

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

Tuesday, February 9, 2010

1. ROLL CALL, AGENDA UPDATE

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

PRESENT: Mayor Kight, Councilor Hartmann, Councilor Wand, Councilor Thomas, Councilor White, Councilor Kyle and Councilor Daoust.

ABSENT: None.

STAFF: Dave Nelson, City Administrator; Rich Faith, Community Development Director; Sarah Skroch, Deputy City Recorder; David Ross, City Attorney; and Erich Mueller, Finance Director (7:50pm).

GUESTS: See Attached.

No agenda update.

2. PRESENTATION OF COLORS / PLEDGE OF ALLEGIANCE:

Boy Scout Troop 174

Boy Scout Troop 174 presented the Colors and led the Pledge of Allegiance.

3. PROCLAMATION: Scout Month – February 2010.

Councilor Wand read the proclamation.

4. PRESENTATION: Gresham Mayor Shane Bemis will present the City of Troutdale with a donation for the Centennial Arch project.

Mayor Shane Bemis stated in 2005 the City of Gresham celebrated our 100th year anniversary. We held several events and did a lot of fund raising. In the end we had a little money left over and we felt that Gresham could help you with your legacy project of your Centennial by making a donation towards your Arch.

Mayor Bemis presented a check in the amount of \$500 from the citizens of Gresham to the citizens of Troutdale as a donation towards the City's Centennial Arch project.

Mayor Kight stated this shows the spirit of cooperation that we have with all of the other cities in our community (Gresham, Fairview and Wood Village). I look forward to great things happening in our four cities as we support and help one another. This is evidence of it right here today. We really thank you for this donation.

5. STATE OF THE CITY MESSAGE

Mayor Kight read his State of the City Message (copy included in the packet).

6. CONSENT AGENDA:

6.1 RESOLUTION: A resolution authorizing the Mayor to execute an intergovernmental agreement with the Port of Portland for the warranty of the public improvements associated with the Troutdale Reynolds Park Phase I.

MOTION: Councilor Wand moved to approve the Consent Agenda. Seconded by Councilor Daoust. Motion Passed Unanimously.

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

Marnie Zollinger, Troutdale resident, stated I read the Mayor's application for wind energy and I loved it. On a journey the past does not matter as much as the current condition and direction. The Mayor's application gave me hope. I support whatever the City needs to weather these current problems. This Means I support Mayor Kight. Division in the Council never serves the people so I urge a unified front. I believe that every person on this council has got gifts that they want to bring to the table and that Troutdale could not need them more than now. Councilor Hartmann has decided to make energy a focus and this serves a constituency that needs this. Councilor Hartmann has proposed to address a problem that is so divisive in America today that the mere mention of the topic divides us before we ever put solutions on the chalkboard. What we are discussing today is equal federal taxation and financing. Energy should not be taxed any differently because of the source. We fought the war that formed this Country over equal taxation. Equal financing means that federal agencies should approve applications on an equal basis. A BTU is a BTU and an energy conversion is just that. The calculations either support financing or they do not. I am here to support this endorsement today because I believe that it has merit. I believe that Councilor Hartmann should be allowed and encouraged to attempt his solution as stated. I would also support any councilor that might try to find a solution for problems that are needed by constituents. Without those who try the problems just persist and the people are not represented. We elect you to try solutions and to be created and figure it out. We give you permission, and in fact charge you with the duty to try. I know that we place a large burden upon you without giving much back. When the solution works we all win. I am here to thank you for your service.

Bill Robinson stated tonight I am speaking for Kathie Futornick. Kathie has received a corporate endorsement for the following statement since it details a prime concern for her firm USR Electronic Systems Engineering, a privately held multi-national corporation. Her statement regarding funding for renewable energy projects is as follows; "The American

Recovery and Reinvestment Act of 2009 has gone a long way to provide increased funding, extended tax incentives and grants to encourage renewable energy projects, energy savings and green jobs. The federal stimulus package, together with some incentives such as the Oregon's Business Energy Tax Credit would seem to provide sufficient funding for energy conservation and development projects. However that has not been the case even with more than \$100 billion in federal stimulus funds for energy projects the money has not been released as promised and the process is cumbersome. My name is Kathie Futornick and I reside in Yamhill County. I would have liked to have been present this evening but other commitments have prohibited that. I have been an environmental scientist for more than 30 years and a portion of that time has been spent in research and development of renewable energy and traditional energy projects. As an environmental scientist I do assist clients in the technical development and permitting of their projects and I also provide guidance to clients in the development of their business case for new projects, therefore, I am familiar with the availability of funds for both types of projects. Challenges faced by a renewable energy developer for the most part are not technical. There are many proven and cost effective technologies, which are clean technologies that efficiently convert waste to energy. The major stumbling block has been funding of projects. Project funding comes from three sources, federal, state and private. Traditional energy has easier access to federal funding dollars than renewable energy developers. Oregon enjoys a nationwide reputation for being at the forefront in providing tax incentives for renewable energy projects. But even though it has been demonstrated that our state programs have increased jobs and business opportunities, those programs are currently being scrutinized and pared back. More and more the private investor is playing an increased role in funding projects but that too has its limitations. In order for renewable energy projects to be adequately funded and developed for commercial energy production we need to remove financial obstacles and provide a level playing field for how federal funding is awarded. I will leave you with these thoughts. One, all of the world is waiting for a substitute for gasoline (quote by Henry Ford in the Detroit News in 1916). Henry Ford had a tremendous vision for his automobile and fought hard for farmers to be part of the automobile's future with the production of ethanol. He lost round one so let's be more vigilant in round two. During the 1970's Congress, and states such as Oregon committed to a future with less dependence on foreign oil and greater reliance on renewable domestic energy. This is now 30 years later and we are still faced with the same issues and the same dilemma. Let's not wait for another thirty years to pass and ask the same questions in 2040. I support Councilor Hartmann's principles for a level playing field in Congress and greater equity for renewable energy projects. Respectfully, Kathie Futornick."

