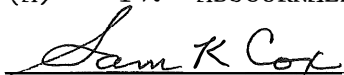


FEBRUARY 12, 1985  
AGENDA  
TROUTDALE CITY COUNCIL  
7:00 P.M. -- City Council Chambers  
104 SE Kibling  
TROUTDALE CITY HALL

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- (A) 1. PLEDGE OF ALLEGIANCE  
Call to Order, Roll Call and Agenda Update: **Mayor**
  
- (A) 2. CONSENT AGENDA
  - 2.1: **Accept:** Minutes of January 22, 1985 - Regular Session
  - 2.2: **Accept:** Business License Report
  - 2.3: **Accept:** Bills for month of **January, 1985**
  - 2.4: **Accept:** Columbia Storm Sewer Release Retainer  
Accept Construction Project
  - 2.5: **Accept:** Grit Removal Project
  - 2.6: **Accept:** Thriftway Liquor License Application
  
- (A) 3. PUBLIC COMMENT
  
- (I) 4. DISCUSS: Water & Sewer Rates
  
- (A) 5. RESOLUTION: Accepting Dedication of Right-Of-Way 257th Ave.
  
- (I) 6. MANAGEMENT LETTER: Coopers & Lybrand (Auditors)
  
- (I) 7. REVIEW/COMMENT: 257th Avenue EIS
  
- (A) 8. AWARD: Lease/Computer System
  
- (A) 9. ORDINANCE: Amendment to Fees & Charges Ordinance No's. 246 and 247 - Design Review Charges
  
- (A) 10. AGENT OF RECORD: Modify Appointment  
Call for Proposals for Agent of Record
  
- (A) 11. AGREEMENT: Intergovernmental Agreements between City and Multnomah County - Relating to CDBG
  
- (A) 12. DEPARTMENTAL REPORTS:
  - 12.1: Public Safety
  - 12.2: finance & Records
  - 12.3: Community Services
  - 12.4: City Attorney
  - 12.5: Executive
  
- (A) 13. COUNCIL CONCERNS AND INITIATIVES
  
- (A) 14. ADJOURNMENT.

  
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Sam K. Cox, MAYOR



MINUTES  
TROUTDALE CITY COUNCIL MEETING  
FEBRUARY 12, 1985 - 7:00 P.M.

The meeting was called to order at 7:02 p.m.

Mayor Cox asked Paul Thalhofer to lead the Pledge of Allegiance.

PRESENT : Ron Burgin, Marge Schmunk, Marty Gault, Mayor Sam Cox,  
Sharlyn Jacobs, Paul Thalhofer and Gene Bui

STAFF : Pam Christian, Nancy Nixon, Greg Wilder, Michael  
Wheeler, Sgt. Bill Farr, Sgt. Don Oliver, Brian Freeman  
and Barbara Rossman

PRESS : John Enders of the Oregonian and Steve Hunter of the  
Outlook

GUESTS : Edd Humburg, Harold Smith, Andy Anderson and Larry  
Jansen

Mayor Cox asked if there was an Agenda Update. Pam Christian said Item #4 - Water and Sewer Rates Discussion was being moved down on the agenda between Item #11 and Item #12.

AGENDA ITEM #2 CONSENT AGENDA

Pam Christian said the liquor license application for the Thriftway Store was at the Council's places. Mr. Harold Smith, store director for Thriftway, was present. Paul Thalhofer welcomed Thriftway to Troutdale and Gene Bui seconded that statement. Gene Bui moved to approve the Consent Agenda. Paul Thalhofer seconded the motion. Ayes 6 Nays 0.

