

A regular meeting of the Astoria Common Council was held at the above place at the hour of 7:00 pm.

Councilors Present: Nemlowill, Jones, Price, Brownson, and Mayor LaMear.

Councilors Excused: None

Staff Present: City Manager Estes, Parks and Recreation Director Cosby, Finance Director Brooks, Fire Chief Ames, Police Chief Spalding, Public Works Director Cook, City Support Engineer Moore, City Engineer Harrington, Library Director Pearson, and City Attorney Henningsgaard. The meeting is recorded and will be transcribed by ABC Transcription Services, Inc.

PRESENTATIONS

Item 5(a): Presentation for City Forester Mike Barnes

Mayor LaMear shared information about Mike Barnes' career with the City of Astoria, highlighting major accomplishments and wishing him well on future endeavors. She presented Mr. Barnes with a plate honoring his service to Astoria. She congratulated Mr. Barnes on his retirement.

Mr. Barnes said it had been a pleasure working for the City, and had a lot of fun with Mayor LaMear during the Bicentennial Tree Planting Project. City Staff have been fantastic to work with. He wished the City well, noting that it had an excellent resource in the Bear Creek Watershed. His main goal was quality, quantity, and ensuring the water remained clear and flowing. He was also able to help the City make a few dollars through harvest activities.

REPORTS OF COUNCILORS

Item 4(a): Councilor Nemlowill reported that the community lost Mary Jo Grokey [5:06], She believed Ms. Grokey made a big impact on many lives. She taught aqua fitness classes when the pool was at Tapiola and at the Aquatic Center. She passed around a card for everyone to sign, noting the card would be given to Ms. Grokey's family.

Item 4(b): Councilor Brownson reported that he attended a League of Oregon Cities Small City Support Network meeting to discuss transient room taxes and dealing with intermediaries like online travel companies. These online companies are contentious about processing the taxes according to state law. Oregon State Law mandates that the entity collecting the tax is responsible. This law will impact vacation rentals advertised on sites like Airbnb. Most online companies are compliant, but Airbnb still refuses to submit room taxes to the municipalities. In a few cases, Airbnb has attempted to get cities to agree to take responsibility for processing the taxes. The City of Astoria refused. The State is going to crack down, so Airbnb will have to collect the taxes and send them to the cities. This is just one example of issues that are common among municipalities in Oregon. The meeting was an opportunity for all of the cities in the north coast area to come together and share concerns and ideas. He also attended the Port of Astoria meeting, which he planned to attend those meetings regularly to represent Astoria.

Item 4(c): Councilor Price reported that she, Mayor LaMear, and Chief Spalding met with Helping Hands Director Alan Evans and Chief Jason Schermerhorn from Cannon Beach who is also a Helping Hands Board member. They discussed how to help Helping Hands come to Astoria and address homelessness in the area. Mayor LaMear is developing a homelessness task force that will be led by Chief Spalding and will include most of the social services providers in the County. Clatsop Community Action and the City have a utility assistance program. The City's program is under-used, so citizens should make use of either program if needed.

Item 4(d): Councilor Jones reported that Astoria was very lucky to have had a professional forester. Astoria is also fortunate to have its own watershed. Only a few cities own their entire watershed.

Astoria's excellent forest management plan allows the City to harvest a small percentage each year, replant, and collect a couple hundred thousand dollars of much needed revenue, while at the same time maintaining clean water in excess of the required standards. This is phenomenal and Astoria has been very fortunate to have such an excellent forester.

Item 4(e): Mayor LaMear reported that she had developed a torn rotator cuff. She has appointed Joan Herman to the Planning Commission and was in the process of finalizing the homelessness task force.

CHANGES TO AGENDA

There was none.

CONSENT CALENDAR

The following items were presented on the Consent Calendar:

6(a) City Council Minutes: September 5, September 13, September 18, October 2 and October 16, 2017

6(b) Boards and Commission Minutes

(1) Park Board Minutes for July 26, 2017

(2) Library Board Minutes September 26, 2017

6(c) Early Repayment of Wastewater Treatment Plant Loan (Finance)

6(d) IGA with Clatsop County for Building Inspection Services (Community Development)

Mayor LaMear requested Item 6(c) be removed for further discussion.

City Council Action: Unanimously approved Items 6(a), (b), and (d) of the Consent Calendar without a motion or second. Ayes: Councilors Price, Jones, Nemlowill, Brownson, and Mayor LaMear; Nays: None. [12:25]

Item 6(c): Early Repayment of Wastewater Treatment Plant Loan (Finance)

Mayor LaMear said she just wanted to make sure the public was aware that the loan had been paid off early. She commended the City for saving funds from interest payments.

City Council Action: Motion made by Councilor Brownson, seconded by Councilor Nemlowill, to approve Item 6(c) of the Consent Calendar. Motion carried unanimously. Ayes: Councilors Price, Jones, Nemlowill, Brownson, and Mayor LaMear; Nays: None.

REGULAR AGENDA ITEMS

Item 7(a): Public Hearing: Community Action Team (CAT) Proposed Housing Rehabilitation Program (Community Development)

Community Action Team (CAT), on behalf of the City, is applying for a Community Development Block Grant (CDBG) for \$400,000 to encourage renovation of single-family homes in Astoria and the area as part of the Northwest Oregon Regional Housing Rehabilitation Program. If successful, the program will renovate approximately twenty homes owned by low and moderate-income homeowners.

