

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

Tuesday, May 26, 2009

1. PLEDGE OF ALLEGIANCE, 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; Charlie Warren, Public Works Director; Scott Anderson, Chief of Police; Travis Hultin, Chief Engineer; Erich Mueller, Finance Director; Debbie Stickney, City Recorder; Olaf Sweetman, Engineering Associate; and David Ross, City Attorney.

GUESTS: See Attached.

Mayor Kight asked if there were any agenda updates.

Dave Nelson, City Administrator, stated that Agenda Item #3 has been postponed until June 9, 2009. At the Mayor's request AMR is here this evening to give you a brief presentation on river safety, which will be added as Agenda Item #3a.

2. CONSENT AGENDA:

2.1 ACCEPT MINUTES: April 28, 2009 Regular Council Meeting.

2.2 RESOLUTION: A resolution authorizing the Mayor to enter into an Intergovernmental Agreement for the Troutdale Reynolds Industrial Park.

2.3 RESOLUTION: A resolution authorizing the City to enter into a consent judgment for a prospective purchaser agreement with DEQ for the public improvements including public right-of-way, infrastructure and utilities located at the Troutdale Reynolds Industrial Park (TRIP) property.

Councilor Daoust read the consent agenda.

MOTION: Councilor Daoust moved to adopt the Consent Agenda. Seconded by Councilor Kyle. Motion Passed Unanimously.

3. PRESENTATION: Zachary Hillenkamp will present a bronze plaque to the City in memory of Carolyn Taylor.

This item was postponed until June 9, 2009.

3a. PRESENTATION: AMR River Safety Update.

Paul Priest, AMR, stated we have a great team of dedicated lifeguards. Mr. Priest showed the Council a brief video presentation taken during the training (simulated rescues) that took place at Glenn Otto Park last week.

Randy Lauer, AMR, stated this could be a pretty busy year because it has been uncharacteristically warm for this time of the year, so we anticipate some large crowds.

4. PRESENTATION: The Eagles Fairview Troutdale Auxiliary will present a \$1,000 check to the Troutdale Police Department for the DARE Program.

Julie Estep, President of Fairview Troutdale Auxiliary #4515, stated we are here to present the Troutdale Police Department a check in the amount of \$1,000 for your DARE Program.

Chief Scott Anderson stated on behalf of the kids that will receive the benefits of the program that we are providing, I thank you. This really means a lot. I want to thank everyone here who had anything to do with funneling this money to the DARE Program because it is a preventative program. We need to be proactive in our approach to policing in Troutdale and this helps in that effort. Thank you.

Mayor Kight asked the Chief to explain what the DARE program is.

Chief Anderson stated DARE is a drug awareness recognition program that is in the elementary schools (Sweetbriar and Troutdale). Officer Ryan Rist is our designated DARE Officer. Officer Rist works with the young folks on recognizing the dangers of drugs and being aware of what to do when making tough decision. Hopefully the preventative efforts that he makes, as well as others involved in the program, keep people and the kids steered away from the dangers that drugs bring to them, their families and the entire community. It is a very successful program. Our City Administrator Dave Nelson is a Board Member for the National DARE Program.

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

Charlie King, resident on Harlow Avenue, stated I am here to revisit the issue of busses on 2nd Street. I have been a resident of Troutdale since November 2005. When I moved here I knew that there was a bus pad located there, which was available for one bus. For awhile there was only one bus there but by the end of 2006 or first part of 2007 there seemed to be a second bus there. I received a letter from John Anderson that said due to the construction that was going to take place (Discovery Block) beginning in the spring of 2007 they wanted to move the buses from the north side of 2nd to the south side, which is where I live. I agreed with John Anderson because from what I understood it was going to be a temporary situation until the Council could find other alternatives and a permanent

