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Regular City Council Meeting
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CITY COUNCIL MEETING
COUNCIL CHAMBER, CITY HALL
SEPTEMBER 9, 2024
5:30 p.m.

VIA ZOOM/ IN PERSON

PRESIDING: Mayor Richard Mays

COUNCIL PRESENT: Darcy Long, Tim McGlothlin, Rod Runyon, Scott Randall, Dan Richardson

COUNCIL ABSENT: None

STAFF PRESENT: City Manager Matthew Klebes, City Attorney Jonathan Kara, City Clerk Amie Ell, Police Chief Tom Worthy, Community Development Director Joshua Chandler.

CALL TO ORDER

The meeting was called to order by Mayor Mays at 5:30 p.m.

ROLL CALL OF COUNCIL

Roll Call was conducted by City Clerk Ell. McGlothlin, Runyon, Randall, Richardson, Mays present. Long absent (joined at 5:50pm)

PLEDGE OF ALLEGIANCE

Mayor Mays asked Councilor Randall to lead the Pledge of Allegiance.

Councilor Randall invited the audience to join in the Pledge of Allegiance.

APPROVAL OF AGENDA

Mayor Mays made note the agenda would be amended to remove Item #13.

It was moved by Richardson and seconded by Randall to approve the agenda as amended. The

motion carried 4 to 0, Richardson, Randall, McGlothlin, Runyon voting in favor; none opposed; Long absent.

AUDIENCE PARTICIPATION

Jann Oldenburg, a resident of The Dalles shared a map she had created noting the locations of short-term rentals in the city. She explained that although there were only 38 short-term rentals, their location and concentration were important factors to consider. She highlighted the difficulty in identifying long-term rentals and shared that she was working with Councilor McGlothlin on a survey aimed to gather feedback from residents in areas where short-term rentals were concentrated, particularly regarding any issues they experienced. She pointed out the absence of penalties for rule violations and stressed the importance of addressing concerns beyond noise and traffic, including the attitudes of rental owners and managers toward residents.

Klebes expressed appreciation for the private efforts and input provided. He requested to be kept informed so that he could ensure staff working on the topic were also updated, emphasizing the importance of coordinating efforts.

Janet Meader of 911 E 7th Street asked how much taxpayers had paid for the Basalt Commons project.

Klebes explained on behalf of the Urban Renewal Agency that a financial incentive package was entered into with Basalt Commons, totaling approximately \$1.74 million. He noted that the majority of the incentive was tied to the System Development Charge program, depending on the final number of houses or units built, with a maximum limit of \$1 million.

Meader said nobody knew about this.

Klebes said it had been reported on several times by Columbia Community Connections as well as other agencies.

Meader said she would like to know why the City had bought the Sunset Motor parking lot.

Klebes said one of the main reasons for purchasing the parking lot was to create a public parking space available to all users in the downtown core. This decision considered the new Farmstand grocery store, the County's purchase of the former Gobhi building, and the development of Basalt Commons.

Meader said she would like to know what the Federal Street project was.

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Klebes said there was an agenda item for the Federal Street plaza and he would be presenting a staff report.

Paul Peters, residing at 310 West Scenic Drive, shared a concern regarding short-term rentals. He explained that on three occasions, people inadvertently pulled into his driveway instead of the short-term rental next door. In one instance, guests even began unloading their vehicle and preparing to enter his home before realizing their mistake. Peters expressed concern over the potential danger of such situations, especially with short-term rentals that do not have live-in hosts. He emphasized this as another issue to consider when addressing short-term rentals.

CITY MANAGER REPORT

City Manager Matthew Klebes reported;

- Applied for a position on the Oregon City County Managers Association Board of Directors; pending final slate this fall, would be recommended for a two-year position.
- Formed a cross-functional communication team to focus on the Water Master Plan and strategic investment discussions; team had met a few times.
- Upcoming work sessions:
 - October 3rd: Housing Production Strategy
 - Second half of October: Water Master Plan
 - Early November: Goal setting session with Sarah Singer Wilson
 - Strategic Investment Program: Dates to be confirmed
- Participated in KODL discussion on downtown parking and transient room tax.
- Attended police ride-along with Officer Caminiti and National Night Out.
- Ribbon-cutting for new sculpture at Lewis and Clark Park, part of the People's Forge project.
- Community Outreach Team delegation was in DC, including Councilor Long and other partner representatives.
- City Public Works had assisted Moser fire response with water testing and wastewater disposal permits in July.
- Executed new State Office Building leases with OED and DHS.

