagree with Councilor Thomas that we just hand over a check for \$2,000. I don't think that we need to do that and SummerFest will turn out just fine if we don't. It'll be a grand celebration like it always has been.

Councilor Anderson asked what is the Chamber providing in terms of sponsorship?

Karen Schaaf replied we provide staff.

Councilor Anderson asked is there any way for the Chamber to come on board with the City?

Karen Schaaf replied to help with funding?

Councilor Anderson replied yes let's do it together.

Karen Schaaf replied it's not something that we wouldn't want to do. I don't think we have it in our budget either. You have to realize that we have 1 staff member and that's the best we can do.

Councilor Anderson stated and 175 members.

Sam Barnett, Troutdale Lions, stated we are a co-sponsor with Kiwanis. I'd say with 175 members of the Chamber of Commerce for the City of Troutdale, to gain 12 booths is a failure. I will do everything I can to help bring more of your members on board. I think the Chamber can do much better than 12 booths.

Councilor Thomas called for the vote. Seconded by Councilor White.

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

Motion Passed 4 – 3.

Mayor Kight recessed the meeting at 8:22pm for a 10 minute break. He reconvened the meeting at 8:33pm.

6. PUBLIC HEARING / ORDINANCE (Introduction): An ordinance amending the Troutdale Development Code, repealing Chapter 4.200 Community Resource Protection and replacing it with a new Chapter 4.200 Historic Landmark Protection, and amending Section 7.180(L) Design Requirements for Land Divisions, relating to Task 5 of the City's Periodic Review Work Program.

Elizabeth McCallum, Senior Planner, stated the City began its Periodic Review Work Program on October 1, 2008. Task 5 of the work program approved by the Oregon

Department of Land Conservation and Development (DLCD) on April 15, 2010 charges the City to update the Open Spaces, Scenic, and Historic Areas elements of the Comprehensive Land Use Plan under Goal 5 and include:

- An updated inventory of historical properties and the list of scenic areas, vistas, and viewpoints
- A report on the City's current historic preservation program and measures to improve it
- Update and amend the Comprehensive Plan and Development Code as needed

The ordinance before you is the third of three ordinances that are coming before you for Task 5. This is the first reading of the ordinance which is related to the adoption of Development Code standards with respect to historic preservation in the City. There are specific criteria that must be met in order to adopt text amendments to the Troutdale Development Code. Exhibit B to my staff report is the Planning Commission's findings with respect to the criteria that were met. The criteria are as follows:

- The public need is best satisfied by this particular change
- The change will not adversely affect the health, safety, and welfare of the community
- In the case of Development Code amendments, the particular change does not conflict with applicable Comprehensive Land Use Plan goals or policies

With respect to those criteria, these standards have been written with the proposed amendments to the Comprehensive Land Use Plan policies that are part of this periodic review evaluation and the establishment of a Historic Landmarks Commission in the City's list of Committees and Commissions. The Planning Commission's recommended amendments are included in Exhibit C. In the weeks following the Planning Commission's decision they were reevaluated by the State Historic Preservation Office (SHPO) and there were some additional amendments that have been noted in your staff report. The most significant one is that the City is charged with making sure that properties designated on the National Register of Historic Places also be protected. If somebody has such a property and they're not on our Historic Landmark list and they come in for a building permit, we have to be alert to that fact at a staff level. That additional language has been added so that even if a property isn't on our local Historic Landmark list but it is on the National Register of Historic Places that the standards will apply to that property. In addition to that, there has been some question about whether we must to have a Historic Landmarks Commission. We don't unless we want to participate in the Certified Local Government Federal Program which gives us the opportunity to apply for grants. If the City wants to be a certified local government for purposes of historic preservation we have to be found to have established by state or local law and maintain an adequate and qualified Historic Preservation Review Commission. In the draft ordinance relating to that, we are calling it a Historic Landmark Commission. All commission members must have a demonstrated interest, competence, or knowledge of historic preservation unless state or local legislation provides for a different method of appointment. The chief elected local official must appoint all commission members. The Planning Commissioners cannot wear that hat because not every Commissioner will be determined to have a demonstrated interest, competence, or knowledge in historic preservation. The Planning Commission's recommendation to you is to adopt an entirely rewritten new Troutdale Development Code Chapter 4.200 (Exhibit C). Those amendments do not contain the recommended additional changes that you see in my staff report. Those changes pertain to applicability, improvements to the definition of alteration to include the idea that a major alteration would change the visual qualities that convey the historical or architectural significance of a historic landmark. Following our meeting 2 weeks ago there was some

discussions with the Community Development Director with a couple of Councilors and some additional revisions were suggested and those appear on page 6 of my staff report.

Councilor Thomas asked have those been included in the text amendments before us?

