

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

Tuesday, December 9, 2008

1. PLEDGE OF ALLEGIANCE, ROLL CALL, AGENDA UPDATE

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

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

ABSENT: None.

STAFF: Dave Nelson, City Administrator; Rich Faith, Community Development Director; Jim Galloway, Public Works Director; Debbie Stickney, City Recorder; and David Ross, City Attorney.

GUESTS: See Attached.

Mayor Thalhofer stated if there is no objection from the Council, I would like to move Agenda Item #5 up on the agenda and hear it before Item #3.

Council voiced no objection.

Mayor Thalhofer asked are there any agenda updates?

Dave Nelson, City Administrator, stated we would like to pull Agenda Item #3.8 from the Consent Agenda to first discuss it in Executive Session.

2. STATE OF THE CITY MESSAGE

This item has been postponed until December 16, 2008.

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

Will Becker stated I live up the hill from City Hall and the folks that have been working on the attic in City Hall have not been cleaning up their debris. I have spoken to the folks in City Hall but when nothing was getting done I had to clean up the debris myself.

Mayor Thalhofer asked Mr. Becker to contact Dave Nelson to resolve this issue.

3. CONSENT AGENDA:

- 3.1 ACCEPT MINUTES:** October 14, 2008 Regular Meeting and October 28, 2008 Regular Meeting.
- 3.2 RESOLUTION:** A resolution accepting the November 4, 2008 General Election results from the Director of Elections, Multnomah County, Oregon.
- 3.3 RESOLUTION:** A resolution approving Amendment No. 1 to Intergovernmental Agreement No. 4600006913 with Multnomah County for an urban drainage study in the vicinity of Troutdale Road.
- 3.4 RESOLUTION:** A resolution dedicating a City parcel as public right-of-way for road purposes in SW 18th Way.
- 3.5 RESOLUTION:** A resolution amending the Fees and Charges Schedule to include Attachments F-1 and F-2 relating to building rental fees.
- 3.6 RESOLUTION:** A resolution approving the Amended Employee Handbook and rescinding Resolution No. 1873.
- 3.7 RESOLUTION:** A resolution prohibiting the use of alcohol at the Sam Cox Building and rescinding Resolution No. 1787.
- ~~**3.8 RESOLUTION:** A resolution authorizing the City Administrator to enter into a sale agreement for the purchase of certain real property located at 436 E. Historic Columbia River Highway.~~
- 3.9 RESOLUTION:** A resolution approving the Settlement Agreement between Ronald H. Johnston and the City of Troutdale.
- 3.10 RESOLUTION:** A resolution accepting two temporary construction easements for the SE Harlow Avenue Retaining Wall Relocation project.

MOTION: Councilor Canfield moved to adopt the Consent Agenda (Items 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7, 3.9 and 3.10). Seconded by Councilor Kight.

Motion Passed Unanimously.

- 4. APPOINTMENTS:** A motion accepting the Selection Committee's recommendation for appointments to the Parks Advisory Committee, Citizens Advisory Committee, Budget Committee, Planning Commission and Public Safety Advisory Committee.

MOTION: Councilor Thomas moved to appoint to the Parks Advisory Committee – Pat Smith, Jerry Hughes, Donna Kurilo; to the Citizens Advisory Committee – Ida Wells, Les Perry, Carl Tebbens, Patricia Aynes; to the Budget Committee Jon Lowell, Robert Canfield, Todd Pilcher and Jay Anderson as alternate; to the Planning Commission – Daniel Haskins, Frank Grande and James Aynes as alternate; to the Public Safety Advisory Committee – Jason Gates and Tina Tebbens as alternate. Seconded by Councilor Daoust.

VOTE: Councilor Canfield – Yes; Councilor Kyle – Yes; Councilor Daoust – Yes; Councilor Kight – Yes; Councilor Ripma – Yes; Councilor Thomas – Yes; Mayor Thalhofer – Yes.

Motion Passed 7 – 0.

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

This item was moved up on the Agenda and was heard prior to Agenda Item #3.

6. PRESENTATION: AMR's Annual River Safety Program Report.

Randy Lauer of American Medical Response showed the Council a PowerPoint Presentation (copy included in the packet). The presentation includes information and statistics for the 2008 program.

Randy Laure stated the success of this program is based more on prevention than on actual assists or rescues. Last year we loaned out 1,318 life jackets. We counsel people for at-risk behaviors and public education. In 2008 there were 28,840 visitors at Glenn Otto Park (down from 30,560 in 2007), we only requested police assistance once, we had two ambulance requests, ten minor medical issues, two rescues and sixty-three assists.

Councilor Canfield congratulated AMR on another year of a job well done with no lives lost.

Councilor Kyle stated I really appreciate this program; I rest easy because I live next to the park and it really bothered me to hear the ambulances there.

Councilor Daoust stated I am so proud of this program. Is there anything that you need from the City?

Randy Lauer stated there is always funding; we are funded primarily by ambulance user fees. We are committed to this program. We invest a lot of money into things that prevent loss of life in a lot of different ways and I think this is one of the most successful investments.

Councilor Daoust stated yes; AMR has basically taken this on. If you need anything from any of the partners you need to feel free to bring it up.