location for the bus layover. When the buses moved to the south side of 2nd the fumes, noise and the traffic flow at times was unbearable. I think it is time to reconsider and look at this situation again and find a permanent home for those buses. When I talked to John Anderson I suggested moving the buses to the park. He said that TriMet's response was that it would take five minutes longer so they would have to reschedule. Observing the buses I have come to the conclusion that was a bogus argument. Those buses will sit there anywhere from 15 to 40 minutes; most of the time they leave their motor running. I also suggested to Mr. Anderson having the buses use the cul-de-sac at the end of 2nd (adjacent to the future City Hall property). They would not be bothering anyone at that location. Additionally, at times there is a third bus that is sitting at this layover on SE 2nd. On a Monday night about five weeks ago there were three busses out there from 7:45pm to 8:45pm and all three of them had their motors running. I feel very strongly that those busses should be moved to a permanent location where they don't interfere with the citizens of this town. I would like to ask the Council to revisit this situation.

Mayor Kight stated the Council has spent hours negotiating with TriMet. We feel that the best location for the layover is Glenn Otto Park. They are not supposed to have two busses there and secondly they are to turn off their engines when they are sitting there.

Council discussed the issue and directed staff to send a letter to TriMet identifying the issues of having three busses at the layover location at the same time, and that the engines are left running while the busses are sitting at the layover. Also let them know that we may look at other sites if this isn't remedied.

Councilor Thomas asked are we going to ask TriMet to come here for a work session?

Mayor Kight replied yes. First let's send the letter and then we will schedule a work session.

David Eatwell, Economic Development Director at the West Columbia Gorge Chamber of Commerce, stated I am here this evening to introduce myself to you.

Marty McMahan, resident, stated I would like to ask you to reconsider the ordinance regarding the parking issue in Sweetbriar. I didn't realize that a work session was a time for public comment, I thought that would be done at subsequent meetings. There were some folks that wanted to come and comment on this but I told them not to because that wasn't the meeting for comment. It is my understanding that there were a couple of different primary reasons why the council chose to vote no on this particular exception. I understand that the primary reason was that there was representation that it would be unfair to other neighborhoods in the city if one neighborhood received an exception where other neighborhoods did not. If it has to be a one-size fits all and we don't look at the various nuances of a situation then the four different speed zones that I pass when I go up and down Buxton Road shouldn't be there; there should be just one speed limit. There are variances that get passed at the Planning Commission where people say they have a different circumstance and they ask for a variance of the code; this has been done for years. I have lived in six different states and three different countries outside of the US and I have never seen a neighborhood that has parking pads like this. I think it warrants an exception. Another prevailing comment was that the Association has its own

rules that were even more restrictive than the City's code. I don't believe that it is okay for the City to be asked to enforce the CC&R's, I think that is something for the Home Owners Association (HOA) to do. If you think about it, if the HOA already has more restrictive rules and you are really not asking the City to help you enforce those rules then why would you care what the city does with this particular ordinance. The other thing that wasn't mentioned is that I can ask a board member of the HOA if I can leave my trailer out on the parking pad or the road for the week, and they will say okay and they document the exception. The problem is they don't have authority to override the city codes. That is why I am saying lets get the city out of it. I understand that there was a representation that if someone is cited it is only a warning and you have three days to move your trailer and you don't really get fined. That is true the first time, but if it happens again anytime in the next year there is no warning, it is a \$185 ticket. Do we really want to be charging someone \$185 for parking on a parking pad that the builder designed specifically for that purpose? I don't think so. I am asking you to revisit this and put it back on an agenda for a public hearing.

Mayor Kight stated we spent quite a bit of time on this issue at the work session and we covered every issue that you have brought up tonight.

Councilor Daoust stated one of the things that came up that stuck with me is that it is within the public right-of-way, whether there is a pad there or a curb there or nothing; it is still within the public right-of-way. That stuck with me as being unfair to allow one neighborhood to park in the public right-of-way for 30 days while another neighborhood was held to a 3-day limit.

Marty McMahan stated I don't disagree if you were talking about the normal setup. But my understanding of the public right-of-way is it is from the inside of the sidewalk out. What this developer did is he took property away from each individual property, which I pay taxes on and I am required to maintain. He did this for the specific purpose of creating an off-street parking pad so that if you needed to park your trailer you didn't have to park it on the street and it didn't block the street. In this case you have absolutely no obstruction and no encroachment of the sidewalk or street. That is what is uniquely different about this neighborhood.

