

AGENDA

CITY COUNCIL – WORK SESSION

TROUTDALE CITY HALL
104 SE KIBLING AVENUE
TROUTDALE, OR 97060-2099

Tuesday, February 26, 2008 – 7:00pm

1. Roll Call

Mayor Thalhofer called the meeting to order at 7:03pm.

PRESENT: Mayor Thalhofer, Councilor Kight, Councilor Ripma, Councilor Thomas, Councilor Canfield, Councilor Kyle, and Councilor Daoust

ABSENT: None.

STAFF: John Anderson, City Administrator; David Nelson, Chief of Police; David Ross, City Attorney; Rich Faith, Community Development Director; Dick Bohlmann, Building Official; Paul Hughes, Finance Director; and Sarah Skroch, Deputy City Recorder.

GUESTS: Melissa Nelson, The Nelson Report (via phone); Mark Nelson, The Nelson Report (via phone); and Rita Correy, AFSCME Representative.

2. Discussion: A discussion regarding the polling from the Nelson Report for the new police department and/or city hall.

Melissa Martin and Mark Nelson from The Nelson Report were available by speaker phone.

David Nelson, Chief of Police, reviewed his staff report.

David Nelson stated based on page 33 of the Nelson Report, a \$4 million bond could be successful. It doesn't look so good for a police department and city hall.

Councilor Daoust asked was there a clear feeling from the polling of what length of bond the people preferred?

Mark Nelson replied on page 21 of the summary you'll see that 46% preferred a 20 year bond, 24% preferred a 10 year bond, 18% did not prefer either proposal, and 1% were unsure. We did another question that stated if the bond were financed over 10 years instead of 20 years it would save property tax payers approximately \$1.1 million. The preference for the 10 year bond jumped 24% to 41% with that knowledge. Page 12 shows you the format of the polling.

Councilor Kight stated on page 12 it appears that the questions that you posed in the polling almost become the platform to sell it to the voters. Would that be accurate?

Mark Nelson replied it would be the platform that you'd need for consideration of making your final decision so you know what your constituents value. At the same time they are pieces of information that you need to deliver to the voters in an unbiased way for the City's education campaign. If there is a campaign committee out there they may also choose to take this document and use it in an advocacy point of view.

Councilor Kight stated as I understand it, they favor a police department and do not favor a city hall. They favor a 10 year bond over a 20 year bond. The wild card is the state of the economy and it will come down to the actual numbers for the constituents. What's your response?

Mark Nelson replied if you go to page 9 you'll see that 47% favored the \$4 million bond and 39% opposed it. When asked why, the opposing side replied Taxes are too high, It isn't needed, and Too much money/can't afford it. Clearly there are issues that are pulling it both ways. This is certainly no slam dunk. People are concerned. If the economy gets worse I think that also pulls it back.

Councilor Thomas asked my concern is whether or not the \$4 million is a true number.

Paul Hughes replied those figures came directly from the architect which was his market estimate per square foot at the time. We won't have a firm number until much more detail is laid out in the architectural plans.

Councilor Thomas stated I raise that concern because if we go out for a \$4 million bond and it's not enough, then we have a problem.

Paul Hughes replied that is one reason why I anticipate in the proposed budget we'll have money in there for a more architectural plan before we go out to voters.

Mark Nelson replied if you jump from \$4 million to \$8 million then I think that's a problem. If you are moving from \$4 to \$4.7 or \$5 million then I don't think it's a problem.

Paul Hughes stated another thing that we have on our side are interest rates. The borrowing interest rates have dropped considerably.

Councilor Kight asked what happens if we have a shortfall? What if we go out for a \$4 million bond and the project comes in at \$5.2 million?

Paul Hughes replied we'd have to borrow some more money. You'd have to do it outside of the General Obligation Bond process. You'd have to get a bank loan or something. We'll have much more firm numbers long before we actually go out to the voters.

Councilor Canfield asked how much of a fudge factor do you think the voters have when they're thrown a number to consider in a poll like this? Would they care if it's \$500,000 more or \$1 million more?