AGENDA ITEM #3 - PUBLIC COMMENT

Pam Christian said Andy Anderson was at the meeting to update Council on what the Cable Regulatory Commission had been doing. There was no public comment. Andy Anderson, said no proposal for a rate increase had been given to the Commission yet. He said it would be presented at the February 19, 1985 meeting, but they did not know what the increase would be or what form it would take (rate increase or reduction of services). Ron Burgin asked what the franchise terms were for raising rates. Andy said the current franchise states that the rates will be frozen for a period of three years. Rogers has come before the Commission with a proposal to amend the franchise because they anticipate problems in the future. After Rogers' presents the rate proposal, the Commission will have 30 days to request additional information and an additional 60 days after the information is received to make a decision. Specific approval is required by the Commission before they increase rates. Andy said, with regard to adult pay per-view, when the original franchise was negotiated Rogers had said they were the better system because they would not provide "R" or "X"

rated television. They have kept that promise up until now. Effective January 25, 1985, they now provide the adult pay-per-view in East Multnomah County. Andy said they changed policy because it provides additional income and there has not been a single complaint in Portland since adult pay per-view was offered in Portland. There have been a number of requests from East County subscribers for adult pay per-view. They said in November there were 131 complaints from East County subscribers who wanted the choice to view Rendezvous Theatre. Andy said all East County subscribers are offered (not for free) parental control features on their converters. Pay per-view can be ordered only by phoning Rogers or using instant pay-per-view. Personal ID numbers can be placed on accounts to avoid unauthorized phone ordering of the service. Andy Anderson said the Playboy Channel is not being offered in East County. Ron Burgin asked what action the Cable Regulatory Commission expected to take on this. Andy replied that no action was being taken, but he had expressed concern that some members of this City Council voted for Rogers Cablesystem franchise because they said they would not carry adult programming. Ron asked if there was any action that could be taken. Andy said there was judicial review - if the Commission feels that the programming is obscene the matter can be taken before a judge and the judge would view the material and if it is determined obscene then the material has to be taken off. Ron suggested that a trade-off be considered such approving the rate increase if Rogers is required to not to advertise service that is not available in East County. Andy said he would bring it up at the February 19 meeting. Gene Bui asked if anyone on the Council had received complaints about the adult pay-per-view service. Ron said he had.

Mayor Cox introduced Chief Wilson from the Portland Fire District #10. Pam said the Chief and two others would rotate to attend the Council meetings. Pam Christian introduced Michael Wheeler, Development Coordinator for the City.

Larry Jansen, a resident of the Corbeth subdivision, said his understanding was that there would be an inspection of properties where damage was done by the cable company and his has not yet been repaired. Greg Wilder, Community Services Director, said Rogers Cablesystems had been provided with a list of items that have yet to be completed and they will start work on that as soon as the weather clears up. Pam said if anyone has a problem they should call the Building Department at City Hall and the Building Inspector will come out to note the problem.

AGENDA ITEM #5 - RESOLUTION: ACCEPTING DEDICATION OF RIGHT-OF-WAY 257TH AVENUE

Pam Christian said this was the Plaid Pantry dedication on the soon to be built 257th Avenue. She said we were going to accept the right-of-way dedication and once 257th is constructed we will dedicate it to Multnomah County because it will be a Multnomah County Road. Mayor Cox read the resolution by title.

Marge Schmunk moved to adopt the resolution. Ron Burgin seconded the motion. Ayes 6 Nays 0.

AGENDA ITEM #6 - MANAGEMENT LETTER: COOPERS & LYBRAND (AUDITORS)

Pam said this is as close as you can come to having no comments without actually having no comments. Everything that they have talked about in the letter is well under way in being addressed. There were no questions of Nancy Nixon, Finance Director/City Recorder. Ron Burgin congratulated Nancy.