Mayor Kight asked the Council if they wanted to revisit the parking issue in Sweetbriar at a future meeting?

Councilor Daoust stated I choose not to revisit this issue again.

Councilor Hartmann stated I would be interested in having another work session if the HOA was willing to come up with a unanimous mission as to how the code could look in support of your HOA given the fact of the uniqueness of these parking pads. As it sits now, I think we have done a due diligence effort.

Councilor Wand stated I agree with Councilor Hartmann. The key for me was the HOA was against this change. That is the most closely representative body for the neighborhood and if the HOA takes a position where they want us to make a change then I would be interested in reviewing it again.

Councilor Thomas stated I think we should revisit the issue. We had a work session but there was a misunderstanding by the residents of the neighborhood regarding their ability to make public comment so we didn't get to hear both sides of the issue. I think we need to hear both sides of the issue. I think we should schedule this for a regular city council meeting.

Mayor Kight stated we actually did have people speaking for and against the code amendments. I understand your subdivision is very unique by virtue of the fact that they made the streets narrower. You cannot select a particular subdivision and make it unique because then the next subdivision would come in and ask for something.

Marty McMahan stated with all due respect Mr. Mayor, that happens all of the time and it is granted all the time.

Mayor Kight replied I understand the analogy you gave, but I am not sure it is exactly correct. There has to be some uniformity. You cannot compare speed limits throughout the city to the city codes because the codes generally speaking are for the entire city.

Councilor White stated I missed that work session so I will pass on commenting.

Mayor Kight stated there doesn't appear to be a consensus for revisiting this issue.

6. RESOLUTION: A resolution accepting the periodic review and comprehensive plan update Citizen Involvement Plan.

Rich Faith, Community Development Director, stated in May of 2008 we were notified by the Department of Land Conservation and Development (DLCD) that they were initiating periodic review for us. This means that we are required to go through various phases of evaluating our Comprehensive Plan and our development regulations to see if they comply with all of the statewide land use planning goals and various planning rules. We had six months to prepare a work program. Working with the Citizens Advisory Committee we completed the work program and presented that to the Council in October. The Council approved the work program and we forwarded it to DLCD for their approval in November. To date we still have not received a formal approval of that work program from DLCD. The reason for that is that the State is in the process of adopting their biennial budget and the DLCD is waiting to see what kind of funding they will receive for their Periodic Review Assistance Grant program, which offers financial assistance to help local governments get through the periodic review process. They did not want to put us through this process unless they were going to have adequate funds to offer for assistance. However, because they were in the later part of the current biennial (2007-09) after we submitted our work program a representative from the DLCD notified me that they still had a limited amount of funds remaining in the current budget and if we had a project that would not involve a lot of time and expense that we would be a prime candidate for use of those funds. I thought that the best thing that we could do would be to do a citizen involvement plan to help us get through the periodic review and Comprehensive Plan update process. There is so much emphasis put on citizen involvement as part of periodic review, or any kind of

comprehensive planning work, I felt that we needed to put most of our attention on that. We applied for grant funds to prepare a citizen involvement plan and in December of last year we were notified that the grant was approved. We retained the services of John Anderson to assist us with preparing our Citizen Involvement Plan. John was the former Community Development Director for both Fairview and Gresham and is now retired and has a small consulting business. John has established a good reputation within our planning circles for his expertise on citizen involvement. One of the conditions of that grant agreement is that the City Council review and accept the Citizen Involvement Plan.

John Anderson, consultant, stated the first task involved in putting together the Citizen Involvement Plan was a series of interviews with different agencies and persons interested in being involved with the City's planning efforts. You will find the results of these interviews attached to the report in the appendices. The appendices also serve as a reservoir of information and agencies that could be called upon to assist in the planning process. On page 3 you will find the basic goals and the commitment by the City of Troutdale to citizen involvement and the importance that the community places on that.

John Anderson briefly reviewed the plan with the Council (copy included in the packet).

Councilor Daoust asked on page 6 it talks about technical committees being formed, how do you see that working and who would form these committees?