Mark Nelson replied there are two issues, the cost per \$1,000 and what are you buying. Clearly here the police building is a project that they support over a combined police and city hall facility. If you're cost per \$1,000 goes through the roof you could have a problem.

Councilor Kyle stated I find it interesting that there was no public education done and there's some support for the police department. Public education probably makes a difference. I don't believe that we've done anything to educate the public about the position of the police department?

David Nelson replied the only thing we've done prior to the survey was an article in The Champion.

Councilor Kyle stated I'm an advocate for the combined building.

Councilor Thomas stated I agree that the combined building is the best bet but I don't think they're going to support it.

Councilor Kight asked are you surprised to the response to build a police station based on comments from Councilors that there has been very little public education?

Mark Nelson replied no not particularly. Generally police facilities and their operations are more favored in measures as opposed to city halls. The survey shows that they appear not to value the combo approach for whatever reason they don't value city hall operations as much as police. Clearly the larger measure is very problematic.

Councilor Ripma stated this poll corresponds with what I thought would happen. I favor going out for a police facility and not the city hall.

Councilor Kight asked did you ask the question if the City sold the old Police Department and recaptured part of the cost to offset the construction of the building, would that have any impact of the voters supporting it or not?

Mark Nelson replied no we didn't. Typically when we've asked that type of question for school districts it tends to be a positive response with constituents believing that you're managing your money and applying dollars appropriately.

Mayor Thalhofer stated I favor just a police station.

David Nelson asked with the reports that the economy is going down, would you recommend that we look at the 20 year bond because it's lowering the cost to the tax payer?

Mark Nelson replied I don't believe the difference between the 10 year at \$.50 and the 20 year at \$.31 is significant. What is significant is a realization that if you can deliver the message that the City is saving \$1 million of tax payer's money with that decision. I think it's positive.

David Nelson stated we wouldn't be going out for this bond until November. Should we do another poll closer to then or base it on this?

Mark Nelson replied we typically advise clients that if you are within a year you're fine. Unless there is some kind of issue that riled up the community regarding the City and this particular bond measure.

Councilor Kight asked is there a possibility that you can give the voter too much information?

Mark Nelson replied that's always a possibility. The survey is to deliver messages in areas that they value. I think this tells you what they value and you need to continue to deliver these messages.

Councilor Kight asked how many issues can you give the voting public before they walk away mentally from the issue?

Mark Nelson replied typically three or four.

Councilor Kight asked based on a \$200,000 home, if a voter sees a triple digit increase in their property tax versus a double digit, which do they usually favor?

Mark Nelson replied clearly the larger the cost, the more people you are going to lose. You will lose some folks but I think you gain a lot if they understand the interest savings. The 15 year bond could be a middle ground for you but I wouldn't be afraid of the 10 year.

Councilor Canfield asked what is the filing deadline for the November ballot?

Mark Nelson replied I think it's late August or early September.

The Council directed staff to pursue a police facility only and at a later date they will address the length of the bond.

3. Discussion: A review of the Collins report on the City's Building Program and implementation of its recommendations.

Councilor Ripma stated I have a point of order that I'd like to address. This item doesn't seem appropriate for City Council to be involved in and I'd like to know why it's here. It seems like management issues. We are not supposed to intercede with management issues.

John Anderson replied we sent the report out by e-mail to City Council members as an informational item. Then at the Goal Setting Work Session Councilor Canfield mentioned that he'd like an opportunity to talk about it at a work session and there was a general concurrence. One thing you haven't seen is management's follow up plans. We incorporated our first phase of follow up plans.

David Ross, City Attorney, stated if this discussion is going to be about program goals then it is not eligible for an Executive Session. If it is going to become something other than that, we'll have to make that determination at the time.

Councilor Kight asked what about section i under Executive Meeting?

David Ross replied in ORS 192.660(2)(i) states: to review and evaluate employment related performance of the chief executive officer of any public body, a public officer, employee, or staff member who does not request an open hearing. That's not what's on the agenda for tonight. If that's what Council wants to do tonight then that would be a different story. Council rules say that in order to do something that is not on the agenda it has to be approved by the Mayor and a majority of the Council.