It is recommended that the Mayor read the included Public Notice in its entirety and that the Council hold a public hearing to take public testimony. If the Council agrees, it would be in order for Council to authorize CAT to work at the direction of City Staff to prepare the Grant Application for submission to the State of Oregon.

Mayor LaMear read aloud the following public notice, which was also included in the agenda packet.

CITY OF ASTORIA PUBLIC NOTICE AND NOTICE OF PUBLIC HEARING The City of Astoria is eligible to apply for a 2017 Community Development Block Grant (CDBG) from Business Oregon. CDBG funds come from the U.S. Department of Housing and Urban Development. The grants can be used for public facilities and housing improvements, primarily for persons with low and moderate incomes.

Approximately \$12 million will be awarded to Oregon non-metropolitan cities and counties in 2017. The maximum grant that a city or county can receive is \$2,500,000.

The City of Astoria is preparing an application for a 2017 Community Development Block Grant from Business Oregon. The proposed project will assist low and moderate income families in and around the City of Astoria and areas served by the Northwest Oregon Regional Housing Rehabilitation Program. It is estimated that the proposed project will benefit at least 66 persons, of whom 100% will be low or moderate income.

A public hearing will be held by the Astoria City Council at 7:00 p.m. on Monday, November 6, 2017 in the City Hall Council Chambers, located at 1095 Duane Street, Astoria, Oregon 97103. The purpose of this hearing is for the City Council to obtain citizen views and to respond to questions and comments about: community development and housing needs, especially the needs of low- and moderate-income persons, as well as other needs in the community that might be assisted with a Community Development Block Grant project; and the proposed project.

Written comments are also welcome and must be received by the Community Development Department by November 3, 2017 at 5:00 p.m. at 1095 Duane St, Astoria, OR 97103. Both oral and written comments will be considered by City Council in deciding whether to apply.

The location of the hearing is accessible to persons with disabilities. Please contact the City Manager's office at 503-325-5824 forty-eight (48) hours prior to the meeting if you will need any special accommodations to attend or participate in the meeting.

More information about Oregon Community Development Block Grants, the proposed project, and records about the City's past use of Community Development Block Grant funds is available for public review at 1095 Duane St, Astoria, OR 97103 during regular office hours. Advance notice is requested. If special accommodations are needed, please notify Community Development Department at 503-338-5183 so that appropriate assistance can be provided. Permanent involuntary displacement of persons or businesses is not anticipated as a result from the proposed project. If displacement becomes necessary, alternatives will be examined to minimize the displacement and provide required/reasonable benefits to those displaced. Any low and moderate-income housing that is demolished or converted to another use will be replaced.

THE CITY OF ASTORIA Brett Estes, City Manager/Interim Community Development Director

She opened the public hearing at 7:19 pm.

Susan Wagner, no address given, said she represented CAT. Astoria is a member of the Northwest Oregon Regional Housing Rehabilitation Program, which consists of all 21 jurisdictions throughout Clatsop, Columbia, and Tillamook Counties. The program serves low and very low-income people with housing rehabilitation assistance for their homes. This is a critical component for these people because they do not have the wherewithal or the funds to make repairs to their homes to keep them safe. Many times, their roofs are falling in, their floors are soft, there are holes in the floors, or they have no working toilets. These are really desperate people. Over the last 17 years, the program has helped approximately 275 homeowners throughout the three-county service area. The Regional Loan Program is very important because it recycles the funds. These are zero interest loans given to homeowners. When homeowners pass away, sell their home, or refinance their home, the funds come back to CAT as unrestricted funds. The funds can then be loaned out to others or used for other housing projects. She asked that the City of Astoria be the lead applicant for this year's application. Astoria is in a perfect position because the City recently had a CDBG project and has all of the background and documents required to make a successful application. The required Section 3 Plan that assists low-income people with work and the Language Assistance Plan for people who speak Spanish are already in place because of Astoria's other project. She offered to answer questions.

City Manager Estes noted that the City's most recent CDBG was the Senior Center grant. The work done for that project is still valid.

Ms. Wagner added that the last housing rehabilitation program sponsored by the City of Astoria was in 2011. The goal is to market the program locally. In order to avoid needing a memorandum of understanding between Astoria and two other applicants, CAT asks that the program be available to the entire region. CAT preferred that Astoria serve as the lead applicant and allow the housing rehabilitation program to be used as it stands.

Mayor LaMear said she was excited about this program. Every community in Oregon is talking about affordable housing and homelessness. Astoria has very little buildable land, so this program is perfect for the city. Ms. Wagner noted that the program preserves the homes that are most at risk. CAT wants to protect those homes and keep people in their affordable houses.

Councilor Jones asked what Staff and monetary resources would be necessary to participate in or oversee this program. City Manager Estes said the Community Development Department would need to complete the application and manage the loans. The Finance Department would work with CAT to close out the grants throughout the year.

Councilor Price asked if the money earmarked for management would come to the City to pay for Staff's costs. City Manager Estes said no, that money would go to CAT. Ms. Wagner explained that CDBG does not allow the funds to supplement the jurisdiction's finances unless they hire a new employee.

