

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

**January 8, 2002**

Mayor Thalhofer called the meeting to order at 7:02pm.

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

Mayor Thalhofer called on Councilor Rabe to lead us in the Pledge of Allegiance.

**PRESENT:** Smith, Ripma, Thompson, Thalhofer, Kight, Rabe and Daoust.

**ABSENT:** None

**STAFF:** Faith, Galloway, Rauch, Williams, Kvarsten, Allen and Greif.

**GUESTS:** See Attached List.

Mayor Thalhofer asked are there any agenda updates?

Kvarsten replied we have no changes this evening Mr. Mayor.

Mayor Thalhofer stated I would like to change the order of the business. I would like to take care of the consent agenda first and then item 1A. Is there any objection?

No objections from the Council.

**2. CONSENT AGENDA:**

- 2.1 Accept Minutes: October 15, 2001 Work Session and November 27, 2001 Work Session.**
- 2.2 Resolution: A Resolution approving Amendment No. 3 to Intergovernmental Agreement No. 4600001732 (formerly Agreement No. 0010834) with Multnomah County for the Troutdale Road Sidewalk Project.**
- 2.3 Motion: A Motion authorizing the City Administrator to sign a “Release of Claims” pertaining to the George Zifcak property, Tax Lot 8700 1N3E36DD, also known as 1611 SE Sandy Dell Road.**

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

**1A. ELECTION: Election of Council President for 2002.**

Mayor Thalhofer called this item.

Councilor Ripma nominated Councilor Bruce Thompson. Councilor Kight seconded the nomination.

Mayor Thalhofer asked are there any other nominations for Council President?

No further nominations were made.

**VOTE: Councilor Rabe – Yes; Councilor Daoust – Yes; Councilor Smith – Yes; Councilor Ripma – Yes; Councilor Thompson – Yes; Mayor Thalhofer – Yes; Councilor Kight – Yes.**

Councilor Bruce Thompson was elected as the Council President for 2002.

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

Mayor Thalhofer asked is there anyone here who would like to speak to us on a non-agenda item?

No public comment was given.

**4. PUBLIC HEARING / ORDINANCE (Introduced 12/1101): An ordinance modifying procedures for public contracts and amending Chapter 2.24 of the Troutdale Municipal Code.**

Mayor Thalhofer read the Ordinance Title and opened the Public Hearing at 7:10pm.

Jim Galloway, Public Works Director, stated this is the second hearing regarding the proposed ordinance, which makes several changes to our public contracting portion of the Municipal Code. There are four items that will change as a result of the last session of the legislature and one change that staff is recommending. The first change pertains to the subcontractor disclosure requirements by changing what necessitates a subcontractor disclosure, modifies the contents of that disclosure, clarifies the city's responsibilities regarding the disclosure and also directs that a bid received on a public contract which does not contain the required subcontractor disclosure must be rejected as nonresponsive. The second change mandated by the legislature would modify the workers' compensation requirement for public contracts by requiring every contractor have a statement that either the employer has to comply with ORS 565.017 or is exempt under ORS 565.126. The third change mandated by the Legislature modifies a process for disqualifying someone from consideration for award of a public contract by adding to the list of reasons for disqualification the fact that the person does not carry workers' compensation insurance or unemployment insurance as required by statute. The fourth change required by the Legislature modifies the award notification requirement by requiring a copy of the subcontractor disclosure be provided to the Bureau of Labor and Industries. Those are the four changes that we are proposing that have been mandated by changes to the State Law. While we were reviewing

this portion of the code pertaining to public contracts we also felt that it would be appropriate to clarify some language dealing with the informal selection process for personal services contracts. Specifically that change would clarify that only one or more versus three quotes would be required in the informal process. Also it would more clearly enumerate the types of personal service contracts for which the informal process would be appropriate.

Council had no questions for Mr. Galloway.

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

No public testimony received.

Mayor Thalhofer closed the Public Hearing at 7:12pm.

**MOTION: Councilor Daoust moved that we adopt the ordinance modifying procedures for public contracts and amending Chapter 2.24 of the Troutdale Municipal Code. Seconded by Councilor Rabe.**

**Councilor Daoust stated this is good business to bring us into compliance with state laws.**

**VOTE: Councilor Rabe – Yes; Councilor Daoust – Yes; Councilor Smith – Yes; Councilor Ripma – Yes; Councilor Thompson – Yes; Mayor Thalhofer – Yes; Councilor Kight – Yes.**

**5. PUBLIC HEARING / ORDINANCE (Introduced 12/11/01): An Ordinance granting a non-exclusive franchise to Northwest Natural Gas Company.**

Mayor Thalhofer read the Ordinance Title and opened the Public Hearing at 7:14pm.

Jim Galloway, Public Works Director, stated this is the second hearing on an ordinance which renews an ongoing non-exclusive franchise that the city has had for a number of years with Northwest Natural Gas under generally the same terms and conditions, specifically the same financial considerations, as the existing franchise agreement and we recommend approval.

Councilor Ripma asked the same terms as the existing agreement?

Galloway replied the financial terms are the same, we have tweaked some of the language to try to make the responsibilities a little bit clearer, but generally it is the same.

Councilor Kight asked have we compared the financial component of this with other municipalities to see whether or not Troutdale is being treated fairly?

Galloway replied I believe we are at the max that is allowed under the state law. I believe we are equal to or greater than others.

Councilor Kight asked the length of this agreement is for 10 years, is that normal business procedure for a utility of this type?

Galloway replied utility companies usually would like a longer period; in fact they would probably go with 20 years if they could but we told them that 10 years is our maximum. We think that it is appropriate to bring it back periodically before a body such as yourselves to see if you want to make any changes.

Councilor Kight asked one of the areas that this Council has been concerned about in the past is where they have made cuts in the roads to put in or replace lines. Is that addressed at all in the agreement?

Galloway replied it is addressed. There is a requirement that they have to obtain a permit and they have to restore the right-of-way to a condition as near as practical to the condition existing prior to their work.

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

No public testimony received.

Mayor Thalhofer closed the Public Hearing at 7:16pm.

**MOTION: Councilor Daoust moved that we adopt the ordinance granting a non-exclusive franchise to Northwest Natural Gas Company. Seconded by Councilor Rabe.**

**Councilor Rabe stated I agree with Mr. Galloway on the ten years. It is important and prudent to review this occasionally.**

**Mayor Thalhofer stated I also think the ten-year limit is good.**

**VOTE: Councilor Rabe – Yes; Councilor Daoust – Yes; Councilor Smith – Yes; Councilor Ripma – Yes; Councilor Thompson – Yes; Mayor Thalhofer – Yes; Councilor Kight – Yes.**

**6. PUBLIC HEARING / ORDINANCE (Introduction): An Ordinance imposing a tax on solid waste disposal sites and amending Title 3 of the Troutdale Municipal Code.**

Mayor Thalhofer read the Ordinance Title and opened the Public Hearing at 7:16pm.

Kevin Rauch, Environmental Specialist, stated the Fiscal Year 2001-02 adopted budget anticipated the enactment of a per ton tax on solid waste disposal sites, similar but not identical to the fees that are charged in jurisdictions in the Metro area. I have highlighted a couple of those in my staff report. To implement the action, we have drafted an ordinance that establishes a \$0.50 per ton tax on such sites and we have estimated an annual revenue of \$30,000-\$40,000. We provided a copy of the proposed ordinance to Waste Management

in which they drafted a letter responding to specific concerns. Their letter is attached as Exhibit "B" of my staff report. One of the issues they raised was the tax would make material recovery less competitive at this facility and the haulers will choose to take their dry waste to lower cost facilities not suited for recovery, which would damage the recovery and recycling efforts. We received two additional letters after my staff report went out, one from Metro and one from Resource Recovery Magazine, copies were provided to you tonight. I did some research on the two issues and provided some information for you in my staff report. The first issue alludes that this tax on tonnage would result in Waste Management's facility, Recycle America, becoming less competitive. I called around and asked for rates from their competitors as well as Recycle America. The current rate at Recycle America for mixed dry waste is already \$1.50 higher than their closest competitor. I felt that if this \$0.50 fee makes them less competitive then the \$1.50 would do so as well. The second issue alluded that the tax would make Recycle American less competitive and will drive haulers to facilities that are cheaper and do not provide for recovery of recyclable materials. In calling around it didn't appear that this held true for east county since the closest competitor was East County Recycling Center on 122<sup>nd</sup> and San Rafeal and the other being Metro South Transfer Station in Oregon City. Both of those facilities do provide for recovery of recyclable material. The closest facility that would accept this material is in Vancouver Washington and they have a higher rate than Recycle America at approximately \$70.00 a ton. To further break it down we took the percentages that were presented in our January 2001 Solid Waste Rate Study performed by Donovan Enterprises to show the typical monthly residential garbage bill and show exactly where the money is spent. This tax, as proposed, would be about \$0.04 per month additional on a residential garbage bill. We recommend that the proposed ordinance be adopted.