AGENDA ITEM #7 REVIEW/COMMENT: 257TH AVENUE EIS

John Dorst of Multnomah County was present to answer any questions or concerns by the Council on the response to the EIS. He said the hearing study report responded to the public hearing, the written comments and to jurisdictional review of the draft itself. The draft was prepared for 257th Avenue from Stark Street to Columbia. The build alternative has been modified from the Environmental Impact Statement. Marge Schmunk asked what Mr. Dorst's response was to Ed Hart's letter from the State about Graham Road overpass. He replied that the only part addressed to them was the intersection of Columbia and 257th and when the final impact statement is done they will improve the intersection, but at this point they don't know to what extent. He said the overpass itself will remain as it is. John said it will be four lanes south of the intersection and going northbound on 257th there will be one through lane, one left-turn lane and one right-turn lane. Pam said we would like to see an effort to move the Graham Road overpass up on the East Multnomah County Transportation Commission's priority list. John Dorst said that studies show that in the year 2003 the overpass should function, not that they aren't recommending it be looked at. Paul Thalhofer asked if there was any plan to extend 257th to Highway 26. John Dorst said this proposal did not address that but there has been discussion of it. Gene Bui said people have expressed some concern to him that there will be no way to get off at streets going down and it will bypass Troutdale. John Dorst said in the modified build alternative the planted median had been taken out from Cherry Park north to Stark Street to allow better access. He said the median is still there down the hill because of the grade separation. Hopefully that will relieve some of the problem. There will be access to a street entrance rather than separate driveway entrances. Gene Bui asked if it was accessible for the Fire Department quickly. John replied that it should be. Marge Schmunk said the resolution from East Multnomah County Transportation was not included. John Dorst said it probably should have been and it could always be added. Mayor Cox read the resolution by title. Marge Schmunk moved to adopt the resolution. Gene Bui seconded the motion. Ayes 6 Nays 0. The Mayor asked for public comment, but there was none.

AGENDA ITEM #8 - AWARD: LEASE/COMPUTER SYSTEM

Pam said Nancy Nixon, Finance Director/City Recorder had sent out requests for proposals and included in the packet was a list of respondents. Ron Burgin asked if Council had addressed the specific amount that was to be financed through the lease. Pam said the total cost of the system

including the license and installation came to \$188,000. She said because it was budgeted and because we have a choice of hardware, software or license, when we started asking for proposals it became difficult to get lease responses to the portion that had the license. We determined to put all the hardware and software in the request for lease proposals and we would use the budgeted money out of this year's budget to cover the license fee that we have to buy to use all the software. That is why you see \$158,000 rather than \$188,000 on the lease proposal. Pam said once you get below \$150,000 you lose the benefit of lower interest rates because the whole idea of municipal leases is a private company buys the title to the machinery and programs and they are the owner leasing it to us and they are able to take all the depreciation costs off their taxes as business expenses. So they have to retain that for a specific amount of time to take the tax credit that is why a lot of companies are reluctant to offer no pre-payment penalties. Nancy said the total dollar penalty decreased annually as our total balance decreases, but not the percentage. She said the only ones willing to give a no pre-payment penalty were also those who want 11½% interest or greater. First Interstate Bank said previous to a few years ago there was no pre-payment penalty provision but then they had some municipalities that entered into a five-year lease and at the end of six months to a year paid off the lease. It cost First Interstate more money to set the lease up than they were able to recover. Ron Burgin asked if there was an initiation or origination fee. Nancy replied that there was not. Pam said we had planned to use a portion of Federal Revenue Sharing every year to pay for this. She said she and Nancy had looked at obligations that the City had been paying from the General Fund in past year - MSD loan for the fence and the Sunridge settlement. She said if they were to eliminate Federal Revenue Sharing next fiscal budget year, we would have enough money to cover the costs with a \$5,000 difference because the other obligations will have been met. Marge asked when the fence would be paid off. Nancy said the last payment on the fence had been made and Sunridge had two more payments to be paid off. Marge explained that she and Pam had been at a meeting last night with Ron Wyden and Bob Smith and Ron's words were that revenue sharing was in very deep, deep trouble. Marge said they had tried to emphasize that if they were going to eliminate revenue sharing that they should do it gradually and not just hit us with it all at once. She said they are going to direct a letter to Wyden and others about revenue sharing. Paul Thalhoffer said that conspicuous by their absence on the list were U. S. National Bank and Oregon Bank. Nancy said Oregon Bank does not propose on municipal leases because we have a requirement for a nonappropriation clause which is if the Council fails to appropriate monies to satisfy the lease for the following year, the bank has to come in and take the equipment back, but there are no penalties. There were no other questions or comments. The Mayor read the resolution by title. Gene Bui moved to approve the resolution. Ron Burgin seconded the motion. Ayes 6 Nays 0.