Elizabeth McCallum replied no they will be at the second reading.

Councilor Allen stated I was hard on you at the last meeting and apologize for that. I see that staff has risen to the occasion. One of my concerns was that an establishment such as McMenamins would be hindered from making economic use of a historic building. That is being taken care of in 4.240(E). My other concern was creating a commission with no appeals process. I see that is being taken care of in 4.285. I'm happy with what I'm seeing and I think it creates a balance between the need to preserve our historic landmarks and the need to be fair to property owners.

Mayor Kight opened the public hearing at 8:45pm.

There was no public testimony.

Mayor Kight closed the public hearing at 8:45pm.

Mayor Kight stated this is an introduction so this will be back to the Council a second time.

7. PUBLIC HEARING / ORDINANCE (Introduction): An ordinance adopting a new Chapter 8.36 of the Troutdale Municipal Code relating to business recycling requirements.

Amy Pepper, Civil Engineer, stated for many years Troutdale has provided the opportunity for businesses to recycle through our franchise agreement with Waste Management. Businesses, however, have never been required to recycle in Troutdale. In partnership with Metro, Troutdale and other local governments have provided educational materials and technical assistance to businesses to encourage and assist them in recycling. Technical assistance was provided by graduate students at Portland State through the Recycle at Work program. Under Metro code, local governments were required in February 2009 to adopt business recycling requirements. At the direction of Council in April 2010 staff surveyed approximately 290 entities that would be impacted by the business recycling requirements. Surveys were completed by 58 entities and approximately 70% of those respondents said that businesses in Troutdale should be required to recycle at least paper and containers. The business recycling requirements would apply to entities of one or more persons, corporate or otherwise, engaged in commercial, professional, charitable, industrial, educational, or other activity that is non-residential in nature including government entities. A business located in a residence would not be impacted by the program. The business recycling performance standards set by Metro include the following:

- Businesses shall source separate all recyclable paper, cardboard, glass, plastic bottles and jars, and aluminum and tin cans for reuse or recycling;
- Businesses shall ensure a provision for recycling containers for internal maintenance or work areas where recyclable materials may be collected, stored, or both;
- Businesses shall post accurate signage;
- Local government shall establish a method for ensuring compliance;

- Local governments may grant an exemption for businesses

Municipalities that have already adopted these requirements are implementing the program through outreach, education, and technical assistance. In April 2011 DEQ sent a letter to the City inquiring about the status of Troutdale's implementation of the business recycling requirements. Upon receipt of this letter, Council directed staff to schedule it to come before them at a regular meeting versus a work session. Included is an ordinance that is in substantial compliance with the Metro model ordinance. I worked with Metro staff and David Ross to draft this ordinance and you'll find that it's pretty similar to the Metro model ordinance. Based on some feedback from Council at the February 2011 work session, it is not linked to the City's business license program. If the proposed ordinance were to be adopted, staff would notify the businesses of the requirement and offer technical assistance. The technical assistance would be offered by Portland State graduate students who are currently working with other jurisdictions to implement and provide technical assistance. I would recommend that in 2 years we evaluate the program to see how effective we are in getting more businesses to recycle.

Mayor Kight read the following statement from Agenda Item #8: "Council should be advised that the City's non-compliance with Metro requirements could, ultimately, result in loss of a portion of State Shared Revenue. Metro has several enforcement options which range from initiating an enforcement action with the Metro Council to asking the Land Conservation and Development Commission to initiate enforcement proceedings with the goal of seeking to withdraw grant funds and State Shared Revenues. While not imminent at this point, the Council should be aware of the potential financial impact to the City. The amount of shared revenue that could be at risk of loss this year is estimated to be \$75,000."

Mayor Kight stated that amount would be in addition to the \$5,790 budget impacts listed in the staff report.

Councilor Thomas asked what is our current compliance rate?

Amy Pepper replied the last time we checked there were about 30 businesses that have garbage service through Waste Management but do not subscribe to recycling. There hasn't been any further follow up with them to see if they recycle in a way other than subscribing to Waste Management service. That would be one of the first outreach attempts that we'd do if you were to adopt this ordinance.

Councilor Thomas asked the recycling bins aren't free like they are for residents?

Amy Pepper replied they are free.

Councilor Thomas stated in 8.36.050, on page 2 of the ordinance, it says that businesses shall source separate all recyclable paper, cardboard, glass and plastic bottles and jars, etc. However, with today's environment and the machines that they have, the only thing you have to source separate is glass. Why is it necessary to call the rest of these out?

Amy Pepper replied that's part of the model ordinance and that language is directly from the Metro code.

Councilor Thomas stated I would change that. The reason being is it all winds up in the same truck except for the glass. Why should a business be required to sort separate everything into separate containers just to throw it in the same truck that gets hauled to the same place and gets dumped onto the same conveyor belt? That doesn't make any sense to me.

