

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

Tuesday, July 22, 2003

1. PLEDGE OF ALLEGIANCE, ROLL CALL, AGENDA UPDATE.

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

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

ABSENT: Councilor Gorsek (excused)

STAFF: Erik Kvarsten, City Administrator; Jim Galloway, Public Works Director; Rich Faith, Community Development Director; Marnie Allen, City Attorney; Debbie Stickney, City Recorder.

GUESTS: See Attached List.

Mayor Thalhofer asked are there any agenda updates?

Kvarsten replied we have no updates this evening.

2. CONSENT AGENDA:

- 2.1 Accept Minutes:** June 10, 2003 Regular Meeting; June 17, 2003 Work Session and June 24, 2003 Regular Meeting.
- 2.2 Resolution:** A Resolution authorizing the Mayor and City Administrator to sign Renewal No. 16 to Intergovernmental Agreement No. 30129-87 with Multnomah County for road maintenance.
- 2.3 Motion:** A motion to approve an employment agreement for city attorney services.

MOTION: Councilor Daoust moved to adopt the consent agenda. Seconded by Councilor Kight. Motion passed unanimously.

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

Assistant Manager for Troutdale Terrace Apartments stated I am coming to you as the representative for the entire community at the Troutdale Terrace Apartments to voice our concern about a secondary entrance to the apartment complex. There was a serious accident at the entrance to the property on June 3rd. On February 25th this matter was brought to the City Council and it was decided at that time that no action would be taken. We

are pleading with the Council to readdress this issue. The owner of Troutdale Terrace Apartments is willing to pay all costs associated with creating a secondary access.

Mayor Thalhoffer stated we will take that under advisement. We have discussed this issue time and time again and we have gotten nowhere. We will consider looking into this again.

4. REPORT: A Report from Multnomah County concerning the Beaver Creek Bridge on the Historic Columbia River Highway.

Dan Brown, Engineer with Multnomah County stated we would like to provide you with some clarification and explanation on behalf of Multnomah County on an initiative that is being funded through the Oregon Transportation Investment Act (OTIA) that was passed by the legislature. This statewide program makes state funds available to local jurisdictions to improve and correct deficiencies with the surface transportation infrastructure, which includes roads and bridges. We have two bridges within Multnomah County that were eligible for funding under this particular program and the Beaver Creek Bridge was one of them. We secured funding for that particular project under a scope of work that was defined as replacing the bridge. That has raised some concern, both with members of the community and with the city council. What I want to do tonight is to provide you with an understanding of the public involvement process and how this project came to be and how we have, from an engineering perspective, defined a solution to do cost estimates on and to define the project. Certainly it is not the only solution to the problem. It is the obvious one and it is the easiest for an engineer to define and to estimate. Hopefully with our explanation this evening we can reassure the public and you that there is a public process that will be followed. What we have done is basically defined a project with a particular scope of work that was used to secure the funding. I have received confirmation from the Department of Transportation that there is latitude for us to define other alternatives that would accomplish the same general goals that the project has defined and still be able to take advantage of the OTIA funding that is available.

Ed Abrahamson, Transportation Planner with Multnomah County stated we appreciate some of the concern that has already come out regarding the Beaver Creek Bridge. When we applied for the OTIA funds it was a very short timeframe. It was discussed very briefly and though we were able to apply for and secure those funds that are technically for replacement, we have since had some input from some concerned citizens regarding the value of that bridge from a cultural and historic standpoint. That is well noted and will be considered in the process. We need to emphasize that we have had some informal meetings with some concerned citizens and we are here tonight to hear your concerns. The public process that we would normally take hasn't even started yet. We are now looking at some alternatives that may be considered and when we start the public process we will have some options to look at. We need to recognize that the bridge met the criteria for replacement using a ranking system that is used statewide that is applied by ODOT, which is called sufficiency ratings. The rating takes into account a number of things including the structural condition, whether it meet standards such as is it width and accommodating for other modes of transportation. There a number of things that would tell us that we need to take a closer look and see what can be done to the bridge. We are not just a road agency anymore, we are a transportation agency and we have to look at all of the multiple choices that we like to provide. It is not just for the motor vehicle, we are looking at providing access to pedestrians, bicyclists and

disabled persons. We have to take into consideration that there has been a lot of effort these past couple of years to make a connection between downtown Troutdale and Glenn Otto Park. A bike lane has been put in along with sidewalks on the west and south side of the road. It has been brought to my attention by some citizens in the area about the importance of this bridge; it is the oldest bridge along the Historic Columbia River Highway and it has a unique design feature. It has historical value even though it is not listed on the National Register of Historical Places and it is not in the city's inventory of historic resources. We have another part to balance also, which are natural resources. Part of the issue is fish passage. Some ask how does that impact this bridge? There is scouring that occurs on one bridge abutment and sedimentation on the other abutment because of the placement of those abutments. That has to be remedied one way or another. We need to consider all of these things and come up with a solution.

Dan Brown stated the deficiencies of the existing structure were related to lane width, providing passage for bicyclists and pedestrians. The most obvious solution to addressing not only those issues but also the issues of the fish passage and other is to replace that structure with another structure that would provide wider lanes, adequate bicycle lanes and pedestrian access. Also, we were looking at widening the abutment distance and allowing Beaver Creek to take in more natural passage associated in that vicinity. If this isn't the best solution, hopefully during this process that will come out and we will discover a solution that better satisfies all of our goals. We recognize that preserving historic structures is one of them. However, what makes it unique as a historic structure also happens to be a real impediment to our ability to be able to sustain the life of that bridge forever. The commitment that I am making to you on behalf of Multnomah County is that what we intend to do through this process is to develop a list of all possible alternatives and demonstrate what the advantages and disadvantages are of those alternatives in addressing all of the concerns that we have from a public safety prospective, from a fish habitat prospective and from being able to maintain that historic structure. We will also present a cost benefit type of approach that the council, board and other people can take a look at to determine what the best answer is for us as a community in addressing these deficiencies and taking advantage of the funding that the legislature has generously provided to the local jurisdictions.

Councilor Thomas asked are we in danger with that bridge structurally?

Dan Brown replied no we are not.

Councilor Thomas asked the main issue, as I understand it has to do with lane width and getting pedestrians and bicycles across the bridge?

Dan Brown replied yes.

Councilor Thomas asked what would be the possibility of constructing a second bridge to the south of the existing one that would handle the pedestrian and bicycle traffic?