AGENDA ITEM #9 - ORDINANCE: AMENDMENT TO FEES & CHARGES ORDINANCE NO'S. 246 AND 247 - DESIGN REVIEW CHARGES

Nancy Nixon said a typographical error had been made and carried forward in part of the design and review charges. The 1/10th percent should read 1%. This percentage only covers costs. Pam said there would be a review of the design review process and the staff hoped to make recommendations for revisions within the next six months. Paul Thalsofer asked if these changes would streamline the process and Pam replied that they would.

Mayor Cox read the resolution by title. Gene Bui moved to adopt the ordinance. Paul Thalsofer seconded the motion. Ayes 6 Nays 0.

AGENDA ITEM #10 - AGENT OF RECORD: MODIFY APPOINTMENT - CALL FOR PROPOSALS FOR AGENT OF RECORD

Pam said the information in the packet was self-explanatory, however, there was a change in the third paragraph requesting that Council modify the current appointment to terminate on April 30, 1985 so it coincides with our policy year. In the next paragraph it should read the appointment beginning May 1, 1985 and ending April 30, 1988. Pam said a motion would be needed to change the current agent of record appointment terms to coincide with our policy years. Paul Thalsofer asked if we needed an agent of record. Nancy replied that yes we did as we then have an expert acting in our behalf. We are going to be requesting proposals through the Insurance Week magazine an industry magazine and also through newspaper advertisements. Ron Burgin asked if they would be proposing specific coverages. Nancy said no that they would be proposing the services that they would be providing to us and the costs. Pam explained that they would look at all the insurance needs of the City for all systems, liability, etc. They make bids on the insurance package. Pam said they are the one contact that the City deals with when there are claims against it. Nancy Nixon said that three years was a normal appointment. Marge moved to modify the current agent of record appointment terms as corrected above. Ron Burgin seconded the motion. Ayes 6 Nays 0.

Pam said staff would like two Council people to act with Nancy Nixon in making recommendations back to Council on the Agent of Record. Nancy said it would not be a time consuming job. Paul Thalsofer said he would serve. Ron Burgin and Marty Gault were also asked to serve. Gene Bui moved to have Ron Burgin, Marty Gault and Paul Thalsofer be appointed to the committee. Marge Schmunk seconded the motion. Ayes 6 Nays 0.

There was a break at 8:05 p.m.

AGENDA ITEM #11 - AGREEMENT: INTERGOVERNMENTAL AGREEMENTS BETWEEN CITY AND MULTNOMAH COUNTY - RELATING TO COMMUNITY DEVELOPMENT BLOCK GRANTS

Pam Christian said this was a necessary step in receiving the federal funds. Gene Bui moved to authorize the approved projects under the Community Development Block Grant program. Marty Gault seconded the motion. Ayes 6 Nays 0.

Gene Bui moved to authorize 4 designates to sign a card for signatures as necessary on approval of projects. Marty Gault seconded the motion. Ayes 6 Nays 0.