Bill Robinson stated I am not here to personally represent any of the organizations I am or have been a member of. I am familiar with the challenges faced by the cogeneration industry and have participated in that industry both in construction and operations. I have closely examined Councilor Hartmann's analysis and it is absolutely correct; thank you for that.

Geraldine Jensen stated I am going to read a statement for another woman who could not be here this evening. "My name is Cheryl Guild and I am a 39 year East County resident. My husband and I operated a small transportation franchise before he retired. My four lovely grandchildren call Councilor Wand Uncle Matt. I have been studying the energy issue humming around the community this week. I received a printed copy from a friend. What I read was astonishing. How terrible that renewables are taxed more than fossils. I know how

I would feel if my business were taxed more than my direct competitors. If Washington, DC wanted to give us fair treatment than it would have already been done. It also appears to me that only the people can confront the fossil lobbyists. I made a decision to speak up and be heard. Due to circumstances not in my control I have asked a friend to deliver this statement for me. Here is my dollar, my lobby money, so Councilor Hartmann can fight for us. I cannot offer more than my support. I know that my dollar will be more powerful than all the millions from the fossil energy because Councilor Hartmann and Senator Wyden will make it happen. Thank you, Cheryl Guild.”

Geraldine Jensen stated I also support this resolution. I was a member of the City Council in northwest Ohio for a city about the size of Troutdale and I know that these kinds of policy decisions don't often come to city councils, but I think this is a special opportunity that has come along for the Troutdale City Council and I urge you to take it. I support Councilor Hartmann.

Todd P, resident of Troutdale, environmental scientist and a republican, stated I am here to talk about the impact of creating jobs. As an employment specialist I volunteer my time to help people find work. I think we have a responsibility to create jobs as leaders, and as members of a community we have a responsibility to help one another. By creating an equal playing field for energy and by allowing new technology to surface it will create jobs and it will reduce the cost of energy. I speak against one of my biggest clients because I work with fossil fuel clients daily, but we are not allowing these other technologies to surface because of unfair taxation and representation. No one is going to invest into something that can't make money and right now the fossil fuels make a lot of money. I read Councilor Hartmann's solution and I wholeheartedly believe in it. I believe he is on the right track of getting things done. I have talked to Mayor Kight a couple of times, and I support his stance also. I guess I have to ask the question, is anyone against equal tax treatment? Is anyone against federal program access? We should all have access to the same programs. Is anyone against lower priced energy? Is anyone against creating more jobs? Councilor Hartmann has taken the time to help to educate us and we appreciate that. You have found a practical and viable solution and you have the guts to stand up for what you believe in. I hope that you all consider my plea to provide an equal playing field for everyone and create jobs. Renewable energy will clean up the environment and make this a better place to live. I ask that you consider that. I stand behind the City Council.

8. RECOMMENDATION: A recommendation from the Parks Advisory Committee to increase Building Rental Fees.

Councilor White stated I would like to declare a potential conflict of interest. I live directly across from Glenn Otto Park and I am often approached by folks who are renting the facility about using my property for overflow parking. I would however like to be a part of the discussion tonight but I will remove myself from voting.

David Ross, City Attorney, stated I believe that tonight is just a discussion. If there is a potential conflict as opposed to an actual conflict, whether or not Councilor White wants to step down would be up to him.

Councilor Thomas stated since it appears that Councilor White has a direct economic gain from this, wouldn't there be a conflict?

David Ross stated there is a potential conflict of interest.