CITY COUNCIL REPORTS

Councilor Runyon reported;

- City/County joint work session.
- Conversations with citizens on upcoming agenda items.
- Attended Oregon government ethics class with Scott Randall, Mayor, and others.

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- Remembrance ceremony for the 23rd anniversary of 9/11 at Weber Street Station Number One; ceremony started at 7:15am.
- POW/MIA Day remembrance at Kelly Viewpoint Memorial 6pm on September 20th.

Councilor Richardson reported;

- Attended the same work sessions as other counselors.
- Participated in Traffic Safety Committee meetings in August.
- Engaged in several conversations with staff and constituents on various topics.
- Attended an informal discussion about the Federal Street Plaza.

Councilor Randall reported;

- Attended City/County work session.
- Attended QLife board meeting.
- Had a brief interview with the City's financial auditing firm.
- Attended work session discussing the Water Master Plan.
- Attended Historic Landmark Commission meeting; discussed restoration of the facade and storefront of the Oaks Hotel (Sigmund's Flowers) and noted upcoming construction of four apartments on the upper level.
- Attended ethics training.

Councilor McGlothlin reported;

- Attended Columbia Gorge Community College briefing on the upcoming bond.
- Had a 15-minute interview with an auditor.
- Attended Airport Commission meeting, including an executive session.
- Attended Urban Renewal meeting.
- Participated in the "Shop with Heroes" program with Mayor Mays, where students shopped with first responders at Fred Meyer.

Mayor Mays reported;

- Participated in two radio interviews with Mark Bailey of KACI.
- Attended two Community Outreach Team meetings.
- Attended Oregon Arts Commission reception at the Neon Sign Museum.
- Represented the City at the Columbia River Indian Fisheries Expo at the Readiness Center, with Councilor McLaughlin.
- Gave a presentation to citizens in the neighborhood southwest of Sorosis Park.
- Met with Stephen Davis, manager of The Dalles Inn, about upcoming major renovations.
- Participated in KODL Coffee Break interview and
- Business After Hours at Bohn's Printing, celebrating their 120th anniversary.

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- Attended Sister City Board meeting at Saint Peter's Church.
- Conducted an interview with KOIN TV in Portland about developments in The Dalles.

CONSENT AGENDA

Councilor Long arrived at 5:50pm

It was moved by Randall and seconded by McGlothlin to approve the Consent Agenda as presented. The motion carried 5 to 0, Randall, McGlothlin, Long, Richardson, Runyon voting in favor; none opposed; none absent.

Items approved on the consent agenda were: 1) Approval of the July 22, 2024 Regular City Council Meeting Minutes; 2) Approval of the June 5, 2024 City Council Work Session Minutes; 3) Approval of the July 23, 2024 City Council Work Session Minutes; and 4) Approval of Resolution No. 24-017A Denying Appeal Application 036-24, Affirming the Planning Commission Decision

CONTRACT REVIEW BOARD

Approval of Professional Services Contract with DocuDriven for City Records Digitization

Amie Ell, City Clerk reviewed the staff report. She also introduced Neil Butler President of DocuDriven and Pacific Ally LLC and Matthew Randall, Vice President of Operations at DocuDriven.

Runyon asked what would happen with the paper documents once they are digitized and if they would be retained, shredded, or otherwise handled after being converted to digital format.

Ell confirmed that all historic records would be retained. She explained that records older than the 1920s must be kept unless disposal is approved by the state office.

Randall said it was mentioned the process would reduce time and resources needed for document retrieval. He asked if it would enable the public to access documents on their own.

Ell confirmed some public records and documents would be added to the ORMS database, a state-recommended platform. This addition will enhance the website and allow the public to search for information independently.