Dan Brown replied that is an alternative that we believe is a very legitimate one that should be looked into.

Mayor Thalhofler asked if you didn't spend the \$1.7 million on this project could we transfer the money to a different project in Troutdale?

Dan Brown replied no, the money is not transferable.

Mayor Thalhofler asked could you explain what scouring means?

Ed Abrahamson replied it means that the water, gravel and other objects that are in the water tend to wear away at stream banks for instance and in this case because the abutments are within the width of the creek it causes washing out of the abutment and that is of concern. The easy solution is to move the abutments.

Mayor Thalhofler asked what is your citizen involvement process?

Ed Abrahamson replied I think a lot of it will depend upon the response when we start holding meetings. We typically will hold at least one meeting and see what interest there is. We will accept public input whether it is a written letter or a phone call. We will present a number of alternatives at the first meeting and if there isn't a real consensus we will listen to comments and then we will probably have a second meeting to develop what people have said and come up with what we think would be a desired alternative and then proceed with design. We will probably begin that in the early fall.

Councilor Kight stated you have indicated in your report that this bridge is a choke point as far as traffic.

Ed Abrahamson replied I believe the roadway is 20' wide and that doesn't meet what we say is a normal lane width for motor vehicles, much less large passenger vehicles and then if you throw into the mix the need to provide access for bicyclists, pedestrians and disable persons. If your driving an SUV and a vehicle is coming at you from the other direction and a bicyclists or a person in a wheelchair is on the bridge, what are you going to do? That is the type of choke point we need to address.

Councilor Kight stated I think most people stop and let the other people pass. It is such a short bridge that really doesn't have any affect. Is there a no-build option for this bridge?

Ed Abrahamson replied there is always a no-build option but there are considerations that go along with that.

Councilor Kight asked could you still maintain the historical preservation of the bridge without rebuilding a new one?

Ed Abrahamson replied I don't know that answer.

Dan Brown stated there hasn't been sufficient analysis to determine what the condition of the concrete is. We are fairly confident that the reinforcing steel in there probably is not making a contribution to the strain. Basically the load limit on the bridge is based upon the pure mass of the concrete and some effort to preserve that for a longer period of time would be to go in

and try to sustain whatever compressive strength properties the concrete has. The deficiency rating was driven by the other public safety issues of the bridge not the structural condition and those issues were the width of the road and those types of factors.

Councilor Kight asked what is involved in having this bridge put on the historical register?

Dan Brown stated I am not familiar with the procedure. This project is being approached as if the bridge is an historic structure.

Councilor Kight asked historical structures are not replaced, is that correct? You do everything you can to not replace them?

Dan Brown replied you make extra ordinary efforts to try and preserve the structure.

Councilor Kight stated you indicated that one of the emphasis for replacing or repairing this bridge was the pedestrian and bicycle traffic. What you haven't mentioned was commercial truck traffic, is that a consideration?

Dan Brown replied the replacement bridge would be designed to accommodate any future road usage. The capacity of the bridge would be designed for the ability to handle commercial truck traffic with the idea being that at some future date there would be capacity to in some way cross the Sandy River as well, currently there is not.

Councilor Kight asked what I am concerned about is that there is a contractor that is going to be bringing down large crushed rock from the Corbett area and apparently he has some problems, as I understand it, in going under the underpass where the railroad bridge is and he is looking for alternative routes. I am wondering if this is one of the reasons for changing out this particular bridge?

Dan Brown replied I can assure you that from my prospective it absolutely is not and wasn't part of our planning scenario at all. We are aware of those issues associated with that situation but it isn't a driver of the proposal to replace the bridge.

Ed Abrahamson stated it is not our intent to let that truck traffic come through the City of Troutdale. We are not doing this to accommodate the truck traffic, we are talking passenger vehicles and making sure they can safely get through there because we want to service downtown Troutdale.

Councilor Kyle asked when it comes time to hold the public meetings; how will the public be notified?

Ed Abrahamson replied typically if there are newsletters we try to put articles in them. We send it to the newspapers, post notices, and distribute information to the print media, television and radio.

Councilor Daoust asked if an emergency flood occurred like in 1996, and we did not improve the bridge now, would you be able to secure emergency funds if the bridge were damaged during a flood?

Dan Brown replied it would depend on the degree of the damage and what funds are available from FEMA. We would have to demonstrate that the damage incurred was truly the result of that particular event.

Councilor Daoust stated I heard you say that if the bridge was not replaced you would forfeit part or all of the funds. In other words, the money that is designated for this bridge, it either gets spent on this bridge or you forfeit it.

Dan Brown stated the guidelines that I received state they want the money spent on the approved projects, but they are open to how the improvement is executed. Saying we want to go and repave some roads with those funds that they dedicated towards replacing a bridge that was deficient, I don't think would be acceptable at all.

Councilor Daoust stated with fish passage being one of the main reasons, the typical culvert replacement gives you a bigger gain with fish passage versus widening the bridge abutment. So, if we didn't widen the abutment on this bridge, would you be able to go upstream on Beaver Creek and use the money for Stark Street culvert replacement?

Dan Brown replied my opinion is I doubt that we would be able to. It would be inappropriate for me to try and answer for other people on that type of issue. I was encouraged that they are open and willing to listen and certainly if that was the alternative that the process defined as the best then we could propose it. The OTIA program was meant to rebuild a failing infrastructure and not necessarily address fish passage.

Ed Abrahamson stated fish passage is not the primary concern. Depending upon what choice is selected, we would need to weigh how that affects fish passage.

Councilor Daoust stated I thought we had a structural issue here but as I am hearing tonight we really don't. Your rating system for whether this bridge should be replaced or not has to do with other issues.

Dan Brown stated there is a structural issue there because of the age of the bridge. That structural issue has not come into play. It has a 26-ton limit on it that is really a result of the fact that there is no capacity anywhere else. That load limit is low enough that it is still within the judgment of the bridge inspectors to be safe to handle from a structural standpoint right now. We could be confronted in 10-years with a different mode of failure than what we are seeing right now.

Councilor Ripma stated Ed you mentioned that the sidewalk ends at the bridge; there is a sidewalk on the bridge.

Ed Abrahamson stated there is a walkway there. It doesn't meet any standards for width and it doesn't provide for disabled persons.

Councilor Ripma asked the \$1.7 million that would be spent replacing this bridge, it sounds like that if you can define the alternatives you could do a repair and reconstruction with that money?