Rich Faith, Community Development Director, stated with me tonight are members of the Parks Advisory Committee (PAC) - Todd Pilcher, Donna Kurilo, and Bruce Stannard. Rod Emmons who is the caretaker for the Sam Cox Building is also here this evening. The PAC spent much of last year looking at our current rate structure for rental of city buildings. We have two buildings that we rent out to the general public. The Sam Cox Building which is located at Glenn Otto Park and has two different rooms that can be rented, and the City Conference Building located on Buxton which also has two different rooms that can be rented out. Our current rates have not been modified or increased since June of 2004. The PAC researched rental rates of comparable buildings in East County and found that we are at the bottom of the rental scale. The PAC feels that there is room for an increase in our rental rate. The bigger driving force of the increase is really the condition of the buildings, particularly the Sam Cox Building. The PAC's recommendation is that the rental fees for the two buildings should be increased. In addition, the PAC is recommending that the refundable cleaning deposit be doubled. From our experience we know that a lot of the folks are choosing not to collect their cleaning deposit and instead are just not cleaning up after their event. By increasing the deposit we feel that it would make it more worthwhile for them to clean up after themselves. The Sam Cox Building gets a lot of use and abuse. The building not only needs maintenance, but it needs a major facelift. The biggest obstacle in doing that is a lack of money. There is no dedicated source of money to keep this building maintained and repaired. In conjunction with the recommendation that is before you this evening, the PAC feels that the increased increment from these rates should be set aside in a dedicated fund that can be used for maintenance and improvements to the building. Finally, as part of their recommendation the PAC feels that the fee structure is something that should be evaluated yearly and adjusted each year if warranted.

Rod Emmons, Caretaker for the Sam Cox Building, showed the Council a PowerPoint Presentation that included photos showing the current condition of the Sam Cox Building (copy of the presentation is included in the packet).

Todd Pilcher, PAC Chair, stated the reason we are recommending an increase in the fees is because the market justifies an increase. The Sam Cox Building is a benefit for the citizens of this city and their taxes are paying for it. In our opinion there is a financial responsibility when you are renting a facility. Secondly, we want a portion of the rental fees to be dedicated towards maintenance and improvements. We believe that if you increase the fee and we are able to improve the entire building people will respect it more.

Donna Kurilo, PAC member, stated usage in the park has increased tremendously over the years whether at the beach or up above in the park. With budget cuts and money issues, how do you maintain the building? What we are doing is presenting a possible way to maintain the building for the time being until there is financial means to make major improvements.

Bruce Stannard, PAC member, stated when I first saw the Sam Cox Building many years ago I thought it was great for a barn dance because it has that atmosphere. The building is over fifty years old and the time has come where we need to look at alternatives to get the building into better shape.

Councilor Wand asked can we use parks system development charges (SDC) to increase the capacity of the building and improve it?

Rich Faith replied the building is not designated as a park facility. We rent it out as a community service building and we collect money for it. When we went through the process of determining the formula for our parks SDC's we did not factor in costs for improvements to the Sam Cox Building.

Councilor Wand stated I am interested in seeing the data we have on the cost of comparable facilities. One of the things that I am going to weigh when I look at this is making sure that we are keeping faith with our own citizens. I consider this to be one of the best publicly available facilities in the region. I want to make sure that our residents are still able to afford to use this building, especially the non-profits. One way to do that is to look at how much it is used and look at comparable facilities and make sure that we keep both what the market will bear and also our obligations to the citizens to ensure it is affordable for their use. That is the information I will want to see.

Donna Kurilo stated there is no proposed change in the rate for the non-profit users.

Councilor Thomas stated in your staff report you state that the PAC proposed that the fee structure be evaluated annually with the ability to adjust them as appropriate. I thought we did that already, we just haven't chosen to do anything.

Rich Faith replied every year staff brings forward adjustments to the fees and charges schedule. It is not automatic that we will necessarily adjust every fee that we have. It is at our discretion as to what fees we feel need to be adjusted. I interpret that statement to mean that the PAC would like to look at these fees every year.

Councilor Thomas stated on the bottom of your spreadsheet you list items to be addressed by the PAC which includes non-profits and ball fields.

Todd Pilcher stated these are items that are part of our work plan. These are items that we want to look into this year. The building rental fee is one component that we believe is important to look at, and these are just additional items that we will be looking into.

Councilor Thomas stated regarding the non-refundable deposit - if I use the building for 5 hours and if I leave the building clean and someone comes in after me and does not clean up after themselves, how do I know that the inspection will happen before I leave the building.

Rod Emmons stated that is part of our job. We go into the building at the time the group is cleaning up. We then notify the City as to whether or not a group has cleaned up sufficiently and if they have the City refunds their deposit.

Councilor Thomas stated if we are going to double the fee, maybe the entire fee should be put towards maintenance of the building.

Mayor Kight stated on Exhibit A under the non-resident fee schedule, for a half-day it shows the current rent at \$250 and the proposed rent at \$100.

Todd Pilcher stated that is a typo, that should be current rent \$250 and current deposit \$100.

Mayor Kight stated from the slides that were shown to us, it appears that there is some major renovation that needs to take place. Obviously there needs to be a lot of painting done. As the Mayor I have access to free paint from Metro and we also have volunteers that would be willing to paint it. I offer that to the PAC because it badly needs a paint job and that is something we can take care of immediately, and that would also justify the increase in the rent.

Councilor White stated one of the frustrations I hear a lot when folks rent the building for a wedding is they only have 20 reserved parking spaces. Do you know the exact number of parking spaces?