Amy Pepper replied Metro was very clear that that language needed to stay. If Council would like I can investigate that language before the final reading.

Councilor Allen stated I have a question that affects that same line. Some of this recycling might be in public places where you can't really control the public. They may throw a plate of spaghetti on top of all the recyclables. I'd like to make sure that businesses are not expected to clean off recyclables where the public has contaminated them with incompatible substances. I don't want store owners to have to spray off bottles so that they can recycle them. I would like to see an effort put into recycling but not to that extent.

Councilor Anderson asked what is substantial compliance according to Metro? Adoption of the ordinance, a certain percentage of participation, or both?

Amy Pepper replied it seems like both. For example, the section at the work session that the Council had a lot of heartburn over was the inclusion of language about a fine under 8.36.070. I proposed to remove that language at the Council's direction and was told that would not be in compliance with the Metro code. We can be more stringent than the Metro code but not less.

Councilor Anderson asked even if 85% of our businesses are recycling now, Metro would still want us to pass this ordinance?

Amy Pepper replied yes. Metro code doesn't differentiate between jurisdictions where the recycling rates are high verse low.

Mayor Kight asked is it true that the schools currently aren't recycling?

Amy Pepper replied a lot of the schools do provide recycling. Schools in Oregon for a long time have had a Green Schools Program but it's an elective program. A lot of schools have elected to participate in that but they've never been required to. Just like businesses have never been required to have a recycling program.

Mayor Kight asked does the City of Troutdale do we have any school's recycling?

Amy Pepper replied I believe we have at least 2 Green Schools.

Mayor Kight asked so are the rest of them not recycling?

Amy Pepper replied I don't know.

Councilor Daoust stated at the work session I asked the same question that Councilor Thomas asked about source separation. The definition in the ordinance says, "source

separate” means to separate recyclable material from solid waste. So according to that they do not have to separate each individual type of recyclable material.

Amy Pepper replied correct.

Councilor Thomas stated if you look at 8.36.050(B)(1) it further defines it and that’s what I’m concerned about.

Amy Pepper stated I think Councilor Thomas’s concern is that the way the language is worded it appears that they’d have to further sort separate the glass from paper and the paper from the cardboard. For a long time we used source separate to mean that you separate everything individually.

Councilor Daoust stated if that’s what this is saying then we want to revise the definition.

Amy Pepper replied the new definition is what has changed to separate the recyclables from the solid waste.

Councilor White asked what department will be checking for compliance?

Amy Pepper replied we aren’t proposing to go into these businesses and checking for compliance. We propose sending out a letter saying these are the requirements and offering technical assistance provided by Portland State students. If we get no response from the letter then Portland State would do drop-ins to see if businesses are interested in having someone come through to look at their recycling program.

Councilor White asked has Metro ever denied cities funding for non-compliance?

Amy Pepper replied yes they have withheld this funding from other cities.

Councilor Allen stated we have businesses that are hurting and as long as this is free, I think it’s great. Under section 8.36.060, Exemptions, I’d like to see something added for a business that shows it cannot financially comply with the business recycling requirement such as operating in the red. If there’s a business hardship I suspect funding will become available and we would help the business but just in case funding doesn’t become available I’d like to see something like that put in.

Amy Pepper stated I will have to verify with Metro staff if that is acceptable. They have pretty specific language about exemptions. Recycling in general for businesses will reduce somebody’s garbage bill. There’s a requirement for businesses in our local ordinance that they provide solid waste service. There’s an incentive in our solid waste rates that when you recycle more you don’t need as big of a container. The size of the container is what drives your solid waste rate. The smaller the container, the smaller your bill will be. There is already a financial incentive within our rates to recycle.

Councilor Allen stated I’m just talking about businesses that are spending money out of their pocket trying to survive. If there’s grant money then it’s not an issue. But if Metro decides to not help fund, then to require business to do this, it’s not a good time for it. Although in the end I’d like to see recycling occur.

Mayor Kight stated there is a financial benefit for businesses to recycle. At my own home, we have a 60 gallon recycling container and only a 32 gallon garbage roller cart. My garbage has been reduced significantly and I'm sure the rest of you've experienced the same thing. The bottom line is there could be a significant difference, particularly for businesses that have a lot of paper products and cardboard that could go in the recycling, which is free. What would the savings be if they went from a dumpster to a 60 gallon roller cart?

Amy Pepper replied I don't have the rates in front of me so I couldn't say. Dumpster rates are pretty significant in Troutdale. There are a lot of variables on them such as how often it gets picked up. Even going from twice a week to once a week or once every two weeks is a significant reduction.