John Anderson replied the actual committees would be called together by your planning staff as needed for the technical information that would be prepared. The people who would be on those committees are the ones that are identified in those memorandums that are in the back of the plan. You take that expertise, which will most likely come from other public agencies, and you use that expertise to gather the information and to also analyze the information so that it is presented in a way that is useful for your decision making.

Councilor Daoust stated I appreciate the fact that you have already contacted most of them.

Councilor Hartmann stated I would like to see Mr. Eatwell involved in this process.

Councilor White stated on Page 1 of the staff report the last sentence reads, "One of the terms of the grant agreement is that the City Council review and accept the final product." My reading on that is that we basically have to approve what the committee comes up with, is that correct?

Rich Faith replied no. You can make changes to this plan if you feel it is appropriate to modify it.

Councilor Kyle asked once the City Council adopts this plan who executes it?

Rich Faith replied the planning staff.

Councilor Kyle stated I would like to make sure that David Eatwell is involved.

Councilor Wand stated on page 6 of the plan I noticed that one of the sponsors/helpers listed was the Housing Authority of Portland. Can you tell us what that organization is all about, where they operate and why they are included in our plan?

John Anderson replied the involvement of the Housing Authority of Portland relates to their responsibilities to provide housing to the lower income levels of the community. They expressed an interest in being involved with Troutdale's development of the plan. They would like to be of assistance in the preparation of the plan that accounts for housing for all income levels. In terms of their proximity, I know that there is a development that is managed by the Housing Authority in Fairview and I believe that there are some Section 208 projects within the City of Troutdale already.

Councilor Wand stated by just including the Homeowners Association (HOA) I am concerned that we are not broadly enough encouraging or supporting citizen involvement because many Troutdale residents don't have a HOA in their neighborhood. I would like to make sure that we have a very broad invitation list and that we take greater pains with respect to housing to include residents that don't have a HOA or Neighborhood Association to represent them. I think citizen involvement is critically important. To what extent does our Citizen Involvement Plan, or the input of our citizens, alter what the state rules and regulations are? Do we have the flexibility of not requiring attached housing if our citizens tell us that they don't want it?

John Anderson replied it has been my observation over the course of the years, and in the preparation of approximately two dozen comprehensive plans around the state, that a really effective citizen involvement program can have an enormous amount of weight when you take your plan down to the State to have them sign off on it. I don't want to imply at all that it means that you can just do whatever you want and ignore the State's planning rules; that is definitely not true. But, that the State of Oregon is mandated to take into account that information that is generated where you can demonstrate through a program like this that you have effectively involved the community and that this is a reflection of the community's actual concerns and interest. They cannot ignore what you say. That doesn't mean that they are going to ignore their own rules either, but it does give you a lot more clout when you are actually down there doing that negotiation.

Councilor Thomas asked in regards to the technical committee, can you give me an example of why you would need to put a technical committee together?

Rich Faith replied the best example I can give you is when we did the Transportation System Plan (TSP) we were required to put together a technical committee that was comprised of transportation planners from Multnomah County, Metro, ODOT, Gresham and other nearby communities, and TriMet. We had folks that were knowledgeable in the field of transportation planning that we used to review what we were producing for our TSP. This was very helpful to us.

Councilor Thomas stated I share the same concern as Councilor Wand about the Housing Authority of Portland listed on page 6. I don't feel that Portland represents the community of Troutdale. We really want to represent the residents of Troutdale and what they want. Under the topic of commercial and industrial lands I see that you specifically called out

Metro and McMenamins, but when we talk about industrial lands we should include the Port of Portland. I think there are other business areas like Mt. Hood Community College with their Back Forty, and we have the owners of the properties where are malls are currently sitting empty. I think they need to be involved. Metro is a regional government and I am more concerned about the owners of the former Thriftway and what their concerns are. I think Strebins is another one that needs to be involved. They all need to be involved in the process in order to make sure that we have the representation of Troutdale and not just one piece of Troutdale. You mentioned that you were going to be overseeing this, but who is actually going to do the job?

Rich Faith replied this plan is a tool that we will be using even if we hire a consultant to do various pieces of the work.