AGENDA ITEM #4 - DISCUSS: WATER & SEWER RATES

Greg Wilder distributed handouts containing data on both the operations of the systems, history of the systems and operating costs. Greg said it was clear there would have to be a rate increase and Council was being asked for direction and policy decisions on how to apply the rate increase. He said there was a hard cash loss position this year of approximately \$122,000. Greg said the Statement of Revenues and Expenditures showed all the revenues on a budgetary basis and all the expenditures on the same basis. This sheet involves public work operations, building and grounds, water, wastewater management and other categories. All that information has been collapsed to the way we budgeted last year. Pam said previously water and sewer were combined and other services that were combined - streets, park maintenance, all the shop operations, were budgeted as Enterprise Fund with no relation to water, sewer, other functions. She said Greg is showing how we arrived at directly allocating costs to water, sewer and other functions. to get to the point last year when we separated water and sewer funds and identified those other specific functions that were done by the Enterprise people. Greg said sheet #2 had removed such items as building and grounds and pushed expenses assigned to water and removed them from the Public Works process. The third sheet continues with the process and also allocates interest in the appropriate categories on the revenue side and totally removes the management functions and applies them to their associated water and wastewater accounts. Greg said Schedule IV collapsed the revenues and established a new category of support subsidies, which in essence is the amount of monies left over which was used for shop operations, support for parks and recreation, building and grounds, streets and all those sorts of items. They have traditionally been paid for out of public works operations which is pretty much the water area. There is a substantial amount of money, it varies from year to year and there is not a lot of consistency with it. On the far right hand of the sheet there is -0- budgeted for support subsidies because we are only dealing with the water and sewer fund.

Greg said #IV is adjusted for the Consumer Price Index. It takes this year as our base year and adjusts backwards in time to everything based on this year. It gives a good picture of what our operational revenues and costs are in today's dollars as they compare with one another. Sheet V allocates the support subsidies back into the Water Fund where they have always been paid for out of and we are reduced to the same two accounts that we currently have budgeted both from a revenue standpoint and an expenditure standpoint. This sheet is in dollars of the time of the budget year. The following sheet which gives a very good feeling about how efficient or inefficient the operations have been in cost is the same as the previous sheet except it is adjusted for the Consumer Price Index. We have taken the liberty to attach a few visuals that give a clean indication of what has been going on. The first one is entitled Water Revenues. You can see that the total Water Revenues are down substantially from what they were in 1979. These revenues include interest, meter installation charge, water improvement charges and your basic user fees. The user fees have gradually



increased, but the support to the system from system development costs, meter installation charges and so forth are markedly down because construction activity is down. Water Expenditure and Transfers is on the second sheet. From that you can see from the relatively flat aspect of the chart that our operations have been pretty consistent over the years. Again, we are looking at today's dollars projected backwards. We have had system increases in size and so forth, but the chart indicates that our operational efficiencies are quite good. The next page is sewer system revenue you will see a substantial reduction in revenue brought about primarily from a decrease in construction activity. Again, the monthly service charges show a gradual increase while the other income sources from construction activity are markedly down. The column on the left is cut, it is \$1,900,000. The last chart shows our system expenditures and transfers and you can see that we are performing a higher level of service at a cost considerably less than just about any previous year. Our costs for personnel services are the lowest they have been, taking the Consumer Price Index into account, in the six years that we performed the study. The attached chart is the same as V except it contains the items adjusted to the Consumer Price Index. Again, the two columns on the right, the budget and the projected budget columns are current, they stand as they are because they are not adjusted since that's the base year. Actual budget projections were done for the balance of the year and are reflected in the projected column. We've reduced our expenditures considerably taking into account the depressed level of income and so forth in the process. Greg said the last page of the chart showed that the system is going to experience a hard cash loss in the area of \$122,000 to \$123,000. \$105,000 - \$106,000 is from the Water Fund and the balance of \$17,000 is from the Sewer Fund. As you can see, we have to make provision for rate increases. We are estimating that to recover the losses this year, provide for a balanced budget in the ensuing few years, we are looking at a 30-35% overall rate increase. There are innovative ways of dealing with that increase that haven't been looked at before and they involve establishing base rate for services to subdivisions that have all the infrastructures. We have building lots that the service is available to; we have fire hydrants that we have to flush and maintain. As a policy suggestion, we are asking you to consider establishing a base rate that assesses these undeveloped properties a minimum amount that would probably be close to 20% of the monthly charges for the service. It does a couple of things - it more equitably distributes the user fees in the system, it encourages development and it removes the air of speculation that formerly has taken place in Troutdale in the past. There are 360 to 400 lots that are ready to be developed that haven't been due to situations in the economy or other reasons. Greg said these lots are using storm drains we are gathering inflow and infiltration into the sewer system, we have provided a basic level of fire protection services for the lots, we have to maintain the fire hydrants, we have storage capacity to meet our fire flow requirements so we are providing services that are being subsidized by the existing ratepayers for these undeveloped properties. During the very heavy construction activity period the system was overbuilt in anticipation of that activity continuing. It didn't so we ended up with a system designed to service 12,000-13,000 people. We are asking the existing 6,800 ratepayers to pay for this system. Ron said he was concerned that the \$122,000 hard cash deficit was not based on operations, but on a lost systems development charge. Greg said that one of the operation