Bruce Stannard replied we don't even have that many spaces anymore. Now that the bus is coming into the park we cannot block off any of the parking lot.

Councilor White stated we haven't decided if the bus layover will be permanently located there.

Bruce Stannard replied if the bus stays there then we are not blocking off any of the parking lot. If the bus doesn't stay then we can block it off but there are only about 23 parking spots.

Councilor White stated I think that is a problem that needs to be addressed, especially in lieu of doubling these fees. Was it a unanimous vote of the PAC to double the fees?

Rich Faith replied yes.

Councilor Kyle stated I can't believe that it was 2004 when we last looked at the rental fees. I remember it because I was shopping around for a location for my daughter's wedding and Glenn Otto Park was so cheap. But even worse than that was that it was hard to even find anything comparable, and information for properties that are available to rent was practically impossible to find. Even when we increased the fee to the existing rates we were still cheap. Currently when we collect rent I assume that money is going into the General Fund.

Rich Faith replied yes.

Councilor Kyle stated it has always bothered me that we have never been able to set aside money to maintain this awesome asset that we have. I have always felt that we have a tremendous untapped potential for so much more if we cleaned it up. If we did more

outreach into our community it would probably be even busier. What we have here is very unique. I would be curious to know how these fees compare competitively.

Todd Pilcher stated when we looked for comparisons we found that there are very few structures that are available to the community. Those that are available were mostly granges and their rates are still higher than what we are proposing. Other facilities that are similar in size are dedicated for profit organizations and those rates are significantly higher.

Councilor Daoust stated I am in favor of coming back with a resolution. However, I want to be clear about what is coming back. Looking at your table it is clear to me that the half-day rental will be dropped and that will no longer be an option. The 2-3 hour meeting will cost \$100, but if we increase it to a 4 hour meeting it jumps up to \$225. Am I reading the table correctly?

Todd Pilcher replied yes.

Councilor Daoust asked when it comes to the local non-profit rates (Lions Club and other non-profit organizations), will that also be part of the resolution coming back to us?

Rich Faith replied the Council previously adopted a resolution that has identified specific local non-profit organizations such as the Historical Society, Lions Club, etc. to receive a discounted rate or in some cases they are not charged at all. This will not affect those organizations. An organization that is a non-profit that has not been recognized by Council in that resolution for the discounted rate would be subject to these rates.

Councilor Daoust stated will that be mentioned in the new resolution?

Rich Faith stated we can clarify that with an exhibit to the resolution or to the staff report that will list those organizations that receive a discounted rate.

Councilor Daoust stated are there any other fees associated with using the Sam Cox Buildings in addition to the fees listed?

Rich Faith replied the only other fee is a \$20 application fee. We are not proposing a change in that fee.

Todd Pilcher stated the PAC is talking about a future proposal where the non-profit organizations would do volunteer work in exchange for usage of the buildings. We believe that if they are a non-profit organization that is excluded from paying the fees, that doesn't mean that it should be entirely free; they should be responsible for providing some clean-up or ground maintenance to contribute to the benefit of the site.

Donna Kurilo stated we discussed using a point system. Some groups use the building every week where another groups only use it once a month. So for each time you use the building you get 2 points and the points are used to determine the amount of hours of volunteer work your group would need to do in lieu of not paying rental fees. Basically the group would be putting something back into the community and into the facility for their contribution.

Councilor Daoust asked if you reserve the Annex in conjunction with the Great Room, there is a note on the schedule that if you want both rooms we will only charge you \$50 for the Annex. So folks are getting a reduced rate if they want to use both rooms. Why not just use the Annex rates in addition to the Great Room rates? What will be coming forward in the proposed resolution? Do you still need to discuss this further?

Rich Faith replied this topic has not really been addressed. For now we will stay with the current practice of just charging \$50 but that will be something that we will ask the PAC to discuss at a future meeting.

Councilor Hartmann asked why are we charging an application fee?

Rich Faith replied the application fee is similar to a processing fee. That is our handling fee. It is intended to cover the staff time involved in the process of reserving the buildings.

Councilor Hartmann asked does it go back to the parks or does it go to the General Fund?

Rich Faith replied all of the funds collected for building rental go into the General Fund.

Councilor Hartmann asked I am curious as to why you shifted the hours. Is the target demographic more of the 2-3 hour timeframe? Do the majority of our users only rent the building for 2-3 hours?

Todd Pilcher replied we have a lot of groups that just meet for short meetings, 2-3 hours. We decided to take out the 6 hour rate because what we saw was that a lot of folks were not using the full 6-hour block. For example if a group needed the facility for a meeting from 11-3pm they would have to reserve it for a 6-hour block so the building would be unavailable for use during that 6 hours. By allowing a 4-hour increment we feel it will facilitate more usage of the facilities.

Councilor Hartmann stated I am very interested in seeing the list of the organizations that use the facilities.