Councilor Thomas asked how does using this plan fit the overall council goal which says do the bare minimum we need to to get through the comprehensive plan review?

Rich Faith replied the work program that we put together was structured to address the five required statewide goals that we must do for periodic review. The one that takes it above and beyond that would be updating the Comprehensive Plan. We have a twenty year old plan and we want to take a fresh look at that and make sure that the policies within our plan and the various objectives that it lays out are consistent with this day and age and where we really want to go from this point forward. That piece does take it beyond the bare minimum. I felt that there was a consensus from the CAC when we were talking about periodic review, not Metro's Title 13, that given how outdated our plan is that it is entirely appropriate to take a fresh look at it.

Councilor Kyle stated on page 6 where you list the Chamber of Commerce under commercial and industrial lands, I think that we need to specify that as the economic development person at the Chamber. Perhaps we would want to add the Port of Portland or EMEA as some options.

Rich Faith replied we can make that change.

MOTION: Councilor Daoust moved to adopt the resolution accepting the periodic review and comprehensive plan update Citizen Involvement Plan with the following edits on Page 6: for Housing under the Special Invite column add, "and other neighborhoods" (*Councilor Daoust explained that adding "and other neighborhoods" to the special invite for housing is all I think we need to add because we have many tools of involvement and communication that we can use and the city council ourselves can hold our own public hearings, so we have full control over who we invite.*); under Commercial & Industrial Lands, under sponsors/helpers, delete "Chamber of Commerce" and add "Economic Development Director, East Metro Economic Alliance and the Port of Portland"; and on that same line under Special Invite add, "Port of Portland, shopping center property owners and lessees, Mt. Hood Community College, Strebins Trust and FedEx". Seconded by Councilor Wand.

Councilor Daoust stated I think we have, not for the first time, one of the best programs for citizen involvement. We have done citizen involvement in the past kind of piecemeal, but this is the first time I have seen a program for citizen involvement and all of the steps that you would want to consider from beginning to end. I really like this. Good job.

Councilor Wand stated I want to concur with Councilor Daoust. Citizen involvement is a very high priority with me. One of the things that makes Troutdale an excellent community is that we are small enough to be able to do things like this. It is important to me that the Comprehensive Plan and the periodic review reflect our City's values. I think this is exactly the right way to go. I do understand that there will be more staff time involved with this Mr. Faith, but in reality this is what makes for good public policy.

Councilor Hartmann stated I want to reiterate what both Councilor Wand and Councilor Daoust said. I think this is a good plan for reaching out into the community. I think it is going to be the fuel that will allow us to develop a full vision and development plan for the future. I am very excited.

Councilor Thomas stated I am a firm believer of community involvement.

Mayor Kight stated Troutdale has a very long history of citizen involvement. This community reflects that in everything that has been done in the business community as well as in the residential. There are long range effects when we do planning and it has to be done very carefully. We need input from the people that live in our community because they are the ones that are most affected. I look forward to this work plan being completed, but at the end the City Council will make that ultimate decision of how it is going to come into play.

Councilor White stated I am concerned that this is complicating the process. I think the motion was complicated. I feel like the most important person is the person that actually owns the land and I don't see them being invited to these other than looking at a posting in a newspaper. It is a burden on those landowners to have to track down these meeting times and attend meetings on decisions that other people are making that will ultimately affect the value and use of their land.

Councilor Kyle stated thank you John for designing what I look at as a work in progress. I know that it will be ever changing. This looks like a good place to start.

VOTE: Councilor Daoust – Yes; Councilor Hartmann – Yes; Councilor Wand – Yes; Councilor Thomas – Yes; Mayor Kight – Yes; Councilor White – No; Councilor Kyle – Yes.

Motion Passed 6 – 1.

Mayor Kight called for a break at 8:50pm and reconvened the meeting at 9:00pm.