Dan Brown replied that is correct.

Councilor Ripma stated and it sounded like you possibly could do a separate pedestrian/bicycle bridge with that money.

Dan Brown replied that might be a legitimate alternative to present.

Councilor Ripma stated from my prospective I really want you to do that if you possibly can. You have acknowledged that the bridge is historic. All of the bridges along the Historic Columbia River Highway are deficient in the way you are talking about and if that was the rationale then there would all be new bridges. The Hood River historic bridge was replaced and I think they have regretted it ever since. Did the Army Corp of Engineers officially designate the Beaver Creek Bridge as a choke point?

Ed Abrahamson replied no. We were with the Army Corp of Engineers last week looking at the three culverts upstream and then we came down to the Beaver Creek Bridge and talked about what will happen if we leave the Beaver Creek Bridge where it is, what would we have to be concerned with as far as fish passage at that point. There concern is if we are going to alter it in some way at its initial point on the creek why should they be spending \$3.5 million on those other three culverts if the fish won't be able to get there.

Dan Brown stated we know that the Beaver Creek Bridge is not a barrier; the fish do get by it. Can it be improved or enhanced? Stark Street was a barrier and that is why we put the fish ladder in last summer.

Councilor Ripma asked are you going to do an analysis of repair and restoration and apply to ODOT for funding for that as an alternative?

Dan Brown replied we will look at that and explore that through our public process and explore that with the city council and the board. We will make a recommendation to the ODOT of what our preferred alternative is with the explanation that it may not be what we originally asked for but that we believe it is the appropriate alternative. They will either reply to proceed or not.

Councilor Ripma asked if you go forward with replacing the bridge, is there a method for challenging that decision?

Ed Abrahamson replied I would imagine so. If you wanted to appeal that we would listen intently ourselves and our board would also listen very intently. If you did not receive satisfaction at that point you could always go to ODOT who holds the purse strings on this project. In the long run they want to do and we want to do what is correct for the citizens in this area.

Councilor Ripma asked could you keep us informed of the progress on this?

Dan Brown replied yes.

David Sell stated that bridge is 92-years old and I hope that when I am 92-years old I am in that good of shape. I want to thank the County for bringing up the issues of the bridge. They have done an excellent job of securing the funding. I am here as a person who for the last ten years has worked as a project manager doing preservation, restoration and improvement projects within the Historic Columbia River Highway. I have some ideas for some alternatives. All of the issues that the county has brought up can be addressed through other actions other than replacing the bridge. I have been thinking about restoring the bridge and bringing it up to as high of a standard as you can. The State of Oregon has done a tremendous job repairing and restoring bridges on the Oregon Coast and on the Historic Columbia River Highway. They have been known for their restoration and preserving old bridges. The Historic Columbia River Highway actually starts at the west end of the Sandy River Bridge. This would be a very good opportunity for the City of Troutdale. You are already known as the "Gateway to the Columbia River Gorge". You could also be known as the "Gateway to the Historic Columbia River Highway". You could restore the bridge and take care of the pedestrian and bicycle traffic by building a separate bridge. You could also build a gateway. I have been involved in a number of other scenic byways throughout the state. You can use that as a marketing tool and it would bring economic development to your community. A lot of people from all over the World come to drive the Historic Columbia River Highway.

Steve stated I want to thank you and the county for letting us speak tonight and to voice our concerns and hopefully we can work together to find the best solution for the bridge. In 1982 I was involved in trying to save the Hood River Bridge that Councilor Ripma mentioned. The people and ODOT, I think, wished they would have kept the old bridge there. We would love to hear from a fish biologist. The bridges all along the Historic Columbia River Highway are lightweight and they were inexpensive at the time. They are fantastic structures but if I had a heavy truck I would much rather go across the Beaver Creek Bridge than any of those bridges on the old scenic highway. The Hood River Bridge should not have been torn down and the Beaver Creek Bridge shouldn't be tore down.

Frank Gibson stated there has been a lot of talk about the fish passage. How are the fish supposed to get up stream? Do you know? Have you ever looked over the bridge at the RV Park to see the log jam? I suggest you all go down there and take a look at that and maybe you could figure out a way to get those logs out of there so the fish can go upstream. Ted Copher offered to clean out the logs but you people told him he couldn't do that and I don't know why.

5. HEARING: A discussion of the petitioners' request to repeal Ordinance #732, Transient Lodging Tax.

Mayor Thalhofer opened the hearing at 8:17pm and stated that I put this on the agenda as a result of receiving a petition from the residents of the Columbia Gorge RV Park. Councilor

Thomas originated this ordinance. I think it is apparent that you folks didn't receive notice of the first meeting but you certainly received notice of this meeting.

Councilor Thomas stated I want to go through the history of how this started. Once I got elected as councilor I received a report that shows what all of the different hotel and motels pay in taxes and I discovered that anyone who stayed longer than 30-days was exempt from the tax. I started working with city staff and discovered that we are talking on average \$400,000 per year of potential revenue that the city is not receiving to help pay for city services. My intention was to look at this as a fairness issue in that every citizen in Troutdale helps pay for the city services provided, which includes police, fire, and general services that the city is expected to provide. Secondly, as part of the process we cleaned up that chapter of the code. During the process we held two hearings. Both meetings were attended by various organizations. The first hearing the ordinance did not exclude hotels and motels. After working with the hotel/motel industry we discovered that in order to keep them competitive in the market it was necessary not to tax them. The other part of that in looking at the hotels/motels is we are also collecting tax on the structures.