Councilor Price said this program would serve about 22 homes in the region with an average loan of about \$20,000 per home. She asked how many homes in Astoria would be served.

Ms. Wagner said she spoke with Mike Morgan and City Manager Estes about CAT's intent to market the program to Astoria and the surrounding region, primarily the surrounding area. The projects are available on a first come basis to those who have their paperwork in order. The program would be marketed first in Astoria since Astoria would be the lead applicant. Letters will be sent out in the water bill to all Astoria residents, advising residents of the program, letting them know how to contact the City if they are interesting in being added to the current primary wait list. City Manager Estes explained that the last time the City of Astoria applied for this grant was in 2011. The jurisdictions in the three-county rotate as lead applicant so that all jurisdictions receive reciprocal benefits.

Councilor Price asked if there were deadlines for applications or for use of the funds. Ms. Wagner said the application is due December 29, 2017 and CAT is ready to put the application together as soon as they receive approval from the State. If City Council approves this tonight, she will send the already completed project intake form to City Staff. The City will then be invited to submit an application by December 29th. The application will go through a rating and ranking process and a decision will be made by February. Astoria will then have two years to complete the projects, but CAT hopes to get them done in 18 months or less.

Councilor Price asked how the amount of \$400,000 was determined. There is a lot of money in this project and she believed millions could be distributed outside of the I-5 corridor. Ms. Wagner responded there is never enough money. The project allows for the statutory amount set by the State and \$400,000 is the maximum.

Councilor Price asked who would put together the external loan committee and who would be on the committee. Unidentified Speaker said the City of Astoria would appoint committee members.

Mayor LaMear called for public testimony. Hearing none, she closed the public hearing at 7:29 pm and called for Council discussion and deliberation.

Councilor Nemlowill said she wanted to hear from City Manager Estes. This is not a big project, but at the last work session, Council discussed all of the projects they wanted the Community Development Department to complete. Council realized not all of the projects could be completed because the City has so much going on already. She asked City Manager Estes if this project was a good idea. The program would benefit some citizens and help provide much needed repairs to homes in Astoria. City Manager Estes said he definitely believed this was a great idea. The project would simply continue work that Staff has already been doing, so he did not see this project as adding new and different work above and beyond what the Community Development Department has been doing already.

City Council Action: Motion made by Councilor Jones, seconded by Councilor Brownson, to authorize CAT to work at the direction of City Staff to prepare the Grant Application for submission to the State of Oregon. Motion carried unanimously. Ayes: Councilors Price, Jones, Nemlowill, Brownson, and Mayor LaMear; Nays: None.

Item 7(b): Proposed rate increase for water customers outside City limits (Public Works)

The City of Astoria owns and operates a waterworks and water distribution system that consists of water treatment, storage, and distribution. Users of the water system are charged rates that reflect costs of ownership and operation of the water system as a public utility. Although owned by and operated primarily for the citizens of Astoria, the system also provides water to water districts and customers outside the Astoria City limits.

As described in the Resolution, water customers outside the City limits are charged an additional amount. Water Districts are charged an additional 10 percent charge. This was implemented in 1984 and has not been adjusted since that time. There are several standard costs that are quantifiable which justify a basis for rate differentials between inside and outside City limit customers and are recognized by the American Water Works Association (AWWA). There is also a variety of additional direct costs specific to Astoria's system associated with serving outside-of-City customers.

In consideration of water system infrastructure needs as well as operation and maintenance burdens as a result of serving water customers outside City limits, staff is recommending increasing the percentage rate for these customers to better reflect a fair and equitable contribution from them. It has been determined that an overall increase from 10 percent to 25 percent would more fairly represent the added financial responsibility of serving these customers. In order to minimize the impact of the recommended 15 percent increase, it is being proposed that the City increase the additional percentage by 5 percent each year for 3 years. In order to provide time for planning and budgeting, it is recommended that the first increase start on July 1, 2018. Another increase would then occur on July 1, 2019 and again on July 1, 2020. Funds obtained from these increases will be focused on capital improvement projects and maintenance/operations at the water system headworks.

It is recommended that City Council consider the proposal and authorize staff to prepare an updated Resolution for Water Service that implements a 5 percent increase to the charges outside City limits to a total 15 percent to take effect beginning July 1, 2018. In addition, provide concurrence with the strategy of future rate increases that will be presented to Council in subsequent annual water resolutions.

City Support Engineer Moore gave a detailed PowerPoint presentation of the information provided in the agenda packet. She explained the current water rates charged to customers outside Astoria city limits, which are impacted by the way that water is delivered to those customers. Astoria serves seven water districts outside city limits, as well as Tongue Point Job Corps, which is the biggest water user outside city limits, the Coast Guard, the fairgrounds, forestry, the bridge, and a few residences not within any of the water districts. Staff has been discussing the proposed rate increase with these customers for a few months and they were encouraged to attend this meeting. Staff believed the proposed increase was fair and equitable for these customers. Staff is also considering updating the Water Master Plan and future capital improvement projects. The City submits its rate structure to agencies that provide funding for projects, ensuring that the City is managing its system appropriately. She noted how Astoria's water rates compared to surrounding communities and the industry standard.

Mayor LaMear called for public comments on the proposed water rate increase for customers outside city limits.