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

- 7.1 A resolution adjusting the capital improvement plan project listing and rate for water system development charges and rescinding Resolution No. 1937.
- 7.2 A resolution adjusting the capital improvement plan project listing and rate for sanitary sewer system development charges and rescinding Resolution No. 1938
- 7.3 A resolution adjusting the capital improvement plan project listing for transportation system development charges and rescinding Resolution No. 1939
- 7.4 A resolution adjusting the capital improvement plan project listing for storm water system development charges and rescinding Resolution No. 1940

Mayor Kight opened the public hearing at 9:00pm.

Charlie Warren, Public Works Director, stated I have provided you with a copy of the Capital Improvement Plan that you adopted on May 12, 2009, a summary of the capital improvement funding, and a copy of the PowerPoint presentation that Olaf Sweetman will be showing to you. I think it is important that we understand what system development charges are and Olaf will be talking about that. In the Municipal Code under Chapter 12.02 we have a systematic increase that is built into the Code and it is tied to the Engineering News Record Construction Cost Index (ENR) rate from the Seattle area. This year that rate was 1.4% so we cannot exceed that.

Olaf Sweetman, Engineering Associate, showed the Council a PowerPoint Presentation (copy included in the packet) that included: what is an SDC, a list of capital improvement projects for the next five years; comparison of the current SDC's with the proposed SDC's (for water there is a proposed \$19 increase, from \$1,326 to \$1,345; for sanitary sewer there is a proposed increase of \$69, from \$4,426 to \$4,495; no proposed increases to transportation or storm water); and a comparison with other nearby cities and cities of comparable size.

Charlie Warren stated system development charges are for those new construction projects to pay for their burden to improve the system.

Councilor Daoust asked if we have so much work to do why do these increases seem so low?

Charlie Warren replied the Capital Improvement Plan identifies items based upon the projected number of homes that are going to be built and our businesses and those projected projects that are going to be done. One of the main things that you saw in the current budget is the need for new master plans; our master plans are severely deficient and outdated. We haven't done a proper assessment of all of the projects that we need to do. When we looked at these projects we based it upon not only our current information about which projects are necessary but also some common sense about how much we can afford. In the past, or at least up to this date, we have not gone in aggressively and tried to say what the total amount of the projects are that we really need, as I described in our last work session.

Councilor Wand stated thank you for providing the comparison information on the other cities. That is a key piece of information for me when I make a decision like this because

the most important thing is that we maintain a competitive advantage with regard to our other local jurisdictions. It is my understanding that this is an all or nothing proposition on the SDC, is that right?

Charlie Warren replied I am not sure I understand what you mean by all or nothing.

Councilor Wand stated if the developer has an increase in the amount of storm water that goes into the system, if there is any impact on the system they get hit with the full charge even if they are mitigating it onsite.

Charlie Warren replied that is correct.

Councilor Wand asked what would it take for us to look at pro-rating SDCs so that if we have a property owner that is able to deal with some of their own storm water that they have an incentive to not burden our system by adding their own means of doing that with pro-rating SDCs?

Olaf Sweetman replied if there is no impact on the storm water then we don't charge an SDC, but if there is any impact we charge the full impervious area.

Councilor Wand stated I am thinking of the Gresham Honda car dealership that is in Troutdale. There was a huge discussion regarding this. I am just wondering if we could revisit this ordinance.

Charlie Warren replied I think that is a worthy discussion.

Councilor Thomas stated on the Capital Improvement projects slide the third item, sewer system debt service, under the year 2010 you show \$285,093 then it goes to \$488,248.

Charlie Warren stated we discussed this during the budget meetings. We do not have the capability to adequately pay for the sanitary sewer debt service from the system development charges in this year because of the lack of development. That burden is being shifted over to the property taxes; that is the \$200,000 difference. What we are counting on in the future is that we will have additional development so that the SDC's will pay for its fair share.

Mayor Kight stated in looking at the slide showing the comparison with the other cities, I think a case could be made that it certainly didn't impact the development in Happy Valley to have an \$18,974 SDC, or in Sherwood for that matter. We have often times heard the argument that developers won't build in a city because the SDC's are too high and here is a classic example that really doesn't play out.

Mayor Kight asked is there anyone here to speak to us on this issue?

No testimony received.

Mayor Kight closed the public hearing at 9:16pm.