Randy Lauer replied the thing that is most important to us is the partnership and the ongoing cooperation.

Councilor Kight stated we really appreciate the commitment that AMR has made.

Councilor Ripma stated I echo everything that has been said.

Councilor Thomas stated ten years is amazing. I remember when Councilor Daoust and the Mayor adamantly pushed for this program. I think it is fantastic that the Mayor and Councilor Daoust were so adamant in pushing this forward and quite possibly have saved twenty lives. I want to give a special thanks to AMR for stepping forward and running this program.

Mayor Thalhofer stated this has been an outstanding program. There is no better work in life than to save the lives of other people. That is what AMR is doing on a regular basis here in the summer.

7. UPDATE: An update on the Troutdale Centennial Monument project.

Dave Nelson, City Administrator, stated there was a MOU between the City and the Troutdale Historical Society (THS) that was signed in 2006. Initially the City was asked to contribute \$45,000. At your place this evening we have provided you with an updated THS Centennial Monument Report and you will see that on July 27, 2006 the City contributed \$10,000 and on March 12, 2008 the additional \$35,000 was submitted to the THS. Bremik Construction prepared an estimate dated November 27, 2006 (Exhibit C) showing that the project was going to cost \$211,180. On October 28, 2008 Bremik provided an updated estimate of \$236,583 for the project. As of November 21, 2008 the money that has been raised by the THS is \$79,726. There are some additional monies that are not accounted for in that \$79,726; there is \$15,000 from FedEx that has been pledged that they have not received yet. In addition, in Exhibit B, you will see that there are two additional cash donations; \$15,000 from Bremik and \$5,000 from Columbia Wire and Iron Works. Those contributions can be expected if these two companies are involved in the construction of the project. Essentially if you included those two amounts (\$20,000) the City would be required to come up with approximately \$122,000 to complete the arch based off of the Bremik Construction estimate.

Dave Nelson reviewed the options outlined in the staff report (included in the packet).

Councilor Canfield asked what would be the consequences to the City if this goes out as a sole source contract? Are there any financial consequences?

David Ross, City Attorney, replied that may be putting the cart before the horse. The state statute requires that we go through a certain process to exempt a project from public bidding and there has to be certain findings made. We are not yet at the point where that would come into play. Some decisions have to be made before that.

Councilor Canfield asked if the City agrees to donate the extra funds needed to complete this project, does that in essence make it a City project for prevailing wage purposes?

David Ross replied if it is a publically funded project that is a City project, we would be required to pay prevailing wages, yes.

Councilor Canfield stated in the staff report bullet point #5 regarding easements from the private property owners states that one of the private property owners is requiring indemnification from the City rather than the THS. Can you elaborate on that?

David Ross replied the property owner wants an indemnification during the construction phase. As I understand it, based on the original MOU the City was not going to be involved in the construction phase. Because of the practical realities of the situation, that may be evolving. There are a number of legal ramifications, and the right-of-way permit with the County is another one where the facts on the ground are now different from what was conceptualized back when the MOU was entered into. Nonetheless, there is a property owner who insists on, as a condition to granting the easement, being indemnified to the extent that the City is able under the tort claims act under the appropriate provisions of the Oregon Constitution during the construction phase, which was not originally contemplated.

Councilor Canfield asked is that indemnification something that the City will probably be able to provide to this property owner?

David Ross replied that is a question that I can't answer yet. It depends what transpires. If it is a City project, as in a typical City project, we would require the contractor to provide insurance to cover any indemnification that we would be responsible for.

Councilor Canfield asked and if it were not a City project?

David Ross replied then the City is not able to lend its credit in the form of an indemnification to a private party or a private citizen.

Councilor Kyle asked how much more can the City pay before it becomes a City Project? Lets say we don't pay the entire amount needed now, up to what point can we pay without it being considered a City project?

David Ross replied it is not the dollar amount alone.

Councilor Daoust asked the total cost of the project is now \$236,000?

Dave Nelson replied the most recent estimate was \$236,583 (exhibit B).

Councilor Daoust stated then you subtract from that what the THS has, which is about \$79,000. Are they going to donate all of that?

Dave Nelson replied that is my assumption. That is money that they have received as donations towards the arch; that does not include the \$15,000 pledged by FedEx.

Councilor Daoust stated so if you take \$80,000 (approximate figure) away from \$236,583 that leaves \$156,583, less the \$15,000 from FedEx, which leaves us at the \$141,583.

Dave Nelson stated depending on who does the construction, there may be additional cash donations. The \$141,583 is based on the current estimate and would be the high amount.

Councilor Daoust stated on Exhibit B from Bremik they list on the bottom of the page some cash plus in-kind donations. Why wouldn't we count everything, even the in-kind donations, to subtract from the total costs?

Dave Nelson replied I believe that the in-kind donations have already been subtracted from the original estimate. Those will be labor or materials that they will be donating and they have already reduced the price.

Councilor Daoust stated so the in-kind donations have already been subtracted from above in calculating the total cost?

Dave Nelson replied yes.

Councilor Daoust asked what will it take for Bremik and Columbia Wire to make those cash donations?

Dave Nelson replied depending on how the transaction is structured will determine whether or not they will make those donations. If they are not going to do the work, I would imagine that they will not make the donations, but I guess that is a question to ask them.