Councilor Rabe asked what initiated this effort?

Rauch replied it is revenue generating.

Councilor Rabe asked what fund would these revenues be deposited in?

Kvarsten replied the general fund. If you recall at the Budget Committee deliberations last year this was an item that was considered and we did adopt a budget that did anticipate revenues from this source.

Councilor Daoust asked this rate of \$0.50 per ton, would it apply equitably to those types of disposal sites, for example septic tank pumping sites or cesspool cleaning services?

Rauch replied if they did receive the quantity of waste per month that is outlined in the ordinance, which is quite a substantial amount. It would probably only affect Recycle America in the city boundaries.

Councilor Daoust asked so Recycle America would be the only facility within Troutdale that would be affected by this?

Rauch replied correct.

Councilor Daoust asked why \$0.50, why not more?

Rauch replied we actually did start out higher and we ended up reducing it.

Councilor Daoust stated in the letter from Mike Burton of Metro, it seems to focus on recycling as an issue that they don't want us to affect. Our rate per ton, would it be on everything?

Rauch stated correct, that is the front door.

Councilor Daoust asked is the rate per ton on these other facilities, is that on everything?

Rauch replied in Washington County yes it is on the front door, and I believe at the Sandy Transfer Station it is as well although they are not really collecting at Sandy right now so it is not really relevant. The difference being that those are landfills, the two major revenue sources in Washington County, are not providing for the recycling recovery. They are not doing the same sort of operation that Recycle America is doing, so they are not directly taxing recyclable as Mike Burton calls out in his letter. His concern here is that the tax will hurt the recycling rate in the region by taxing recyclables that come in to the front door. Speaking with Metro representatives they would rather see the tax on the back door.

Councilor Daoust asked wouldn't there be a way to separate that out where we don't tax recyclables?

Rauch replied yes, that would be on the back door.

Councilor Daoust asked in your talks with Metro folks, they are considering referring to the voters to do some work on developing greenspaces, I don't know how broad this has become and I guess that is my question to you. They are talking about increasing the TIP fee about \$10.00 per ton to develop greenspaces, if it goes to the voters. They are talking about a smaller fee if it doesn't go to the voters, but it just completely out-shadows our \$0.50 per ton.

Rauch replied I believe that is the Green Ribbon Committee that you are talking about. All I know is that if it goes to the voters it will be going at \$10.00 per ton and if they try to do it in-house it will be \$5.00 per ton. You are correct that it would be in addition to our \$0.50 tax.

Councilor Daoust asked so the affect of ours would be \$0.04 per month and Metros would be \$0.50 to \$0.60 per month.

Councilor Ripma asked the rate charged at the Hillsboro landfill, it says 3% gross revenue. Is that front door or back door?

Rauch replied both. Any gross revenue receipts that they have at that facility they put the 3% franchise fee.

Councilor Ripma stated I heard what you said about the \$0.50, ours seems rather low. It seems like the Metro objection should have applied to these landfills also, I can't see any difference.

Rauch stated the difference is that they are not processing materials for recovery at those facilities currently, like Recycle America is. They are putting it all in a hole in the ground and not sending any material to market.

Councilor Ripma asked I don't see how that makes their facilities more worthy of a higher tax than ours, it seems backwards to me. If our facility is recycling some of the materials why should there be an objection to this low tax when these other facilities that don't recycle at all are charging a much higher tax?

Rauch replied I believe the objection is to just that portion of the waste stream that is recyclable and since those facilities don't handle that portion of the waste stream there isn't the objection. Metro hasn't specifically objected our tax in full, just that portion that is source separated recycling.

Councilor Ripma asked is that to say then that they are not objecting to the recyclables at the other facilities because they don't do any?

Rauch replied correct.

Mayor Thalhafer asked could you go over this front door and back door again?

Rauch replied for instance take a construction load that has several materials that are dry mixed together (drywall, wood, plastics) they come into the front door as one load. The way the ordinance is written now we would tax that on a tonnage basis at \$0.50. The difference on a back door would be once it hits the facility it comes in the front door and they will separate out that material and send what they can to market to sale, what isn't good enough to salvage for reuse they will be sent to the landfill. Back door is what goes to the landfill, front door is everything that comes in. There is a side door which goes out to the recycling market. The two letters that you received were objecting the front door taxing and not in opposition to the back door.

Councilor Kight asked in your opinion, would the recycling be impinged because of the higher tax?

Rauch replied the potential is there, but in my personal opinion I don't believe that the \$0.50 mark would do that the way that east county is set up. If we went much higher it may, there is that potential.

Councilor Kight asked if there is a spill by one of these trucks, who would be responsible for cleaning it up and paying for it?

Jim Galloway replied if there was a spill and it were possible to identify the vehicle and the ownership of the vehicle then I think certainly the owner of that vehicle would have that responsibility. If for whatever reason we are unable to determine the owner then I think it generally falls on the public agency.

Councilor Kight asked besides the fact that this is a revenue generator for our general fund, could one of the arguments for having this tax be the increased commercial truck traffic on our roads?

Galloway replied certainly with the increase in tonnage there are going to be greater impacts on the community, be it traffic congestion, noise or the possibility for spills. There are a variety of things that could go along, like any business, when there is an increase in business there is usually an increase on the impacts to the community.

Councilor Kight asked in looking at the ordinance this \$0.50 is a flat fee and there is nothing tied to a cost of living increase or any other component or trigger which automatically increases the fee incrementally.

Galloway replied you are correct that there is no such inflation adjuster. I think we started out here with a crawl before you walk before you run approach and did not try to build that into the ordinance. We started out contemplating \$1.00 per ton, we looked at some other things that were out there to include the \$0.50 community enhancement fee that is a Metro driven thing and thought that might be a good relevant factor to apply, so we came down from \$1.00 a ton to \$0.50 a ton. I think there is certain flexibility how the Council wants to go, whether the \$0.50 is too high or if it is too low, whether it should be applied front door versus back door, if it should have an annual inflation adjustment or not. I think those are all issues that you could direct us to take a look at.

Councilor Kight asked the recovery of costs for the company that is operating this facility, is it not true that they recover part of the costs when they sale the recyclable materials?

Rauch replied yes.

Councilor Kight stated and that market varies like any other market. What you're asking for is a flat fee of \$0.50, compared to other municipalities where it is \$1.73, \$1.69 and \$1.35. Could you tell me why they are not collecting this fee at the Sandy Transfer site?

Rauch replied I am not sure why they are not. They had it codified for several years and they are reviewing their options now to increase that.

Councilor Kight asked if we were to pass this how often would you review this?

Galloway replied I think if we were to have something on the books, at a minimum it would be looked at each year as we go through the budget process.



Councilor Kight asked is there a way to monitor this facility, if we imposed this tax, to see if it had a direct impact on the amount of tonnage that this facility actually dropped as a result of imposing this tax?

Galloway replied certainly Waste Management, which operates Recycle America, makes periodic reports to Metro and us so I think we would be able to see if there was a downward trend. I think we would need to sit down with representatives from Waste Management and maybe others to analyze what that trend means and determine whether the \$0.50 tax is the primary cause of that or if there are other market conditions that may impact that.

Councilor Rabe asked have you calculated what the difference in the revenue would be with the front door versus the back door?

Rauch replied using last year's numbers the difference would be \$10,000.

Councilor Rabe asked the estimated revenue was going to be \$30,000 to \$40,000 right?

Rauch replied yes.

Councilor Rabe asked so we are looking at \$20,000 to \$30,000 if we tax the back door?

Rauch replied no, you would be looking at \$30,000 instead of \$40,000.

Councilor Rabe asked do you have any data that represents the percentage of revenue that they annually derive from the recycled materials?

Rauch replied I don't have that information.

Councilor Daoust asked do we have an estimate of the percentage, by weight, of how much we recycle in Troutdale?

Rauch replied I don't have that figure.

Councilor Daoust asked so what did you use to come up with the \$10,000 difference between the front door and back door?

Rauch replied that is what they receive at the facility so it is not Troutdale specific.

Councilor Ripma stated it sounds like the recycling counts for about 25%, if you take in \$40,000 front door and \$30,000 back door, 25% of the \$40,000 disappeared, that would be the side door share. In that case if we tax the back door, but did it at a rate more commensurate with what Washington County is doing, we would actually generate more revenue, meet Metro's wishes and it would be better for us. Has that been considered?

Rauch replied if that is the direction you would like me to investigate I would be happy to do that.