Tom Alfonse, 37665 Timber Lane, Astoria, said he gets water from the City's main line. From the main line, the water goes through his meter and water lines. The City reads one meter ever two months. He takes care of and pays for all the breaks from the main line to his house. The City used to take care of major breaks because he never got to use the water that was lost. However, it does not work that way today. Once the water goes through the main meter, he pays for it regardless of what happens to it. He has paid through the nose for water he has never been able to use. The City charges \$3.87 per thousand gallons, but he pays \$9.80 per thousand gallons. His average lowest water bill is \$60 a month. This increase will affect many people in the area who do not currently pay their water bill. He must look for 12 people every month to get their money. The City definitely cannot increase their rate by 25 percent in two years. It is unbelievable that the City would even consider this.

His area has the City's best customers. They buy the water from Astoria, and from that point on, it is their problem. They are being sectioned out. They get the water before the City does because they are closer to the headwaters. Yet, they are being penalized.

Councilor Price asked what water district Mr. Alfonse was with and how many customers that district had.

Mr. Alfonse said he was from the John Day Water District, which has 123 customers. Councilor Brownson served on the district's board at one time when he lived in the area, so he is familiar with many of their problems. Working on the highway in the middle of November when the water lines break is unbelievable. The water lines were built in 1953 with parts from Tongue Point. The district has been trying to work with the Corps of Engineers on a new system, but that takes a lot of money. The district charges \$9.80 per thousand gallons, which already kills the customers and the district still cannot get ahead.

Councilor Brownson explained that the water district pays Astoria's fee, but the district also has to administer, maintain, and distribute the water it buys from Astoria. So, the water district's costs are added to what they pay Astoria.

Mayor LaMear understood the fees displayed by Engineer Moore were just the fees paid to the City, not the total fees charged to customers by the water districts.

Brian Crouter, 92761 Claremont Road, Astoria, said he a board member and water quality technician for the Fernhill Community Water System, a small, customer-owned water company with approximately 95 owners. They charge over \$10.00 per thousand gallons to help pay for the infrastructure and water loss. They also have a surcharge of \$17.85 to fix a water main on John Day. He believed the company was a customer in good standing with the City of Astoria. The City only provides the company with water, no infrastructure maintenance, meter reading, or late notices. For several years, the company has been repairing and replacing their failing infrastructure as much as money allows. They have been experiencing a considerable amount of water loss for quite some time, but do not receive the leak adjustments that City of Astoria customers receive. They are required to pay the full rate for losses. When the City said the company needed to replace the master meter, they promptly paid the \$4,000 cost. They currently pay 10 percent higher rates than customers do in the city limits, but they are only paying for water without the added services for their customers. He would be comfortable with the rate increase if it were dispersed among all customers, including those in the city. He was against any water rate increase just for out of town customers.

Guy Rivers, 1438 Jerome Avenue, Astoria, said he was Finance Administration Director at Tongue Point Job Corps Center, which is a United States Department of Labor program. He works for the contractor that operates the program on behalf of the Department of Labor. His company is in the middle of a five-year contract and it is a fixed dollar contract. They appreciate the relationship they have with the City and believe the City has been very fair. He asked Council to consider that with a fixed dollar contract through 2020, additional costs must come from somewhere else in the program. Tongue Point uses 2.5 to 3 million gallons of water each month, so the rate increase will be a significant amount of money. The additional cost is not insurmountable, but the dynamics of the program will change.

Tom Savage, 37359 Labiske Lane, Astoria, said he was a member of the Olney-Walluski Water Association. They get good quality water, which they appreciate. The services mentioned in the memorandum are services that are provided by the association, like additional costs for operations, maintenance, meter readings, service calls, emergency response, and monitoring. The memorandum mentions that the association does not have water storage, but the costs associated with the rate increase are not made clear. He looked at the current budget and was unable to see any connection to increases in costs associated with water users outside of city limits compared to all users. The association's water system was built in the 1970s, so much of their 14-mile main line is near the end of its useful life. They just took out a loan for \$500,000 to pay on a \$1 million contract to fix the worst portions of the main line and they still have several phases of work left to complete. They are trying to complete the work in a way that the members can afford the increased costs. Any time the city users get a rate increase, so does the association. Even though the proposed increase is incremental, there are many people in his community that cannot afford even small increases.

City Manager Estes noted an email from Olney-Walluski Water Association President Ken Klee was made available at the dais.

Cindy Johnsen, 37815 Eagle Lane, Astoria, said she is new to the water board and this issue was new to her. She made handouts available at the dais. She said the memorandum was confusing and she had to read it three or four times just to figure it out. She was not sure if the entire amount was increasing by 20 percent or 25 percent, but now she understood that the first increase would be 10 percent, the next increase would be five percent, and so on until 2020. The rate always increases 10 percent, but next year in July, it would be 15 percent. She referred to the back page of her handout and said the total amount the water district actually pays Astoria is \$37,927. By 2020, the water district will be paying \$48,086 for the same amount of water. She presented a copy of her water bill and said currently, her water bill is about \$80, but by 2020, it will be \$102.69. There are 123 people in her water district, most of who are retired and on fixed budgets. Putting this burden on people who are already on fixed budgets is not realistic. Almost 10 percent do not currently pay their bill because the rates are already over their heads. She presented a copy of a flyer that she placed on mailboxes to inform people because the water district had no way of communicating to their customers about this meeting. The district also started a Facebook page. If she had not joined the board at the beginning of October, she would not have known why her rates were increasing. She already wonders why she pays so much for water. She does not want her water bill to go up. Her handout included a list of rates for the local area water districts. Her district pays more for water than anywhere else does. Knappa gets 6,630 gallons for \$41. Her district pays 10 percent more than Astoria customers. Her taxes are also going up. Her tax bill went up \$400 this year.