Mayor Kight stated on your final reading maybe you could pick an example of a business that reduced their waste stream and saved a significant amount of money over the course of a year.

Amy Pepper replied I will see if I can put together some figures.

Councilor Thomas stated one of my concerns is the amount of floor space they may have to use to put out these cans and bins. Floor space is expensive and if you can't use it for retail sales then you're losing money on that floor space. To require people to put the posters up in a retail area doesn't make a lot of sense. If we require them to use retail store space then that becomes a real challenge for that business and there's nothing in the exemptions that talks about what the cost is to the business to take up floor space.

Amy Pepper replied under 8.36.050 the requirement is to provide the recycling containers in internal maintenance or work areas, not necessarily within the retail space but more in the back rooms.

Councilor Thomas replied you're assuming all stores have storage space and not all of them do.

Amy Pepper replied it's envisioned to be located where you are taking in product in bigger boxes to distribute onto shelves and you're dismantling those boxes. That's where you'd have a container available to properly recycle that material.

Councilor Thomas stated what you've told me is that we've based this all on the Metro model ordinance. My assertion here is that it's a great blueprint but it doesn't mean that we have to adopt it verbatim. We need to adopt something that fits Troutdale. I don't see a value to just taking some stuff that Metro says we need to do and incorporating it if it doesn't fit the needs of Troutdale. Troutdale is already doing well with business recycling. I don't think it needs to be as stringent as they want it to be in order for Troutdale to be complying. What I've found is the more stringent you make things, the more rebellious people tend to become. The idea is to make it easier for all of us, not only to administer but easier for them to use and see the benefit of.

Mayor Kight opened the public hearing at 9:09pm.

There was no public testimony.

Mayor Kight closed the public hearing at 9:09pm.

- 8. PUBLIC HEARING / RESOLUTIONS:** A public hearing on the following resolutions:
- 8.1** A resolution certifying the City of Troutdale's eligibility to receive State Shared Revenues.
 - 8.2** A resolution declaring the City of Troutdale's election to receive State Shared Revenues for Fiscal Year 2011-2012.

Erich Mueller, Finance Director, stated the next several items are interrelated. There are several procedural steps that are required to keep us in compliance with local budget law. This agenda item has two different resolutions. The ORS has four required actions that have been outlined on page 2 of my staff report. The first action was accomplished on April 18th when the Budget Committee had a public hearing for the possible uses of State Shared Revenues. The code further requires that a public hearing is held before the City Council on the proposed uses of the State Shared Revenues, that would be the public hearing this evening. Exhibit A of the staff report outlines the various components that we're receiving as part of the State Shared Revenues program. We talked about these to some degree during the Budget Committee presentations. Several of the items go into the General Fund and are available for general government services. A couple of them are specified based on statute related to the gas tax, vehicle registration, and so forth that are allocated to either the Street Fund or there's a 1% allocation required for gas tax revenue for bicycle paths and trails. The Mayor read during the previous item the footnote at the bottom of page 2 of the staff report regarding non-compliance with Metro. As we were talking about this revenue source as part of the budget, I wanted to make the Council aware that this particular revenue source can be impacted by decisions that are or are not undertaken by the Council on the items which are currently at issue with Metro.

Mayor Kight opened the public hearing at 9:14pm.

There was no public testimony.

Mayor Kight closed the public hearing at 9:14pm.

MOTION: Councilor Anderson stated I move that we certify the City of Troutdale's eligibility to receive State Shared Revenues. Seconded by Councilor Daoust.

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

Motion Passed 7 – 0.

MOTION: Councilor Thomas stated I move that we adopt the resolution declaring the City of Troutdale's election to receive State Shared Revenues for Fiscal Year 2011-2012. Seconded by Councilor Daoust.

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

Motion Passed 7 – 0.

9. PUBLIC HEARING / RESOLUTION: A resolution adopting the City of Troutdale's Fiscal Year 2011-12 Annual Budget and making appropriations.

Erich Mueller, Finance Director, stated this item also has required procedural steps. There needs to be a public hearing on the budget that was approved by the Budget Committee. After that there is an amendment that I'm requesting someone on the Council make to amend the budget that was published and approved by the Budget Committee. Then, assuming that amendment is successful, the final step would be adoption of the resolution that follows this staff report. Before we go any further, I'd like to defer to the Budget Committee Chair for any comments that he'd like to share with the Council.

Tanney Staffenson, Budget Committee Chair, stated it was an honor to Chair the proceedings this year. I want to thank you for that opportunity. I want to speak for all the Citizens on the Committee and appreciate your approach of giving each and every person an equal vote and equal say. Nobody felt that they were any more important than anyone else. For all the Citizens on the Committee, I'd like to say thank you for letting us be part of that process. I'd like to ask you to approve the budget. The budget represents a collective effort between staff and the Committee. It represents a lot of difficult cuts in staff and services, along with utilizing a portion of our reserve funds which we feel is necessary at this time. They need to do that to provide the services that the citizens of Troutdale have come to expect from us.