Mayor Thalhoffer stated there has been in the works a proposal that hasn't materialized yet, for us to have a larger tonnage in Troutdale which would increase revenues for the city. Do you know where that is and if it would affect this issue at all?

Rauch replied they have passed that and it has turned out to be from a cap of 50,000 tons total out the back door to the landfill from this facility to a cap of 65,000 tons. That is just on wet waste; they have an unlimited amount of dry waste that they can process at the facility. The affect that would have on this would be to increase the revenue by the increased tonnage out the back door or front door.

Adam Winston of Waste Management stated I would like to try to address some of the questions you raised. Regarding the transfer station issue we did put in our application for a transfer station for the City of Troutdale, and we appreciate the support that we have from the city. Unfortunately it was not passed. The increase from 50,000 to 65,000 on the outbound wet waste tax was consistent with other facilities that also have 50,000 outbound caps. They did put unlimited dry waste residual. Dry waste residual is the end product from our material recovery efforts on dry waste loads. For example, construction demolition debris, we do have labor involved with picking out things such as drywall, metal, wood and cardboard. Would this tax have an affect down the road if there were ever a transfer station here, that is hard to say. It is part of the state ordinance on recycling that there is a \$0.50 host fee on transfer stations for the city in which the facility resides. Again we are not a transfer station location we are a local reload facility. That \$0.50 host fee is administered by Metro, which is then paid back to the city, I believe to go specifically for recycling efforts.

Dean Kampfer of Waste Management stated specifically it goes for solid waste facility type fees and infrastructure.

Winston stated there are a lot of questions regarding the comparisons of Recycle America, Hillsboro landfill and the Sandy Transfer Station. That is really comparing apples to oranges. We are not a landfill, we are a transfer facility and a material recovery facility, which is an important part of it. We do supply a different service. With a landfill the material is put there and it is covered up. The tonnage rates there are much less than they are at Recycle America. For Example our dry waste is about \$64.00 per ton. At the Hillsboro landfill it is probably in the area of \$54.00 per ton. Regarding the comments made by Councilor Ripma, I do agree that if you do impose a tax it does need to be on the back door. Recycling is an expensive venture. As part of our franchise with Metro we have to recover a minimum of 30% of all dry waste that comes into that facility, that is not including source separation. Source separating means the stuff that comes in off the trucks from residential homes is not considered dry waste. It is very labor intensive but it provides a service for the community, it is the right thing to do and it helps to meet the regions goals. If you didn't want to charge more per ton, for example lets use the back door wet waste and residual, you could make more money assuming you can stay competitive. Any tax imposed I have to pass on to any hauler that uses our facility, including my own hauling company. Now we can get to the point, I am already the highest priced in this area. You can get into a situation, because of the price, where people will drive by the facility and not use it. So you still have trucks using

the road, you have a higher tax but you could end up with less revenue. I have a totally enclosed facility, which is important to have. Again, you can add more to the back door and I think if you are going to impose this tax the best way to do that is on the back door. You also have to remain competitive so that people use the facility and use the roads less.

Councilor Rabe asked could you answer the question regarding the percentage of revenue that is annually derived from the recycled material?

Winston replied I don't have that information off hand but I can get that information for you. In the year 2001 we took in 13,000 tons of source separated material. There is revenue associated with that but there are also processing costs and third party trucking costs, which cuts down the revenue very quickly. I will be happy to get you that information.

Kampfer stated the value of those commodities is not enough to carry the residential collection. The value of newspaper, glass, tin and motor oil doesn't cover the cost of the collection and transportation to the market. Metro, in an effort to try to increase recovery and meet the states recovery goals, has implemented a recovery credit for pulling out these materials to help motivate people to get involved in pulling these materials out of the waste stream. We talk about whether \$0.50 is very much, is \$1.00 very much, no it is not but when you add up all of those it does have an impact.

Councilor Daoust stated we calculated what the affect would be on residents of Troutdale, but who would you pass this cost on to? Would it be passed on to residents of Troutdale?

Winston replied if it has a significant rate review impact. With a \$0.04 impact I wouldn't assume I would want to go through a rate review or the city would for \$0.04, but it would be passed on to the haulers. I have a number of haulers that bring in the source separated recyclable material. There is a lot of comingling going on because it encourages people to recycle. If I tell my third-party haulers that I am either reducing their rebate or I am charging them an additional \$0.50 on the front door, that might be enough for them to bolt.

Councilor Daoust asked so if you pass it on to the haulers then you would not pass it on to residents?

Winston replied the rate review is based on cost for the haulers.

Councilor Daoust asked when we go through the rate determination, do you keep tract of the amount of garbage that comes in from Troutdale?

Winston replied yes.

Councilor Ripma asked what is the most valuable recoverable material?

Winston replied paper fiber commodities, newspaper and cardboard typically hold their value the best. Obviously the metals are always pretty high. Glass is typically in the negative, we

pay to deliver that to a processor. Tin cans are pretty weak and scrap paper is very low. The problem with recycling is it is very labor intense.

Councilor Ripma stated you mention that your rates are the highest. In the staff report Vancouver is at \$70.00 per ton.

Winston replied with all respect to the staff, that is not a real good comparison. That is a flow controlled facility that does very limited material recovery; it is strictly a transfer station.

Councilor Ripma stated but they are higher than you.

Winston replied right but they are also telling people that they have to use that facility.

Mayor Thalhofler asked if we had the \$0.50 increase on material that went out the backdoor, would you still have haulers that might bolt?

Winston replied possibly. Fortunately, I am probably the largest user. Gresham Sanitary brings stuff to Metro right now. I think Metro is going through a price increase in July. It is hard to say. I had a \$65,000 cap on wet waste. The dry waste part of it, I wouldn't be surprised if it closed down this year because of the economy.

Mayor Thalhofler stated we have been talking about residential customers and how this might affect them, how does this affect commercial customers?

Winston replied the same; in this area it is all franchised so it would all go into a rate review. The City of Troutdale is unique. I think we have done rate reviews either at the request of the City or by Waste Management. I don't think there is a formal yearly review. In the City of Gresham they have an annual rate review process. The additional costs would be captured in the rates.

Mayor Thalhofler asked could you be more specific?

Winston replied a good way to put it in perspective is this fee is directly related with the weight of the waste stream. Typically a residential home is 25lbs a week, whereas a business is going to be anywhere from 500 to 1,000lbs. So you can see how the \$0.04 is relative to 25lbs compared to the 1,000lbs. The other thing about this is whether the customer puts it in the garbage container or into the recycling container, they are going to get charged the fee on both of those containers so it is not encouraging the customer to put their materials into the recycling container versus the solid waste container. This doesn't promote recycling.

Councilor Kight stated you make a good point. I am personally leaning towards having it on the back door. I don't want to create any stumbling block for generating recyclable materials. I think it is a great program that Oregon has. For clarification, on the back door component this is non-recyclable material, is that correct?

Winston replied yes.

Councilor Kight stated how would you feel about having the tax on the back door at a figure of \$1.50 per ton?

Winston replied it is \$68.25 right now so it would go to \$69.75 with \$1.50 increase. I would ask for a rate review. It would affect the businesses and it would affect the residents. I am sure it would drive away business.

Councilor Kight asked where would it drive them to?

Winston replied Metro.

Councilor Kight asked would there be enough cost savings by them going to Metro, with driving time and cost incurred taking the material there?

Winston replied it depends how they pay their people. Disposal is a very large component of our total cost. I have some haulers that pay people by the day, so for them they are going to drive all the way to Metro.

Councilor Kight asked is there another facility that is similar to yours other than Metro?

Winston replied WRI in Wilsonville.

Councilor Kight asked Mr. Rauch do we have their numbers?

Rauch replied I don't have those numbers with me.

Councilor Kight stated Mr. Winston makes a good point. We want to compare apples to apples not apples to oranges. So WRI is a facility that is similar to yours. What other facility is there?

Winston replied Pride Disposal in Sherwood.

Councilor Kight asked do we have any numbers on Pride Disposal?

Rauch replied no.

Councilor Kight asked has your tonnage increased between the years of 1999 and 2000?

Winston replied probably not. I can get that information for you. We have had that 50,000-ton cap for a while. It may have increased recently with the unlimited dry waste. But dry waste is dropping off again.

Councilor Kight asked is dry waste the construction materials?

Winston replied correct.

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

No further testimony received.

Mayor Thalhoffer closed the Public Hearing at 8:08 and stated that we will have a second public hearing in two weeks.

Councilor Ripma stated could we ask staff to review the possibility of changing the proposed ordinance to charge the tax on the back door. I think that is worth considering. Maybe we could compare some different rates, I am not sure I would go along with \$1.50 but maybe \$1.00, something that at least brings in what this tax brings in on the front door.

Mayor Thalhoffer asked Mr. Rauch do you have clear direction on that?