Mayor Mays asked if all public records would be digitized or only those going back to a certain year. He specifically asked about historic documents dating back as far as 1858.

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Ell said documents considered permanent would all be scanned as well as many with retention requirements of 50 years or more. She confirmed even the oldest historic documents would be scanned, noting that while handwritten documents cannot be searched, typed documents would be searchable once digitized.

Richardson asked what the timeframe on the project was.

Ell said a timeline could be found in the contract on page 80 of the agenda packet. The project would begin with the City Clerk department documents which were primarily City Council documents in October and would go department by department until completion in April of 2025.

It was moved by Randall and seconded by Runyon to authorize the City Manager to enter a Personal Services Agreement with Pacific Ally LLC (dba DocuDriven) for scanning services in an amount not to exceed \$162,150.30, as presented. The motion carried 5 to 0, Randall, Runyon, McGlothlin, Long, Richardson voting in favor; none opposed; none absent.

Authorization to Purchase New Biosolids Truck

Matthew Klebes, City Manager presented the staff report.

McGlothlin asked where Peterbilt and Erickson were located.

Klebes answered Peterbilt was located in Portland and Erickson was in Quincy, Washington. He said through the source well purchasing program and the Oregon State bid process to get the most effective pricing.

It was moved by McGlothlin and seconded by Richardson to authorize the purchase of a new 2025 Peterbilt Model 567 truck from Jackson Group Peterbilt in an amount not to exceed \$183,759 and the purchase and installation of tank and pumping systems from Erickson Tank and Pump in an amount not to exceed \$108,890. The motion carried 5 to 0, McGlothlin, Richardson, Long, Randall, Runyon voting in favor; none opposed; none absent.

ACTION ITEMS

Establishment of Federal Street Plaza Ad-Hoc Committee

City Manager, Matthew Klebes reviewed the staff report.

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Mayor Mays pointed out that the committee consisted of four Urban Renewal Agency members and two downtown merchants.

Richardson said City Council had discussed the formation of a committee in previous meetings and notes about this were on page seven of the packet. He encouraged the City Council to approve the ad hoc committee and allow them to return quickly with ideas for consideration and action.

It was moved by Richardson and seconded by McGlothlin to adopt Resolution No. 24-020 A Resolution Establishing an Ad-Hoc Committee for a Proposed Plaza or Park on Federal Street. The motion carried 5 to 0, Richardson, McGlothlin, Long, Randall, Runyon voting in favor; none opposed; none absent.

Klebes informed Council that the first meeting of the ad hoc committee was scheduled for the upcoming Wednesday at 5:30 PM

Adopting Resolution No. 24-021 Prescribing the Updated City Council Rules and Code of Conduct Policy

City Attorney, Jonathan Kara reviewed the staff report.

It was moved by McGlothlin and seconded by Randall to adopt Resolution No. 24-021, as presented. The motion carried 5 to 0, McGlothlin, Randall, Long Richardson, Runyon voting in favor; none opposed; none absent.

Kara said with the adoption of the resolution, the new rules and Code of Conduct Policy would become effective on September 10, and they would be used at the very next City Council meeting.

DISCUSSION ITEMS

League of Oregon Cities Legislative Priorities 2025-26

City Manager, Matthew Klebes reviewed the staff report.

Runyon asked for the definition of "neighborhood livability" in the context of community safety and neighborhood livability, noting that the definition might vary depending on one's location.

Klebes said the recommendation from the League was to focus on funding safety improvements for large roads, such as highways and arterials that run through various communities. This

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included directing federal and state funds towards safety upgrades on non-ODOT streets, increasing funding for the Great Streets program for cities not covered by the existing program, and encouraging ODOT to explore other funding opportunities. They specifically considered the Highway Safety Improvement Program and the All Roads Transportation Safety program.

Richardson asked if the leadership team had considered lodging tax flexibility among the 23 possible items, given its potential usefulness.