Marion Mayers stated we would like to thank you for allowing us this opportunity to speak to you about this. We feel that this tax has singled us out. Everything in your ordinance exempted everyone else except the RV Park. We are the only RV Park in Troutdale. You have exempted the motels because they said it would make them uncompetitive. We are not competitive either with this additional tax. All the RV Parks in Oregon and Vancouver, Washington do not pay a transient tax for anyone staying over 30 days except for Fairview. If everyone in our park has to pay this tax it would be a detriment to the owners of the park because they could not be competitive. We have had a number of people already move out because they said they could get cheaper lodging elsewhere. Secondly, 51 of our residents are on fixed incomes. They are either on social security or disability. They have chose this life style because they could not afford the real estate taxes on their homes and this was a cheaper way to go and they could live comfortably. In addition, I feel this is double taxation because the owners of the RV Park are paying in excess of \$30,000 per year for real estate taxes. They charge each of the residents a portion of the taxes in the monthly rent. So the people who are renting a space are paying a portion of this tax; they are paying for the services of this city. To me that is double taxation if the RV Park has to pay \$30,000 in real estate taxes to cover those services and then you are going to charge a transient tax to the renters. This tax would be detrimental to the economic development and revenues to the businesses of Troutdale. All of the people in the RV Park patronize the businesses in Troutdale. If we all move out, and it is a good chance that will happen because people can't afford to stay here with this additional tax, it will lose a lot of business for Troutdale. Columbia Gorge RV Park not only pays \$30,000 in real estate taxes they also pay \$23,207 for other taxes and licenses. Whether that goes to Multnomah County, State of Oregon or Troutdale I am not sure. The CPA that I spoke with today did not have that information in front of her. I would like you to consider repealing this tax.

Mayor Thalhoffer asked where did you get the figure of \$30,000 for real estate taxes?

Mayers replied from the tax department in Multnomah County.

Mayor Thalsofer asked how many people that live in the RV Park are on fixed income?

Mayers replied 51 spaces out of 111.

Councilor Kight stated when you look at your tax statement you will notice that there is land assessed as well as improvements. Do you know what the assessed value is on the improvements or buildings that you have on your property?

Mayers replied I believe it is \$1.2 million.

Councilor Kight stated I have \$1.7 million.

Mayers stated that is not the market value.

Councilor Kight stated since there is assessed values for land as well as buildings; at that point what you have to do is extrapolate out the two. The reason I bring this up is the difference between a hotel and the cement pad you provide your tenants. When you have a motel you are paying property tax not on just the cement pad or the foundation of the motel, but you are paying on the entire building whether or not anyone rents the room that night or not you are still paying property tax. Am I right?

Mayers replied correct.

Councilor Kight stated for the RV Park you pay for a cement pad and all the services you provide to that cement pad for the hook-up for your tenants, is that right?

Mayers replied yes.

Councilor Kight stated so you can see there is quite a bit of difference because there is no structure on your cement pad.

Mayers stated the RV Park does not own the RV's that stay here.

Councilor Kight stated in the beginning this park was for transients.

Mayers stated I don't own the RV Park and I don't know what it was originally set out to be.

Councilor Kight stated when this went to the planning commission it was to be transitory housing where people would stay for less than 30-days and then move on. In fact has it not turned into what you could almost call a manufactured home park?

Mayers replied no.

Councilor Kight asked do you have permanent residents living there?

Mayers replied yes.

Councilor Kight asked how many of your residents have been there more than 30-days?

Mayers replied probably 75%.

Councilor Kight asked how many of your residents have children that attend schools in the Reynolds School District?

Mayers replied maybe three families.

Councilor Kight asked have you ever had a fire down there?

Mayers replied yes, once.

Councilor Kight asked did the Gresham Fire Department that services Troutdale respond to that fire?

Mayers replied yes. Is that not included in the \$30,000 taxes that we pay?

Councilor Kight replied that is a good question. The answer is yes. The difference is the fact that is a structure and that is where I am trying to make the comparison between the structure of a motel versus the cement pad. You are essentially paying for that cement pad.

Mayers stated in the space rent a percent of the property taxes is allocated to each space, so in essence they are paying that tax.

Councilor Kight stated what you are paying is an assessed valuation on the cement pad; you are not paying for any personal property tax on the structure that sits on the cement pad.

Councilor Kyle asked what is the rent for each space?

Mayers replied any space that is not on the river pays \$330 a month. Spaces on the river pay \$360 per month.

Councilor Kyle asked of that \$30,000 you pay in taxes, do you know how much of that comes back to the city?

Mayers replied no.

Councilor Kyle stated 26% or \$5,200. Do you know how much the City of Troutdale pays for fire services?

Mayers replied no.

Councilor Kyle stated \$787,916 per year.

Mayor Thalhoffer stated Councilor Kyle this is our time to gather information from Ms. Mayers, not to make comments.

Councilor Daoust asked have you calculated what impact this tax would have on each space?

Mayers replied yes. \$23 per month for the spaces that are not on the river and \$25 per month for the riverfront sites.

Councilor Daoust asked do you think that will cause people to move from this RV Park to a different park?

Mayers replied it already has.

Councilor Daoust asked how many have moved out?

Mayers replied 6 and maybe 1 more.

Councilor Daoust asked is this amount of tax about the same amount as the real estate tax that is charged to each space?

Mayers replied I am not sure what the amount is for the real estate tax that is charged for per site.

Councilor Daoust stated these RV Parks must be a pretty competitive venture. Do the other RV Parks charge about the same amount?

Mayers replied real close.

Councilor Ripma stated I have a question about the first item listed on the petition, which is lack of notification. I don't think that has been explained. We can't pass an ordinance without proper notification. Maybe the city attorney should explain this. Did we not give proper notification of the meeting to consider this ordinance? I thought we did.

Marnie Allen, City Attorney stated the city did provide the notice that is required by law. The way that was provided was through the usual means of publishing the notice of the meeting with the title of the ordinance on the agenda. Notice was also mailed to the RV Park, but because the individuals in the RV Park don't have individual addresses there is no way to mail notices to everyone in the park so the notice was mailed to the park. In response to your question in terms of legal sufficiency, the city did provide legally sufficient notice before the ordinance was adopted.

Mayers stated the notice was mailed to the RV Park, not to the manager. She has to send all mail that is sent to the park that is not addressed to the manager to the person who is taking care of the estate. In doing so, it wasn't sent back to us or told to any of us that this was going on. We, the people at the park, including the manager, did not know anything about this.

Councilor Ripma asked is it your position that we should send notice to everyone who stays in a hotel passing through the city?

Mayers replied no you do not, but you do need to notify the manager of the park because the owners are not on-hand owners.

Councilor Ripma stated I don't believe that is the state law.

Mayor Thalhoffer called for a 10-minute break at 8:52pm.

Mayor Thalhoffer reconvened the meeting at 9:05pm.