Councilor Kight stated my concern is that this conversation is going to lean to that direction. You can't talk about things in generalities without talking about the employees and their performance at some point. I don't know how you'd sidestep that issue.

Mayor Thalhoffer stated we'll get started and see what happens. We can always adjourn and go into Executive Session.

Rich Faith reviewed the staff report.

Rich Faith stated the important point here is the Collins Report itself and what we are doing to implement the various recommendations. At first blush the report is somewhat intimidating. By my count there are 147 recommendations. To the unknowing looking at that they'd probably feel that many recommendations must suggest our program is in complete chaos and nothing is going right. I want to caution you that I don't read it quite the same way. Yes there are a lot of recommendations but a lot of them are ones that would appear in a report for any community regardless of where it is. They are basically reinforcing and reaffirming good practices in the area of building inspections. Because there's a recommendation, I don't think it's a necessary conclusion that we were doing something wrong or that there was a problem. That doesn't diminish the fact that there are a lot of areas for improvement. We recognize that and are committed to tackling these. Peggy Collins provided us with a list of what she thought were the most important recommendations. We took that to heart and studied them to determine what we need to do to act upon those.

Rich Faith reviewed the exhibits to his staff report.

Councilor Thomas stated I am a little concerned at the 147 recommendations. I hope that

you're not saying that because other cities would have these issues that we don't need to address them.

Rich Faith replied I don't mean to say that we'd ignore any one of the 147 recommendations. What I was trying to say is that some of these recommendations would appear in any other report that she's done for another community. It's not necessarily saying that the recommendation is to address a problem that we're having or something that we're doing wrong, it's to simply reaffirm that you need to do certain things in accordance with State regulations. All I'm trying to say is, don't interpret that there's 147 recommendations and every one of those is to address current problems or deficiencies.

Councilor Thomas stated another issue is customer service. I accidentally called your Building Department help line. After I finished listening to it the first thing I wanted to do was slam the phone down. It was very impersonal and very unfriendly. I understand you're trying to get out matter of fact stuff but it was presented like do this, do this, and maybe we'll call you back. From customer service standards I think the tone and the detail need to be adjusted so that the people calling know that they're appreciated and you'll take the time to call them back.

Rich Faith asked was that the Inspection Request Line or the main front desk which provides a lot of information?

Councilor Thomas replied I think it was the Inspection Request Line.

Mayor Thalhofers stated the report indicated that the Building Official and Fire Official performed inspections outside their current State Certification.

Rich Faith replied we did a follow up investigation of that finding. We were able to verify that inspections had been performed by the Building Official for which he does not have certification and we have taken measures to address that.

Mayor Thalhofers asked do you know how many?

Rich Faith replied from 2005 through 2008 there were 76 but I do need to mention that prior to October 1, 2005 the Building Code authorized the Building Official to make inspection even if they don't have certifications. Out of the 76 I can't tell you how many of them occurred prior to the regulation change. It is a significant number. A specific directive has been put into writing to the Building Official that he is to cease performing any inspections for which he does not hold certifications.

Councilor Canfield asked is it your contention that Fairview would only be satisfied if Troutdale overlooked Building Codes?

Rich Faith replied I am summarizing the information as I understood it at the time realizing that I was hearing conflicting stories. I'd hear a complaint from Fairview. When talking to Dick Bohlmann and the Inspectors I'd get a different prospective on the situation. I was not

a first hand observer on what was taking place.

Councilor Canfield asked did you say that Fairview and Wood Village laid out benchmarks and service levels that they expected?

Rich Faith replied yes.

Councilor Canfield asked was it staffs feeling that Troutdale was not able to meet those benchmarks and service levels?

Rich Faith replied we couldn't accept them unequivocally in terms of what they were laying out. We were able to reach agreement in terms of what they were asking for and what we could provide. That was done verbally and in writing.