Alex Raichl, 37579 Labiske Lane, Astoria, said he just joined the Olney-Walluski Water Association Board. The association just completed a major upgrade to their system and made repairs. Much of the work was related to a natural disaster on Highway 202, which resulted in traffic being diverted across the association's water lines. The road was damaged and as they fixed leaks, more leaks were found. The association paid for all of that work and never received leak credits. They only use five to ten percent of Astoria's water production and he did not believe it was right to put a high rate increase on users outside the city because they are already paying a massive rate. The association does all of its own meter reading and repairs. This work has nothing to do with the City's repairs, maintenance, meter reading, or adjustments. Raising the rates charged to customers who already do not pay their bills will make the situation twice as bad.

Mayor LaMear closed the public hearing at 8:01 pm [1:01:25] and called for a response by Staff. She was not aware that the water districts were responsible for all of their own repairs and maintenance.

Engineer Moore explained that the water districts have a master meter. Astoria supplies water to the master meter and all of the infrastructure beyond that meter belongs to the district. The districts maintain and operate their own infrastructure, including their customers' water meters. The districts are also responsible for billing their customers. The rest of the customers outside city limits are served by Astoria the same as customers inside the city limits. Astoria must maintain all of the infrastructure to all of the meters outside the city limits. None of the districts have their own storage, so Astoria operates its water system to compensate for that. The City is considering building a clear well at the head works to store water for the out of city customers. Astoria takes on the vulnerability and must ensure their system constantly flows to accommodate peak usage. This means the system cannot run as efficiently as it would if there were storage. The current water plans recommend that the City require water districts to have their own storage. The City is trying to balance what is fair and equitable for all customers, even though out of town customers require extra services, maintenance, and operations because of the current configuration of the infrastructure.

Mayor LaMear confirmed that a clear well was a storage tank located at the headworks. Engineer Moore added that a clear well does not serve customers directly, but would feed into the transmission main.

Councilor Jones asked if the Seaside and Cannon Beach water districts also paid for their own infrastructure maintenance. Engineer Moore said Seaside had a water district that operated similar to Astoria's, but Seaside charges them 100 percent more. Warrenton's situation is unique; they supplement Gearhart's water in the summer, but Gearhart has their own infrastructure to maintain and their own customers to bill. Other communities in the area have customers outside city limits, just as Astoria does. Astoria has not evaluated their rates since 1984 and the water rate study did not address this particular part of the water rates. She confirmed the study, completed eight or nine years ago, was intended to evaluate the City's needs and implementation of water and sewer rates to ease the burden of infrastructure improvement costs.

Councilor Nemlowill confirmed the proposed increase to out of city users would contribute to the clear well project. She asked if the clear well would satisfy the Water Master Plan's recommendation to require storage for the water districts. Engineer Moore stated that with a clear well, Astoria could manage their system more efficiently. The clear well would be a compromise that would allow Astoria to compensate for the districts' lack of storage.

Councilor Nemlowill asked how Staff determined that a 25 percent increase was appropriate. She agreed with comments that there was a lack of clarity between the costs associated with proposed rate increase. Engineer Moore explained that separating costs is challenging. Even the budget does not separate the costs because everything the City does for it's in town customers is done more so for it's out of town customers. Therefore, Staff used guidelines provided by financial advisors. Twenty-five percent is low end range of what is standard and Staff believed that was a fair increase. This increase would still keep Astoria's rates much lower than surrounding communities. City Manager Estes added that a 25 increase would not fund the entire clear well project, but Staff believes 25 percent is an appropriate contribution. If this rate increase is not approved, Astoria would still need to fund the clear well project by increasing rates charged to all water users, both inside and outside city limits.

Councilor Brownson clarified that the rate is 10 percent now and it would increase by 15 percent over three years to a total of 25 percent, not an increase of 25 percent over the 10 percent currently being charged. The money coming into the City from this increase would not be much. He asked if the City needed a clear well because of the water districts or for some other reason. The breweries and fish processors use a lot of water and water levels can get low in the summer. Engineer Moore confirmed the need for a clear well had nothing to do with water usage inside city limits. The well would not provide enough storage to mitigate for canneries, huge flows, and fluctuations in usage. However, the well would buffer the flow when a large amount of water is taken from the system, like when there is a fire. Staff would recommend a clear well even if there were no users outside city limits, but those users would be taken into consideration when determining the size of the well. The City's well will need to be larger because of the customers that do not have storage.

Councilor Price confirmed the clear well could cost between \$1 million and \$2 million. She asked for documentation that explains why in 1984 the surcharge was dropped from 50 percent to 10 percent. Engineer Moore said she did not have any documentation and it would take quite a bit of effort for staff to find that information.