Cathy Lamvok stated I am speaking on behalf of my husband Michael and myself as residents of the Columbia Gorge RV Park for 2 ½ years. We are against the levying of the tax against the Columbia Gorge RV Park residents. Both of us have lived in Oregon for over 50 years. We have paid Federal tax, Oregon Income tax, property taxes through our rent payments and we will also be paying the Multnomah County tax recently levied and approved. We consider ourselves permanent residents of this town and state. In fact we have planted a garden and flowerbed on our site next to our concrete pad. We do not consider ourselves transients. It is our understanding that apartment dwellers are not subject to this special tax. It is also our understanding that hotel tenants that stay for more than 30 days are exempt from this tax. We really don't feel that we received adequate notice of the imposition of this tax or that this subject was being discussed at a prior council meeting. Not to argue with the City Attorney, but I do feel that I have a mailing address, it is 633 E Columbia River Highway Space 104. We hope that you reconsider this tax and only apply it to tenants of the RV Park that stay less than 30 days at any one time. I am a registered voter. We pay license and registration fees on our trailer. Our trailer is considered our home. We can deduct interest payments on it like any person who owns a house. I consider this a double taxation. At \$25 a month for a year for 100 spaces equals about \$30,000 a year, which is a close match to the property taxes that we are already paying. I shop in Troutdale and I feel we belong in the town and I am already being taxed for living in the town.

Jean Carpenter stated I have been a resident here since 1965. I am a taxpayer and a voter. I realize that Troutdale and other municipalities need the money but adding a tax upon the park that is already paying a tax is double taxation. Do you know that most of the residents of the park are full-time residents? Are you planning to tax everyone that is renting a home or apartment in Troutdale? If not, you better think again because you are discriminating against park people. A park resident is the same as a home or an apartment renter. We are not transients. We are students, workers or retirees who pay taxes and shop at Troutdale businesses. As a long-time resident of this area I ask you to repeal the double taxation on the transient lodging. We are not transients, I find that very offensive.

Female stated I have lived in the Columbia Gorge RV Park for about 4 ½ years. My husband works at the airport as a janitor. I receive disability, which is only around \$550 a month. With the rent and this tax, that pretty much takes my whole monthly income. We need to pay for propane to keep our homes heated and to cook with, which is usually around \$100. I have a medical condition, which requires me to pay for insurance. I need at least \$1,000 a month in

prescriptions that the insurance plan does not cover. We have no extra money to pay additional taxes. I feel that we are not transients. We take good care of our homes and we are law-abiding citizens. We were not notified of this tax until last week.

Nolan Tucker stated I am retired and I am one of these people that they all say they are not. My wife and I have been on the road for 14 years. We have traveled through the whole United States and Canada. We have enjoyed our retirement. We are now experiencing some medical conditions. I am not a resident of Oregon; I am a resident of Nevada. Because of the medical problems we are now experiencing we came to this area to be near our kids for support. Since I retired in 1981 the cost of living keeps going up but my income does not. We are now living day-to-day. In order to cover the cost of collecting this tax for the city they are going to charge us an extra \$5. This really hurts us. I thought I was well paid, but I am not well paid now. I enjoy life and I would like to stay here.

Agnes stated I only know what I read in the paper, which said that you furnish roads, police and fire. The roads within the park are privately owned. The highway that goes in front of us has wide lanes for bicyclists who pay nothing for the road. I understand that the fire department is charging the insurance company \$18,000 for the fire we had down here, so basically we are not provided fire service. There are very few children in the park so that really helps the community because we don't have many kids going to school. I do have an individual address on my license and my voter registration. This is my fourth year living here and it may be my last.

Lewis Pilon stated I have been a resident of the park for 7 ½ years. It is my opinion that this tax is discriminatory and that we have been singled out. I have had a permanent address there for 7 ½ years. I view this as a tax on me and I did not receive adequate notification that this was taking place. I also feel that it is a false analogy to compare the residents of this park and the values of the park to the hotel and motel industry. We are not transient people. This is a different structure. You are comparing apples to oranges. The people that are residents of the park are far different than the people at hotels. I am not a transient. I am just as much a resident of this city as you are.

Don Callaway stated I would like to ask some questions that haven't been asked. One thing I would like to clarify is the question about why notification never got to me. I am the guy that is going to pay the taxes, why didn't I get the notification? One reason is the lady that owned the park passed away and everything is now in probate. Every piece of mail that comes to the park addressed to the park or the deceased owner has to be forwarded to the executor of the estate, it is illegal for the manager to open it. None of us were notified legally and legally the manager was not able to open the notice. So that answers the question as to why we didn't know about the previous meetings. We know about this meeting because someone took the time and initiative to let us know. What does it cost the City of Troutdale to provide service to the park? What do you have invested in the people at that park? How many times have we had a riot in that park? How many times have you had to answer a fire call in that park? I have been there almost 5 years and I know how many times. How many times have the police come down there to settle a squabble? How many times has the City of Troutdale even showed an interest in that park until somebody figured out it can make them money? How much profit would you folks make off of my misfortune? You call me a transient, I

looked that word up in the dictionary and it says usually a homeless person that is looking for work or a place to live. I have a home just like you; it just looks different than yours. How do you answer these questions?

Fred Mathews stated I live in space 167. Three years ago I became ill. I had a home and I sold it. I had three options; I could move in with relatives, move into an apartment or by an RV. I could not move into a motel or hotel and that is why Councilor Kight is wrong with his analogy. My income is now around \$16,000 a year. Being called a transient really bothers me. I think it is a great town and I love living here. If this tax passes I will continue to live here because it is worth the \$25 extra to live here. I don't think it is a fair tax. I have one request and that is when you vote on this tax that we the people will be able to know how each of you voted.

Nina Thomas stated I have always loved Troutdale and I would like to say that Troutdale is my home. With my finances I will not be able to afford to stay here if this passes. I have medical bills and prescriptions that I can't afford now. I do all of my shopping in Troutdale.

Myrtle Strum stated I live in the homes that are surrounded by all these nice people that live in this park. Some of them have lived there longer than I have. I resent the article that came out in the paper saying we pay no taxes because I feel I pay a lot of taxes and that property pays a lot of taxes. A lot of it goes to the city and the day the fire department was called we were all out with our hoses and if we hadn't watered down our gate along there it probably would have burned because it took them 15 to 20 minutes to get there. When the business in town was burning how many days was the fire department out there? They were there for 4 days. Do they pay more taxes? Do you think that they should pay for fire service? They are a business just like the RV Park is a business and they pay good money in taxes just like all the people pay good money for their rent. The apartments, you don't charge them. They rent units just like they rent a space at the park. I think the RV Park is being singled out and being charged something that nobody else in the city is being charged.