Councilor Canfield stated in the Collins Report it was mentioned that as the Building Official you have a lot of managerial responsibilities that you were unable to perform because you didn't have time with all of the other duties. Do you have enough resources to fulfill the things in the Collins Report that you didn't have time for or is there something that we can give you?

Dick Bohlmann, Building Official, replied with Fairview winding down in construction I have considerably more time that I had before. I was devoting about 75% of my time to putting out fires in Fairview. Now I do have adequate time to address different managerial issues.

Councilor Kyle stated on Exhibit C I have a concern that I'd like some explanation on. Under Customer Service Recommendation, Items f and h, it is indicated that there are City Council responsibilities. Could you interpret that for me?

Rich Faith replied generally the first line staff felt at times that when citizens were unhappy about something and took their complaint to the Mayor, a Council member, or a Manager it would appear as if immediately the Council or Manager sided with the citizen before getting the facts to find out the other side of the story.

Councilor Kyle stated I would hope that we would be respectful of your department and handle that better in the future.

Councilor Daoust asked is there a recommendation for us if a citizen does approach us?

Rich Faith replied the appropriate thing to do is ask them if they're having a problem with an individual. If the answer is yes then you should find out if they've spoken to the individual's supervisor before they came to you. If they haven't you should tell them that they need to go through those channels first.

Councilor Daoust stated there was mention of a half time plans examiner. Has that already been hired?

Rich Faith replied yes, that person came on board in late November. One reason that we did that was to demonstrate to Fairview and Wood Village our commitment to provide better service to them. One of their complaints frequently heard was that plan reviews were not being turned out in a timely manner. So we hired a half time plans examiner to get those out quicker. In fact we were willing to go one step further and commit that person to doing the plans examinations in that jurisdiction providing that they had a work station for them. That way their in their city and they're there as a resource to answer questions, troubleshoot, and work directly with you through the process. As you know it didn't save the contract. We're now in the process of reconsidering whether we'll need the services of this half time plans examiner.

Councilor Daoust asked what about the half time Department Secretary going to full time?

Rich Faith replied with the termination of the contracts coupled with the downturn in the construction business there is no longer a need at this time for additional support services in the Building Division. We're going to stick with the half time Department Secretary.

Councilor Kight asked isn't the Collins Report outdated based on the assumption that we aren't going to continue to provide contract services to Fairview and Wood Village?

Rich Faith replied I'm not going to say that its outdated but I will say that a number of the recommendations are no longer relevant because they pertain to our contract communities and things we can do in conjunction with them.

Councilor Kight asked how will the staffing levels change?

Rich Faith replied with the loss of business from those communities that means there'll be less work, less inspections, and less plan reviews. I think equally significant is the economic downturn that we're going through right now and a significant reduction in the amount of construction.

Councilor Kight asked is there going to be a reduction in the Planning Department?

Rich Faith replied no I don't perceive that we have a need for reduction in the Planning Staff. We only have 2 Planners. We are coming up to Periodic Review which we should be receiving official notice on April 1st. We're going to be at a point where we'll need to dedicate resources to conducting the Periodic Review. We still have various land use files coming through. Not as many as we saw last year but they are still there. We need to have a staff person to deal with those. I think it's also important that we deal with some of the code maintenance issues that we have and updating our Comprehensive Plan which is about 15 years old. Most of the information in there is completely outdated.

Councilor Kight stated your comment that there is going to be a reduction in the building industry as a result of the economy is accurate. However there are always projects in the pipeline. There is a six month to one year lag time before that effects a particular department such as the Building Department. Is there enough work in this fiscal year to

keep our Building Inspectors working at full time as opposed half time or three quarter time?

Rich Faith replied we have already imposed a reduction in work hours for our Building Inspectors. Effective last week our Plumbing and Electrical Inspectors were cut back to half time and our Building Inspector was cut back to three quarter time.

Councilor Kight asked there's not enough projects to keep these people even through their funds are budgeted through the end of this fiscal year?

Rich Faith replied it's not a question of whether or not we have adequate money in the budget. It's more of a question of is it prudent and justified to keep them on at full time when we don't have full time work for them.