philosophies that's been used here for years is to in essence allow these capitally designated funds to subsidize rates. Ron Burgin asked if the same developer couldn't say if you were able to use those all for operations, you in fact overcharged me for SDCs and I have therefore subsidized operations for the last five years why do you suddenly want to charge me for those lots when I have been subsidizing you for years anyway.

Greg Wilder said there is a difference. We are talking about the capital part of the system installation and with that I agree with you, but we have system renewal and replacement costs that are associated, we have storage capacities that have to be maintained, we have to run our pumps to provide that storage, we have to blow off all our fire hydrants on a regular basis and we have to maintain that system and that is not included in the system development costs. Pam said the SDCs were for building the plant to serve things in the future and we don't want to borrow money, that is what originally the SDC was for. There was never a place in the rate structure for replacement and renewal of the system you have in the ground and are using up. The rates should include a replacement and renewal charge, because whether anyone is using the system it is in the ground and we are losing the life of the system because it is sitting there used or not. Marge Schmunk said she understood the philosophy, but she had never heard of the system of charging the owner of an empty lot for services before. Greg said it probably hasn't been done. Greg said we have a situation that not many cities face. The single lot or two scattered throughout the system doesn't make any impact, but when you have a situation of a whole development undeveloped it makes a difference. Greg said this was not the only recommendation and staff was asking for some guidelines. Ron asked if a distinction would be drawn between isolated lots and whole developments. Greg said it would be easier to assess based on an individual lot by lot basis. That would be an equitable distribution of the problem. The subdivisions that are platted but have no infrastructure is more difficult to address because the system is there to give them an availability of service. Ron asked if some cities assessed undeveloped and built upon land differently to account for part of this. Greg said when he had first started this study he decided not to go back to previously done studies and not to pick out standards documents and by doing that we have ended up with a more equitable approach. Pam said the 26th of February has been set aside for a work session on water and sewer rates. Greg said there are three basic directions we could take. Greg said the first was to forget all the undeveloped land and increase rates necessary to cover the operational costs. The second is that we look at a policy that takes into consideration all those developed properties with infrastructure in place and establish base rates for those and the third is we take a look at all undeveloped land that has available to it service and we look at base rates for those as well so we may end up with a three tier structure for base rates. On top of that the developed property pays your commodity costs as they use it. All lots would have a fixed base cost as well as a variable cost depending on the amount consumed. Gene Bui said he had a problem with the current rate payers paying for all the undone work in the subdivisions that aren't developed. When the full rate of service that the system is designed for is achieved you may even see

your rates drop according to Greg Wilder. Greg went over the Budget Utility Basis and Comparison and said it is only there for Council to see an abbreviated way to compare the general accounting principles of the utility basis to the budgetary basis. If we are going to base our water revenues on the budget basis, the item Renewal and Replacement needs to be added. The next sheet is the Capital Income Cost Summary Sheet which gives a good historical synopsis of what is happening with the system. Paul Thalhofer expressed concern regarding the cost accounting in the past. Pam said and one thing that had to be remembered is that even now today, we have the same people doing all the functions, water, street, shop, maintenance. With the new cost accounting system we are better able to keep track of those costs. She went on to say that in 1981-82 Nancy and Pam realized the City was in the hole with the water rates operationally because it was easy to see based on the population projections and the cost of the debt service that we were obligated to because of the FmHA loan for the system. We knew that we had to cover that debt service with a rate increase and they had not been increased for two years. Our recommendation was based strictly on the debt service.