Klebes said lodging tax flexibility was not a major topic during the leadership team meeting. He said each department head had selected their top five priorities, which were then compiled and discussed. Lodging tax flexibility was not highly ranked in this process. He acknowledged its significance due to legislation requiring 70% of certain transient room tax (TRT) dollars to be spent on tourism services, which has prompted cities with tight budgets to seek more flexibility for general fund operations and other needs.

Richardson said the League of Oregon Cities has around 141 member cities. He suggested it might not be worth focusing too much on this particular list, given that it is part of a larger conversation involving many cities.

Klebes said participating in the process was an opportunity to influence the League of Oregon Cities' legislative agenda. While the League would ultimately select its own top priorities, the City's choices provided a chance to voice its interests and potentially influence the outcome.

Mayor Mays noted that the subject raised by Counselor Richardson had been suggested and included in the League of Oregon Cities' legislative package multiple times. He was uncertain how serious the League was about pursuing as they had not supported that particular item in the past.

It was moved by Richardson and seconded by Randall to direct staff to submit the Leadership Team's recommended legislative priorities. The motion carried 5 to 0, Richardson, Randall, McGlothlin, Long, Runyon voting in favor; none opposed; none absent.

Discussion on Proposed Amendments to TDMC Chapter 8.04 (Transient Room Tax)

City Manager, Matthew Klebes and City Attorney, Jonathan Kara reviewed the staff report

Klebes said he had recently contacted a member of the Oregon Restaurant and Lodging Association (ORLA) and would be having lunch with them to discuss their experience with the mandatory expenditure of transient room tax (TRT) dollars, specifically referring to litigation involving the City of Bend. He hoped to bring additional detail to a future meeting based on this

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conversation. He said letters had been sent to all short-term rental operators and entities that pay TRT in The Dalles to inform them about the discussion on the TRT ordinance. This was in addition to previous letters sent regarding tourism discussions. Emails were also sent to the Wasco County Administrator and the Parks and Recreation Director to ensure they were aware of the agenda item.

Klebes said his recommendation to remove project-specific and entity-specific items from the ordinance aimed to focus the ordinance on the levying and collection of TRT, rather than on its budget allocation and use. He pointed out that the city has an annual budget process reviewed by the Budget Committee and the City Council, where funding agreements and decisions can be made. He noted that various intergovernmental agreements (IGAs) and contracts could be crafted to capture partnership and intent.

McGlothlin asked about item seven, which involved a 1% to 3% increase in taxation when the City grants a tax refund payment extension.

Kara clarified the 1% to 3% increase in taxation was not an overall tax increase. It was a penalty for late payments of the transient room tax. He explained that if a transient room tax collector, such as a hotel, failed to pay on time, the finance director could grant an extension. However, if the delay extended beyond a reasonable period, the City could impose a penalty of 1% to 3% on the unpaid tax. This adjustment aimed to encourage timely payments and was not an increase in the base tax rate.

Randall asked whether the 55% of the transient room tax allocated to the tourism promotion fund meant that the remaining 45% was directed towards specific projects or entities.

Klebes said the 55% of the transient room tax was specifically allocated to the Tourism Promotion Fund, covering services such as promotion, marketing, visitor centers, and conference centers, as defined by the state. The remaining amount would be allocated to the City's General Fund.

Richardson asked for confirmation that the 55% allocated to the Tourism Promotion Fund was mandated by state law, as part of a complex set of rules governing the collection and expenditure of transient room tax funds.

Klebes explained that the 55% allocation was influenced by 2003 legislation, which set specific requirements for the distribution of transient lodging taxes. He said that increasing the transient lodging tax (TLT) or transient room tax (TRT) would lead to a 70/30 split, adding complexity to the process. Therefore, the focus at this stage was solely on the ordinance itself without recommending an increase in the tax.

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Richardson noted that increasing the hotel room tax to 10% would not be straightforward. He explained that such a significant increase would be much more complex and challenging, potentially leading to diminished returns.

Klebes said if the City were to implement an additional 2% TRT or TLT tax, the revenue from that extra 2% would need to be allocated 70% to the tourism fund and 30% to the general fund, as per the regulations. This contrasted with the current ordinance, which allocated 55% to the tourism fund and 45% to the general fund.