Councilor Thomas stated what I would like you to take into consideration when you discuss the point system is organizations like the Boy Scouts who already volunteer their time to the City by participating in SummerFest, putting out the flags in downtown on the holidays, etc. Organizations like the Lions Club already do a lot for the community as well. So I hope you take that into consideration and go beyond what they do at the park.

Mayor Kight asked have you looked at what repairs or upgrades need to be done to the building and have you considered getting a contractor to give us a bid?

Rich Faith replied that was done a few years ago when we prepared the Glenn Otto Park Master Plan, which included looking at the Sam Cox Building and what modification and improvements could be made to the facility. In that Plan there is a table that identifies some estimated costs associated with making those improvements. Those estimates are outdated

but would give you a good indication of what it will cost to carry out the full complement of modifications to the building that were contemplated by that Plan. I can share that information with you at a future meeting.

Mayor Kight stated from what I am hearing there is strong justification for increasing the rental fees. At the same time the sense of the conversation is that the increase would go into a dedicated maintenance or improvement fund. Is that what I heard?

Councilor Wand stated I haven't thought about that. This building didn't become dilapidated overnight. We have other facilities that we rent out. We are going to go through this exercise so my thought is why don't we look at a more comprehensive solution that would address all of our capital needs and maintenance needs and do something like consider having 50% of all of our premises use fees go into a dedicated fund to keep all of our premises maintained. My suggestion is to expand this and come up with a permanent solution for all of our facilities that creates this dedicated fund. My personal concern with a dedicated fund is that instead of a floor it becomes a ceiling. I would look for language in a resolution for dedication to this fund that says that this is intended to offset and contribute to ongoing funding of maintenance instead of this is all we are ever going to spend on maintenance. I would like to see a very comprehensive solution.

Councilor Thomas stated I would like to avoid the shell game in the General Fund.

Councilor Wand stated I want to avoid that as well. But if we can create this dedicated fund and provide a permanent solution then we can draw on some of the other brand new facilities to help fund a quicker solution for the Sam Cox Building.

Councilor Thomas stated this does cover both of the buildings that we rent out.

Councilor Wand asked don't we rent out Imagination Station?

Rich Faith replied when we talk about the picnic shelters, that includes the shelters at Columbia Park as well as Glenn Otto.

Councilor Daoust stated I assume this point system that was mentioned will not be part of the resolution that comes back. That is something that will be discussed later.

Rich Faith replied that is correct.

Councilor Daoust stated as outdated as it is, does any Capital Improvement Plan address the knotty pine paneling? How does the PAC feel about that?

Rod Emmons stated actually most people really like the rustic look of the building. I have heard comments from folks that are willing to pay more so the building can get fixed up.

Councilor Hartmann stated my Scout Troop was just at the Cox Building so we saw first hand how run down it is. It certainly does need repair and we need to find ways to come up with some funds to service those buildings in an adequate way.

Councilor Thomas stated I would like to take the whole rental fee and put it towards the maintenance.

Councilor Kyle stated lets look at how much that means.

Councilor Hartmann stated it would be nice to see a couple of different spending models for those funds. Come up with a few ideas of how best to allocate these funds both with regards to operational expenses, personnel expenses and repair and maintenance expenses.

Rich Faith stated one thing that the PAC desires is that we move quickly towards adopting this fee schedule because we are nearing the peak usage season. If we are talking about studying different models of how we are going to dedicate the funds, I think that will delay us in terms of our overall objective which is to get the fee structure in place.

Councilor Wand stated what I was thinking was to give us 50% of the total fees that would go to a dedicated fund and show us just the increase versus what we had before, and then put together a different resolution for each proposal so we can act on the resolution that gets the majority support. Your point is very well taken. Give us a couple of different options to discuss and act on.

Councilor Thomas stated it could be a phased approach. Let's get the fees taken care of first and then the other things can be dealt with in a phased approach. I would leave that to the PAC's discretion.

Councilor Wand asked what do you mean by a phased approach?

Councilor Thomas replied get the fees done and possibly the percentages, and maybe they might want to go back and study the other part later.

Councilor Wand stated one of the reasons why I am not having very many reservations about the path that we appear to be heading on is that I know where the money is going to be going. If we go with a phased approach then all of a sudden that key characteristic of a fee increase, which I am generally opposed to in general terms, that trust factor that I have that this is going to go someplace that I have faith in is removed. I don't want to do a phased approach. We should have one or two options presented that we can debate and make a decision on.

Councilor Thomas stated I agree but what I would say is this is minimum; what you brought forward is the minimum.

Councilor Daoust stated I think the language they have is that they are proposing to review it every year.

Rich Faith stated in the resolution we are also talking about putting the money in a dedicated fund.

Councilor Daoust stated those are the options some of us are talking about. We will deal with the increase and where the money goes – to all of the facilities that generate the fee, only some of the facilities that generate the fee, or leave it in the General Fund. We are not going to redo the Capital Improvement Plan.

Mayor Kight asked do you have direction from the Council?

Rich Faith replied I understand we have a number of variables.