Rauch replied if I heard you correctly you would like to change the ordinance to read so that the tax would be on the back door and raise the tax figure to ballpark the same revenue that was presented in this staff report.

Councilor Daoust stated if we ballpark the same revenue of \$40,000 then the rate would be about \$0.63 per ton.

Councilor Ripma stated you came up with the 25% side door figure, could you verify that and then propose a rate that is logical and at least equals the \$40,000 that we were hoping to get on this tax.

Councilor Kight stated I would like to see other facilities so we can compare like facilities, WRI and Pride Disposal. You might want to make some projections because there could be a diminishing return if we increase the tax to the point that they end up going to Metro and bypassing this facility all together.

Winston stated I would be happy to work with Kevin Rauch on this issue. What I think would be prudent to do is take a look at projected tonnage rates six months from now and I think it would be important to discuss competition in the area. I certainly understand from a budgetary standpoint, with the city budgeting \$40,000 and that is very important to the city, it is also very important for us to stay competitive.

Councilor Kight stated you might add to that what would be the trigger where they would have to open up the process again to have a rate increase. We might want to stay slightly below that so we wouldn't have to trigger a rate increase to the residents.

Mayor Thalhoffer asked do you have sufficient direction?

Rauch replied yes.

**7. PUBLIC HEARING / RESOLUTION: A Resolution adopting a Supplemental Budget for Fiscal Year 2001-02 and making appropriations.**

Mayor Thalhoffer read the Resolution title and opened the Public Hearing at 8:14pm.

Kyra Williams, Finance Director stated before you is a resolution to adopt a supplemental budget for fiscal year 2001-02 and make appropriations. There are a couple of different processes through Oregon's local budget law depending on how much you are adjusting the budget by. We have met a less stringent requirement which allows us to adopt this budget at a regular public hearing of the governing body. The purpose of the supplemental budget is to allow the city to recover properties from Multnomah County so that we can recover liens that we have on those properties.

Councilor Daoust asked what properties are these and where are they?

Williams replied off of Marine Drive, they are two of the RMAC properties.

Councilor Daoust asked so when we say it is funding for the additional appropriation requirements comprised of beginning fund balances, we are not saying we are actually going to generate more revenue from somewhere; we are just adjusting the balances on paper.

Williams replied the beginning fund balance for fiscal year 2002 was higher than we anticipated that it would be. We are using that higher amount to fund this expenditure.

Councilor Ripma stated the purchase of this property for \$127,000 is a really good deal.

Williams stated yes it is. It is basically the back property taxes, penalties and interest for seven or eight years.

Councilor Ripma asked has that property been cleaned up?

Williams replied the majority of it has. We have a preliminary agreement with DEQ with how we will handle this.

Kvarsten stated this has been a cooperative effort between the city, county and DEQ and a lot of credit goes to Ms. Williams. It has been a brilliant effort to try to get all of the parties to agree. Essentially what happens is we are able to recover all of our costs for the improvements that the city made, the taxes and DEQ will recover a portion of the costs that they put in to clean up the property. Most significantly we are able to have ten to twelve acres of very good industrial ground back on the market.

Mayor Thalhoffer asked is there anyone here that would like to speak to us on this agenda item.

No public testimony received.

Mayor Thalhoffer closed the Public Hearing at 8:21pm.

**MOTION: Councilor Ripma moved to adopt the Resolution. Seconded by Councilor Kight.**

**Councilor Kight stated staff has done a superb job in putting this together. It is another cost recovery for the taxpayers and another win for the taxpayers of Troutdale.**

**VOTE: Councilor Rabe – Yes; Councilor Daoust – Yes; Councilor Smith – Yes; Councilor Ripma – Yes; Councilor Thompson – Yes; Mayor Thalhoffer – Yes; Councilor Kight – Yes.**

**8. MOTION: A Motion authorizing the Parks Advisory Committee to prepare a list of parks and greenway projects and costs for consideration for a possible bond measure subject to approval of the City Council.**

Mayor Thalhoffer read the agenda item.

Rich Faith, Community Development Director, stated at the last council meeting on December 11<sup>th</sup> members of the Parks Advisory Committee, Chair Bruce Stannard and Dave Nelson, sought the Council's approval to commence work on putting a parks bond measure on the November ballot. At that meeting they informed the Council that the last bond measure, which was passed in 1992, the funds from that bond measure have been expended for several years now but there are still a number of uncompleted projects from our approved Parks and Greenways Master Plan. We need to put another bond measure before the voters if we are going to complete the remaining projects and to complete some needed upgrades to our parks. They were seeking your approval to begin work on this effort. In response to their request the Council asked that this item be brought back as an agenda item. The motion that is before you this evening would not necessarily commit the city to placing a parks bond measure on the November ballot, it merely authorizes the Parks Advisory Committee to compile a list of projects and their associated costs for the Council to evaluate. When that list is completed the Council would be evaluating the projects and determine at that time whether to proceed with a bond measure and how much the bond measure would be. Given the request that the Parks Advisory Committee has placed before you and their willingness and eagerness to commence work on this, it is our recommendation that a motion be passed this evening authorizing them to prepare a list of parks and greenway projects and the costs of those projects for your consideration. This would all be subject to your approval to actually put it in the form of a parks bond measure in November.

Councilor Rabe stated I think this is a good effort but I hate to put folks through all of this work considering the tone that a further taxation or bond, I just don't have a very good feel of whether or not something like that would be favored by the citizens of the city at this time. Do you have any idea of how willing they are to go through this process knowing that even if we



put the measure on the ballot the likelihood of it passing is probably less than promising? Are they really gun-hoe to do this?

Faith replied absolutely. My advice to them is lets not put out the effort unless the council is behind it. Again, we are not seeking a decision or a commitment at this point, but merely to do the homework to be able to look at the list of projects and prioritize them and present them to you and then allow you to evaluate that and determine whether it is worth proceeding. At this point they are interested in compiling a list of projects and looking at the costs.

Councilor Daoust stated I think it is a great idea to do this prep work. Do you have any idea how long it would take the PAC to get back to us?

Faith replied I anticipate it could be done over the course of two meetings. One meeting would be to look at potential projects and then a follow-up meeting to look at the costs associated with the projects. It could be back before the council as soon as March, but I don't want to commit to that, April might be more reasonable.

Councilor Daoust asked so if we are talking about the November ballot, do we have enough time? When do we have to get the ballot measures on the November ballot?

Kvarsten replied September.

Councilor Smith asked how much is still on the original \$600,000 parks bond?

Faith replied that money has all been expended but the property owners of Troutdale are still paying on the bond and will be until 2004. If a parks bond measure is put before the voters we would likely not want it to go into effect until the tax year 2005 so that the tax payers are not paying on two bonds.

Councilor Smith stated with the money situation the way it is that is like spending money and you haven't even paid off the last debt. I feel like we are getting ourselves in a bind or we are going to. If they do go ahead and decide to put this on the ballot, I think we should put a cap on the dollar amount that we want for the bond measure.

Councilor Ripma asked if we put it on the ballot this year but if we are not going to put it into effect until 2005, I am unclear why we need to go forward this year. Shouldn't we wait until the 2004 elections?

Kyra Williams, Finance Director, stated if the voters would approve something at the November 2002 election, we manage to issue the bonds and levy a tax the tax would not take affect until fiscal year 2004. So what we would suggest doing is putting off issuing bonds for another year and then the tax levy would come into affect in fiscal year 2005. Voter approval on the bonds doesn't mean we have to go out and immediately issue the bonds, it gives us the authorization to do so but we don't have to do it tomorrow.

Councilor Ripma asked how long do you get?

Williams replied there doesn't appear to be a time limit.

Councilor Ripma asked do you know how much uncompleted work there is in the adopted Master Plan?

Faith replied a lot depends on whether some of the projects are still necessary. For example, one of the projects identified in the Parks Plan was the need to purchase property and construct a parks maintenance facility. We have been able to avoid that so far. The question is can we do with what we have or are we going to be faced with having to find a location and construct a facility.

Councilor Ripma stated and that would be part of this review.

Faith replied the point is to look at a range of projects that are there and to prioritize them and determine whether or not they are still valid.

Councilor Ripma asked would it be feasible to do a dream list and a more constrained list limited to \$500,000?

Faith replied I think you would want to give them some guidelines.

Mayor Thalhoffer asked would this be something that we would be wise to run by the Budget Committee as well?

Kvarsten replied I think it would be an appropriate discussion for the Budget Committee.

Mayor Thalhoffer stated so it would be something that we could send to the Budget Committee before it comes to the Council.

Faith stated if you authorize the Parks Advisory Committee to proceed with this, whatever list they come up with you would want it reviewed by the Budget Committee.

Mayor Thalhoffer replied correct.