Gary Smith stated my license states I live at 633 Columbia River Highway space 149. I have Oregon plates on my vehicle and my fifth-wheel. I work in downtown Portland. I pay federal income tax, state tax and I will be paying the new Multnomah County tax. I do not believe that I fall under the definition of a transient. If this is a transient tax than you need to tax the transients. The people that come to town for 2-3 days and stay in a motel and use our facilities. We are not transients.

Wilber Purvis stated I have occasionally taken residence at the RV Park. We have lived in the Portland area for 40 years. We have paid our taxes. We came here because we like it and our families are close but we can be close to our kids and not live in Troutdale and have to pay the additional tax. My concern is you are overlooking the idea that we are a supporting part of the Troutdale economy by living here. My opinion is what we are getting hit with is a double taxation. Since we don't have an address at the RV Park we can't vote for the people that are imposing the laws so we are now being taxed without representation.

Bob Forrest stated my address is 633 Columbia River Highway space 184. I would like to ask the City Attorney if this is a legal law? Is this a discrimination law and unconstitutional? I think we need to hear whether or not this is legal.

Lawrence Turner stated I have lived at the RV Park for 8 years. We spend the entire summer here and we do all of our shopping in Troutdale. The license on my motor home cost me over \$250 per year and we get hit hard with the gas taxes. We are paying our fair share of taxes. I am against this tax.

Tom Farmer stated I am a lifelong resident of this area. I have lived at the park for over 8 years. I feel this tax is singling people out. If you want to single out the transients perhaps you should put a police officer out here and cite all of the people that are doubled parked and that make u-turns right in front of City Hall. You could also go down to the truck stops where the truck drivers ignore the rules of the road. You would generate a lot of money in fines. You would do much better with that than singling us out. They are the transients that are just passing through town.

Marta Farmer stated we work in Multnomah County. At one time we did own a home but when our children moved out we downsized. I feel that this is just another tax that we were not informed of and it is double taxation.

Maurice stated Councilor Kight tried to compare the RV Park to a motel. It is my understanding that the RV Park is in a floodplain. I don't think that the city would allow a motel on that property. I think you are probably getting a lot more out of that property than if someone were using the property for farming. This tax would create approximately \$30,000 a year for the city, which essentially doubles the amount you are receiving from this property. I would like you to consider what would happen if this park became transient. A couple of you thought that this had always been designed to be transient only and you didn't include in your process the evolution of the RV lifestyle compared to 20 years ago. This happened and it is happening. Would it increase the value to the community if the cost of living at the RV Park was raised to the point that it did become transient? The Shilo Inn on 238th started renting suites to seniors and I am sure they are not paying the transient tax. All cities need more money. I haven't got a problem with an additional \$25 per month. If it is needed I can see paying it but I see paying for it in a more legitimate way.

Phil Crouch stated I have only lived at the park for 3 months but I have lived in the east county area for about 40 years. This isn't a tax on the RV Park; it is a tax on the people living at the park. I think over the past 40 years I have paid my fair share of taxes to the county, state and the city. If the \$25 comes out of my pocket every month for this tax I will have to take that \$25 from what I would spend at the Troutdale businesses, which helps support Troutdale. It has to come from somewhere because most of us are on fixed incomes since most of us are retired.

Nan Thomas stated my husband and I have lived in Troutdale for over 20 years. We retired and we bought a motor home and we travel. We are mobile but I don't think we are transients. We stay here in the summer because our family is here. We have a house in Troutdale that we pay taxes on and we pay taxes on our motor home.

Male stated I am retired Senior Master Sergeant with the United States Air Force. I live at the park but I don't rent a space. I live in the apartment that is there. I am there because the deceased owner had helped me out during a hard time and I have stayed there to help her out during some of her difficult times to repay her for a favor. Now that she has passed I feel an obligation to stay on and help out until the park sells. The concern I have is that I have heard from a lot of the residents about the hardships this tax will cause.

John Hudson stated I have been a resident of Oregon for over 40 years. Troutdale is not my home. My job requires me to travel and live away from home. I have never lived in a trailer court where I was taxed as a transient. With all do respect, if you really want to tax transients I would suggest that you authorize the police to go under any bridge in your jurisdiction and I am sure you will find a transient that you could impose this tax on. I oppose this tax.

Linda Stradley stated I am a resident of Columbia Gorge RV Park. I want to thank Mayor Thalhofer for realizing that we were not notified and holding this meeting for us. When I read the information and I realized that I was considered a transient I was very insulted. My husband and I have been good citizens. I am an American Citizen and we pay taxes. We don't try to cheat on our taxes. It is so insulting when you try to be a good citizen and care about your Country and the city you live in and then a group of people who have power just say they need some money lets get it from these people and we don't even have to tell them about it. You wouldn't like someone to do that to you.

Rene Burkhardt stated I think the main problem here is you are so concerned about the police, fire department and the roads. We are not tearing up your roads. I will be mad about this tax but the next time on Wednesday night when I am detoured with 12 police officers because of antique show, who is paying them? Not me! Are you getting money from these antique shows and parades at our inconvenience? Why should I pay for that? We don't use the police and fire services. We hardly have any water. You have to provide water. Since those big apartments went in we hardly have enough water pressure to take a shower and that is illegal. It is not in our park because it is just certain hours of every day and if it was a leak it would be all day. Somebody better start looking at giving us something instead of taking it all away. Nobody does a thing for us; we take care of ourselves.

Myra Steinpreis stated my husband and I have lived in the park almost 8 years. He works in NE Portland and we pay our taxes. I resent being called a transient. You also stated in the paper that we were freeloaders. We are not freeloaders and when we came to that park we asked for permission to live there and that is why we are there.

Mayor Thalhofer stated I don't remember anyone stating that you were freeloaders.

Myra stated it was in the Oregonian so you better take issue with them.

Male stated my wife and I have owned property here since 1983. We sold our home 4 years ago and bought a motor home. We come back here every year because we still own a home here, which is the primary residence for my mother. We spend about 4-5 months here and then we head south for the winter. I have been called a lot of things in my life but I have

never been called a transient. I think this is an aggressive tax and it is unfair. I hope that you would reconsider this.

Don Bray stated my wife and I live in the park and we consider ourselves residents of Troutdale. We don't consider ourselves as transients by any means. We sold our house and bought an RV because we like that lifestyle plus we hope to put away a few dollars for our retirement. It is unfair to put a tax on this group of people for that reason. Obviously this is just to gain more revenue for the city, which is all well and good but not just from one group of people. I don't believe that is fair. We are not transients we are residents of Troutdale.