Mayor Kight stated I don't want to make this too convoluted because really what we are talking about is increasing the fee. Then if we want to go into what needs to be done to the buildings (Sam Cox and the City Conference Building), then maybe we could have a work session with the PAC.

Rich Faith stated we will provide you with some options.

Mayor Kight called for a break at 8:45pm and reconvened at 8:57pm.

9. PUBLIC HEARING / RESOLUTION: A resolution providing for a Supplemental Budget for the current Fiscal Year 2009-10, budget transfers and making appropriation changes for the Code Specialties Fund.

Mayor Kight read the resolution title.

Erich Mueller, Finance Director, stated this resolution is a result of discussions at the budget committee meetings last year and subsequent discussion at Council meetings related to the building inspection functions. Prior to the 2004-05 fiscal year Code Specialties was established as its own fund and operated independently and provided good clarity on the budget and financial activity as well as helped provide a strong compliance with the regulations and statutes. For whatever reason it had been changed and was bundled into the General Fund which created some distortion as to the activities of the costs and revenues associated with it, and made it more difficult to demonstrate compliance. One of the benefits of this change is that it will help improve our compliance by having it broken out separately. It helps to isolate it from a budgetary consideration being able to see it operate similar to a utility fund. The resolution before you, from my viewpoint, should be rather non-controversial.

Council had no questions of Mr. Mueller.

Mayor Kight opened the public hearing at 9:01pm and asked if there was anyone here who would like to speak to us on this issue.

No public testimony received.

Mayor Kight closed the public hearing at 9:02pm.

MOTION: Councilor Daoust moved to adopt a resolution providing for a Supplemental Budget for Fiscal Year 2009-10, budget transfers, and

making appropriations for the Code Specialties Fund. Seconded by Councilor Kyle.

VOTE: Councilor Wand – Yes; Councilor Thomas – Yes; Mayor Kight – Yes; Councilor White – Yes; Councilor Kyle – Yes; Councilor Daoust – Yes; Councilor Hartmann – Yes.

Motion Passed 7 – 0.

10. RESOLUTION: A resolution providing for budget transfers and making appropriation changes for Fiscal Year 2009-10.

Mayor Kight read the resolution title.

Erich Mueller, Finance Director, stated this resolution was discussed at your Urban Renewal Agency (URA) work session earlier this evening. This is part of the process of going forward to provide the funding for the items we discussed at the work session. Because both entities are involved, the URA and the City, it is a two part process and both will have to take action. This resolution authorizes a transfer of funds from the contingency to make them available to loan to the URA. The URA will then need to adopt a Supplemental Budget to actually make use of any of the funds. Outstanding as of right now is \$50,000 plus interest that is due from the URA to the City. This loan would then bring that total owed to the City from the URA to \$160,000 plus interest. I apologize for being presumptuous; it is not my intent to railroad the Council or the URA, but in attempting to address the timeframes that are required I have already prepared the Supplemental Budget for the URA which requires its own notice in the paper and it requires additional advance publication. The Council is free to decline to approve this resolution tonight, however the notice for the Supplemental Budget that will need to be adopted by the URA has already been published in order to meet the required timeframe to get the funding approved to move forward with an RFP for Drovers Trail Road and to move forward with the Summer Lake agreement.

Councilor Thomas stated the \$110,000 that we are moving is to cover the initial expenses. Would the City still be receiving the \$50,000 payment this year from the URA?

Erich Mueller replied the City has already received the \$50,000 payment from the Debt Service Fund. These monies will be loaned to the URA and will go into the Riverfront Development Fund.

MOTION: Councilor Wand moved to adopt a resolution providing for budget transfers and making appropriation changes for Fiscal Year 2009-10 as presented by staff. Seconded by Councilor White.

Councilor Wand stated let it not be said that the City of Troutdale does not follow through with its obligations. I view this operation with us moving forward providing access to the Urban Renewal District as part of a corrective action that took place many years ago where we left an area of land without clear access. I have grave concerns about our URA and the District, which is not to say that I think it is a failure, I am just very worried about it. It has not come through the way that we had hoped it

would for reasons completely beyond our control. I don't think that the City of Troutdale dropped the ball. We could not have predicted the economy going in the tank the way that it did. Since we've hired Summer Lake advisors I feel we have the correct team available to us telling us what needs to be done so that we can be successful. However, two years is a short timeframe for us to hope that the economy will turn around in terms of when we pull a line of credit. As a general rule I am very opposed to short-term debt, but I strongly believe that the City of Troutdale has an obligation to move forward, and a direction from our citizens to do everything possible to make the Urban Renewal District a success. In spite of my reservations, and in spite of the fact that I think this is a bold visionary approach to accomplish a goal that our citizens have asked us to accomplish, I am willing to set aside the concerns that I have and move forward in good faith and continue to do the hard work necessary to make this Urban Renewal District a reality and a success.

Councilor White stated I concur with Councilor Wand. I believe in this property and I think it will be successful. We need to keep the momentum going.