Councilor Kight asked the \$600,000 bond projects that we identified, how many of those were completed?

Faith replied the 1992 bond measure and the projects that were identified preceded the current adopted Parks Master Plan. What was set out under the 1992 bond measure, those have all been accomplished and then subsequently we have an approved parks plan that has identified other needs.

Kvarsten stated there have also been parks system development fees over the last ten years that have also been used to accomplish projects that were in the Parks Master Plan. So

there were a couple of different funding sources and a couple of different project lists. This is an opportunity to synthesize those and talk about what might be appropriate for the future.

Councilor Kight asked what do we have in our parks system development fees fund?

Williams replied approximately \$100,000.

Councilor Kight stated in order to develop credibility with the voters, if you have identified projects for the bond and they haven't been finished that is one thing, but what you are saying is 100% of the projects that were identified through that bond measure that the voters voted on were completed, is that correct?

Faith replied that is correct.

Councilor Kight asked when could we go out to the voters and not have to deal with the double majority?

Kvarsten replied even numbered years.

Councilor Kight stated that is critical to success. Given the current recession that we are in and the economic conditions that we are faced with in Oregon, I am wondering if it wouldn't be a good idea to have a list that contains everything and then as Councilor Ripma pointed out a constrained list with a \$500,000 cap. Maybe we can make up the difference with the system development fees that we currently have in the account. Is that at all possible?

Kvarsten replied I think what the Parks Advisory Committee wants to do is look at the projects out there and give you a priority list and establish a cost with those. On that list I imagine there would be a number of projects with their cost and then it would be up to the Council, after reviewing that list, what the cut-off would be.

Councilor Kight stated I would feel more comfortable if the Parks Advisory Committee would come up with a constrained list, lets say a \$500,000 project list and then it come to the Council and we could make a decision and we could include additional items from the preferred list if we wanted to do that. Does that make sense?

Faith stated it seems to me that if they compile a list of 15 projects that total \$6 million dollars that with the stroke of a pen you could eliminate half of those or whatever number to arrive at the figure you think has a chance.

Councilor Kight replied fine.

Councilor Rabe stated just generate a wish list.

Councilor Daoust stated a prioritized wish list. We had talked about a review by the Budget Committee, if we came up with a proposal by April it wouldn't be in the same fiscal year. If we have a bond that is initiated in 2005, I don't know the need for the budget committee to

look at a prioritized list of projects when there is no revenue generated from it in the current budget that they are looking at or no expenditures for any projects. That is just my thought.

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

No public testimony received.

**MOTION:** Councilor Daoust moved to authorize the Parks Advisory Committee to prepare a prioritized list of parks and greenway projects and costs for consideration for a possible bond measure subject to approval by the City Council. Seconded by Councilor Ripma.

Councilor Daoust stated even though it might be a few years until we actually go out for a vote I think the prep work that the parks advisory committee could do now would be very timely. It gives us the option of taking advantage of low interest loans, rather than waiting two or three years. It gives the council the opportunity to draw the line wherever we wish as far as the bond measure. So we have complete control over how big of a bond we think the people of Troutdale can put up with. To do the prep work now seems real viable to me and I think it is a good time to do it and we as a group of decision makers can do what we want with it.

Councilor Ripma stated I agree with Councilor Daoust and I think the key here is the eagerness of the committee. There are no promises that we are going to be able to put this on the ballot and that is implicit in the motion and in the way that this was presented to us. We are going to have to consider this when the deadline rolls around and we will have some feel for how much is going to be presented to the voters and whether it is wise to go forward. We wouldn't be able to make the decision either way without this prep work.

Councilor Rabe stated I think the foresight of doing it now is probably better than waiting until later.

Councilor Smith stated since we have the final say we can look at it but I really don't think it will go, that is my feeling. People are complaining now about taxes so I think we are going to have to pick and choose what we are going to put on the ballot. I am willing to look at it and see what we can do.

Councilor Thompson stated I think this is the time to do it, to make the initial starting point for any parks improvements and the Parks Advisory Committee is willing to do the work.

Mayor Thalhoffer stated this is the Parks Advisory Committees suggestion and request and they are willing to do the work and what we have to remember is for a town our size we have probably one of the best parks systems in the country. It didn't happen by accident, it was through councils before this one and park advocates before any of

us were here and we have kept it going through the work of the PAC. When the last bond measure was passed there was a lot of work done by members of the PAC who went out and they sold that bond measure to the citizens. If they have the willingness to do this again, I say go for it. This community is an interesting community in that they take pride in their parks and recreation activities. The people in this city take great pride in that and they might just fool us all and vote for it. I would like to see the Budget Committee involved in this and get their input.

Councilor Kight stated I think it is clear that since September 11<sup>th</sup> a lot of people are staying closer to home. A lot of the traffic right now is regional. We are finding that places at the coast that normally have a hard time filling the vacancies this time of year they, this year they are not. We are finding that there is a lot of travel between Portland and Seattle. I think you are going to see an increased usage in our parks and I think people are going to look to that as a benefit, as somewhere they can go on a weekend without having to travel long distance. We already have high usage in our parks with soccer groups and football and other uses. I think where people see a direct benefit to their community, themselves and to their family; I think if we provided a modest proposal I think they would support it. I think if we identify our credibility, we did that by tagging projects citywide with a \$600,000 bond measure, we asked the voters to support that and they did and we have completed all of the identified projects. As the Mayor points out, I think we might be surprised and they might support it.

**VOTE: Councilor Rabe – Yes; Councilor Daoust – Yes; Councilor Smith – Yes; Councilor Ripma – Yes; Councilor Thompson – Yes; Mayor Thalhofer – Yes; Councilor Kight – Yes.**

Mayor Thalhofer called for a break at 8:50pm and reconvened the meeting at 9:06pm.

**9. DECISION: A decision regarding what improvements, if any, to make on SE Harlow Avenue between SE 3<sup>rd</sup> Street and SE 4<sup>th</sup> Street.**

Mayor Thalhofer called this item.

Jim Galloway, Public Works Director, stated this particular action deals with a block of SE Harlow Avenue between 3<sup>rd</sup> and 4<sup>th</sup> Street. It is one of the few unimproved, meaning unpaved, sections of right-of-way that we have in the downtown area. In September of last year a resident that lives along a portion of that roadway came to us and asked if improvements could be made to that portion of Harlow. We have tried to gather as much background information as we could before we brought this matter to you for consideration. We have tried to determine what the parties most affected by any decision we were to make really wanted. There are six tax lots involved, four on the west side and two on the east side of Harlow between 3<sup>rd</sup> and 4<sup>th</sup> streets. We did send a questionnaire to the owners of those properties and in those cases where the owner was not the occupant we also sent a letter to the occupant. A total of nine questionnaires went out. In the questionnaire (a copy is attached to my staff report) we gave them six options to choose from. 1) Do nothing; 2) improve the entire block from 3<sup>rd</sup> to 4<sup>th</sup>; 3) improve only a portion of the block; 4) make some

improvements and have the responder tells us where those improvements would be; 5) to vacate the right-of-way and turn the vacated land over to the adjacent property owners retaining easements for city water and sewer lines; or 6) tell us what you would like to do and we gave them a blank line. Six questionnaires were returned and of the six returned they picked five different options. On the first glance at these it wouldn't appear that they really told us very much. However, if you took a look at some of the comments folks made, we thought we were able to determine a little bit better what folks really wanted. We had one person say do nothing, leave it just the way it is. One choose to vacate the property and turn it over to the adjacent property owners but added the comment that they had no objection if we wanted to make improvements to the north end of the block to allow access to those properties. We had two responses that picked option three and six and said pretty much the same thing. Two responders indicated that they would really like to see the entire block all the way from 3<sup>rd</sup> to 4<sup>th</sup>. Since then we have received a late letter, which was placed at your table tonight, which also favors improvements to the northern half up to the drives accessing those properties would also be acceptable. So it appears that even though there is no absolute consensus of exactly what they want done, the vast majority do want something done. In a very ballpark figure, we estimate that the cost to improve that entire block would be in the range of \$100,000. To do the northern half it would probably be in the neighborhood of \$50,000. The project is currently not in our Capital Improvement Plan. We believe that if Council wants to make improvements it would qualify for use of our system development charge funds, we simply need to enact a change to our Capital Improvement Plan to add the project to the list. There are currently funds available within the fund to make this improvement if you should want us to move forward.

Councilor Rabe asked are there city utilities under the street?

Galloway replied yes, there are both water and sanitary sewer.

Councilor Rabe asked are there any concerns that you may have about the slope regarding completing the whole thing?