Mayor Mays asked for clarification regarding the statement in paragraph four of the staff report about best practices not supporting specific funding obligations in general ordinances. He asked whether "best practices" referred to other ordinances from this city or ordinances from other cities in Oregon.

Kara said the best practices were from a legal sufficiency standpoint. Specifically, including highly specific obligations, such as funding for a particular project, in general ordinances can lead to complications over time. He noted that ideally, laws should be broadly applicable and not require frequent changes, as overly specific provisions could become outdated or irrelevant.

Mayor Mays asked for clarification on the intent behind using funding agreements for supporting specific projects or entities. He referenced the budget item for 2024-25, noting the city's transient room tax revenue of \$1,050,000 and an additional \$367,000 allocated to the Park District. He asked if, under the proposed approach, the \$1,050,000 would be multiplied by 55% to allocate \$577,000 to a special fund.

Kara said that the special fund would be designated for tourism promotion activities, with very specific guidelines on how the city must use those dollars. He noted that a common practice among cities in Oregon is to enter into contracts with local Chambers of Commerce to manage tourism promotion, ensuring the funds are utilized appropriately.

Mayor Mays said that the decision on how to use the \$577,000 would involve a recommendation by the Budget Committee and an ultimate decision by the City Council regarding its disposition.

Kara said that the only difference to this section, aside from some grammatical changes, was changing the percentage from 21% to 55%. He noted that the ordinance previously stated that the deposit must be "at least 21%," and the update aimed to ensure consistency with current practices by specifying 55%.

Richardson wanted to confirm that they could not decide to reduce the percentage of money allocated. He noted that state rules or laws had introduced a ratcheting effect, implying that once

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they were at 55%, they were stuck at that percentage.

Kara said that, according to his legal opinion, they were stuck at 55% and could not go lower. He noted that for the sake of argument, the Council could choose to spend 100% of the TLT on tourist promotion in the future, effectively locking the percentage at 100%.

Mayor Mays emphasized that the recommendation to maintain the 55% allocation was based on the current practice of allocating 55%, rather than reducing it.

Richardson clarified while the ultimate decision on fund allocation rested with City Council each year, proposed change would shift the mandatory payment to a budget process through the Budget Committee. The final decisions would then made by the City Council.

Klebes said the City enters into intergovernmental agreements (IGAs) and funding agreements that span multiple years, which staff used in the budget preparation process. Long-term commitment to provide funds to an agency would be factored into the budget and reviewed by the Budget Committee and the City Council. Terminating such agreements often required notice and adherence to specified requirements. Based on his six years of experience the Budget Committee had consistently been supportive of agencies that present their cases.

Runyon said in his six years, and with McGlothlin's nine years and Long's nearly that long, the Budget Committee had consistently been very favorable to agencies that presented their cases. He did not anticipate this changing, noting the City had a strong group of citizens and counselors who had worked on budgets for years, and that they had been very generous.

Mayor Mays opened the discussion for public comment.

Patrick Urain, representing The Dalles Little League and The Dalles Junior Baseball Association explained that Kramer Field, which they use for their entire season, had been maintained by the County since the Parks Department decided not to renew their lease agreement. Despite the county's efforts to maintain the field, Urain noted that the field was not deemed safe enough for a district All-Star tournament two years ago. He said the TRT tax was intended for park maintenance, and he recommended the City allocate appropriate funding to the County to ensure Kramer Field's annual maintenance. Without this funding, the park could not support local and tournament play, which was crucial for the community and Little League operations.

Mayor Mays said a letter had been sent to Council from Little League president, Katie Kelly (see attached). The letter mentioned other user groups benefited from the use of Kramer Field. He asked Urain what other groups benefitted.

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Urain said other users were the Babe Ruth Baseball Association, which serves older teenagers, as well as Peak Baseball Camps, which runs summer camps for local youth, a large soccer camp held at Kramer Field each summer and youth soccer teams. He said the Babe Ruth baseball fence had been in disrepair so had been taken down. There was a proposal to install a temporary, movable fence for both baseball and softball seasons and a proposal to perform temporary work on the softball fields to accommodate games during the baseball and softball seasons. During the soccer season, some baseball apparatus would be removed to allow for soccer use, thereby maximizing the field's utility across multiple seasons.