Councilor Daoust stated I don't think it has been brought to the attention of the Council that I was the one that came up with the Drovers Trail Road. I went down there and walked behind the Depot one day and I asked why can't we build a road under the railroad bridge.

Councilor Hartmann stated I echo Councilor Wand and Councilor White. I would also like to say that we should exercise as much expedience as possible to identify our 3-year objectives and goals. Money put this direction with the kind of faith that we are exuding suggests that we have a vision and we need to answer the call to that vision and hopefully we can do that rather quickly.

Erich Mueller stated I want to clarify this so that we all understand exactly what this resolution does should the Council chose to approve it. All this resolution does is allows the City to loan the URA an additional \$110,000 under the existing intergovernmental agreement. It does not commit you to the credit line and it does not commit you to going \$1.5 million in debt. Staff will proceed with researching that and come back with proposals and requests for authorization. We are moving in that direction but we haven't stepped across that line yet.

Mayor Kight stated this is that initial step of faith and faith of course is seeing those things envisioned that may or may not materialize. You still have to take that first step. We have learned from the developers that we hired that if the property isn't ready for development it could sit for another 15 or 20 years generating zero income for the City. We have to make those initial investments and that is exactly what urban renewal agencies do. I applaud the City Council/URA for moving forward on this.

VOTE: Councilor Wand – Yes; Councilor Thomas – Yes; Mayor Kight – Yes; Councilor White – Yes; Councilor Kyle – Yes; Councilor Daoust – Yes; Councilor Hartmann – Yes.

11. STAFF COMMUNICATIONS

Dave Nelson stated you may recall that LeMur Bike Race (10 Guys Named Alex) came before you not to long ago. They have not been able to secure sponsorship for their race so they would like to move the race from May of this year to May of 2011. They would also like to be granted authorization to continue working with staff to put together their bike race for next year.

Erich Mueller stated I would like to ask for some clarification related to your direction for a dedicated fund to put the building rental fees in for maintenance of the facilities. I would like to clarify what your intentions are. Are we talking about establishing a completely separate fund similar to the parks system development funds? Hearing the discussion that took place, I am concerned about how we would move forward to implement this to comply with your desire. Are you talking about moving all of parks out of the General Fund and funding part of it with the fee and a transfer from the General Fund for the rest? I guess I am not entirely certain on what direction you wanted to go. In quickly looking at the budget with Rich during the break there is about \$20,000 budgeted for building rental revenue. If we take the assumption that we are going to double the fees and put 50% in we are talking about creating a stand-alone fund for \$20,000.

Mayor Kight stated what I heard the Council say was, take the increase and put it into a dedicated fund and secondly, look at the numbers to see what it would be to put the entire rental amount in a maintenance fund for the Sam Cox Building and the City Conference Building.

Councilor Wand stated I would ask you Mr. Mueller, what is the easiest way to document this in a way that segregates some or all of these user fees to go only towards building maintenance. If that requires a completely separate fund from an accounting standpoint, I am okay with that. I am also open to you coming back and saying this is a lot of work from the Finance Department's perspective and you would rather not create a separate fund.

Councilor Thomas stated if it could be handled within the Parks Department I am okay with that. I am more concerned about accounting for the money when it comes in so we know how much we have for the maintenance. Maybe it is just a separate account number within the Parks Department. I would rely on your expertise on how best to handle that.

Mayor Kight stated I think we are looking for separate line items, in part or in whole, based on the increase. Then come back to the Council and inform us what it will cost to upgrade the building. Then we will know if we need to set aside more than just the increase.

Councilor Kyle stated until we have our next meeting we won't know what money we are looking at; whether it is just the increase or if we will need more than that.

Councilor Daoust asked your question to us was what kind of accounting structure do we want. I agree with what I heard of couple of the councilors saying which was to keep it easy.

What I was thinking was that the rental fees have a line item number and there is a line item number for expenditures of those fees. That is the way it is set up right now, correct?

Erich Mueller replied they are all in the General Fund but they are essentially on two different pages. One is at the front with all of the revenue associated with the General Fund and then back further in the budget you get into the Parks and Facilities budgets for the expenses.

Councilor Daoust stated that is what I envisioned, line items within the same budget structure. I was hoping that we wouldn't be asking you to set up a separate account. Is that what the Council was asking?

Mayor Kight stated what I heard was that we wanted a dedicated line item for maintenance.

Rich Faith stated not a line item, a separate dedicated fund that can be used solely for that purpose. If you have a gap in the General Fund or services paid for out of the General Fund you could not dip into these funds to fill that gap. That is why we are talking about a complete separation.

Councilor Wand stated if we proceed the way that Rich Faith just mentioned, the money that goes into this fund can only be used for these types of maintenance, but we could add additional money for maintenance from the General Fund if we wanted to. My concern was that I didn't want this to be one of those situations where we take a portion of a user fee and initially we say we want this to supplement or to be dedicated for a particular use, but we are also willing to spend General Fund money on that same use as necessary and then ten years down the road the only money that we spend on maintenance comes from this fund. I want the General Fund to also have a certain obligation to maintain these assets.