Councilor White stated I want to compliment Tanney for being the Chair of the Budget Committee. I thought you did a great job. I think we set a record pace in getting through that session. Thank you for all that you did.

Councilor Thomas stated I want to echo Councilor White's comments about the excellent job you did leading the meeting and keeping it on track. I also want to thank Mr. Mueller for his presentations and keeping things clear and concise so everyone could understand.

Councilor Anderson stated that Budget Committee meeting was expertly run by Tanney. Erich, my understanding is a testament to you. You've done this many times before and I hope you do it many times again because it's very insightful and rewarding to be a part of. In the Budget Committee meeting we delegated a couple of items to the Budget Oversight Committee. What's the status of those, specifically the streets and City Hall?

Councilor White replied it's not on the agenda yet but it's coming soon.

Mayor Kight opened the public hearing at 9:21pm.

There was no public testimony.

Mayor Kight closed the public hearing at 9:21pm.

MOTION: Councilor Daoust stated I move to amend the Fiscal Year 2011-2012 Approved Annual Budget as submitted by the City of Troutdale Budget Committee to increase both Resources and Requirements in the Code Specialties Fund \$12,000 and to increase the Transfer to Other Funds Requirement of the Water Fund \$3,000, the Sewer Fund \$1,000, the Street Fund \$5,000, and the Storm Sewer Fund \$3,000 for a total of \$12,000 and reduce the respective fund balances equal amounts. Seconded by Councilor White.

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

Motion Passed 7 – 0.

MOTION: Councilor Anderson moved to adopt a resolution adopting the City of Troutdale’s Fiscal Year 2011-2012 Budget and making appropriations. Seconded by Councilor White.

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

Motion Passed 7 – 0.

10. RESOLUTION: A resolution imposing and categorizing Ad Valorem Taxes for Fiscal Year 2011-12.

Erich Mueller, Finance Director, stated there is minor mislabeling in my staff report. I make reference to a need for a public hearing for this particular item. A public hearing is not required for this resolution. My apologies for any confusion. In the local budget law there’s a requirement to adopt the budget and there’s also a requirement specifically to levy the taxes. The levy relates both to the permanent rate of \$3.7652 for \$1,000 of assessed value and also includes the debt service levy for both series of the general obligation bonds. This is the first year that we include an amount to do debt service on the new general obligation bond for the Police Facility Project. Both of those items are combined. We reviewed these items during the Budget process as well.

MOTION: Councilor Daoust stated I move that we adopt a resolution imposing and categorizing Ad Valorem Taxes for Fiscal Year 2011-12. Seconded by Councilor Anderson.

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

Motion Passed 7 – 0.

11. RESOLUTION: A resolution reauthorizing the Business Incentive Program and making revisions.

Councilor Thomas stated the resolution that's before you has been reviewed by the Economic Development Subcommittee over several meetings. We presented what we thought was a very equitable and good resolution to the City Council for approval.

Rich Faith, Community Development Director, stated the Business Incentive Program was adopted by Council in May of last year. The purpose of the program was to provide an incentive to attract businesses to occupy vacant store fronts throughout the City. It was patterned after a similar program in Gresham but it was modified to meet our needs. The program is scheduled to sunset on June 30th unless extended by the Council. The Economic Development Subcommittee has been reviewing the program and has had several changes that they felt were in order and some additional ones that staff recommended that they discussed today and concurred with. They are forwarding it to you with their recommendation for adoption. I'd like to touch upon the five changes noted in my staff report so you know how the resolution as presented to you tonight, differs from the program that was adopted over a year ago. The first change is to specify that a building space must be vacant for at least 90 days to be eligible for this program. The current program just says that the business must be moving into a vacant commercial or industrial space. We realized that there is no such thing as a non-vacant space that a business moves into. It has to be vacant in order for a business to occupy it and even if it's for a very short period of time. That technically means that any business that occupies a vacant commercial or industrial space would be eligible and I don't think that's what the intent was. We were trying to attract businesses to occupy space that was chronically vacant. The recommendation is to better define what we mean by vacant space and say that it needs to be vacant for a period of 90 days or more seemed to be more consistent with what we were trying to achieve with this program. The next change is to eliminate business licenses among those fees that we're providing a fee subsidy for. The reason we're recommending this change is that over the course of the last year that we've worked with this program, we've found it very problematic to deal with. The reason is that it's fairly easy for a new business to obtain a business license application, especially if there is no tenant improvement necessary, they submit it with the fee and think they're good to go. What that means is that as staff we're scrambling to figure out whether or not they were eligible for the program and are entitled to a refund. In the last year we've spent quite a bit of time tracking down and trying to secure information from these businesses and asking them for certain information in order to justify refunding the money. In most cases they've chosen not to respond. We don't feel that this fee is a deal breaker in terms of their decision to locate here and it's actually put a burden on staff in a number of instances to try and figure out whether or not we should be giving them their money back. The third change is setting a \$5,000 subsidy cap per business. When we presented this program last year we had no experience with it and didn't know how much it was going to cost and what we would be looking at in terms of fee subsidies. We now have over a year under our belt and in the course of that time we've had seven businesses take advantage of the program but its cost the City a total of about \$80,000. Most of that's been the result of two businesses that had fairly high System Development Charges (SDC). The Economic Development Subcommittee felt that we should set a cap to how much we are willing to subsidize any given business and that recommendation is \$5,000 and that has been built into the resolution. The fourth change is to eliminate the subsidy level depending on the square footage being occupied. We had established two different categories for the subsidy based