Councilor Kight asked what was the reason given for the increase in price from \$90,000 up to \$236,000?

Dave Nelson replied I don't exactly know where the \$90,000 came from. That was the number that was presented early on. Councilor Thomas may be able to speak to where that figure came from. I believe it was due to the increase in the price of the steel.

Councilor Thomas stated the original \$90,000 estimate was generated from a thumbnail sketch and based on the best guess at the time. Since then they have looked at the plans and discovered that it is bigger than they originally thought so it needed to be wider than the original plans. Also the type of construction, framing, had to be a lot heavier than they originally designed. Those are the major differences.

Councilor Kight stated I see that there is a comment that the price of steel has gone up. I went on the internet and the price of steel has plummeted from \$1,000/ton to \$360/ton. I don't know if that will affect the final bid. With prevailing wages, if we were to take over the project, then the price of this project could go up rather dramatically, almost double.

David Ross stated the information that I have been given is that the estimate that has been provided anticipates prevailing wages being paid to those folks being paid for this project.

Dave Nelson replied that is my understanding as well.

Councilor Ripma stated I don't have any questions; I have been involved with this project from the beginning. There are some folks here this evening who can answer some of these excellent questions that are being asked.

Councilor Thomas stated I don't have any questions either; I was involved with the beginning of this project.

Councilor Kight stated I noticed as part of the MOU the reporting agency, the THS, was to provide a monthly report. Twenty-seven months have gone by and they have only provided three reports, is there some reason for that?

Dave Nelson replied being new to this project, I don't know the answer to that. I don't know if anyone has asked for the reports; I don't know if they were prepared and just not submitted. When I asked for this report it was given to me quickly.

Councilor Ripma stated as a board member of the THS, we did not provide all of the reports promised. There were many months of very little activity. We have tried to keep the council informed of the major developments.

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

Mike Greenslade, Bremik Construction, stated with me is Dave Riedel who will be the project manager and Mike McCulloch who is the talented architect that actually designed the arch. Most of you know Rip Caswell. I don't know if you have seen that Rip is donating \$40,000 as an in-kind donation for the fish that will end up on the arch. I heard a lot of questions and I think I can answer most of them. One of them is the price escalation. I am not sure exactly where the \$90,000 figure came from but apparently there was a \$90,000 number that landed out there at one point and time. Approximately two years ago Brent and I sat down when we had a little more information after talking with Mike McCulloch and we put together a budget and I think it was about \$211,000 at that time. Councilor Kight hit on it, steel prices have escalated. What that incremental jump is from two years ago, I am not sure. It is true, it looks like steel is trending down. If we are the contractors that build this project, that will be recognized in the end and given back to the City. The other thing that we did find out through the engineering and development of the contract documents for the construction plans is as you know we have strong east winds out here and we also had to add for ice loading on the structure itself. Bremik thinks that this is a very important project for the City of Troutdale and the citizens and we would love to be a part of it. We are not involved in this to make any profit at all. We would enter into a guaranteed maximum contract which would not go higher than the price that is on this sheet and 100% of the savings when the project is complete would be the City's money. You can see that we are carrying a \$9,000 contingency; hopefully we won't need to use that. Prevailing wage, I don't think we will have any issues. Everything in this estimate would cover prevailing wages.

Dave Riedel stated at the bottom of the proposal, not only is Bremik prepared to be the GMP contract, but the steel provider is as well. If you look at the line items in the upper part, that is the one biggest line item there at \$146,000. Not only is he committed to provide a cash donation, he is also going to do his contract on a cost not to exceed. All of those savings will come back to the city as well.

Councilor Ripma asked so if steel goes down the actual amount invoiced will be less.

Mike Greenslade replied yes.

Mike McCullich stated in addition to what Mike said, this is a really serious piece of construction. It expands 65' and has to withstand 100mph winds both ways. I was asked to design something that looked as though it could have been built 100 years ago and that will look good 100 years from now. So we have used the finest materials and finishes and tried to match the level of quality that the Gorge Highway was constructed with. We believe that we have got the most efficient use of steel here to make something that the town will be proud of well after we are all gone. I think the whole process has been characterized by a tremendous amount of cooperation by the land owners on both ends, the City, and all of the contractors involved. It has been an extraordinary community effort.

Rip Caswell stated this project is really an icon for the city in how this community works together. Not only does it tie the north side to the south side in a unifying effect, but it ties history to the future. It also ties us all together, from the city partnership to the public to the businesses in this community. It is a grassroots thing and I know that many of you have been an advocate for this, especially Mayor Thalsofer. This would be a lasting legacy to all the work that you have done for this city. Councilor Thomas picked up the ball and ran with it for quite awhile and then Councilor Ripma came through and picked it up. So many people, Max Maydew got involved. People had faith in this and from that initial inspiration at the meeting with all of the businesses in town that said we need signage because people drive right past our town and don't even know we are here, and I suggested creating an arch. We created a thumb nail sketch and all of the businesses were excited about the possibilities. This wonderful architect took that sketch and turned it into an amazing piece of art. I am really proud of what all of us as a whole have done for this project. The Historical Society, the amount of money that has been raised is really phenomenal given where we are at. I know it is not enough but I am really hoping that the city can see a way to make this happen. When Mike put together the meeting with contractors it was amazing to see these contractors saying that they would donate this and do that; it was surprising to me how generous they were.