Councilor Price said that over the past year or two, City Council has been reassessing administrative fees for everything. The drawback of keeping fees low for years is that eventually, the fees have to be raised. This creates a problem because people have been thinking fees would remain low. Her biggest concern was Tongue Point. The rate increase would cost Tongue Point about \$12,000 a year. She was also concerned about comparing Astoria's rates with surrounding communities' rates and wanted more details about what other municipalities are doing. She recommended the rate increase be postponed for two years so that Tongue Point could budget properly and to give water districts time to figure out how to make their rates work for their customers.

Councilor Jones said he was undecided. No one likes raising rates, but one of Council's goals is to consider ways to generate revenue for the City. Council asked all of the City's departments to recommend ways to generate appropriate amounts of revenue. Council has looked at most of the City's fee structures and several fees have been raised. Since 1984, Astoria's out of town customers have been very fortunate compared to other municipalities. The proposed rate increase is still well below industry standards and he believed Council should approve it.

Councilor Nemlowill stated that unlike the other rate increases, this one is for water, which everyone needs. She believed going from 10 percent to 25 percent was too sharp of an increase for water. She did not have clear evidence that the City is losing money on out of town customers. Every time Astoria's water rate increases, so does the rate charged to customers outside city limits. This means those customers are paying more than they were in 1984, even though the percentage is still the same. She understood Staff's point and believed the City was very constrained financially. However, a 15 percent increase is too high.

Councilor Brownson said he was very familiar with how difficult it is for small water districts to function. It is a huge burden for small communities to maintain and operate. The few people how operate these districts work

hard and get very little compensation. He believed the number of people on fixed incomes in those districts is much higher than in Astoria. The districts lose a lot of water when there is a large break in a line. Rate payers in the city do not get charged for water lost by a break in a line because Astoria absorbs that cost. But customers in the water districts are billed for the water losses, which can be thousands of gallons even before the location of the leak can be found and patched. If a rate increase is necessary, it should be lower. He agreed postponing the rate increase would be appropriate for the job corps. He asked if the rate for Astoria water users would also increase to help fund the clear well project.

City Manager Estes explained that the annual infrastructure costs and water rates are determined during budgeting each year.

Councilor Brownson did not agree that this proposal was necessary because everything has been working pretty well up to this point. There have been fires outside the city and nothing has gone wrong. There have been major breaks and Astoria has not been wounded too badly by them.

Councilor Jones confirmed that the proposed resolution would only implement a five percent increase on July 1, 2018. Staff would still have to propose rate increases for future years for Council to consider separately.

City Manager Estes added that if Council chooses to implement the five percent increase, Staff would still need to present Council with the resolution. And if Council directs Staff to move forward with their proposal for future rate increases, Staff would add those increases to water rate resolutions in subsequent years for Council to consider. This would allow Staff to budget for the increases, but they would not be implemented until Council approves each increase year by year. The City used this same approach when increasing rates at the cemetery.

Councilor Nemlowill asked if Staff was prepared to propose an alternative now.

City Manager Estes said it was up to Council to decide how these needs should be addressed. Even if rates for out of town users are not increased, Astoria still has to maintain infrastructure, so the costs would be spread amongst all rate payers. This could result in Astoria's taxpayers paying more for the services provided to those who live outside city limits.

Mayor LaMear said she has learned a lot about water districts that she had not known prior to this meeting. She appreciated everyone who spoke about the proposed rate increase. She had assumed the rate increase was necessary because Astoria provided maintenance, but that is not the case. She believed the costs should be shared by all water users. Additionally, everyone should support the well because it is necessary.

Councilor Jones believed the fundamental issue was fairness. The rates Astoria charges it's out of town customers are extremely low compared to industry standards and neighboring jurisdictions. He would vote in favor of a motion to increase rates by five percent effective July 1, 2018. A year from now, he would like Council to revisit this issue with more details about how much maintenance the City of Seaside provides in exchange for the 100 percent surcharge they charge. He believed Council would be voting on a commitment to increase the water rate by five percent each year for the next three years. However, he now understood that was not the case. Council is just being asked to vote on imposing a five percent increase effective July 1, 2018. Future rate increases would have to be discussed at a future date.

City Manager Estes explained that the proposal was structured to find out if Council supported the full 25 percent over three years. In the next month or so, the only thing Staff can propose is a resolution to increase the rate on July 1, 2018. Council can direct Staff to come back with a resolution at a future meeting for the first year at five percent, and then discuss other rate increases later.

Councilor Nemlowill said she wanted Council to agree on a compromise and resolution.

Mayor LaMear stated she was opposed to any increase. Councilor Price said she was in favor of a five percent increase, effective July 1, 2019. Councilor Brownson said he was opposed to an increase at this time, but could agree to implement it in 2019. Councilor Nemlowill said she wanted Council to agree on a total increase because it is not fair that people do not know how much their water rates will go up. Determining a total rate increase would also allow Staff to plan financially. She did not want the rate to increase by more than 7.5 percent.

City Council Action: Motion made by Councilor Jones, seconded by Councilor Nemlowill, to authorize Staff to prepare an updated Resolution for Water Service that implements a 2.5 percent increase to the charges outside City limits to a total 12.5 percent to take effect beginning July 1, 2018, and give Staff Council's concurrence with the strategy of future 2.5 percent rate increases on July 1, 2019 and July 1, 2020 to be presented to Council for discussion in 2018.

