

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

Tuesday, June 9, 2009

1. PLEDGE OF ALLEGIANCE, ROLL CALL, AGENDA UPDATE

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

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

ABSENT: Councilor Hartmann (excused).

STAFF: Dave Nelson, City Administrator; Debbie Stickney, City Recorder; and Erich Mueller, Finance Director.

GUESTS: See Attached.

2. CONSENT AGENDA:

2.1 ACCEPT MINUTES: May 12, 2009 Regular Meeting.

2.2 RESOLUTION: A resolution adjusting the capital improvement plan project listing and rate for water system development charges and rescinding Resolution No. 1937.

2.3 RESOLUTION: A resolution adjusting the capital improvement plan project listing and rate for sanitary sewer system development charges and rescinding Resolution No. 1938.

2.4 RESOLUTION: A resolution adjusting the capital improvement plan project listing for transportation system development charges and rescinding Resolution No. 1939.

2.5 RESOLUTION: A resolution adjusting the capital improvement plan project listing for storm water system development charges and rescinding Resolution No. 1940.

2.6 RESOLUTION: A resolution recognizing the completion of the Sanitary Sewer realignment project (under I-84) and accepting the improvements into the City's Fixed Asset System.

2.7 RESOLUTION: A resolution correcting clerical errors in Resolution No. 1948 adopting the budget and making appropriations for the current Fiscal Year 2008-09.

MOTION: Councilor Wand moved to accept the Consent Agenda. Seconded by Councilor Kyle. Motion Passed Unanimously.

Note regarding Consent Agenda Items 2.2, 2.3, 2.4 and 2.5 – A public hearing was held on these four resolutions at the May 26, 2009 Council meeting (no public testimony was received), however the exhibits referenced in the resolutions were not included in the material provided to the Council and to the public. It was determined by the City Attorney that these four resolutions should be readopted (on the consent agenda) with the appropriate exhibits attached.

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

None.

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

Zachary Hillenkamp presented the City with a bronze plaque in memory of Carolyn Taylor, who was a member of the Friends of Beaver Creek.

Mayor Kight stated Carolyn was a tireless worker for the parks system within the City of Troutdale. This plaque is in memory of her service and work for the City.

5. PUBLIC HEARING / RESOLUTIONS: A public hearing on the following two resolutions:
5.1 A resolution certifying the City's eligibility to receive State Shared Revenues for Fiscal Year 2009-10.
5.2 A resolution declaring the City's election to receive State Shared Revenues for Fiscal Year 2009-10.

Mayor Kight read the resolution titles and opened the public hearing at 7:09pm.

Erich Mueller, Finance Director, the State sets out a couple of requirements related to receiving State Shared Revenue. One is to have a hearing before the Budget Committee, which we held on April 20, 2009. That hearing was on the possible uses of the State Shared Revenue with the intent to allow any citizen to comment as to where the City might use the shared revenues. Tonight we are accomplishing the second requirement, which is to have a public hearing on the proposed uses of the State Shared Revenue outlined in Exhibit A. I am bringing forward two resolutions for your action tonight. The State requires that we certify that we are eligible as an entity to participate in the program and potentially receive revenue. If the Council approves that resolution, then the State requires a second resolution to elect to receive State Shared Revenues.

Councilor Daoust asked the 9-1-1 emergency telephone tax that we receive, do we then have to turn around and provide that to someone else for the maintenance of the 9-1-1 system?

Dave Nelson stated this is a small fraction of the contract that we have with the Bureau of Emergency Communications (BOEC). I believe that our contract exceeds \$300,000 per year

for our police dispatch service. This revenue goes into the General Fund; we pay for the BOEC contract services out of the General Fund.

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

No testimony received.

Mayor Kight closed the public hearing at 7:14pm.

MOTION: Councilor Thomas moved to adopt a resolution certifying the City's eligibility to receive State Shared Revenues for Fiscal Year 2009-10. Seconded by Councilor Daoust. Motion Passed Unanimously.

MOTION: Councilor Daoust moved to adopt a resolution declaring the City's election to receive State Shared Revenues for Fiscal Year 2009-10. Seconded by Councilor Kyle. Motion Passed Unanimously.

6. PUBLIC HEARING / RESOLUTION: A resolution imposing and categorizing Ad Valorem Taxes for Fiscal Year 2009-10.

Mayor Kight read the resolution title and opened the public hearing at 7:16pm.