on the square footage being occupied. If the business is occupying no more than 5,000 square feet then they would be entitled to a full subsidy and if it was an occupancy of 5,000 square feet or more then we paid only half of those fees. If you are in agreement of the \$5,000 cap per business then that distinction really becomes meaningless and unimportant. The final recommended change is to exclude the Columbia Gorge Premium Outlet Mall from the program. Currently the program applies anywhere in the City where the property is designated in our Comp Plan as commercial and industrial. That includes the Factory Outlet Stores which are also within our Urban Renewal area. We've realized the only businesses that go into the Outlet Mall are national chains or larger corporations. It doesn't seem like it's keeping with our original intent. None of these businesses have had a problem paying the fees. Their decision has already been made that they're going to locate there. Rarely do they care to inquire about this type of an incentive, and it really doesn't factor into their decision. We feel there really isn't a down side to removing the Outlet Mall property and it will likely free up that money to help smaller, local businesses that are struggling to get established. Also, if a business was in the Urban Renewal District then the subsidy was going to be paid for out of the Urban Renewal Fund and the rest of the City would be paid out of the General Fund. By eliminating the Outlet Mall property from the program, it eliminates the need to pay any of the subsidies out of the Urban Renewal Fund. We really have three options for this resolution: reauthorize and revise the Business Incentive Program as it's been drafted; refer this back to the staff for directions on how you'd like to modify it further and bring it back at a future date; or reject this resolution and allow the Business Incentive Program to terminate on June 30th. In terms of fiscal impacts, our experience this year is that the program has cost the General Fund approximately \$80,000. The recommendation for next fiscal year is to allocate \$20,000 for this program, which could be modified if there's a need to. That would be taken care of as a separate action and not part of this resolution.

Councilor Allen stated I consider the improvements that Saul Pompey had made to his restaurant to be the type of thing that we want to see. My question is, are the changes that we're making here going to make it less likely for the success that Ristorante Di Pompeyo has had or more likely?

Rich Faith replied if you adopt the resolution as drafted, which includes the \$5,000 subsidy cap per business, then what Saul did would not be possible. He would not have gotten the degree of assistance from this program.

Mayor Kight asked did you have a question for Saul?

Councilor Allen replied I was just curious if he was in agreement with what Rich Faith is saying.

Saul Pompeyo stated thank you very much for the incentive program, without it I couldn't have expanded the restaurant. To me jobs in the hospitality business are the best jobs. I have 7 people in my restaurant that make \$30 per hour. Now we have 16 people working in the restaurant. I think in the next 2 years I will have 25 employees. What happens if we have another 5 restaurants like mine in downtown Troutdale, 125 employees? People won't need to move to downtown Portland to find a job.

Councilor Anderson stated I wish this would have elicited more businesses in its year but that's a marketing function. It's really nice to see our Economic Development Subcommittee

and staff working together. I've got to congratulate Councilors Thomas, White and Daoust and Rich Faith. This is a very solid revision to the Business Incentive Program and you did a really fine job. What you've drafted is effective and the door remains open for additional concessions.

Mayor Kight asked how many empty storefronts do we have in our downtown?

Rich Faith replied I don't know that.

Mayor Kight stated off the top of my head I'm counting about 6 doors.

Councilor Thomas stated if you count all of Troutdale there'd probably be 25 to 30 doors.

Mayor Kight stated this Council has taken the bull by the horns to address this problem for the entire city. If we adopt this resolution as it is before us, chances are Saul couldn't have done his expansion. That's something to consider.

Councilor Daoust stated this year we had \$80,000 to cover and it was quite a lot of money, way more than we had planned. That's why the subcommittee put this \$20,000 limit so we wouldn't have another surprise year. The caveat is that the Council has the right to approve an increase in the appropriation beyond \$20,000. The reason for the caps was to keep this program affordable so the City could afford to continue it another year without having to spend another \$80,000. We don't want to be caught by surprise even though it was money well spent.

