

A work session of the Astoria Common Council was held at the above place at the hour of 6:00 pm.

Councilors Present: Nemlowill, Brownson, Price, Jones (via telephone), and Mayor LaMear.

Councilors Excused: None

Staff Present: City Manager Estes, Parks and Recreation Director Cosby, Finance Director Brooks, and Library Director Pearson. The meeting is recorded and will be transcribed by ABC Transcription Services, Inc.

PARKS DEPARTMENT BUDGET DISCUSSION

City Manager Estes briefly reviewed discussions from the last two work sessions to discuss the Parks Department's current and future finances. Staff gave a brief follow up presentation that focused on the long-term needs of the department. Agenda packets for this work session included an opinion statement from the City Attorney on the use of Promote Astoria Funds at the Aquatic Center and estimated revenues from a flat utility fee on water and sewer rates. During the presentation, Staff answered Council's questions about utility bills, how Sunset Empire operates, and Attorney Henningsgaard's interpretation of the laws regulating the use of Promote Astoria Funds.

Council and Staff discussed the use of Promote Astoria Funds at the Aquatic Center in detail. State laws regulate how the money can be spent. The Aquatic Center is used by and being marketed to tourists, so there is justification for allowing the Aquatic Center to use Promote Astoria Funds.

Councilor Price believed the Parks Department has done an exceptional job over the last two years maintaining facilities with limited budgets and staff. She wanted the public to know that the department's deficiencies were due to City Council's decision not to provide the department with the resources to meet its needs over the years. She made complimentary comments about the department's effectiveness and said Parks deserved Council's support. She proposed a three percent increase to the hotel tax and a small utility fee of one or two percent on residential properties, with an exemption for people on the utility assistance program. She also proposed splitting revenue from the marijuana tax as follows: 25 percent to the Parks Department, 65 percent to the Police Department, and 10 percent to the General Fund. She supported cutting adult sports, selling Birch Field, delaying the Scandinavian park for a year, eliminating drop-in daycare, marketing the Recreation Center with the goal of combining it with the Aquatic Center, partnering with the Armory or one of the private fitness centers, and making the Parks Department part of the Advance Astoria Program.

Councilor Brownson wanted to focus on a combination of income streams. He agreed that tourists come to Astoria for recreation. Both tourists and the local community should help support the Parks Department. Deferred maintenance increases expenses and Council needs to find ways to help Staff fix the situation and maintain what the City has.

Councilor Nemlowill said the complexity of the issues make this situation difficult to resolve. She would not support a utility fee because she has received a lot of negative feedback about it. Astorians already support the department by paying some of the highest property taxes in the state. She supported an increase to transient room taxes because it relates directly to parks, unlike the rest of the funding options. She also supported a cemetery taxing district because Astoria is subsidizing a cemetery in Warrenton that is utilized by the entire county.

Councilor Jones said he was in favor of increasing the lodging tax because visitors impose significant costs on City facilities and infrastructure. He wanted to figure out how much of an increase the tourism industry could handle, but believed a three percent increase would be reasonable. He was not in favor of a utility fee increase because utilities are a necessity, but would consider a food and beverage tax and a cemetery taxing district.

Mayor LaMear wanted to find a way to support the Parks Department without making any cuts. She did not support a utility fee, but did support a three percent lodging tax increase. The next step should be a cemetery taxing district or a park district. She asked how soon the City could start receiving revenue from the lodging tax.

Staff believed it could take about three months, but the lodging tax would provide returns quicker than any of the other options. Council would need to discuss a lodging tax increase with several tourism industry entities. The Parks Department, Finance Department, and City Manager's Office would be responsible for implementing the tax increase. Staff noted that first quarter revenues from the new marijuana tax would be coming in to the City in May or June.

Council and Staff discussed a cemetery taxing district, which would require voter approval. Voters would support a higher level of maintenance at the cemetery, but Councilors questioned whether they would support a taxing district.

Councilor Price believed the City should ease into a parks district over three to five years while educating the public about the value of the Parks Department. She suggested a one or two percent utility fee. Mayor LaMear disagreed, saying the utility fees were already so high because of the CSO surcharge. Councilor Nemlowill agreed. City Manager Estes noted that such fees were common in other municipalities.

Council and Staff discussed transient room taxes charged in other area jurisdictions. Councilor Nemlowill wished Council would consider increasing the tax more than three percent and hoped the City continued to implement Parks Master Plan. Consolidating facilities is necessary and she wanted the feasibility study to be completed sooner than the timeline suggests. Staff explained how their recommended "life raft" scenario helped to implement the Plan. At the next City Council meeting, Council would consider changes to the City's contract with Recology so that Staff could spend more time on parks and facilities.

Councilor Price suggested moving \$75,000 or \$100,000 from the Ending Fund Balance of the General Fund to Parks. Staff asked if Council wanted to start deficit spending at the beginning of the year. Councilor Price disagreed that increasing the subsidy would be considered deficit spending. Director Brooks explained how moving \$75,000 or \$100,000 out of the General Fund's Ending Fund Balance would negatively impact the City's cash flow and how the City calculated its Ending Fund Balance needs.

Staff confirmed for Mayor LaMear the process for establishing a taxing district. Mayor LaMear supported the district because the taxes would be spread out beyond the city limits, which would lower the expense for each individual. She asked if a taxing district would affect compression. Staff said a tax rate would have to be determined in order to estimate revenue and this would affect compression.