Erich Mueller, Finance Director, stated this is a standard resolution that is addressed each year to levy the taxes and set the permanent rate. It also incorporates the debt service on the bonds that are outstanding. This resolution imposes and categorizes property taxes for FY 2009-10 as follows: General Fund for operations - \$3.7652 rate per \$1,000 of assessed value; and Debt Service Fund for bonds - \$672,424.

Councilor Wand asked is this the maximum rate?

Erich Mueller replied yes, this is currently the maximum rate allowed in our jurisdiction.

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

No testimony received.

Mayor Kight closed the public hearing at 7:17pm.

MOTION: Councilor Daoust moved to adopt a resolution imposing and categorizing Ad Valorem Taxes for Fiscal Year 2009-10. Seconded by Councilor Kyle. Motion Passed Unanimously.

7. PUBLIC HEARING / RESOLUTION: A resolution to adopt the City's Fiscal Year 2009-10 Annual Budget and making appropriations.

Mayor Kight read the resolution title and opened the public hearing at 7:18pm.

Erich Mueller, Finance Director, stated we are bringing forward the budget as approved by the Budget Committee. There are five amendments to the budget that staff is proposing that we would like Council to act on prior to adopting the budget. These amendments are shown on page 2 of my staff report. The first three amendments are related to the rate changes for the Water Fund, Sanitary Sewer Fund and Storm Sewer Fund in order to adjust the budget to reflect the action taken by Council on those items. These changes are outlined in Exhibit A to my staff report and they address adjusting out the revenue that had been budgeted for the rate increases in each of those three funds.

MOTION: Councilor Wand moved to amend the Fiscal Year 2009-10 Approved Annual Budget as submitted by the City of Troutdale Budget Committee to: 1) reduce the Water Fund Capital Outlay by \$57,000 and reduce the Water Fund Charges for Services \$57,000 to remove the revenue of a budgeted rate increase which was subsequently not approved; 2) to reduce the Sanitary Sewer Fund Capital Outlay \$76,000 and reduce the Sanitary Sewer Fund Charges for Services \$76,000 to remove the revenue of a budgeted rate increase which was subsequently not approved; and 3) to reduce the Storm Sewer Fund Capital Outlay \$16,000 and reduce the Storm Sewer Fund Charges for Services \$16,000 to remove the revenue of a budget rated increase which was subsequently not approved. Seconded by Councilor Daoust. Motion Passed Unanimously.

Erich Mueller stated the fourth amendment addresses the addition of \$28,000 that we discussed at the May 19th Work Session for resources to provide for multiple departmental support as part of the reconfiguration from all of the layoffs and bumping that occurred. This amendment is also outlined in Exhibit A to my staff report.

Councilor Wand asked was there any amendments made to the assumptions for the revenues that we would be receiving based upon TSCC's recommendation to us?

Erich Mueller replied I think you are referring to something that was discussed during an executive session where we discussed some potential revenue items that might offset some potential increases that might result from the labor negotiations. Those are not yet incorporated. I intend on addressing those once the union agreement is ratified.

Councilor Wand asked assuming we pass this amendment, what is the total amount that we are spending from our reserves that we had in the budget? My recollection is that it was about \$78,000 including this amendment.

Erich Mueller stated coming into tonight's meeting we were at \$58,173, if you add \$28,000 to that it brings you to \$86,173.

Mayor Kight asked can you explain by position what we have and how this affects the different departments within the City?

Erich Mueller asked related to this particular amendment or the overall budget?

Mayor Kight replied the overall budget.

Dave Nelson stated there is a reduction in FTE's as follows: Associate Planner, Part-time Legal Assistant, Part-time Department Secretary, HR Manager, 2 Parks Workers, Parks and Facilities Superintendant, Code Enforcement was reduced to half-time, and a Part-time Building Inspector. This amendment would add support staff back to the Community Development Department and assist the Legal Department.

Mayor Kight asked is there any updated information regarding the state funding for the Gang Enforcement Officer?

Dave Nelson replied it appears that the state will be funding that for approximately 18 months.

MOTION: Councilor Wand moved to amend the Fiscal Year 2009-10 Approved Annual Budget as submitted by the City of Troutdale Budget Committee to increase the General Fund, Planning, Personal Services appropriation \$28,000 and decrease the General Fund Unappropriated balance by \$28,000 to provide funding for a part-time multi-department office support position, providing shared clerical support to Legal, Community Development and Executive departments. Seconded by Councilor Daoust. Motion Passed Unanimously.