Greg said that probably by the end of next fiscal year our accounting system and method of keeping track of our water production, water flow and sewer systems will be accurate and explicit enough so we can literally be able to give you what the new rates should be the following year. Ron Burgin said if we took one of two routes either raising rates uniformly to cover the \$122,000 or developing a fixed charge on all the properties and a commodities charge above that, the corresponding \$122,000 is currently paying the bills - if the money is coming from somewhere now what happens to that money? Pam said that money is coming from the SDC fund that has been set aside in the past. Ron said so it will be gin accumulating.

Greg went over the last few sheets. He said the Water Rate History was the next sheet which included the Standpipe Commodity charge. There is no limit as to how much water can be used through the standpipe and there is no meter on it. This needs to be very realistically considered. Changing this encourages people to get their buildings done. Greg said the lower part of the chart gives a history of system development cost, meter installation charges and standpipe installation charges. Ron asked if on the whole development charges as based on the per residential unit? Greg said they were based on each unit. Greg said there had not been a rate change since 11/1/72. He said the next chart is a general information chart - Water Commodity Users. Greg said the next sheet showed what can happen with a rate increase. When there is a rate increase, people can begin to conserve water as a result. Greg said the last chart which dealt with the sewer system.

Greg said staff would like some policy direction, at least guidelines on whether Council wants to forget about undeveloped land and just look at increasing rates as done in the past, whether you want to continue with SDCs subsidies and rates so we can look at projecting our SDC income, whether you want to look at some modified version of that, whether you want to take into consideration the undeveloped property and the co-availability of service. Paul Thalhofer said he would like to have

facts and figures on all of those except subsidizing from the SDCs. Marge Schmunk asked if there was a three-tier rate, what it would do to the average ratepayer like herself. Greg said it would relieve the overall rate increase of 35% by about 20%. Marge Schmunk and Gene Bui said they supported the three-tier concept. Gene Bui moved to accept the three-tier concept to be prepared by staff for discussion. Pam said a motion was not needed. Ron Burgin said if this was really that new of an idea, he would like some input from Brian. Brian Freeman, City Attorney, said the basic philosophy in setting utility rates is that there is some relationship between the actual cost and the actual expenses. Ron asked Nancy if this type of billing would cause the uncollectibles to be very high. Nancy said we would experience a higher uncollectible rate on those than we do currently because we now have the ability to turn the water off which encourages payment. Greg said you would have the ability to deny future service until the obligation is met. Ron Burgin said he was concerned that we would be taking a very pragmatic action to recover some costs that are on currently developed land, but we would be putting a real obstacle on future development. If a developer was looking at open land on Orient Drive or Gresham versus Troutdale, he would know that if he didn't sell those lots he would have another charge to pay monthly. Greg said the amount would be relatively small as it relates to an individual lot. He also said that he felt when we got through the rate process, we would be able to demonstrate that we can reduce SDCs. Gene Bui withdrew his motion. Paul Thalhofer asked if we could find out from other cities what they are doing to address this problem. Greg Wilder said there is no city that is in precisely the same kind of condition that we are. Pam said Gresham was in this same situation several years ago and when it was finally addressed they realized that they needed a 50% rate increase. They chose at the time to spread the increase over several years and did not use a high enough projected inflation rate and once they got the total 50% increase they were still behind.

Greg said something else that has come out of the study is that staff has determined a lot of ways to reduce operational costs. Pumps for reservoirs can be used at off-peak times and other things. The Department of Energy is going to do an energy audit and give us tips on how to do this with the sewage treatment facility.