Councilor Price understood there was consensus among Council to support a three percent increase in hotel taxes, use of the marijuana tax, and the life raft scenario. A year after implementing those three revenue streams, Staff should begin working on a special taxing district.

City Manager Estes said Staff would need to figure out the best way to apply tax increase revenues throughout the Parks Department.

Councilor Nemlowill said changing the contract with Recology would be imposing a utility fee on citizens. However, this fee directly relates to parks and the cost is low. Contamination in recycling containers can be a problem, so she no longer supports the use of Capital Improvement Funds to purchase the containers without an extensive educational campaign. She believed a Department of Environmental Quality (DEQ) Materials Management Grant would help fund a pilot project or education and outreach. When the contract with Recology is revised, Council needs to consider an agreement to reduce emissions.

Staff said this would be discussed in more detail at the next Council meeting. Recology has told Staff that they have educational programs for each level of service they provide. Before Council makes a decision, they need to consider what revenue would be provided to the Parks Department and how much of the Promote Astoria Funds could be connected to the Riverwalk. The Lower Columbia Tourism Committee (LCTC) needs to be included in these discussions. Council seemed to have come to a consensus, so Staff can move forward on this work.

Councilor Price was opposed to cutting the community events because they generate good will, which she believed would be necessary as fees and taxes are increased. Staff asked Councilor Price to reconsider this after Staff has determined how much revenue could be brought into the City. Staff confirmed the movie events held by the Parks Foundation, which charged a fee, would continue; however, movie rights, equipment, and staff time are too expensive for the Parks Department to provide the free movie events.

Mayor LaMear invited the public to comment.

Fred Bohne, 824 35th Street, Astoria, believed Council was on the right track. He did not want to pay more in sewage or property taxes because his taxes in Astoria are over \$4,000 a year. In Louisiana, he is only paying \$500 a year in taxes for property of a similar value. Astoria, the county, and the State have an economic opportunity in the container business. The river will not be dredged anytime in the near the future, so the container business will have to be moved to the coast. Lois Island, east of Tongue Point, would prevent any visual, noise, or smoke exposure to the city. He asked City Council to support State legislation to relocate the container business to the coast and mandate that all dredge spoils be deposited on Lois Island for a future container facility. He confirmed he had shared this idea with Bill Wyatt and all Port Commission candidates. Three are opposed to the idea, but Steven Fulton, Dick Helberg, and Pat O'Grady support the idea. Work on this needs to begin now so Astoria's children will have an economic backbone to support parks and other programs. This effort will create hundreds of high-paying jobs.

Councilor Price said Mr. Wyatt gave a presentation about the Port of Portland at the Barbey Center a few months ago. He indicated the Columbia River would never be dredged any deeper than it is now and the shipping companies are not interested in using ships that would fit in the river.

Mr. Bohne disagreed, noting ten years ago, the Port of Los Angeles shipped 20 unit trains a day and each train had 200 containers on it. The Port was getting \$800,000 a day just to unload containers. He hoped City Council would support legislation for a container port near Tongue Point because this would help pay for parks.

Mayor LaMear confirmed there were no other public comments.

Staff confirmed they would work as quickly and diligently as possible on Council's directives, but asked Council to keep Staff's limited capacity in mind. Staff anticipated some turnaround in the Parks Department over the next few months because Parks Staff has been burned out for several years now. Having Recology pick up trash in parks would help with capacity, but not for the employees who need it most. Recreation and Aquatic Center staffs are stretched the greatest.

Councilor Price suggested the General Fund's Ending Fund Balance be transferred to the Parks Department to cover one quarter, and then replace the funds once the transient room taxes start coming in.

Staff did not recommend hiring full-time staff without enough funds to pay for it. Full-time supervisory staff is part of the life raft scenario, but in the mean time, Staff tries to keep employees happy while diligently moving forward on these issues. Turnover has increased over the last year, and Director Cosby was worried turnover would continue to increase.

Councilor Price suggested the General Fund's Ending Fund Balance be used to hire temporary help.

Councilor Brownson said cutting programs has not been discussed. Staff is working way too hard and he wanted to know what cuts would relieve Staff even if the cuts were made for just one year. Director Cosby confirmed that Staff was moving forward with all of the cuts they have listed in the agenda packet. This will add capacity to the recreation division. She was most worried about the Aquatic Center and administration.

Mayor LaMear suggested the City sell Birch Field. City Manager Estes said the Parks and Finance Departments do not have the capacity to take on this work, so a contractor would be hired to manage the sale. However, moving forward with program cuts and Council's direction will make a positive impact over the next few months. Rosemary Johnson will be working on the Birch Field project and other property sales over the summer. Temporary help is not needed right now, so he suggested Staff work efficiently on the work discussed.

Councilor Brownson asked if Promote Astoria Funds could be used until hotel taxes started coming in. City Manager Estes explained those funds would only assist the maintenance division, which is not as overloaded as the recreation, aquatics, and administration divisions. Staff explained how Promote Astoria Funds had to be spent and why maintenance staff could not work in other divisions.

City Manager Estes believed the discussion had led to positive progress. Councilors expressed their support for the Parks Department and apologized that the City failed to act sooner. City Manager Estes stated that the support of Council and the community is well appreciated by Parks Staff and he was happy about the results of this meeting. Director Cosby added that moving forward with Council's direction will give Staff hope that issues will be resolved.

Mayor LaMear thanked Parks Board members for attending.

Staff confirmed they were prepared to move forward.

ADJOURNMENT

There being no further business, the meeting was adjourned at 7:35 pm.

ATTEST:

APPROVED:

Finance Director

City Manager