Hal Jones stated I live at the RV Park in space 152. You called us transients. You "fat cats", that is a good one isn't it. Do you like that? You have upset the lady that manages our park. She is a sweet lady. I have seen her more upset about this then anything other than the death of the owner. There was a lack of response to the fire we had to one of the RV's. All across the country school levies are being rejected by the people. That must tell you something. Don't you think we have had enough taxation? We have had enough taxation! Leave us alone! Businesses are not giving employees raises. We don't have enough money; can't you get that through your heads? Leave us alone.

Teri Bruleson, manager of the RV Park stated when I receive notices in the mail I have to forward them to the estate. If it is directed to the manager I can open it. The residents of the park did not get proper notification; I did not receive notification. They should have been individually notified. I am against the tax not just because of the cost of the tax so much as it is the issue of what it will do to some of the residents. I don't like to see the senior citizens targeted. I would really like you to reconsider this tax.

Myra Steinpreis stated I forgot to mention that we attended a function at Glenn Otto Park when they were asking for donations for the lifeguard program. My husband and I donated money. I do believe that we are contributing members of this community and we are registered voters.

Male stated I would like to challenge the statutory authority of this tax to begin with because improper notification was given.

Mayor Thalhoffer closed the public hearing at 9:58pm.

Councilor Thomas stated the unfortunate side of this is it falls under the title of "transient tax" when you are not transients. It was never my intention to consider you as transients. One of the reasons I proposed this tax was a fairness issue. That fairness issue is the average taxpayer in Troutdale provides \$630 dollars for city services. That is just what the city receives; it does not include the portion that goes to the schools or anything else. If you look at what the RV Park pays, which is about \$7,500 that actually comes to the City of Troutdale. When I looked at this to see if it was fair I divided the number of spaces at the RV Park by the \$7,500, which comes out to about \$67 per lot that you are currently paying. Last year the RV Park excluded \$413,000 in income with the 30-day exclusion rule and the prior year it was well over \$400,000. Based on the previous years figures it would equal about \$300 additional per lot at the RV Park, which is roughly half of what the average Troutdale citizen

pays to support the services whether they use them or not. The value of the service is that the service is available whether you need it or not; it is not whether it has been used or not. The value of having police and fire is the fact that it is there if it is needed. The Chamber of Commerce receives a portion of this tax, which is used to promote tourism and business in the city. In regards to taxing renters, the property owner does pay the property tax on the building plus the land it sits on.

Mayor Thalhoffer stated this is an interesting situation because we have people who stay in the RV Park for a number of years and some people just stay a few months. Maybe this shouldn't be called an RV Park. Maybe it should be called a mobile home park. Some of the residents work and some are retired. Some of the people can afford an increase in the rent and others can't. Some of the people are claiming they would have to go without medicine or food if the \$25 tax was imposed. From what I heard all of the people in the RV Park are good people and they are solid citizens who pay their tax and are registered voters. The RV Park is considered to be a part of our affordable housing inventory. I understand why you don't want to be called transients. I am sorry that you have been insulted by that. For all of the reasons that I have heard tonight I am going to vote against this tax tonight. I also think we need to look into this and maybe we should call it something different than an RV Park.

Councilor Kight stated we try to do what is right for everyone in the community. Someone made the statement that we are "fat cats". You should all know that we are volunteers and we are your neighbors. We don't get paid anything to show up here on Tuesday nights. There was a lot of sensitivity to the term transient. One of the other hats that I wear is that I am the president of the Greater Rental Housing of Oregon, which is made up of landlords in the Portland Metropolitan area. The legal term is tenant. Maybe that has a softer tone to it. You have some things in your favor and that is you have what is called market force. This is a business that generates \$452,880 a year. This is a very profitable business because they don't have to make any improvements. Basically they provide a cement pad and you provide your own living quarters. The one thing as elected officials that we try to do is balance fairness with the community. I am sure you all understand that we have to look at not only your situation but also how it affects and impacts other parts of the community. Currently the residents in Troutdale are paying \$17.63 per \$1,000 assessed value on their home. What we were asking you to do was actually a discount and we have to justify that to the other residents of the community. You would be paying 12.45% or the hotel/motel tax. A lot of you have testified that this may cause hardship on you. What is going to take place is those market forces are going to kick in and what is going to happen if the property owner of the RV Park wants to keep it full. He can't keep it full if his prices in fact are more than the other surrounding RV Parks. I am telling you that even though there may be a tax, depending on the vote, if your property owner wants to maintain his current residents and they want to avoid the expense of turnover in residents they will do what it takes to retain the current residents even if they have to reduce the rent. I find it hard to believe that the people managing your park are going to charge a \$5 fee to collect this tax. That \$5 fee amounts to \$6,660 a year, which is 20% of the tax. That is a lot of money to administer collecting a \$5 fee that they can program their computer to do. You may want to ask the manager of the park and ask them if that is really fair to charge \$5 just to collect a tax that can be programmed into the computer.

Councilor Kyle stated it was not our intent to insult you with the term “transient”. That is the term that is used statewide and in other states and it is collected on a lot of RV Parks. Erik Kvarsten, if the permanent tenants at the RV Park were to have been notified, where would their names have been available?

Erik Kvarsten, City Administrator replied the database that the city has to use is the county tax rolls and the utility bills.

Councilor Kyle stated as Councilor Kight mentioned we are all volunteers and we all live in the City of Troutdale. When we voted on this tax it appeared to be a fairness issue to all of the citizens of the city.

Councilor Daoust stated I am going to change my vote for the following reasons. I am a numbers guy; I am a financial manager in my regular job and I am on the budget committee for the city so I am well aware of the financial impacts to a city or government agency. I think I have been given some new information tonight including why the tenants were not notified. I did not fully comprehend that other RV Parks in the area don't charge this tax, which was pointed out to us tonight. The impact on citizens that have a fixed income has been made to me tonight. We didn't have that testimony at the previous meetings. My property taxes, if we voted for this, are not going to change at all. The \$28,000 that the city would gain from this tax that would go into the general fund to me isn't worth the negative impact on the people on fixed incomes that live in this park. As uncomfortable as it is for a city council to change a decision that we already made, I as an individual am willing to do that. I think that the first decision we made was in a comfortable vacuum. If we would have heard this testimony at the previous meetings, I don't know whether we would have passed it or not.