Mayor Mays asked about the 2025 tournament season mentioned in the fourth paragraph of the letter. He inquired whether the association would continue to organize or host tournaments beyond 2025 and sought clarification on the future plans for such events.

Urain said the district charter for leagues in Central Oregon, which included Bend, Redmond, Sisters, Madras, Prineville, Hood River, Warm Springs, and The Dalles, required the All-Star tournament to be hosted every five years, though it could be hosted more frequently. The Dalles had not been able to host the tournament due to facility issues, leading to other cities like Bend, Redmond, and Jefferson County hosting it by default. He anticipated that, if Kramer Field were upgraded, it could be used to host the tournament approximately every three to five years. He also planned to run two tournaments at Kramer Field the following year, pulling teams from Portland and other areas, to demonstrate the field's viability and attract more attention from user groups.

Mayor Mays asked if the County was giving the Little League the opportunity to manage Kramer Field full-time, year-round.

Urain said the Little League organization owned certain facilities at Kramer Field, such as the concession stand, and maintained the baseball fields. The County owned the property and the facility as a whole. It was a collaboration between the Little League and the County, but the County was primarily responsible for maintenance.

Mayor Mays said he understood the County had invested a significant amount of money into the facility recently since they had taken it over.

Annette Byers, a Parks and Recreation board member, said she had spoken with Councilors Long, Randall, and Runyon, and Richardson, and Parks and Recreation Board member Rachel Carter had attended a meeting with the City Manager. She clarified Kramer Field was owned by the County, and Parks and Recreation had managed the field for 30 years but opted not to renew their lease for various reasons. She asked if Council knew the reason behind why Parks and Recreation received 2% of the Transient Room Tax (TRT) or Transient Lodging Tax (TLT).

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Mayor Mays clarified that the amount was not 2% of a million dollars but rather 2% of the 8%, which equaled $\frac{1}{4}$, or \$340,000.

Annette Byers explained the 2% dedicated to Parks and Recreation was originally intended to cover water costs when the City started charging for water usage. She asked if it was best practice for cities in Oregon to charge Parks and Recreation districts for water, noting that the Hood River did not charge its Parks and Recreation district. She said that when the district was formed, Kramer Field, Riverfront Park, and Clint Cove were not part of the \$0.68 per \$1,000 assessment.

Byers expressed frustration that the Parks and Recreation district, operating with a relatively small \$2.9 million budget, had to manage multiple responsibilities, including the swimming pool. She noted the lack of trees at Soroasis Park in recent years and acknowledged that the City and County had generously contributed funds to address this. A new play park was also being built, funded by grants, System Development Charges (SDCs), and the 2% from the Transient Room Tax. She said this tax helps fund parks in The Dalles, allowing Scott Baker to write grants and secure matching funds for projects, such as the \$800,000 play park at Soroasis Park. She expressed concerns about the future of Parks and Recreation deliverables, noting that Mr. Klebes had informed her that deliverables must be shown to receive City funding. She questioned who would decide whether these deliverables were met—City Council, Mr. Klebes, or others—and what would happen if key staff or council members were no longer in their roles.

Mayor Mays stated that, according to the ordinance, the Budget Committee and the City Council would have the final decision on the matter.

Byers questioned what would happen if there were changes in leadership and if no one considered the parks important anymore.

Mayor Mays said you do not elect those people to City Council. He said "deliverables" likely meant the same as what the City required from any organization receiving funding. If the County were a recipient of Transient Room Tax (TRT) money, deliverables would also be required of them. He proposed a deliverable could include documentation of expenses incurred by the Park District, County, or Little League for maintaining the fields to a quality level suitable for attracting tournaments.

Byers said there had been discussion about potential water restructuring, and there was uncertainty as to if it would result in increased water bills for parks.