Galloway replied we would be quite concerned. The southern end of that, where it comes off of 4<sup>th</sup> Street, it is very steep. I am not saying that it is not possible to do, it would be somewhat expensive to do and I think we would still be left with a street with a slope that probably most folks wouldn't use it as a means of getting all the way down that hill, there are certainly better alternatives then coming down Harlow.

Councilor Rabe asked would it be fair to say that about half of it is not a very practical area to pave?

Galloway replied that would be my feeling.

Councilor Rabe asked and the other half would be more appropriate?

Galloway replied yes, the northern portion is a flatter slope.

Councilor Daoust asked so your recommendation would be to pave it to the driveway of 346, so that is 50% to 60% of the road?

Galloway replied that is correct.

Councilor Ripma asked is it necessary to vacate the south end if we pave the north end?

Galloway replied it would not be necessary. We were suggesting that might be one of the things that you might want to consider if in fact you make a determination that we are not going to make improvements to the southern portion.

Councilor Ripma stated it is true isn't it that when you vacate land, you give the land to the adjacent property owners.

Galloway replied in general that is correct especially if it is part of a subdivision plat where the property originally came from the adjacent properties.

Councilor Ripma stated you don't get any money for it. It is taking property owned by the city and giving it to property owners without being able to charge for it. I think the law prohibits charging for it, doesn't it?

Galloway replied that portion I don't know.

Councilor Ripma stated that hints to my hostility of vacating property unless it is something that we will never need. It sounds like you aren't as strong in recommending paving the whole street as you are to paving the northern half only.

Galloway stated if we were to make improvements, both from a cost perspective and from satisfying the desires of at least the majority of the folks that responded to the questionnaire, I think it would meet their needs and save about half the money if we only did the northern portion.

Mayor Thalhofer asked if we don't vacate the southern half what would we do with it, just leave it?

Galloway replied it would remain as is. It would be unimproved city right-of-way. It is primarily just a vegetative area now and a steep slope, I don't envision that we would change that.

Mayor Thalhofer stated we would have some liability if people tried to use that and had an accident.

Galloway replied I would presume that we would to the extent that we have on any other property that we have responsibility for.

Mayor Thalhofer stated isn't this a more dangerous piece of ground, the slope being so steep?

Galloway replied it is a steep slope. I am not aware that it has been a sight of any accidents or problems.

Mayor Thalhofer stated the letter that we received from Mr. & Mrs. Kenney, they are on the northern portion of the street not on the steeper portion, is that correct?

Galloway replied that is correct.

Mayor Thalhofer stated in their letter it states that she was injured.

Galloway replied I believe on some loose gravel.

Mayor Thalhofer stated the southern portion of the street would remain in that same condition.

Galloway replied the southern portion, because once you get past the drive on 346, I don't believe any of those adjacent properties use that for access purposes. It is a grassy area as opposed to the more northern portion coming off of 3<sup>rd</sup> Street where folks do use that as a driveway to get into some of their properties, that is a combination of stone and gravel. So there is a difference in what the surface is like.

Mayor Thalhofer asked what would be the advantage to just leaving it the way it is as opposed to vacating it?

Galloway asked are we talking about the entire area?

Mayor Thalhofer replied no, just the southern half.

Galloway replied only two come to mind, one is if at some time in the future a different council has an entirely different idea of what they would like to do, the city still retains the right-of-way and doesn't have to start out by acquiring property. The other thing is there is a cost, although not a tremendous one, if we vacated the property. There would be some surveying requirements, preparing legal descriptions and recording fees.

Councilor Kight asked is this currently a through street?

Galloway replied no, there is not passage between 3<sup>rd</sup> and 4<sup>th</sup>.

Councilor Kight asked is there going to be any cost to the owners of these properties?

Galloway replied the way we framed the questionnaire and the way my recommendation to council would be is if we were to make any improvements, we would use money that has accumulated from SDC's.



Councilor Kight asked as part of the improvements would there be sidewalks and curbs?

Galloway replied it would be our intention to provide sidewalks and curbs for whatever portion that we pave.

Councilor Kight asked would the sidewalks extend to both sides of Harlow?

Galloway replied that would be our initial attempt. We haven't expended very much time or effort on this, so if we get out there and we find that there is some physical barrier or something that would cost thousands of dollars we may come back to council and recommend that we only put the sidewalk on one side. If you tell us to make the improvements, initially we are going with the idea of constructing it as close to meeting city standards as we can.

Councilor Kight asked do you know if you will have to put in any retention walls?

Galloway replied I don't not know that.

Councilor Kight asked if you paved the northern half of the street, wouldn't you have runoff? It is a very steep slope and if you are not paving the top half of the street and you pave the lower portion, wouldn't you have runoff of soil and gravel onto the paved section?

Galloway replied it is a grassy area north of that. There is going to be runoff coming down that slope and the engineers will have to deal with how to handle that drainage. If the concern is that there will be an erosion problem, certainly there is going to be a period of time that it is going to be exposed and we will have to watch for that. Typically if you are able to get in with some hydro-seed or some type of solution to that fairly soon after you have exposed it you minimize the amount of runoff. We have done a number of street improvements on the steep grades over the years and I don't think we have had a real major problem in that regard.

Councilor Kight asked are they not using the southwest portion, aren't cars driving up there. If you paved the northern half based on this scenario, wouldn't people be more likely to drive on your hydro-seeded section on the southern portion of that street?

Galloway replied I don't believe so. I think the steep slope is a deterrent.

Councilor Kight stated it would make more sense to me if you are going to pave it at all to pave the section at the top not at the bottom. Lets say, based on this scenario, if you have a hard surface like pavement and you have rock or gravel on top of it that makes it even more unstable for pedestrians doesn't it?

Galloway replied if you have loose gravel on top of hard surface, that is not a desirable situation. I don't think what we are doing here is going to have that result.

Councilor Kight asked how are you going to stop that with the steep grade and runoff? If you are not paving the top of the hill, we are paving the lower portion, how are you going to stop that runoff of dirt and gravel from going onto the paved area?

Galloway replied well it is not dirt and gravel, it is grass...

Councilor Kight stated I understand that but you are going to go in and disturb that through construction and you are going to bring in material. How are you going to make sure that you are going to get rid of all that material? Or if they have to sand the road due to ice or snow, that is going to be pretty slippery.

Galloway replied I can't deny that.

Councilor Kight I am just getting confused, if we are going to do a street improvement why we don't do the entire street.

Galloway replied in this particular situation the reason we are making that recommendation is that currently no one uses...

Councilor Kight stated because it hasn't been improved.

Galloway replied certainly none of the properties access off of the drive onto the back portion. In other words the northern portion of 346, is the last access point onto these properties. I think through traffic down Harlow where they have the Buxton, Dora and Sandy options, I just can't envision people wanting to go down that particular segment of street. To me it would seem like we would be spending \$50,000 plus for something that is going to serve a few folks.

Councilor Kight asked if you are planning on just paving a section of this, where would you stop paving?

Galloway replied just slightly to the south of the property line dividing 302 and 346.

Councilor Rabe asked if I was coming north bound on Harlow and this was paved, would you not have to grade that hump down at the extreme south end because of the pitch of the road?

Galloway replied we would have to do some significant engineering work to construct that appropriately.

Councilor Rabe asked if that lower section was paved, the upper section does have some ground cover on it, and that will stabilize most of that. I am not so sure that there would be a whole lot of impact to that portion of the street to where it would be so disturbed that it would start slumping and falling onto the paved portion.

Galloway stated Councilor Kight's comment is that you don't go in and do any type of construction without disturbing the soil, so yes there would be some disturbance. I think it will

be fairly minimal. It certainly wouldn't have gravel slumping down all the time onto the new pavement.

Councilor Rabe stated so what might occur that might be hazardous would be a temporary impact from the construction of paving of the northern section and shouldn't require any maintenance after the construction is completed under normal conditions.

Councilor Smith asked is that the section that had steps coming down.

Galloway replied I believe there are some steps on the western side.

Councilor Smith asked couldn't you put a wide section of graduated steps in? I think they use them to get to school.

Galloway asked are you speaking of the upper portion if we only fixed the road on the lower portion?

Councilor Smith stated where the road stops and meets the upper steeper part of the hill.

Galloway replied if that were the Council's desire we could do that.

Councilor Ripma stated that was certainly consistent with the reason for keeping the right-of-way. Could you do that with the system development money?

Galloway stated do you mean do the steps and not do the street improvements?

Councilor Ripma replied no, also make the street improvements that you are proposing and then do steps. I was just wondering if we could use the system development funds to pay for the streets.

Galloway replied I believe it could. You may recall in response to some other inquiries from the council a few months back, we revised our definitions and the definition for the transportation improvement includes pedestrian ways, parking areas, park and rides and a couple of other things.

Mayor Thalhofer asked if we put in steps on the southern part, that would be useful wouldn't it?