Councilor Kight asked if there has been a 65% reduction in the price of steel, do you think maybe we are getting ahead of the process and we can wait and see if that price continues to come down and we have an actual real number to deal with?

Mike Greenslade replied I don't think so because the steel market is like the concrete market. Those two, more so than the raw material, have held steadfast to rise. We deal with this all the time. Last summer we were buying steel six to eight months ahead of time to make sure that number one we could get it and get it on time and also to lock in a price. We watch it on a weekly basis because we are affected by it greatly. I think because of the supply that happens to be in the country right now, we are in pretty good shape. If you start looking at the second and third quarter, if there is any kind of bump in the economy headed the other way steel will probably be the fastest to climb back up. If steel is \$10/pound less than it is today we will enjoy that reduction in the overall cost.

Councilor Kight asked the \$146,350 which you pointed out is one of the largest costs of this project; does that reflect the current price of steel?

Mike Greenslade replied it reflects a price back in October when we put this together and at that time steel was still trending up.

Councilor Kight stated the point of my question is that we are looking at the taxpayers paying for this project to the tune of \$141,000. How close can we come to lowering that price if the price of steel has gone down 65%?

Mike Greenslade stated the price of steel was based on the October prices. If it is lower today, which it is, it will be reflected in that price. Basically it is time and material with zero profit. You will only be charged for the cost of the labor and materials with zero profit. I can tell you that we will not go over this estimate and I am confident that we will actually be under it.

Councilor Ripma stated the \$146,350 includes the fabrication of the structure; it is not just the cost of raw steel.

Mike Greenslade stated that is a good point; it does include the cost of the materials, the labor to build it, the cranes to set it and also the powder coating finish.

Councilor Ripma stated one of the major accomplishments that we have had to date is the completion of all of the architectural drawings. They have been submitted to the City and the County. The drawings are here tonight if anyone on the Council wants to see them.

Mike Greenslade stated there was a question about the indemnification with one of the property owners. Our insurance is in place during the construction and if there is a problem that is where it lands. I would think we could work through that with the owners of the property; they are fully protected.

Terry Huston, Troutdale Historical Society Executive Director, stated we took jars up to Sweetbriar Elementary School and Troutdale Elementary Schools for a penny drive. We were in hopes that between the two schools in a months time that we would get \$1,000 so that we could put the schools together on the Arch. In two weeks Troutdale had raised \$1,440 and Sweetbriar had raised over \$1,000. I think we need to recognize the effort that the kids have put into this as well. Looking at the picture of the 100 Year Celebration and seeing the amount of people that showed up on a cold October day, I just want to make sure that the kids are not disappointed, as well as the other major contributors that are donating their time and effort. We hope that the City will consider making sure that this happens.

Councilor Canfield stated I am curious about the THS endeavors to do fund raising. Can you describe what you have done in 2008 to get funds solicited for this project?

Terry Huston replied we have sent more letters out to corporations/businesses. FedEx has stepped up this year. We are still working on it. The posters that the City has for sell along with the other 100 Year Celebration merchandise is still trickling in. We are still getting small donations. People are excited about this and they are always asking when the arch is going up.

Councilor Canfield asked about how many letters did you send out this go-around?

Terry Huston replied over 100.

Councilor Canfield asked is there someone responsible for follow-up phone calls?

Terry Huston replied we have been doing that as well. The last phone call session was in October. A lot of people have said that they do their budgets in January for the year and they would look at this in January. I am just afraid that with the way the economy is they will possibly change their mind. In January we will be revisiting with those that gave us positive feedback.

Councilor Canfield asked based on the folks that have said come back again in January, do you have a ballpark amount of how much you would anticipate receiving?

Terry Huston replied they are smaller amounts, there are no major contributors. We are looking at \$500 being the largest amount from anyone who has indicated that they might donate some more money.

Councilor Canfield asked do you believe that the THS could raise the balance of the money needed to construct this arch in the next twelve months?

Terry Huston replied no.

Councilor Daoust asked does the THS want to manage the contract for the construction or does the THS want to turn this over to the City?

Terry Huston replied we would like to turn it over to the City. I am sure there are some legalities as far as money raised by the private sector being donated to the City; I am not sure how that will all play out. We definitely would request that the City take it over and get it finished.

Councilor Kight stated so the THS's role is now shifting from being in charge of this project to turning it over to the City. What role then would the THS play from here on out?

Terry Huston replied we would still continue to fundraise and any money we raise would be turned over to the City for the arch.

Councilor Ripma stated the THS is also handling the time capsule that is going to be built into the arch that will be opened in 100 years. There will be a plaque on the arch of the larger

donors (Smelt \$1,000, Trout - \$10,000, Salmon - \$25,000 and over). THS is keeping track of everybody who donates and those under \$1,000 will be included in the list that will go in the time capsule. This year we did receive some large donations – Alcoa gave us \$25,000; Port of Portland gave us \$25,000 FedEx gave \$15,000. The City of Troutdale, Bremik and Rip Caswell will also have their names on the plaque.