Mayor Mays said while he was uncertain about the impact on the Park District's water bill, the City had about \$175 million in required improvements to the water system. This included the

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water plant, water lines, and the dam. He said while these costs were significant they were not directly related to the current issue.

Byers stated that with the assurance of the 2% funding, there would be no need to seek a bond or ask the public for additional funds. She concluded by affirming that the 2% allowed them to continue their work without further financial concerns.

Long expressed a concern there might still be a misunderstanding about the 2% funding. She clarified that removing the 2% from the ordinance did not mean eliminating the funding for Parks and Recreation. Instead, it meant that the 2% would be handled through the budgeting process separately, with potential long-term contracts and appropriate language included, as mentioned by the City Manager. She said the City had always been a good partner with Parks and Recreation and still supported the parks and recognized their importance, but the change was to align with best practices.

Byers expressed concern that removing the 2% from the ordinance would create additional bureaucracy. She noted that the Parks and Recreation board would now need to request funding for their needs, adding another layer of administrative process. She also questioned how budgeting would be managed under this new system.

Long said the intention would be to establish a long-term, multi-year agreement.

Byers said she was confused about the term best practices.

Long clarified the discussion about best practices was related to writing ordinances for allocating funds, which was a separate issue.

Rachel Carter, a Parks Board member, thanked the City Council for their work and highlighted the significance of the funding for the Parks District, which has an annual budget of \$2.9 million. She noted that the district had brought in \$367,000 from Transient Room Tax (TRT) last year and emphasized the importance of these funds for maintaining and improving the parks. Carter praised Scott, the Parks Director, and the positive developments in the parks, including new projects. She expressed concern about the potential changes to the funding process and the vague nature of deliverables, stressing the need for clear communication and continued collaboration to ensure the funding supports their needs effectively.

Mayor Mays asked if Carter knew how much of the \$152,000 allocated for utilities, water, and sewer in their budget was specifically used for the water costs discussed earlier.

Carter confirmed that was the overall water bill. She said the water costs were a significant

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concern for the future due to their variable nature.

Mayor Mays invited Wasco County Administrator Tyler Stone to speak about the expenses that the County and/or Little League would incur beyond what was normal to accommodate out of town people coming because of tournaments.

Stone said the focus was on the maintenance and operation of the field, rather than just out-of-town tournaments. Their budget for the year was \$305,000, which also included capital upgrades and deferred maintenance. Stone emphasized the strong partnership with users, including Little League, and outlined plans for improvements, such as portable outfield fencing and preparing two fields for softball use.

Mayor Mays requested a description of the improvements already made and any short-term plans for the future, particularly concerning the softball fields.

Stone said that they partnered with Little League for field cleanup days, replaced significant amounts of soil, installed new edging around the fields, and implemented weed and pest management and fertilization programs. He noted that the facility now appeared greener.

Urain said that security enhancements were made to the fencing around the property, addressing significant repairs. He noted that improvements were also made to the grounds, including resolving a rodent problem and addressing issues with goat heads, which affected the playability of the fields. Small maintenance projects were completed to bring the fields to a playable condition, including adding turf material to improve soil quality and water absorption. Urain highlighted that Little League would be expanding to include softball, and this expansion was a key reason for their support of park maintenance and development.

Stone added that they purchased two portable pitching mounds to accommodate different age groups and invested in capital equipment, including two zero-turn mowers, a tractor, and various small tools, to improve field maintenance and manage the park effectively.

Urain mentioned that they received several in-kind donations from local businesses during the process, in partnership with the county and Little League.

Mayor Mays emphasized his personal connection to Park Districts, given his background in parks and recreation. He expressed regret over the controversy surrounding the issue and noted that the City Manager had invited the parks director and County Administrator to resolve the matter through compromise. However, it appeared that the invitation had not lead to a meaningful resolution.

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Stone said that a conversation was held at the City Manager's request, during which they asked for funding that the parks district could not currently accommodate. He noted that this issue was sidestepping the main concern, which was the request for TRT dollars, as the City is the administrator of those funds.

Richardson asked for clarification on the request and what exactly they were asking the City Council to do.