Galloway replied I think so. As Councilor Smith indicated it is fairly close to and in line with the Troutdale Elementary School, which is on Harlow a couple of blocks south.

Mayor Thalhofer asked would you want to put two sets of steps in, one on each side of the street?

Galloway replied we could take a look at that.

Councilor Kight asked 247 and 346 properties, do they have access off of this street?

Galloway replied 346 has a secondary or back access, I think the orientation of the property is to 4<sup>th</sup> Street but there is a drive off Harlow.

Councilor Kight asked would you pave at least to that driveway?

Galloway replied our recommendation would be to go as far south to accommodate that driveway.

Councilor Kight asked what about 247?

Galloway replied it is my understanding that they do not have an access point onto Harlow?

Councilor Kight asked is that property dividable?

Galloway replied I am not sure.

Councilor Kight asked if we make improvements to this street, will the barrier remain? What is the trigger for removing the barrier?

Galloway replied I don't know that there is one. I have no idea of when or why it was put up other than the fact that it is not safe for folks traveling north on Harlow to go down over that. I would think that unless the street were to go through, I think it would remain in place.

Mayor Thalhofer asked is there anyone here that would like to speak to us on this agenda item?

Linda Davidson stated I live at 247 SE 4<sup>th</sup> Street. The barrier is there because it is extremely steep. The grassy area has been there for years. My neighbor and I keep the area mowed and it is not an erosion problem. There was a night when a vehicle that tried to come up Harlow in a 4-wheel drive vehicle and they could not get up the hill and they crashed into my house. I am not anxious at all to have this be a through street. There use to be wooden steps from the main street in Troutdale all the way up the hill, my Grandfather helped build them and he built the house that I live in, so I have a long history here. I like my property just the way it is. I am always happy to see the kids coming up the hill on their way to the school and they cross through our greenspace. It is a safe way for them to get from their homes up to the school. There are still some steps there. I do not have any objections for my neighbors to the north of me having their area improved so that it makes it easier for them to get into their driveway and cuts down on the slipping on the gravel.

Councilor Rabe asked so you are fine with the paving up to the driveway for 346?

Davidson replied yes.

Councilor Rabe asked what is your thought on the stairs?

Davidson replied I think it could be helpful. Kids aren't interested in stairs but for some of the rest of us the steps are nice. I would not like to see them on the east side of the street just because there are some really nice huge old trees there and I wouldn't want to lose those.

Kathy Luster stated the street is very dangerous. There is a lot of traffic that comes up that street and they can't get through so they spin their tires and then back down. That leaves a lot of potholes on the street so when I come into my driveway by car bottoms out and it is hard on my shocks. I came here to ask that you at least pave half of the street past my driveway. I don't want a developed road because it is not wide enough for traffic. There are a lot of children that still use that street. It is bad in the wintertime when there is ice and snow, I can't get out of the driveway and I can't get into the driveway if I am out. I think the steps are a good idea.

Councilor Rabe asked if we paved up as far as the driveway on 346, would that include your driveway?

Luster replied yes.

No further testimony given.

**MOTION: Councilor Ripma moved that we direct staff to make improvement to SE Harlow Avenue from 3<sup>rd</sup> Street to the driveway of 346 SE Harlow Avenue and look into constructing stairs on the west side of the remaining right-of-way up to 4<sup>th</sup> Street. Seconded by Councilor Kight.**

**Mayor Thalhoffer asked for clarification on the motion. Are you making this motion to include the driveway at 323?**

**Councilor Ripma replied yes, it would be exactly what the staff recommended.**

**Councilor Ripma stated this would be consistent with what the property owners have spoken in favor of. It is a street that needs it badly and we happen to have the money to fund it. The stairs are a great idea. I don't ever favor vacating property anyway and this is one of the oldest right-of-ways in the city.**

**Councilor Kight stated I think the property owners made a compelling argument. Normally I don't embrace the idea of making a half street improvement but clearly this street is very steep. I don't think we want to encourage cars going over the top of the hill. I do like the idea of retaining the green section on the southern portion where there is trees and grass. I think pedestrian access is critical. It is probably long overdue and I support the motion.**

**Councilor Rabe stated I have no additional comments.**

**Councilor Daoust stated I appreciate staff doing the public outreach that they conducted on this project. They reached out to the public to make sure that we do what the citizens prefer and the motion sounds like it does just that, so I favor the motion.**

**Councilor Smith stated I favor the motion.**

**Councilor Thompson stated I support the motion.**

**Mayor Thalhofer stated as do I. I think the stairs will be real useful and well used, with a handrail on them. I agree with Councilor Kight, I am not usually in favor of improving only half of the street but this is an exceptional situation.**

**VOTE: Councilor Rabe – Yes; Councilor Daoust – Yes; Councilor Smith – Yes; Councilor Ripma – Yes; Councilor Thompson – Yes; Mayor Thalhofer – Yes; Councilor Kight – Yes.**

**10. DECISION: A decision on funding a feasibility study for alternative energy pilot project.**

Mayor Thalhofer called this item.

Rich Faith, Community Development Director, stated as you recall Robert Shields came to the City Council on July 24<sup>th</sup> and made a presentation to you promoting his idea of a sustainable energy project to seek your support of that idea. The Council referred him to the Citizens Advisory Committee (CAC) for their study and recommendation of that matter. Robert attended the September 5<sup>th</sup> CAC meeting and he sought their assistance as volunteers on this project in terms of some of the research that he felt needed to be done. The CAC respectfully declined his request for them to serve as volunteers but said they would be willing to serve in an advisory capacity providing feedback on this project. They in fact asked him if he would return to subsequent meetings with a more definitive proposal of the sustainable energy project, the scope of work and the steps that would be needed in order to accomplish it. In the course of the last several months Robert has been meeting with various staff members to flush out this proposal. In the course of those meetings I think we have collectively determined that we needed to narrow the scope of the project from his original idea and that we perhaps need to look at a specific site as a demonstration project in order to prove the merits of the use of solar panels and wind generating turbines. After further discussion we have chosen the City Conference Building (CCB) as a candidate site for this demonstration project. At the later part of last year John Patterson, who is also here this evening, became involved in this project. John is an expert in alternative energy matters. At your last meeting, on December 11<sup>th</sup>, Robert Shields attended the meeting to request your help in the way on financial support in order to conduct the feasibility study. The Council did not act on that request but did ask staff to provide funding options for your consideration. That has been provided to you in the memorandum from Mr. Kvarsten. In the memorandum he points out that the project was not considered in last years budget meetings, therefore there is no specific money budgeted for it at this time. However, if the Council does wish to

proceed outside of the normal budget process, it would be necessary to look at funding within the general fund contingency and transfer those funds to the legislative division.

Robert Shields stated I am the Executive Director of the People's Alliance for Local Systems. As you are aware, for the last several months I have shown dedication in convincing the city and the citizens of Troutdale that there is a way to use the wind we have for positive and productive uses. Wind power is a proven and effective method of generating electricity, which causes no harm to the environment thus making it a sustainable source of energy. Each day more and more projects that use wind power are popping up around Oregon and around the world. Though they vary in designs and scale, they all do a very important thing. They promote the development of technologies, which have a positive lasting effect in dealing with the root issues of the many challenges that face us today. Last summers drought and the fear of blackouts and price gouging for electricity brought to the attention of many that not even water, which seems in endless supply, is truly endless. The fate of the world rests in our hands to rise up to the challenge to find and develop alternatives to the way we now live. Conservation methods are not adequate in dealing with the energy issue. The more important question is how the mass amounts of electrical power we all consume should be generated and by whom. Here in Troutdale the logical answer would seem to be the use of the wind. For the last six months I have expanded upon my education in natural resource management and environmentally sustainable technology development, community development and garbage to conceive a plan for a community based decentralized electrical distribution system using small to medium scale wind turbines as the prime source. However, even in Troutdale the wind does not blow all of the time. To supplement the wind resource I have chosen another underutilized resource which Troutdale has, the sun. In this fashion creating a system which uses wind turbines and solar panels the city could feasibly generate a large portion and eventually its entire electrical load. The challenge is even with proven technology a great deal of research must be done to scale a system to any particular site. Since a comprehensive city-wide system has never been attempted before, I have, with the help of Erik Kvarsten and Rich Faith conceived a pilot project which would give the city the data it needs to expand the project and provide the citizens with a visual aid. I come here today because before the city can be asked to commit its already thin resources to actually constructing a pilot project, a feasibility study must be done. This study will outline the proposed system and procedures, explain conservation methods to reduce the load, explore engineering challenges and possible solutions and list some options for funding such a project. It will also draw a project budget and capital cost payback rate. However, there is a unique challenge to this last part. If the city decides to construct a partial system it will have a lower capital rate but only produce enough electricity to offset the electric bill. This would drastically increase the length of the payback rate. If the city were to support a full system it would have a higher capital cost but it would generate the complete electrical load in addition to producing surplus electricity that could be sold back to PGE which would reduce the payback period. To give the most accurate assessment of the situation I feel it is prudent to complete a comparative study that can be done for \$2,000.00.