Mayor LaMear asked how a 2.5 percent increase would impact the City's budget. Staff confirmed that a 2.5 percent increase would generate an additional \$12,500 in annual revenue and implementing the rate increase would not incur any additional costs.

Motion carried 4 to 1. Ayes: Councilors Jones, Nemlowill, Brownson, and Mayor LaMear; Nays: Councilor Price.

City Manager Estes stated the first resolution to implement a fee increase on July 1, 2018 would be presented to Council during their first meeting in December.

Item 7(c): First Reading and Public Hearing: Ordinance Modifying City Code 5.927 Adding Additional Exemption Related to Park Hours (Police)

Astoria High School is experiencing increased demands for student parking that has exceeded their current capacity on the school grounds. This concern is exacerbated by recent road work along West Marine Drive causing students to park further from the school and in some cases crossing a major highway on foot to arrive at school.

Currently, the City ordinance prohibits persons between the ages of 7 and 18 to be in the park during school hours. Authorizing students to park in the Park during school hours would place them in violation of the City ordinance. Some students are currently parking at Tapiola Park, which presents challenges for our officers.

City Parks Department and Police Department staff met with the Astoria High School principal to explore options to increase student safety. A partial solution was discussed that included students being allowed to park on the lower parking lot of Tapiola Park during school hours. The impact to the Park would be minimal during these hours. An additional exemption added to the list of exemptions in City Code 5.927 would remedy this situation.

It is recommended that Council hold a public hearing and consider holding a first reading of the ordinances amending City Code 5.927.

Mayor LaMear opened the public hearing at 8:40 pm and called for public comments. Hearing none, she closed the public hearing at 8:40 pm.

Councilor Brownson said it sounded like the high school had parking problems in general. Even if the situation on the highway was good, students would still be parking on the highway. The school does not have adequate parking space for all of the students that want to drive to school. He wanted to know if the school has a plan for handling the situation. Allowing students to park at Tapiola is not a long-term solution.

Director Cosby said this problem arose towards the end of the last year. As the economy gets better, more students are purchasing cars and driving to school. The school is not sure if the parking problem will continue, so they are considering all options. The proposed exemption to City Code has not been specified for just this year because Staff would like to test it and see how it works out. The law was put into place to prevent high school students from misusing the park and encourage them to go to school, so she really liked the way the Police Department wrote the ordinance, saying students must go directly to school and that the school principle is responsible for students during school hours. The park is not being fully utilized during the school year during school hours.

City Manager Estes said sharing parking lots is a good urban planning tool. Even though more drivers on the lot will increase maintenance, the need to build more parking lots is reduced.

Councilor Brownson stated there was some opposition in the community. He was in favor of the exemption, but preferred it be limited to this year. Council could reconsider the issue again next year. City Attorney

Henningsgaard explained that flexibility built into the ordinance allows the high school to set the rules. Students cannot park at Tapiola unless they have been authorized to do so by the high school. City Manager Estes confirmed that if any issues arose, Staff would let Council know so that Council could make necessary changes.

Councilor Nemlowill said she did not see a problem with the amendment and felt good about the City and school district working together.

City Council Action: Motion made by Councilor Nemlowill, seconded by Councilor Jones to conduct the first reading of the ordinances amending City Code 5.927. Motion carried unanimously. Ayes: Councilors Price, Jones, Nemlowill, Brownson, and Mayor LaMear; Nays: None.

Director Brooks conducted the first reading of the ordinance.

Item 7(d): Authorization to Solicit Proposals for Architecture/Engineering Services - Library Renovation Project (Library)

Council voted unanimously in May 2017 to renovate the current library. The process of developing the Request for Proposal (RFP) process began following the direction received from Council. Public Works staff have been instrumental with guiding the process. Ann Gyde has been placed on a Personal Services contract to assist with developing the proposal. Ann is retired from Clatsop Community College recently serving as a Project Manager for the Patriot Hall project. The RFP will be published following Council authorization to proceed.

The RFP will secure architectural services to study, evaluate, and update the preliminary work done by others during the Library Renovation study led by Ruth Metz in 2013. The firm will also complete evaluation of the current library to include assessing code requirements, necessary infrastructure upgrades, and preliminary budget development. We will also request conceptual design and graphic renderings to assist with fundraising efforts.

Upon completion of our Capital campaign the firm will develop a final design, structural plans, budget, construction documents, and assist with bid development for the construction process. Following receipt of proposals, they will be reviewed by a panel comprised of staff and library board members. It is anticipated a negotiated contract will be brought to Council in February 2018 for consideration.

It is recommended that Council authorize Staff to solicit proposals for the Library Renovation Project.

City Manager Estes explained that the architectural and engineering work would be a first step towards providing the framework for the project and was intended to inform fundraising efforts. The second step would include more specific structural and design plans, budgeting, and public engagement. Staff briefly reviewed their process for developing the RFP and explained the procedures for selecting a proposal. A contract would be presented to Council in February 2018.