Mayor Kight asked Mr. Mueller did we answer your question.

Erich Mueller stated I have additional understanding of what you are thinking but I am not sure that I have a solution that I would propose at this moment. Mr. Faith and I will work through some scenarios.

12. COUNCIL COMMUNICATIONS

Councilor Wand thanked the Mayor for attending the Cub Scouts Blue and Gold Dinner. Councilor Hartmann has accepted the position of Cub Master for our sons pack.

Councilor Wand asked is there a future meeting scheduled, or is there information coming back to me about some of the fees that the City charges and some of the business taxes that we have.

Dave Nelson stated I can get it scheduled for a March meeting.

Councilor Thomas stated I am a member of the Political Action Committee to support the potential bond measure for a new police facility. At our February 3rd meeting I was elected as Chair of that committee.

Mayor Kight stated Councilor Thomas asked that we put an item on our March 9th meeting agenda to discuss conducting a survey of the voters to see if there is interest/support for passing a bond measure for a new police facility.

Mayor Kight stated today Councilor Kyle and Councilor Daoust attended the dedication ceremony for the renewable energy project at the City of Gresham's Sewer Treatment Plant. They have the largest installation of solar panels I believe in the State of Oregon. They have a power agreement with PGE. Some very interesting financing methods were used to bring that project forward.

Councilor White congratulated Wood Village for their dedication of their remodeled City Hall. I am impressed with what they did.

Councilor Daoust reminded the Council that Jack Hanna's retirement party is next week on Wednesday, February 17th at noon. The City of Portland and the City of Gresham are struggling with invasive plant issues. I am on the Oregon Invasive Species Council and the Washington Invasive Species Council and it is appealing to me when cities address invasive species by resolution and discuss the issue a little more than we usually do. I will be looking into what Portland and Gresham is doing and bring something forward for Troutdale.

Councilor Hartmann stated tonight we had some excellent testimony from the citizens of Troutdale as well as business community representatives that are intimately connected with renewable energy technology; intimately connected in a way that they are professionals, experts, engineers, educators, corporations that represent tens of thousands of employees internationally. We have local interest here. This issue, whether we want to admit it or not, is an issue that affects our economy, jobs and the homes of Americans that we represent. I have asked for your endorsement before and tonight I ask for that endorsement again. I will pass the endorsement forward to you (copy included in the packet). I ask that we continue to support BTU Parity and to allow me to continue to advocate for this constituency.

Councilor Wand stated Councilor Hartmann and I are very close and I have the utmost respect for him. I also am mindful of the fact that I am elected by the people of the City of Troutdale, some of whom have been here today expressing their passion and beliefs with regards to renewable energy. As a councilor my obligation is to seek the truth and I can't seek or discover the truth if I have only heard one side of the story. So when Ms. Zollinger holds out the graph and says look at all of these tax benefits that fossils get, you are only bringing in a portion of the story. I don't know why there is a different depletion allowance in the federal tax code for fossil fuels verses renewable energy. If I was sitting on the Senate of the US I would know the answer to that, but as a Troutdale City Councilor I don't have access to that information. There are teams of people in this country that for thirty years, or maybe eighty years if you look at Henry Ford, that have been trying to find a better way than to burn gasoline. It is frustrating that I am being asked today to sign a piece of paper supporting something without that knowledge. I am not convinced that the only reason why renewable energy is not a reality is the lack of BTU Parity. It wouldn't be right or fair for me to use the office that I have been entrusted with for the purpose of seeking public safety and roads and the items that are actually in our Charter, to extend that beyond what is in our Charter and advocate on behalf of something that I don't have a clear understanding of, that I don't have

the full story on and that I don't have the staff or resources to know with confidence that I have the complete picture. So I won't sign. It is not a statement that I think that the current system is fair, but it is a statement that I don't know the right answer. Until I have the right answer it would be disservice to the citizens of Troutdale to take a position.

Councilor Thomas stated I have read the endorsement from Councilor Hartmann and we talked about it last night. I see this as a request from Senator Wyden to continue his research in looking at creating parity. I didn't necessarily see it as the City of Troutdale demanding it. What I saw as my position as a councilor in Troutdale was to request parity. One of the things that we always ask when we make rules and regulations is, is it fair to everybody. I look at this particular policy from that standpoint.

Councilor White stated I appreciate Councilor Hartmann's extra work. He has Troutdale's best interest in mind with all of the work that he does.

Councilor Hartmann asked Mayor Kight, will you sign the letter?

Mayor Kight replied I think that Councilor Wand pretty well articulated my position at this point. I haven't had time to study this and before I put my signature on this piece of paper I want to look at it from every perspective. I talked to a staff member at Senator Wyden's office and apparently he does have legislation that he is supporting. This is happening too quickly. I have a lot of things on my plate and this is a very complex subject.

13. ADJOURNMENT:

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

Meeting adjourned at 9:49pm.

Jim Kight, Mayor

Approved March 23, 2010

ATTEST:

Debbie Stickney, City Recorder