Mayor Thalhoffer read Sharon Nesbit's letter into the record (copy of the letter is included in the packet).

MOTION: Councilor Thomas moved that we make the additional financial contribution to complete the Arch in the amount of \$141,857. Seconded by Councilor Ripma.

Councilor Daoust asked for clarification. Are you recommending that we do a sole source contract and that we terminate the MOU with the THS and that the City take over the management of the project?

David Ross stated we are not there yet.

Councilor Thomas stated I guess if I were to add to the motion it would be to direct staff to take the steps necessary to get it done.

Councilor Daoust stated if we sole source it the amount needed will only be \$122,000.

David Ross stated that may not be correct.

Councilor Daoust asked I am just wondering how much direction you want from Council tonight.

David Ross stated if the Council decides to fund the project and it becomes a City project, then we will take the necessary steps pursuant to ORS Chapter 279 to apply for an exemption from the public bidding process.

Councilor Ripma stated the motion that was made is the direction that the city staff needs tonight. They will carry it from there. What they are looking for is the city's commitment up to \$141,857. That is the direction needed and not get into the sole source bidding. They will carry it forward to see that it happens.

Mayor Thalhoffer asked at some point don't we say whether the city is going to take this project over or not?

Councilor Thomas stated staff needs to come back with a recommendation.

Mayor Thalhoffer stated no, the City Council can say what they want to do.

Councilor Canfield asked isn't this motion just strictly for a dollar amount? Lets just take care of the dollar amount now.

Councilor Ripma stated that will make it happen.

Mayor Thalsofer asked who is going to be in charge of it?

Councilor Ripma stated frankly the THS never knew how to build an arch. This commitment is what is needed to finish the arch. Staff is reluctant to have us weigh in on anything else at this point. This will make it happen.

Councilor Daoust stated so the MOU is still in place and the THS is in charge of contracting with the contractor. We have it all in front of us right now, the direction could be clear.

David Ross stated the direction could be, if you are going to make the monetary contribution that it become a city project and that the city take over the construction. I think at this point to start directing that we attempt to sole source it may be a little premature.

MOTION WITHDRAWN: Councilor Thomas withdrew his motion.

MOTION: Councilor Thomas moved that the City fund the additional amount up to \$141,857 to complete the construction of the monument and also that the City take over the construction of the project. Seconded by Councilor Ripma.

Councilor Thomas stated this is something that has been near and dear to my heart the last three years. I was at the downtown business meeting when this first came up. Out of that meeting came a sketch of an arch. It was something that we all fell in love with. I had an opportunity to talk with Rip Caswell and work a little bit with the city staff on how we could possibly get this done and what kind of issues we might run into with the County. Bremik Construction stepped in and gave me some rough numbers to go off of. My hope when I originally came to the city was for the city to come up with half of the cost. Now we have more details about the project and the estimate has become more accurate. This arch will enhance the City and will be around for at least the next 100 years, hopefully longer. It was always intended that the City would own it when it was completed and it would be maintained by the City. Granted we will be picking up a little more of the cost than what we had originally thought, but 2/3 is not that much different when you think about what the value is to the City. I get a lot of questions about when the arch will be done so a lot of people are excited about it. I think this is money well-spent.

Councilor Ripma stated I completely concur with Councilor Thomas. The arch has been a project of the City and of the community. Rip Caswell stated it very well. If you take a look at the picture of the Centennial celebration, that was a wonderful party.

The city worked long and hard on that; there was a lot of community good-feeling that came out of it. You will notice the balloon arch; the THS originally thought we would have the arch done by the Centennial celebration. Well, at least I for one have learned a lot about how long things take. What we are ending up with is a work of art; a beautiful monument. It will be a sound investment that is going to enhance the downtown and become the icon of the City. I hope that the Council will support this.

Councilor Canfield stated I am in support of the arch being constructed. Having said that, we have to go back a couple of years when this was first presented to the City Council by the THS and that the City would provide seed money to get things going for the design and also to prime the pump for fund raising. I was very hesitant about providing the \$45,000 two years ago. However, the representatives of the THS were here and after their presentation I had full-faith in their ability to complete their side of the deal and raise the money for this. That was the only reason I voted in favor of giving the \$45,000 in matching funds. Now we are talking about giving \$141,857 for this project. That concerns me because we are in uncertain financial times with the City. You read the newspapers and PERS is in the state of deficiency, unfunded liability. I am sure that the health insurance costs will go up again. Our building permit revenues I am sure will be going down. The City is going to be in a world of hurt and I could imagine we could be short by \$400,000 to \$500,000 maybe even \$1 million, we don't know yet. If we approve this what am I going to tell a city employee who we might have to lay off because there is no money available but we have already committed \$141,000. What am I going to tell the City's police department, that we don't have enough money to fund some necessary things; or the public work department who needs to replace a pump for a water station. With all of the financial uncertainties, I really don't see what the rush is to get this project done. I still have confidence that the additional funds can be raised privately without getting the City involved. With the uncertainty of the City's budget, I just can't see committing this amount of money at this time. I am confident that the arch will eventually be built, but I don't see the rush. I certainly don't see that it would be appropriate to spend this kind of money, even as much as I would like to build this arch, given the City's financial condition. I just can't support this.