Councilor Price asked if Staff believed that someone with architectural experience should review the RFP. City Manager Estes explained that someone with a project management background was necessary, but Staff and Council could discuss the possibility of having the RFP reviewed by an architect. Councilor Price stated Staff had schedules for previous projects and asked if Council could get a schedule for this project. City Manager Estes said this project was moving forward differently from past projects that were funded prior to hiring an architect. Councilor Price said she wanted a timeline that included the foundation's deadlines and the contract proposal in February. The project is large, it is important to the community, and many people are invested in it. Knowing what the steps are makes it easier for Council to oversee the project and communicate to the public. City Manager Estes suggested discussing fundraising efforts with the foundation.

City Council Action: Motion made by Councilor Price, seconded by Councilor Brownson to authorize Staff to solicit proposals for the Library Renovation Project. Motion carried unanimously. Ayes: Councilors Price, Jones, Nemlowill, Brownson, and Mayor LaMear; Nays: None.

Item 7(e): Request to Cut Trees in West Niagara Unimproved Right of Way (Public Works)

Steve Roman, 456 S. Denver and Dan Seeley, 303 W. Niagara have submitted an application to fell/cut trees in City Right of Way. The Right of Way is an unimproved section on W. Niagara. The previous homeowner planted the trees as a hedge, they were never pruned and now stand about fifty feet tall. Mr. Roman's request is cutting the trees for view whereas Mr. Seeley's request is cutting for hazardous tree concerns. There are three other residents who have implied that they agree with the cutting of the trees. Their plan is to cut the trees to the ground and replant with shrubs.

Because there is a City water line running through this area and the potential for the roots to damage the line is high, staff is in favor of removing the trees. Typically, the Engineering Department would approve of this request; however, due to the number of trees affected it was determined this would be brought before the City Council for consideration.

Should City Council agree with this request, staff highly recommends the following condition be included in the permit: Applicants shall employ erosion control measures recommended by the city or geologist and take any other measures required to stabilize all disturbed areas and assure that new growth is fully established.

Staff recommends that Council consider the proposed removal of trees within the unimproved public right of way.

Mayor LaMear confirmed that no letters of opposition had been received by Staff. She also confirmed that about 35 or 40 trees would be removed. She asked if City Engineers had any issues with this proposal. Engineer Harrington displayed photographs of the area and said he wished the trees had never been planted in that location because the roots are a hazard to the water lines, which would be difficult and messy to repair. Additionally, it is difficult to get equipment into the area.

City Council Action: Motion made by Councilor Jones, seconded by Councilor Brownson, to approve the application by Steve Roman and Dan Seeley for the removal of trees within an unimproved public right of way on W. Niagara, with the conditions of approval recommended by Staff. Motion carried unanimously. Ayes: Councilors Price, Jones, Nemlowill, Brownson, and Mayor LaMear; Nays: None.

Item 7(f): Change Meeting Dates in 2018 that Fall on Holidays (January 1, January 15, February 19, September 3, 2018)

Astoria City Hall will be closed on Monday, January 1, 2018 for New Year's Day; Monday, January 15, 2018 for Martin Luther King, Jr. Day; Monday, February 19, 2018 for Presidents' Day; and Monday, September 3, 2018 for Labor Day, therefore, it is recommended that council vote to move the meetings to the following Tuesday, respectively.

City Council Action: Motion made by Councilor Price, seconded by Councilor Brownson to reschedule City Council meetings that fall on a holiday to the following Tuesday. Motion carried unanimously. Ayes: Councilors Price, Jones, Nemlowill, Brownson, and Mayor LaMear; Nays: None.

NEW BUSINESS & MISCELLANEOUS, PUBLIC COMMENTS (NON-AGENDA)

Linda Dugan, 1017 Franklin, Astoria, noted she had made handouts available at the dais and said she had an insurance agency at 1139 Exchange, Astoria. As an insurance agent, she is able to write policies that are dependent on the crimes in the area. She gets information about crime from Sperling's Best Places to Live. She compared 2011 crime ratings for Seaside, Astoria, and the United States to 2017 crime ratings for the same areas, noting that Astoria's crime rating has increased almost two points in six years. Homeowners have been complaining that the cost of their insurance policies are increasing and she can no longer insure against risks that she was previously able to write policies for. She added that violent crime in Astoria was high as well. She encouraged Council and Staff to look up the data and consider making changes that would improve the community.

Councilor Jones asked how many incidents and violent crimes occurred each year, and if the rating was high because Astoria was such a small community. Ms. Dugan said she did not know how the rating was calculated, but believed population was a factor.

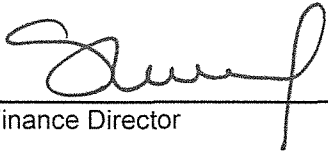
Councilor Price confirmed that the work session on November 8th would begin at 8:00 am. City Manager Estes reminded that the Council had requested a half-day work session to discuss the vision of the community.

Mayor LaMear said she preferred the meeting begin at 9:00 am.

ADJOURNMENT

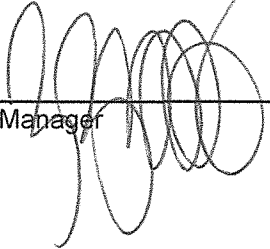
There being no further business, the meeting was adjourned at 9:07 pm.

ATTEST:



Finance Director

APPROVED:



City Manager