Councilor Thomas stated we looked at reports from the City of Gresham. They picked up around 100 or more businesses and their total cost was around \$20,000 to \$30,000. We did do some comparisons in looking around to see what's possible. We were trying to protect the budget itself in understanding that if someone really wanted more they could appeal to the City Council to see if we could make a change to accommodate the business.

Mayor Kight asked if someone wanted to put in a restaurant or coffee shop and they couldn't do it without some support or help, then they could appeal to the City Council?

Rich Faith replied there's nothing in the program that says you may appeal the decision of the staff administering this program.

Mayor Kight asked do you want to consider language to have an appeal process?

Councilor Daoust stated I don't know that we need it. That process already exists.

Rich Faith stated if you don't agree that we should limit how much we're subsidizing, then take out the \$5,000 cap. If you're afraid that it'll be a disincentive or discourage someone or prevent them from opening a business, then eliminate the cap.

Councilor Thomas stated the other side of the coin is this isn't a permanent plan, it expires next year. It's not as if we're putting an ordinance in place that lasts forever. We could revise it half way through the year. The real concern of the Economic Development Subcommittee was trying to maintain a program that didn't break the bank.

Councilor White stated we realized that we needed a way to limit the exposure to the City and that's where the \$5,000 cap per business came from. I think Saul made some excellent points. The only way that upper floor could have ever been used is by him expanding his business. I hope we haven't killed the program here. I understand that SDC fees are a huge blockade to small business owners. I had reservations about picking that number.

Councilor Daoust stated it would not affect the rest of the resolution to drop that limit. We'd still have the \$20,000 that we had planned for the program.

Councilor Thomas stated I think the exposure is tremendous and I'd much rather keep the limit.

Mayor Kight stated I've had more than 1 developer say until those empty storefronts are filled on the north side, the prospect of a substantial development happening on the south side would be limited. It would benefit the City to see those storefronts be filled because you won't have any serious developers look at the Marino Block if they look across the street at half a dozen or more empty stores.

Councilor Thomas stated one of the things we discussed was if you bring in retail stores the SDC's for them are not as impactful and the \$5,000 would more than cover that. It's more than the downtown core. We've got almost an entire shopping center empty. The other two major shopping centers have open storefronts in them. We have a fair amount of vacant store fronts on the north side of Frontage Road and both sides of Marine Drive. The idea was to try to cover that without spending it all on one place. If you bring in retail businesses like Gresham, their total costs for the number of the businesses that they got was minimal compared to what we spent.

Councilor Allen asked can you clarify, do we pull money out of the General Fund to pay one of the other funds?

Erich Mueller replied that's correct. The SDC fund that's due the fee is credited with the revenue and I book a liability in the General Fund.

Councilor Allen stated all of the infrastructure is there now because we're talking about existing storefronts that are empty. Would we really limit the number of stores that can take advantage of the program because we're paying one fund to another fund?

Erich Mueller replied there isn't a limit on the number of businesses, it's a dollar amount per business. The Committee has talked about \$20,000 as their target. If we had four businesses come in at the top then there would be four but we could have 20 businesses at \$1,000 each.

Councilor Allen stated if we had more businesses come into Troutdale would we say I'm sorry, we can't afford that?

Rich Faith replied we couldn't do it without making an adjustment in the allocation.

Councilor Daoust stated which we can do.

Erich Mueller stated just to clarify, the Subcommittee has recommended \$20,000 as a target. There is no appropriation line item anywhere in the budget that you just adopted for this program.

Councilor Allen asked how much would it hurt if we didn't have the \$5,000 limit and 20 businesses decided to come into town?

Councilor Thomas replied it could wipe out our Contingency Fund and we'd have to take it out of other budget places.

Councilor Allen asked would we ever transfer it back from the SDC Funds?

Erich Mueller replied no, those are specifically for those infrastructure programs. That's part of why we structured our program the way we did to ensure that we are adhering to the State Statutes associated with SDC's. If the Sewer SDC fund is due \$10,000 then it receives that so it has the money to deal with the infrastructure impact. The nature or type of business that chooses to take advantage of the program is really what's going to drive what the dollar volume is going to be. In this past year 2 of the 7 businesses used \$60,000 of the total spent. One of the businesses in a more conventional space that didn't have the infrastructure impact for water or sewer was \$2,900 and another was \$2,700. It depends on what type of business chooses to come in and fill the space. If we had 40 businesses that all wanted to come into Troutdale there would be 2 questions. This first questions is can we afford it? The second question, if there are 40 businesses that want to come into Troutdale do we really need to provide an incentive? The issue that the Committee struggled with is if they left it open ended would we be looking at \$160,000 next year rather than \$80,000?