Councilor Kyle stated to me this piece of art will put Troutdale on the map. I believe that it will bring in additional revenue. It will be a source of tremendous pride to our community. It will also act as a beacon of hope for our downtown merchants. Who knows how long the price of steel will be down. I am not sure that there is a good time to invest in our community but this feels like a good time to me. I think in the future our Troutdale City Council will look back at this arch and be proud that we were the ones that said yes go forward with this. I am supporting the motion.

Councilor Daoust stated so am I. When we were building Imagination Station we raised about \$125,000 in cash. That is about the same amount that the THS has raised for this. After awhile you start wearing out your welcome in asking for cash. Over time I think it would be really hard for the THS to continue to fund raise and raise the rest of the money for this project. I really think it would be difficult based on my

experience with Imagination Station. I think the City should step up. I also have some thoughts about buying local and staying local. Personally, if I had a contractor in front of me that said they are not going to take any profit, they will pay prevailing wages, the cost of the project will be based on the actual steel cost and they are guaranteeing a maximum cost and any savings they have would be refunded to the City and on top of that they are going to donate \$20,000 in cash between two contractors; if I had somebody in front of me like that that was giving me those items as compared to a contractor from Miami, Florida, I would shop local.

Councilor Kight stated I want to compliment my friend Rip Caswell who is making a large donation to the City for the arch and to Bremik Construction stepping forward as the local contractor. There is no doubt that the efficacy of this project would put this City on the map. Having said that, there are some fiscal issues that we are faced with. Our construction, if you take out FedEx, has gone flat. That is our bread and butter for the City other than property tax. I personally would feel much more comfortable looking at this project money wise once we have looked at the budget in early spring and if there is revenue for that then I think I would feel more comfortable funding the arch in its entirety as opposed to perhaps laying off personnel whether it be police officers or others within the City. The choice would be much easier if we knew what our revenue was going to be. There is a lot of uncertainty at this time. Until construction picks up, at least at this point and time I don't feel comfortable funding it.

Councilor Thomas stated I personally want to thank Rip Caswell for working with me in the process of getting this off the ground.

Mayor Thalhoffer stated I am going to support this motion. I feel very strongly about this. The money is in the budget under the Discovery Block, which was a failed attempt to locate the library downtown, which was the first choice of the Library Siting Committee. We have \$212,000 which was budgeted and we can take the money from that. I have been through about five or six recessions since I have been in the City of Troutdale. They come and they go and some are deeper than others but they don't last forever. This city will bounce back. The building has already started with FedEx. There are other parties interested in the Alcoa site and there will be more activity out there. The time is now to build this; this will put Troutdale on the map and it is going to make people in Troutdale even more proud of their city to have that beacon of hope, promise, and welcoming to Troutdale spanning the East Historic Columbia River Highway. The attention that they have given to the detail of building this has impressed me. Mike Greenslade with Bremik and Rip Caswell have always stepped up to contribute to Troutdale to anything that makes Troutdale better and that is what we should all be doing and I think for the most part we all try to put Troutdale first. What is good for the people, not what is good for us but what is good for this city and what is good for the people and the neighborhoods. Will our people be proud to live here in Troutdale and this I think will make them very proud to live here in Troutdale. I want to thank the THS for taking this on and the fundraising drive which often times if they go on for very long, they will kind of stagnate. Now, as Sharon Nesbit said, the arch was a promise we made to Troutdale. We made that promise. All of us who participated in

the Centennial Celebration made that promise to Troutdale. Now it is up to us to get it built.

VOTE: Councilor Canfield – Yes; Councilor Kyle – Yes; Councilor Daoust – Yes; Councilor Kight – No; Councilor Ripma – Yes; Councilor Thomas – Yes; Mayor Thalhofer – Yes.

Motion Passed 6 – 1.

Mayor Thalhofer asked if staff could clarify how this was going to proceed.

Jim Galloway, Public Works Director, stated I believe one of the concerns that Mr. Ross has and I certainly have, and I think what he was trying to caution you about is there has been quite a bit of discussion as to who is going to do the work. As Mr. Ross indicated, if this is a public improvement, and you have now determined that it will be publically funded, there are certain portions of the Oregon Statutes that have to be followed. One of those is competitively bid the project unless you take action to exempt it from competitive bid. Going through that process requires you to evaluate a number of criteria to reach certain conclusions. You have to hold a public hearing, give public notice and a variety of other steps. I believe that Mr. Ross was trying to caution you about not pre-judging that decision that likely will come before you at a future meeting. The other option as far as construction goes is to put it to bid competitively and let any firm interested bid.

Councilor Daoust asked but tonight you didn't get that direction?

Jim Galloway replied we didn't because none of the preliminary steps have been taken. There is a requirement to advertise in a statewide paper fourteen days prior to the decision. There is a requirement to post those written findings at that same time. There is a process designed to make sure that governments don't award projects to brothers-in-law or whatever all of the time.

Mayor Thalhofer asked so it appears that this can't be done before the end of December?

Jim Galloway replied to determine whether or not it is going to be sole-sourced or competitively bid, I think that still needs some analysis.

Councilor Thomas stated so you need direction to do the analysis.

Jim Galloway replied I don't think we need direction to do that; I think we will do that anyway.