#### AGENDA ITEM #12 - DEPARTMENTAL REPORTS

##### 12.1: PUBLIC SAFETY

Sgt. Farr said he had nothing to add to the report. Gene Bui asked if the two new officers were on duty now. Sgt. Farr said they would be sworn in on Monday and would have a week of preparation and the following week would go to the academy at Monmoth. Paul Thalhofer asked about Chief Haddock's memorandum concerning the request for information about the Multnomah County Sheriff's Department predicament. Sgt. Farr said Chief Haddock would be in attendance at the next Council meeting if there were any questions and if Council would let him know ahead of time he would ask a representative from the Sheriff's Department to be here. Paul Thalhofer expressed concern about the additional proposed cuts that might be made in

their budget but also functions that the Sheriff's Department perform which would be beneficial to everyone in Multnomah County, specialized functions primarily. Pam said she would check on the timeframe for this and schedule a representative from the Sheriff's Department at a Council meeting accordingly.

#### 12.2: FINANCE AND RECORDS

Nancy Nixon had nothing to add to her report. Ron Burgin said since we would have an increase in our building activity this year is there a connection between the Building Department and the Finance Department in checking on business licenses. Nancy said contractors had to have a business license before building permits were issued. Pam said at a legislative breakfast she attended last week someone voiced the opinion that business licenses were nothing but a business tax because they served no purpose. She said the purpose in Troutdale was to give the City a way to be sure people are registered and licensed to do the work they are signing up to do. It also gives us a chance to make sure home occupations are not operating dangerous businesses or businesses contrary to zoning. It is also a way of tracking people who are going in and out of the City as businesspeople. Paul Thalhofer said a business license for the County could be looked at in the future. Pam said different municipalities have varying fees. She said it is something that should be addressed and she had sent for a manual on setting business license fees and the services involved in providing that protection to the community. When Pam receives the manual and goes over it, she will present a report to Council on it.

#### 12.3: COMMUNITY SERVICES

Greg Wilder said the report stands. He said building activity has increased from one a month to three to five per month. Pam said there is strong indication that there will be a considerable jump in the next six to eight months in the commercial and industrial activity. Marge Schmunk asked who closes Buxton in adverse weather conditions. Greg said we did and Marge asked if an indication of the closure could be posted at the very top of the hill to give people the option of taking another route. Greg said we could do that.

#### 12.4: CITY ATTORNEY

There was no report from the City Attorney tonight.

#### 12.5: EXECUTIVE

Pam Christian pointed out the agenda at the Councilors places about the goal setting meeting on Saturday.

#### AGENDA ITEM #13 - COUNCIL CONCERNS AND INITIATIVES

Ron Burgin suggested that we get competitive bids on our health insurance independent of the League of Oregon Cities. Pam said the League's projected rates would be used for the budget.

Marge Schmunk and Marty Gault went to a meeting last week put on by Gresham and Metro for Planning Commission people that gave a lot of information about LCDC and how it came about. Marty Gault said there was good attendance by Troutdale. Marge said she will be anxious to look at the Design Review process and how it is handled. Paul Thalsofer asked how the sign ordinance was coming. Pam said it was being run off on the new computer system and would go to the Planning Commission this month and will be to Council next month. Gene Bui said we are back to CDBG grant time again. In March or April they will start looking for grants for this coming year and in relation to that Gene has been asked to try to find funds for the local Historical Society from foundations and organizations that might be interested in assisting in building a barn at Harlow House. It is in an area that has been designated as an income area where the money would be granted for a historical setting. You may be seeing a grant application from the Historical Society.

AGENDA ITEM #14 - ADJOURNMENT

Marge Schmunk moved to adjourn. Marty Gault seconded the motion.  
Ayes 6 Nays 0.

The meeting was adjourned at 9:50 p.m.

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SAM K. COX, MAYOR

DATE SIGNED: \_\_\_\_\_

ATTEST:

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NANCY B. NIXON  
FINANCE DIRECTOR/CITY RECORDER