MOTION: Councilor Daoust moved to adopt the following resolutions: 7.1 – A resolution adjusting the capital improvement plan project listing and rate for water system development charges and rescinding Resolution No. 1937; 7.2 – A resolution adjusting the capital improvement plan project listing and rate for sanitary sewer system development charges and rescinding Resolution No. 1938; 7.3 – A resolution adjusting the capital improvement plan project listing for transportation system development charges and rescinding Resolution No. 1939; and 7.4 – A resolution adjusting the capital improvement plan project listing for storm water system development charges and rescinding Resolution No. 1940. Seconded by Councilor Kyle.

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

Motion Passed 7 – 0.

NOTE: *The copies of the resolutions provided to the Council, and to the public, did not contain the identified exhibits, therefore these four resolutions were taken back to Council at the June 9, 2009 meeting for approval.*

8. RESOLUTION: A resolution approving the City's financial statements and Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2008.

Erich Mueller, Finance Director, stated the city has gone above and beyond the minimum required of a municipality. The Auditors opinion was an unqualified, or with no reservations, opinion. These are the City's financial statements and as the governing body you are charged as declaring them as the official statements.

Council had no questions.

MOTION Councilor Thomas moved to adopt the resolution approving the City's financial statements and Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2008. Seconded by Councilor White.

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

Motion Passed 7 – 0.

9. RESOLUTION: A resolution accepting the Report of Independent Certified Public Accountants on the audited financial statements of the City for the Fiscal Year ended June 30, 2008, the Management Letters (SAS No. 112 & SAS No. 114), and the OAR 162.10.000 required communication.

Erich Mueller, Finance Director, reviewed the staff report (copy included in the packet).

Councilor Daoust stated we are very lucky to receive a clean unqualified opinion, which we have received for quite a few years.

Councilor Wand asked do you intend to work with our proposed finance committee to take a look at the fidelity insurance coverage that we have and whether or not our check signers have fidelity bonds?

Erich Mueller replied I am working on getting a quote from our agent of record in terms of additional coverage levels for the fidelity bond specifically to address that issue.

Councilor Thomas complimented the Finance Department staff on receiving a clean audit report.

Mayor Kight asked are there enough checks and balances among people within our city that handle cash and that type of thing?

Erich Mueller replied given the current circumstances I would say yes. On the bottom of Page 96 of Exhibit D, it reads, "Because of a limited number of available personnel it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records or all phases of the transaction." That is absolutely true due to the small size of the staff. I am walking into a department that has four people and the one with the least amount of tenure has over five years in their position and the next one has eleven years, so there is a long history of responsible discharge of duties and a long history of the auditors looking at it and addressing what they see as adequate or inadequate controls as a result of their testing.

Dave Nelson stated having been with the City since August 1997 and in my former capacity with the City we have never investigated, or had any issues, with employees of theft of moneys or any such issue.

MOTION: Councilor Thomas moved to adopt a resolution accepting the Report of Independent Certified Public Accountants on the audited financial statements of the City for the Fiscal Year ended June 30, 2008, the Management Letters SAS No. 112 & SAS No. 114, and the OAR 162.10.000 required communication. Seconded by Councilor Daoust.

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

Motion Passed 7 – 0.

10. STAFF COMMUNICATIONS

Dave Nelson informed the Council that the Mt. Hood Cable Regulatory Commission has awarded Metro East Community Media grant funds of which a portion will be used to update the audio equipment in the Council Chambers.

Councilor Daoust asked if we could get a decent speaker phone system. The system we currently have does not work well. It is very hard to hear anyone except the person that is sitting closest to the phone.

Dave Nelson stated we will look into it.

11. COUNCIL COMMUNICATIONS

Mayor Kight thanked Bob Whipps, Mike Childs, and Cody Childs for their volunteer work on the downtown clean-up. I also would like to thank staff for getting the flower baskets up and for hanging the new banners in downtown.

12. ADJOURNMENT:

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

Meeting adjourned at 9:55pm.

Jim Kight, Mayor

Approved August 25, 2009

ATTEST:

Debbie Stickney, City Recorder