David Nelson stated the Council has authorized the money to be spent to complete the project and to take it over as a city project. We will take the steps necessary to see if it would meet the requirements to sole source the project.

Jim Galloway stated a couple of other steps that need to be taken is that both Multnomah County and one of the property owners that we need an easement from have indicated that

they want the City to do an indemnification and name them as an additional insured on our insurance policy. I think there was some concern about whether we could legitimately do that if this remained a THS project. I think by the action that was just taken, and it now becoming a city project, I think it helps to allow the city to take that action now. There is still an issue with the County issuing a permit to do work in and above their right-of-way. We think we have done almost all of the things required, so we are moving along, but there are still a number of steps that have to be taken.

Mayor Thalhofer asked can the new council reverse the decision that we have made tonight?

David Ross replied there is a procedure in the council rules to bring up a motion.

Mayor Thalhofer asked is the answer yes, that it could happen?

David Ross replied potentially.

Mayor Thalhofer asked what can we do before the end of this year with this existing council to ensure that the action we are taking tonight sticks?

David Ross replied if you are talking about an ORS 279 exemption to public bidding, I don't think that will be done before the end of the year. At this point I don't know what other process you are referring to.

Councilor Daoust stated we could earmark the funds in the budget; add a line item for the arch because right now we don't have that.

Dave Nelson replied that would require a resolution to amend the budget and I don't know if we could do that before the end of December. In the current budget we have \$212,000 for the Discovery Block that we could use for the arch.

Mayor Thalhofer called for a break at 8:55pm and reconvened at 9:05pm.

Mayor Thalhofer asked is there any further discussion on the arch?

No further discussion.

Mayor Thalhofer stated we are now going to recess the Regular meeting and convene into Executive Session. Immediately following the Executive Session the City Council will reconvene the Regular meeting. The Executive Session is being held under ORS 192.660(2)(e) – Real Property Transactions. Only representatives of the news media and designated staff are allowed to attend. Representatives of the news media and all other attendees are specifically directed not to disclose information that is the subject of the Executive Session. No final decision will be made in Executive Session.

Mayor Thalhofer recessed the Regular meeting at 9:07pm.

8. EXECUTIVE SESSION: An Executive Session held under ORS 192.660(2)(e) – Real Property Transactions.

MOTION: Councilor Ripma moved to adopt the resolution authorizing the City Administrator to enter into a sale agreement for the purchase of certain real property located at 436 E. Historic Columbia River Highway. Seconded by Councilor Daoust.

Councilor Ripma stated this is for the purchase of the property adjacent to City Hall. I think in the long run it should be added to the City Hall property. There is no question in my mind that it will be useful to the city to at least gain access to the sides of our building that are abutted by this property. It is available at a very good price and we won't get a better chance.

Councilor Daoust stated I have always thought throughout our discussion that it would add a value to the City Hall property if and when we needed to sell this property then we would have additional square footage of land to go with it. In my mind we don't lose anything. We will have to decide later whether to build a parking lot or not. But by purchasing the land we will not lose anything because that value will remain with this property.

Councilor Canfield stated I am going to vote against the motion. I see no compelling reason to purchase the property at this time.

Councilor Kyle stated I will support the motion. I think it is important for the future value of our City Hall property to add this land. At some point we may want to construct a parking lot. It adds value to our property.

Councilor Kight stated originally I was opposed to this not just because of the cost to purchase the property, but to take it to the next level for a parking lot. But because the property is contiguous and we do have a shortage of parking for this property, I think in the future when we go to market this property to lease or sale, I think that would help with that.

Councilor Thomas stated I think there are other better places to spend \$140,000 plus commit additional funds potentially for a parking lot.

Mayor Thalhoffer stated I support the motion. If we decide to level the house and build a parking lot that would be for city vehicles and that would free up the lot that we now use for city vehicles across the street and then that whole area could be more fully utilized for a commercial venture. In any event this purchase will add value to the City Hall property.

VOTE: Councilor Canfield – No; Councilor Kyle – Yes; Councilor Daoust – Yes; Councilor Kight – Yes; Councilor Ripma – Yes; Councilor Thomas – No; Mayor Thalhofer – Yes.

Motion Passed 5 – 2.

MOTION: Councilor Thomas moved that we do not purchase the extension of the right-of-way option for the additional two years and let our current right-of-way option with the Chelsea Corporation expire at the end of this year. Seconded by Councilor Daoust.

Councilor Thomas stated it is really a matter of economics in that spending the additional \$150,000 to maintain something that we are not sure will be used. What we are hearing through our Urban Renewal Agency is that it is not wise and prudent to continue to spend money on an option that we are not sure would ever get used depending upon how the property is sold. Once we have a developer in hand that knows how they want to develop it then we can relook at this at a later date.

Councilor Daoust stated I think at this point and time we should leave it to the developer to determine access points.

Councilor Canfield stated when we originally purchased this option for the right-of-way the economy was better and there was more optimism about finding a developer. In the process of recruiting a developer it came out that some developers might even be interested in developing the Outlet Mall property as well. Now the economy has gone in a different direction and the word from developers is that while there might be interest there is no financial means to develop this. Now I kind of regret voting for the original \$300,000 but you learn what interest developers have. In a perfect situation someone would come along and develop the entire property and there would be no need for this right-of-way which would save the city over \$2 million for the purchase price. It makes no sense to purchase another option for this. As Mr. Farkas pointed out, if there is a need for the right-of-way we can always condemn the property.