Councilor Ripma stated I am going to approach this as if this were the hearing on the tax because I was convinced by what I heard that the residents didn't receive notice of the previous meeting by a fluke in the process. I thought, and it was suggested during the previous meetings on this, that for whatever reason the owner did not choose to rally the residents to oppose this tax. That is what the owner did last time. We are all volunteers and we are just doing the best that we can and my conclusion was that the owner for whatever reason just chose not to rally the residents this time. The notice was legally sufficient but it went to a dead letter box essentially. This was originally set up to be a transient RV Park. I know you don't like that term but that was the idea but it didn't work out that way. We have ended up with a very good, for the most part, permanent residential park. The RV is an exception to the normal way things are taxed and it ends up falling into an exception that makes them attractive for people to live in partly because they don't pay anywhere near the property tax per pad that a homeowner or apartment owner does. That is not our doing and it is not your doing, it is just the fact. Part of our reasoning was that the rest of the residents are picking up some slack because the RV residents don't pay their share of taxes. However, I did learn something tonight that this tax isn't charged at other places. We have always charged a transient tax on the RV Park for the first 30 days. I agree with Councilor Daoust that if we had heard from all of you at the meeting where we voted for this tax I also would not have voted for it.

Councilor Thomas stated I did some research on the other RV Parks and there is a park in Fairview that does charge a rate of 2% for their long-term residents.

Councilor Kight asked could the City Attorney clarify the procedure for reversing this tax?

Marnie Allen, City Attorney stated if the majority of the council were in favor of the petition to repeal the tax what I would recommend is that the council direct staff to bring back an ordinance that repeals that portion of the prior ordinance that was adopted that imposed the tax on the RV Park. There were other clean-up amendments included in that ordinance I would not recommend that we repeal the ordinance in its entirety. We could, at the Council's request, include an emergency clause and an immediate effective date and have it apply retroactively back to August 1st, which is the date the tax would have taken effect.

Mayor Thalhoffer stated the constitutionality of our previous action has been raised. Legal notice was given, is that correct?

Marnie Allen replied I believe that the notice that was given was legally sufficient. I think it is unfortunate that the circumstances that arised and the residents of the park did not receive actual notice. The law does not require that we provide actual notice. I do believe that the notice was legally sufficient. I also believe that depending on what the council wants to do, you have now heard from everyone and they have had an opportunity to address the council on this issue, so the harm that may have been caused by them not having an opportunity to speak to this issue before, the council is now trying to address through this proceeding. With respect to the constitutionality of imposing the transient lodging tax on residents in the RV Park, I don't believe that the ordinance violates the Constitution or is either discriminatory or unreasonable in its application. Primarily for the reason that what the tax tries to do is fairly impose a tax based on the value of the property and the improvement that is on the property. While I appreciate their prospective, from a legal standpoint in my opinion the tax is constitutional and can be defended. Having said that, that doesn't mean that the council needs to leave it in place.

MOTION: Councilor Ripma moved to direct staff to bring back an ordinance that we could adopt in one meeting, if the vote was unanimous, to repeal that portion of the ordinance regarding the transient lodging tax that applies the tax to the RV Park residents that stay 30 days or longer. Seconded by Councilor Daoust.

Councilor Ripma stated I would only point out that Councilor Gorsek, who is absent tonight, voted against this tax originally.

Councilor Daoust stated I don't think we would have made the decision that we did at the last meeting given the testimony that we heard tonight.

Councilor Thomas stated this is a tough decision and I am not sure I am ready to give up on this yet. I would support a lower rate of 3%. That would help support some of the services provided. It would also help with the fairness issue. 3% would fall more

in line if they were being taxed for personal property, if we were to change the definition of the park.

Mayor Thalsofer stated I am in favor of the motion. I would be against imposing a 3% tax also.

Councilor Kight stated I think Councilor Thomas makes an interesting proposal. Personally I felt that this was a fairness issue for the rest of the people in Troutdale. If people are going to be permanent residents of Troutdale they need to be paying taxes just like everyone else. This tax would be at a much lower rate and for whatever reason you don't feel that you should. Some of you believe that this is double taxation. That is not true because you are talking about a cement pad versus a structure sitting on top of it. I would support this motion and ask that we look at some alternative figures at a later time. We want to be fair to everyone not just you folks.

Councilor Kyle stated I support the motion.

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

Motion passed 6-0

6. PUBLIC HEARING / ORDINANCE (Introduction): An Ordinance amending Chapter 2.08 of the Troutdale Municipal Code, Rules of the City Council.

Mayor Thalsofer read the ordinance title and opened the public hearing at 10:50pm and stated we have been discussing this for some time now. Are there any questions on the proposed changes?

Council had no questions.

Mayor Thalsofer asked is there anyone here that would like to testify on this issue?

No testimony received.

Mayor Thalsofer closed the public hearing and stated that a second hearing will be held on August 26th.

7. COUNCIL CONCERNS AND INITIATIVES:

Councilor Thomas stated if you are a Comcast customer you recently received a privacy act order, what they call selling personal identifying information. The MHCRC is contesting that as to whether or not this is within the franchise agreement. The franchise agreement specifically states that they are not supposed to release personal identifying information.

Mayor Thalhofer stated we had a successful SummerFest and Parade this year. AMR is doing a fine job this year at the beach. We have rescheduled the Council Work Session for August 19th to review the Judge's contract.

Councilor Kight stated with regards to the Burlingame Development, I received a memo from Jim Galloway. I received a call from Merchants Bank complaining about the fact that there was a set-aside for that development. Essentially they have a letter of credit, if they do the improvements like the street, curbs and sidewalks, that amount decreases as they put those capital expenditures into the property. I understand that it has been the city's position in the past that they allow that amount to diminish in the line of credit or in the bond. In this particular case Mr. Galloway has indicated that staff has taken a second look at that and determined that is not the best way to handle things and he gave a variety of reasons. Apparently that staff decision has been overridden. I have some concerns with that. Since this was a staff decision it wasn't brought before the council and since it is a policy decision that was changed, maybe we need to take a look at that. The Mayor indicated that there will be a work session on this subject.

8. ADJOURNMENT:

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

Meeting adjourned at 11:12pm.

Paul Thalhofer, Mayor

Approved August 26, 2003

ATTEST:

Debbie Stickney, City Recorder