Councilor Kight asked can Dick Bohlmann give us some insight on what caused the two cities to pull out of the contract?

Dick Bohlmann replied a major issue was that we can't ignore the Building Code. In Wood Village there were a couple of major problems. The Fire Marshal called me out to a project at LBL Windows where they had built about a 5,000 to 6,000 square foot improvement without any permits, no plans, and there was a janitor doing their electrical work. I put a stop work on it. That made their Mayor quite angry. Eventually they got plans in and commenced work. There was another issue with the Baptist Church where the Fire Marshal deemed if they added on to it that they'd have to have a sprinkler system, which is correct. They felt we should look the other way on that one which is a life safety issue. The third issue was a home occupation that turned into a landscaping company with about 25 to 30 employees. The Fire Marshal alerted me on that one and I told them that they'd have to submit plans and get permits in order to get it up to snuff so they could have those people there. In Fairview the problems were Townsend Farms issues. Multiple projects had been done there without any plans, permits, or inspections. There were several occasions where Fairview wanted us to look the other way or ignore the specific codes.

Councilor Kight asked why would they want you to do that?

Dick Bohlmann replied I think it was probably because of a political connection or something of that nature. That was a major problem there and they also wanted more control.

Councilor Kight stated on page 2 of the Collins Report under Section 2, Compliance with State Law, it essentially identifies that the revenues taken in by the contracts with Wood Village and Fairview has to be set aside in a dedicated account. There seems to be some discussion on a legal aspect as to whether or not those monies can go into the General Fund. Could you respond to that?

Rich Faith replied that legal opinion and practice pre-dates our current City Administrator and goes back to Erik Kvarsten. It was at a time that we were pretty desperate for money in the General Fund. The legal opinion that we received at that time said we were entirely justified in taking the contract revenues from Fairview and Wood Village and using them to

offset expenditures or programs in the General Fund. We've been doing that for probably 10 years. Ms. Collins disagreed that we should be doing that but we stand by the legal opinion that we have.

Councilor Kight asked do you concur with that Mr. Ross?

David Ross, City Attorney, replied I can defend that opinion.

Rich Faith stated we aren't starving the Building Program. The fact of the matter is that we have a reserve for the Building Program granted it could be much more if we had taken the funds from Fairview and Wood Village and put it in that. It isn't as if we had no operating money. There was always a reserve.

Councilor Kight asked hasn't that led to the problem of not having proper staffing and is one of the issues that the two cities have talked about?

Rich Faith replied it's true that money in that account could have been used to hire additional staff. Perhaps it was poor judgment that we didn't staff with more but I guess the significance of the problem maybe was not readily apparent. It certainly comes through loud and clear with what the consultant had to say. Through that time I did not realize that we were short changing the Building Program to the point where they couldn't effectively operate.

Councilor Kight asked do you feel that if a majority of the changes that you've implemented had been in place, we'd still have contracts with Wood Village and Fairview?

Rich Faith replied I'll go out on a limb and say probably not.

Councilor Kight asked do you think their decision is financially driven? They want to capture the revenue from the Building Program?

Rich Faith replied I can't believe that'd be the case because I don't think they're going to get a better deal anywhere else. They're not going to be able to retain any more of those revenues than they have been. If they go out to a private firm they may even retain less. I think it's more about personalities and wanting more direct control. You'll recognize a recommendation that permits should all be issued from one community. Wood Village was willing to experiment with a pilot period where we issued the permits on their behalf. It resulted in a dramatic reduction in some of the problems that we were encountering because we were involved from the very beginning. We thought we would experience the same positive results if we were to issue the permits on behalf of Fairview. I don't think they took lightly to that notion and didn't agree with that recommendation. It was a reaction that they really didn't want to loose control and maybe felt things were headed in that direction.

Councilor Kight stated some other issues in the report are the external customer contact with employees and internal moral issues. Could you tell us how you're going to try and correct that problem?

Rich Faith replied as much as I'd like to say we're working on that, recent events have probably worked in the opposite. Moral is probably about as poor as it's been right now with the reduction in hours. Not to say that we've turned our back at trying to address it.