Jim Jensen, Chair of the Budget Committee, stated I have had the privilege of having been on the Budget Committee for 30 years. Over the years we have seen a lot of change, some good and some bad. This budget is the first time that we have actually had to cut personnel. We did everything we could to try to figure out how to keep those cuts minimal. We were able to save a police position. I hope that somehow someone will come up with a way that we can minimize even more of the impact on personnel. We have done a lot of work on this budget and we made a lot of adjustments. I think this is the best that we are going to come up with under the current fiscal circumstances. I am concerned about the fact that we have no capital outlay expenditures for the police department for vehicles. We have been through this before where we didn't appropriate money for police vehicles and we've gotten hurt in the long run, but there is no money for them this year. I don't have the answers, but as the Chair of the Budget Committee I do recommend adoption of the budget as amended so far by the Council.

Council thanked Mr. Jensen for his service on the Budget Committee.

Erich Mueller stated the last amendment is being brought forward by staff and has not previously been addressed by Council. We are requesting that you amend the budget to

move \$360,000 out of the Unappropriated ending fund balance into Contingency. This does not change the expenditure level, nor does it require that the money has to be spent. But what it does provide is a level of appropriation that allows for expenditure should the Council choose to do so in the coming fiscal year. Money cannot be spent out of the Contingency line item without subsequent Council action. Anything that remains in the Contingency line item at the end of the fiscal year rolls into the ending fund balance. However, the way the budget law is structured, funds that are in the adopted budget as the Unappropriated ending fund balance cannot be appropriated subsequently by the Council by transfer, by a supplemental budget, or by any means whatsoever apart from a natural disaster. The budget law takes the view that the money sitting in that account is the necessary working capital required to move from July through November. As discussed in the Budget Committee meetings we need \$2.1 million to carry us from July to November. This \$360,000 is the money beyond that \$2.1 million that is currently in that line item as the budgets sits at this moment. My request is to move it into Unappropriated so that it is available. There will be some additional expense associated with the approval of the AFSCME Union contract; I can't specify a dollar amount at this time. In addition there will be transactions related to the acquisition of the Davis property if for some reason it does not close before June 30th of this year. If I don't have an available appropriation that can be transferred in next year's budget we wouldn't have a way to fund that transaction. That is just an example of my reason for requesting this amendment; it will provide options for the Council to consider later.

Councilor Wand stated if I am doing the math correctly, this would be \$760,000 in our Contingency. How does that compare to years past regarding the total amount of Contingency?

Erich Mueller replied this past year it was \$400,000. This current fiscal year we committed and/or transferred close to half of it, which was primarily for the costs associated with the Troutdale Reynolds Industrial Project (TRIP)/FedEx project.

Dave Nelson stated during the budget hearings we discussed, as part of balancing the budget, that we were going to move money from the Unappropriated line item to Contingency to avoid reductions of another \$360,000. If we didn't fund the Contingency this way we were going to have to reduce the General Fund another \$360,000, which would have come from additional personnel cuts.

Councilor Wand stated I am a little bit concerned, but I also respect that we are in negotiations.

Councilor Daoust stated I appreciate this as a way for us to have that flexibility. June 30th is coming up real fast and I see some things that aren't going to be taken care of by June 30th.

MOTION: Councilor Thomas moved to amend the Fiscal Year 2009-10 Approved Annual Budget as submitted by the City of Troutdale Budget Committee to increase the General Fund, Contingency appropriation by \$360,000 and decrease the General Fund Unappropriated balance by \$360,000 to create a provision of appropriations for potential transfers, subject to future Council action, to fund items either not yet finalized, or for timing delays of planned expenditures from this current Fiscal Year delayed into next Fiscal Year. Seconded by Councilor Daoust. Motion Passed Unanimously.

Erich Mueller stated the final item is a resolution to adopt the Fiscal Year 2009-10 Budget as amended tonight and making appropriations.

Councilor Daoust asked does the resolution that is before us incorporate the five amendments that we just voted on?

Erich Mueller replied yes it does.

Councilor Daoust asked do we need to include "as amended" in the motion to adopt the budget?

Erich Mueller replied Section 1 of the resolution states that you are approving the budget as amended, to incorporate the previous action.

MOTION: Councilor Daoust moved to adopt the resolution adopting the City of Troutdale Fiscal Year 2009-10 Annual Budget and making appropriations. Seconded by Councilor Thomas.

Councilor Wand stated I want to reiterate that the budget is our plan and it is what we intend to do. There are some contingencies or things we don't know, but one thing that I am proud of is that this city has come together and made very tough decisions in a very difficult climate. We put together a budget that I think is a testament to our staff and to the citizens on the Budget Committee. This is the way that a small town can do the right thing under tough circumstances.