Councilor Kyle stated I am going to support this motion; it is fiscally prudent with our economy as it is. I agree that when the time comes we will follow the direction of the potential developer.

Councilor Kight stated I am also supporting the motion. It makes perfect sense; we don't have a developer. We have had two developers back out; the economy has changed dramatically and we had to respond accordingly. Once we have a developer and he chooses what entry point he is going to have, chances are he will negotiate it himself. I am hopeful that we can find a developer that will not only develop the 20 acres but also Chelsea. It would be throwing money away for this council to commit that for the entry point.

Councilor Ripma stated when we invested in the earlier option it seemed like it would be a plus to have a guaranteed right-of-way but it isn't proving to be a useful marketing tool. Times have changed. I certainly agree with saving the \$350,000 for an additional 2-year option that might well never be exercised. As several folks have said we have other ways of getting the right-of-way if we need it and we may never need it. I am in favor of the motion.

Mayor Thalhofer stated I am in favor of the motion as well. There will be other ways to gain access to that site. I think we are better off to not spend the money.

VOTE: Councilor Canfield – Yes; Councilor Kyle – Yes; Councilor Daoust – Yes; Councilor Kight – Yes; Councilor Ripma – Yes; Councilor Thomas – Yes; Mayor Thalhofer – Yes.

Motion Passed 7 – 0.

9. STAFF COMMUNICATIONS

None.

10. COUNCIL COMMUNICATIONS

Councilor Canfield stated I was reading the Hood River newspaper online and I read an article that the City Manager in Hood River would be starting a utility assistance program for folks living in Hood River. If people qualify they would receive a 40% rebate on the basic water rate and a 30% rebate on the sewer base rate. The reason they are doing this is as everybody knows the economy is in a bad place and a lot of people are not able to afford their utility bills. I thought maybe we should take a look at this and see if it is something that we would want to do. We would need to consider how much it would cost, is it actually needed, how many customers in Troutdale are actually in distress, etc. I would like for the Council to consider holding a work session to discuss this issue.

Mayor Thalhofer stated I would like to hear from Mr. Galloway.

Jim Galloway, Public Works Director stated I think a work session would be the appropriate forum to get the information together and help to formulate a plan if you want to develop one. As far as impact on the rates, any change or adjustment that you would make would need to be revenue neutral. If you are going to devise a plan that is going to reduce or eliminate a certain amount in utility rates paid by these customers than we are going to need to raise the rates to make up that amount, unless you are going to come up with the delta through something out of the general fund. Assuming that it was going to all be within the utility funds, my only caution would be that it would need to be revenue neutral.

Council consensus was to hold a work session to discuss this topic.

Councilor Kyle stated the Chamber Executive Director, Diane McKeel was recently elected to be our Multnomah County Commissioner and her last day with the Chamber is this Friday. Between 7-9am tomorrow folks can stop by and visit with Diane. Refreshments will be available.

Councilor Kight stated I noticed that the communities of Wood Village, Fairview, Gresham, Boring and Corbett all had some kind of a ceremony around a Christmas tree lighting and the exception was Troutdale. I am hoping in the future that we can focus and work with our Chamber and city staff in having bands and other activities around a tree lighting ceremony and be more in step with the other communities. We need it for the community and the downtown merchants.

Councilor Thomas stated we will be considering the Verizon franchise next week. At this point Gresham has passed a franchise directly with Verizon. Fairview has opted to be a resolution rider on the Gresham franchise. Wood Village is considering it tonight, so I don't know that result. My understanding is that they will be going the same direction as Fairview. We will be bringing forward three options for Troutdale to consider next week. One will be the original MHCRC recommendation, the second would be a Troutdale version of the Gresham franchise that they approved directly with Verizon and the third option, which Verizon seems to be pushing for would be a resolution where we would be a rider on the Gresham franchise.

Mayor Thalhoffer stated we had tree lighting ceremonies for many years Councilor Kight, I guess you just didn't get downtown to attend. They were always held the day after Thanksgiving and there was always the freezing east wind or cold rain and some of the robust people in Troutdale would bundle up and come. We had a brass band one year and their lips were freezing to their instruments because it was so cold. The Chamber of Commerce was sponsoring it. It is something that was thought of and done for many years.

Mayor Thalhoffer reminded everyone to consider the less fortunate this time of the year. Lets also remember our men and women of the armed forces throughout the world. I want to wish all of the people of Troutdale a Merry Christmas and a Happy New Year.

Councilor Daoust stated I attended the open house at the new Parks and Facilities building last week and I was impressed with our new facility and the new big shop that they have to work in. It is a well-lighted facility with security cameras and it is fenced, but they have really tried to be good neighbors to the neighborhood. In fact Clyde said they go the extra step by actually going around and picking up garbage in the neighborhood next to them just trying to be good neighbors.

11. ADJOURNMENT:

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

Meeting adjourned at 9:52pm.

Jim Kight, Mayor

Approved January 13, 2009

ATTEST:

Debbie Stickney, City Recorder