Councilor Kight asked is there any danger in loosing those employees by going to half and three quarter time?

Rich Faith replied certainly there's that risk. If they're unhappy with that change and need or want full time employment then obviously they'll look elsewhere.

Councilor Kight stated I've experienced building in Gresham, Portland and Troutdale. I would far rather deal with Troutdale. Even though I sit on the Council, I'm treated no differently than anybody else that walks in. The level of service here compared to the City of Portland is day and night. I've heard that comment from other builders.

Councilor Thomas asked in regards to the fees collected for building inspections, isn't that supposed to be a cost recovery system or is it actually a revenue generator?

Rich Faith replied the intent of the fee structure is that it's supposed to be a self sustaining fee structure. The money that's collected from permit fees is supposed to offset the cost to sustain the program.

Councilor Thomas asked are we at that point?

Rich Faith replied to the extent that we have money in our reserves, yes.

Paul Hughes stated we currently have a reserve of 6 months which is \$325,000. That's not a lot. That was generated due to the past 2 or 3 good years.

Councilor Thomas stated a concern to me was if you are cutting full time people, why do we still have a half time person. That's just a statement.

David Ross stated Council by Ordinance has delegated personnel decisions to the City Administrator.

Councilor Canfield asked going forward what kind of formal procedures are you going to have in place to do annual reviews of the Building Division operations so we don't have to hire a consultant? It was the consultant's recommendation to internally evaluate the divisions operations annually.

Rich Faith replied I actually considered asking the consultant to come back in a year and see how we've done. Have a neutral party take another objective look at what's happened in the last year.

Councilor Canfield asked you don't feel that staff could make an objective analysis of their

operations?

Rich Faith replied I think if we establish benchmarks, we could measure against them. We haven't gotten there yet but it's certainly something we could do.

Councilor Kight asked is there anything that the City Council can do to make your job better?

Rich Faith replied just be understanding that this has been a very difficult year for us. We've worked extremely hard to try to uncover the problems that were raised by our contracting communities. We've worked extremely hard to try and come to terms with that. It seemed like every avenue we've pursued didn't get us anywhere. This whole Collins Report was initiated in an effort to try and identify areas of improvement so we could salvage our relationship and contracts with the two neighboring communities. It feels as if it's become a platform for inquisition at times. One can never tell how these will play out but what was intended to be something very positive to work from, at times is turning against us. I just want you to understand that we have really tried to improve on the problems that we're having and be able to provide better service to our contracting cities as well as our own citizens.

Councilor Kight asked do you think as time goes along that we've left the door open in case they want to come back, they won't have to do it with hat in hand?

Rich Faith replied that was a concern that they expressed throughout our meetings. They were concerned what this would do with our overall relationship in other areas. Also a acknowledgment on their part that they may find this is a bad decision and in a few years may decide that they had a good deal contracting with us and try to get back together. I think the split was done with an understanding that the future could bring us back together again and they'd hope that we'd be willing to do so. I would say that we were less amicable about it than they were.

Councilor Thomas stated each city has the right to do what they think is best for them. I wouldn't necessarily take it as a slap in the face towards us. The Collins Report pointed out a lot of issues but it's also a good tool for moving forward. Down the road if someone else wants to use our services, we still need to have our systems in place to handle that.

Councilor Daoust stated in the Report there were a whole bunch of recommendations on operations and procedural types of things. If we're letting go of half the time of the Building Inspectors, who is going to do all this stuff?

Rich Faith replied the expectation is that Dick as the Building Official with support from the support staff will do so. It will principally fall on his shoulders.

Dick Bohlmann replied the things that you've mentioned I've been working on. At this time I'm assembling a procedural manual that will incorporate the outreach and help to the community as far as if someone wants to build a shed and assembling some simple plans

for that. It will also contain the procedures that we should stick to throughout the process.

4. Adjourn

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

Meeting adjourned at 9:06pm.

Paul Thalhofer, Mayor

Approved March 25, 2008

ATTEST:

Sarah Skroch, Deputy City Recorder