Mayor Kight stated I agree with Councilor Wand. We haven't taken as big a hit as some of the other cities in the Portland Metropolitan area. To that end I applaud the Budget Committee and the Council for creating two new Sergeant positions within our Police Department and for funding a police officer should he not be funded at the state level. I think that speaks to the integrity and priority of this Council and the Budget Committee to put safety and security first for the citizens in our community.

Council thanked Erich Mueller and staff for putting together an excellent budget.

Motion Passed Unanimously.

8. STAFF COMMUNICATIONS

None.

9. COUNCIL COMMUNICATIONS

Councilor Wand stated lost in the congratulations and the excitement surrounding the new transportation project funding bill that includes a substantial expenditure for the City of Troutdale, Multnomah County has done some things that will harm our citizens. I don't know exactly who is responsible yet but I suspect at some point we will find out. I was at the East Multnomah County Transportation Committee meeting a week ago and Commissioner Park notified us that a substantial change had been slipped into the transportation bill. Some of you were on the Council last fall when Multnomah County came and asked for the City's approval to levy a vehicle registration fee for the purpose of rebuilding the Sellwood Bridge. Under existing state law Multnomah County is not allowed to levy this tax without sharing 40% of the revenues with all of the cities. The plan was to go to the cities and ask them to allow 100% of those revenues to go towards construction of the Sellwood Bridge. I am proud to say that the City of Troutdale led the way in refusing that request. The new transportation bill repeals that requirement. Now under Section 40 of HB 2001 Multnomah County, or any county that has more than 350,000 residents, will no longer be required to share revenue with cities or seek their approval to not share revenues with the cities. To make matters worse, under existing state law a County who chooses to levy such a vehicle registration fee is required to submit such a tax to the voters for their approval in the form of a referendum; that provision also has been removed from state law. The only savings grace is that this Bill and these provisions expire in 2013 at which point the only counties that will be allowed to levy this type of tax will be counties with less than 350,000 residents. I am still investigating and trying to determine exactly how this happened and why the County, and no one in Salem, let us know that this was happening. I just wanted to bring this to the attention of the Council.

Councilor Thomas stated as the City of Troutdale's representative on the Mt. Hood Cable Regulatory Commission I had an opportunity to meet with the Frontier Communications folks today and their transfer team. I was very impressed with the team that they have put together and I am hopeful that this will happen very quickly. We are hoping to have the process completed through the Cable Commission to transfer the FIOS system that Verizon has in Troutdale by the end of the year so that the cities can vote on it.

Councilor Kyle stated I met with David Eatwell (our Economic Development Director) today. This position is important to all of the cities that contribute funding for this position. It is my understanding that there was to be a committee that would be working with Mr. Eatwell. I think that it is important that we know how often you are meeting and I am wondering what the focus is currently. Is there a focus on creating new jobs and/or retaining existing business? I think it is important that as we look at this as a budget item. I want this position to be successful. I would like to be provided with an update after each of the meetings.

Dave Nelson stated I will include that in my weekly update to the Council. The City Administrators from Cascade Locks, Fairview, Wood Village and Troutdale and the Executive Director of the West Columbia Gorge Chamber of Commerce make up the Consortium that oversees or supervises this position. At our meeting this week we will be outlining his performance objectives for each of the cities.

Councilor Daoust stated last night I participated in Walt Morey Middle School's 8th Grade Graduation. The Principle pointed out that this graduating class had the highest academic level of any prior 8th grade class and they also had the most involvement in sports. I felt very fortunate to be sitting right in the middle of the future of Troutdale or the future leaders of wherever they end up.

Councilor Daoust asked are there plans to fill the position of Parks and Facilities Superintendent?

Dave Nelson replied Dick Bohlmann is currently overseeing this function.

Councilor Daoust stated the reason I ask is because Imagine Station is turning 15 years old this year and I would like to have a clean-up day or a maintenance day celebrating fifteen years of being one of the most used playgrounds in the City, if not in East County.

Mayor Kight stated downtown Troutdale is taking on a new look. We had some cement containers that were donated to us by the World Trade Center in the City of Portland and we have placed them in downtown. Bob Whipps pressured washed them and Michele Rosenberger has planted flowers in them. The next project will be to give the Discovery Block a fresh coat of paint. Bob Whipps has gone in and cleaned all of the vacant buildings and we now have art displays in the windows. I want to thank the downtown merchants that are working on improving their buildings.

10. ADJOURNMENT:

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

Meeting adjourned at 8:20pm.

Jim Kight, Mayor

Approved August 25, 2009

ATTEST:

Debbie Stickney, City Recorder