Councilor Rabe asked have you or any city staff explored the possibility for federal, state, or county funding?

Shields replied we have explored the possibility of those sources of funding for the pilot project itself but not for the feasibility study.

Councilor Rabe asked how did you arrive at \$2,000.00?

Shields replied it is based on John's hourly wage for 10 hours to do one system study. I have dedicated over 600 hours to lay the foundation on this project. I would like to continue working on this so part of the money is a chance for me to get some money to fund these projects and get my club incorporated and costs for the feasibility study. It is funding our time in doing the work and drafting the proposal.

Councilor Rabe asked do you have an itemized list of the cost that represents this \$2,000.00? The reason I ask that, is if for instance this were to be funded, as a citizen of the city I might be curious, in times of short funds, what is the money for and exactly where did every dollar go and for what purpose. How can I authenticate the amount of money and the time that people say that they have put into this? Also, how can I authenticate the data that they supply me? That is why I was wondering if you could find the money externally, it might be a little bit more facilitative to be able to implement the study and carry the project a little farther, because of the accountability.

Shields replied as far as accountability, the way things are progressing with this, we have developed a scope for this project which outlines what we are trying to accomplish. The main part of the money will go to our labor and resources and we are willing to work with the city to come up with some kind of accountability or whatever you see fit to supplement this. One of the reasons I came to the city to get your support is in hopes of encouraging community support and getting more volunteers. I am trying to get the people of Troutdale involved in this.

Councilor Rabe asked have you tried approaching the Boosters?

Shields replied yes. They were interested in only working on the lifeguard project. He had no interest in this project.

Councilor Daoust asked for our \$2,000.00 we would end up with a comparative study that would tell us the benefits of a full or a partial system on a community building?

Shields replied yes. The feasibility study would show the pros and cons of both the full and partial system on the CCB.

Councilor Daoust asked the full option would display what it would take to completely run the CCB using wind and solar, so we would be buying a study to tell us how to do that?

Shields replied that is the way it is outlined. It is to give you a general idea of what it would be.



Councilor Daoust stated say we gave you \$2,000.00 for a feasibility study, what would be the next step and would there be city involvement in that?

Shields replied there would be many more steps. There would be city involvement in it. The feasibility study would outline possible ways to pay for it. I have provided city staff with lots of possible grants.

Councilor Daoust stated the city funds feasibility studies but usually we have something that we are looking at more physically doing in the end and I am looking at this \$2,000.00 feasibility study, which I don't mind spending it on the study, but I am having a hard time seeing what comes next, what the next logical move would be.

Shields replied that would be to either construct a full or partial system at the CCB or to take those systems and put them in at a location that might be longer term. It has been brought to my attention that the CCB may not be here in 20 years. If you are only willing to fund a partial study, those windmills may take 20 years to pay themselves back.

Councilor Daoust stated I do applaud your vision.

Councilor Ripma stated usually some sort of proposal is brought to us before we are asked to spend money. You said there is funding out there for this kind of project, how many projects have you obtained funding for, what is your resume on success in obtaining federal funding or regional funding?

Shields replied I graduated from college about three years ago. I have no direct experience with doing projects like this, thus I have not received any grants or funding for this. The purpose for this project for myself is to gain that, that is the reason I brought in John Patterson because he does have experience working on projects like this.

Councilor Ripma asked how long has the Peoples Alliance for Local Systems been around?

Shields replied we have about 26 members which stretch from here to England. We are a grassroots social development club that goes into a community and looks at their long-term needs, available resources and tries to find projects that they can initiate that would help strengthen those communities.

Councilor Ripma stated you mentioned one of the goals for the \$2,000.00 was to get the club incorporated.

Shields replied the cost of the feasibility study, those monies are for our labor in doing the research. I am personally taking the money that I need out of my half and putting it towards incorporating the club so we can carry on with further projects which also opens us up to apply for grants.

Councilor Ripma asked with 26 members from here to England, and with the prospect of building a project that would be funded, is it impossible for you to raise the money amongst the membership?

Shields replied because our club is not incorporated, I have not been taking membership fees. As far as the membership fees go, those fees are designed to stay with the local chapters. I wouldn't expect for some guy in England to pay for a portion of a feasibility study in Troutdale.

Councilor Ripma asked how much do you think it would cost to put up the windmill and solar panels?

Shields replied for a partial system you are looking at anywhere from \$16,000 to \$25,000 for a full system it would be \$30,000 to \$50,000. It could be as much as \$100,000.

Mayor Thalhoffer asked could the windmills withstand the gusts of 60 to 70mph winds?

Shields replied the ones that we are thinking about using could handle winds up to 120mph.

Mayor Thalhoffer asked after the feasibility study, how long would it be before it would start saving the city money?

Shields replied once the devices are installed they will save money the first month. You can put a system up in about a week to one and a half weeks.

Councilor Kight asked what is the cost to have a system up and running at the CCB?

Shields asked full or partial?

Councilor Kight replied a system that would satisfy the electrical fees for that building.

Shields asked and produce some surplus?

Councilor Kight replied lets go with that system.

Shields replied anywhere from \$30,000 to \$50,000. It could go as high as \$100,000 depending on which windmills you want to use.

Councilor Kight stated lets take the middle road of \$50,000. Mr. Faith what is the monthly electrical bill for the CCB?

Faith replied I don't have that figure.

Shields replied it is about \$123.00.

Councilor Kight asked does that include heat?

Faith replied it is gas heat.

Councilor Kight stated so you have a \$50,000 capital expenditure, the payback is roughly 75 years or longer.

Shields stated if you were just looking at those numbers, yes. But on a project like this there are tax incentives offered and grants. All of these things bring down the capital cost of what the city is going to pick up.

Councilor Kight stated what I am trying to justify is you are telling us that once you have gotten past the feasibility study and we commit to this, you are talking about a \$50,000 expenditure on one side and on the other side is a \$125.00 check that we write to PGE. How do I justify that? How many years payback are we looking at?

Shields replied you are looking at saving \$125.00 and generating an additional \$50.00 to \$75.00. You are looking at saving about \$200.00 a month.

Councilor Kight stated that is \$2,400.00 a year. You are looking at a 30 to 40 year payback.

John Patterson stated you are right it would have a very long payback, 70 years is the correct number on the solar portion. Robert is correct in saying that there are tax credits and other incentives and that brings the payback down. Wind is much more rapid in payback. That portion of the project would more or less pay for itself from day one because you can generate electricity from wind at about \$0.04 per kilowatt.

Mayor Thalhoffer asked would you like to give us your credentials and your input on the feasibility study.

John Patterson stated I am President of Mr. Sun Solar Enterprises, which is a solar energy company in Portland, Oregon that has been in existence since 1980. We have completed over 1,200 renewable energy projects statewide. I am also President of Solar Energy Industries Association. I am positive that we can provide you with a feasibility study to identify the resources that would cause you to feel confident that whatever is proposed is something that you can rely upon. I know you are wondering what you are going to get in the end with this expenditure for a feasibility study. You get a load analysis on the building, some conservation recommendations, an actual wind and solar system specified and you would have something that you could then go to market and get bids on. You would also get a complete payback schedule and maybe some other suggestions as to other possibilities.

Mayor Thalhoffer asked Mr. Kvarsten what would be wrong with submitting this to the budget committee so that we could have the funds budgeted if the budget committee approved it?

Kvarsten replied that would be an option.

Councilor Ripma stated that is an excellent idea.

Mayor Thalhofler stated I recommend that you attend the budget committee meetings, which are held in April or May.

Councilor Ripma stated a written proposal would be recommended.

Mayor Thalhofler stated we will notify you of the budget committee meetings.

Mayor Thalhofler asked the Council if they were in agreement with that.

No objections voiced.

#### **11. COUNCIL CONCERNS AND INITIATIVES:**

Mayor Thalhofler called this item.

Councilor Kight stated on January 16<sup>th</sup> Senator Ron Wyden will be here. The Gresham and Troutdale Chambers of Commerce are hosting a luncheon; it would be nice to see some of our council attend.

#### **12. ADJOURNMENT:**

Mayor Thalhofler called this item.

**MOTION: Councilor Thompson moved to adjourn. Seconded by Councilor Kight. Motion was passed unanimously.**

Meeting was adjourned at 10:40pm.

**Paul Thalhofler, Mayor**

**Approved February 26, 2002**

**ATTEST:**

**Debbie Stickney, City Recorder**