Councilor Allen stated if the infrastructure's there then wouldn't it be an accounting problem?

Rich Faith replied by infrastructure what are you referring to?

Councilor Allen stated the water and sewer lines are all hooked up.

Rich Faith replied not every business that comes into town to occupy existing vacant space will trigger a requirement for SDC's. Those were paid when the building was constructed. But if the use that they want to put in that building is different and putting greater demand on the system then that will require more SDC's. Most of the businesses that took advantage of the program didn't have additional SDC's involved, they were just permits.

Councilor Thomas stated Charlie Warren the Public Works Director, told us that there are some businesses that could come in and require an upgrade to the infrastructure. So they have to have money to do that. That has a big impact on our funds and the ability to do other projects.

Councilor Anderson stated we had a good plan last year and a good plan this year and now we need someone to go out and sell it. The Mayor does a good job of that. I will talk to our City Manager and our Chamber Board President and toss out ideas but those ideas need to be acted upon. I would love to throw out \$100,000 to a business to come in and open in downtown Troutdale but I've got to find it somewhere.

MOTION: Councilor Anderson moved to adopt a resolution reauthorizing the Business Incentive Program and making revisions. Seconded by Councilor Thomas.

Councilor White asked could I add to the motion that we review the \$5,000 limit in 3 months?

Councilor Thomas replied I don't see a need for that.

Councilor White stated I'm saying that in case we get someone like Saul that wants to do a restaurant and is held back. We cut that amount for the sole purpose of eliminating the City's exposure. I don't want to kill the program. At the Subcommittee level I agreed to stick to the \$5,000 amount but I have concerns about it.

Councilor Thomas stated as a matter of operation we can choose address any resolution at any time. I don't think it has to be part of the motion.

Councilor White replied ok I'll withdraw that.

Councilor Allen asked is the \$5,000 better than the surrounding areas?

Councilor Thomas replied I don't believe Gresham had a limit but they also spent a whole lot less money for a whole lot more.

Mayor Kight asked if someone came forward looking and the cap ends up being a deal killer is there some way that you could let the Council know and let the prospective business owner know that they can appeal to the Council?

Craig Ward replied yes if someone comes in and says this limitation is a deal killer for them the option always exists to amend the code. You can do that by majority vote and directing staff to change the limits at your discretion. If someone expresses that limitation then we'll be happy to bring that concern to you and you can act upon it.

Mayor Kight stated we want to appear to be business friendly. Yes this is coming out of our budget but if we don't support business then we won't have any. Right now getting capital for small businesses is almost non-existent.

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

Motion Passed 7 – 0.

12. STAFF COMMUNICATIONS

Craig Ward, City Manager, stated I have a few brief updates. The Council directed staff to update the nuisance code to deal with a variety of potential issues that were discussed in a work session. That's been assigned to the City's Counsel and we plan to bring back a

proposal to you at the August Meeting. There was also discussion about predatory towing codes and we're also working on that and plan to schedule a September work session. I want to remind you that we have an Urban Renewal Agency meeting next Tuesday at 7:00pm followed by a work session on downtown parking. Another item brought up by Councilor Thomas was a concern about changing our e-mail address form. That has been activated and it will be first.last@troutdaleoregon.gov. That is in place now and can be used. I encourage you to test that out. The old address form will continue to be valid for as long as we choose to pay for the domain name. We won't roll this out in one fall swoop and expend a lot of money until those stationary item stocks are depleted. Finally we will be doing some resurfacing on City streets and on June 20th or 21st Kibling Avenue in front of City Hall will be closed for resurfacing. We can't pin down the exact date because it depends on weather.

13. COUNCIL COMMUNICATIONS

Mayor Kight stated tonight the City Council voted on entries for the If I Were Mayor contest. Christina Hernandez from Troutdale Elementary had the winning poster out of the 4 entries submitted. Kenny Huddleston from Walt Morey Middle School had the winning essay. The winning poster and essay will be sent off to the Oregon Mayors Association to be entered into the statewide contest in July. There is a potential for these student to win a laptop computer. Two years ago a student from Troutdale Elementary was the statewide winner and won the laptop.

Councilor Daoust stated I've noticed there seems to be more wildlife presence within the city limits. Last week one of my cats got carried off by two coyotes walking down the street early in the morning. It seems like wildlife are entering the city limits more often. I just wanted to remind you that if your pets are out at night they enter a zone of danger from coyotes and other wildlife.

14. ADJOURNMENT

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

Meeting adjourned at 10:16pm.

Mayor Jim Kight

Approved June 13, 2011

ATTEST:

Sarah Skroch, Deputy City Recorder