Stone said that the request was detailed in a letter sent in February, which included the County's request and a list of needed capital projects developed in collaboration with Little League and Babe Ruth. This list was the basis for addressing improvements at the facility.

Urain clarified their goal was not to turn Kramer Park into a premier baseball facility but to make it viable and playable on a yearly basis. He said the aim was to develop a plan that ensured the park remained playable without placing the full maintenance burden on the volunteer leagues, which could not afford it. The focus was on achieving basic functionality rather than significant capital improvements.

Klebes said the focus of the meeting was on the ordinance itself, specifically on the levying and collection of TRT and TLT funds. Funding decisions and discussions would continue with the County, Parks and Recreation, and other organizations utilizing TLT funding. While the general fund faces many competing needs, it was not a zero-sum game. His recommendation was to allow space for these discussions as part of the budget process and allocation.

Stone confirmed that the county would support the changes as written.

Runyon said he was proud of the parks and what Parks and Recreation had achieved over the years. He shared his experience as a board member for various organizations, including Little League. He reiterated that the budget process allowed agencies to present their cases rather than having a blanket mandatory payment. He saw this as a positive and transparent process, emphasizing that it benefited the entire county and city. He praised the practice of presenting detailed budgets annually and appreciated the opportunity to improve the community. He assured that the process aimed to make the best use of TRT funds and acknowledged that requests had been approved or adjusted for the community's benefit in the past.

Mayor Mays said he appreciated the volunteers who had come forward and their service to the community.

Richardson asked if a specific project, such as a park, could be funded through the 55% of TRT moneys allocated for tourism promotion, or if it would need to come from the general fund.

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Klebes said that to determine eligibility for funding from the tourism promotion fund, they would review the specific definitions and requirements set by the state. This included eligible uses such as convention centers, conference centers, visitor information centers, and associated real property with a lifespan of at least 10 years. These criteria would guide the evaluation of proposals.

Richardson asked if, according to the new state mandate that required 55% of funds to be allocated to tourism promotion, it was possible to fund something like a park, including its grass and trees, from that portion.

Kara said tourism, as defined by state law, focused on attracting people from over 50 miles away or encouraging overnight stays, with the intent of offsetting the impacts of visitors. He noted that while current code earmarked 2% of the 8% TRT for the parks district, the broader question was whether tourism dollars could be spent on park-related activities like green spaces. Operational costs for a parks district did not qualify as tourism under Oregon law. While the parks district could receive funds through a funding agreement for tourism-related reasons, without a direct link to tourism, those expenses would need to be covered by the general fund rather than the tourism-specific allocation.

Mayor Mays explained that the general fund supported most of the city's day-to-day operations, including 100% of the police department. He noted that the general fund offered significant flexibility in its usage.

Scott Baker, Executive Director of Northern Wasco County Parks and Recreation District, said transient lodging taxes could and did fund park and recreation districts across the state, according to ORS definitions. He highlighted the 2% allocation for parks and recreation had been in place since the tax was raised from 6% to 8%, specifically earmarked for that purpose to prevent future councils from reallocating it. He said increasing the tax rate from 8% to 10% would still require a significant portion to be allocated to tourism-related facilities, and both Parks and Recreation and Kramer Field met these criteria. Changing the ordinance would not eliminate entity-specific allocations but would shift the funds from Parks and Recreation to the City, altering the allocation but not the overall collection. He stressed the importance of honoring the original intent of the tax increase and maintaining long-term funding for park planning. He said effective park planning required a long-term perspective, and the current allocation provided stability necessary for future projects.

Mayor Mays asked if Baker was suggesting the reason the rate was changed from 6% to 8% was for the Park District.

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Baker said that was the history of the change.

Kara said the current ordinance read the increase was to both fund payment on the loan for the Union Street Underpass project and for the parks district.

Baker said the ordinance read that once the underpass was paid off that the percentage would then go to the Park District for long-term support.

Mayor Mays said that may be why the water bill was \$152,000 while the City gave \$347,000.

Baker said when the Park District was established, its tax rate was considered insufficient for maintaining the parks. Over time, as the district acquired more acreage, operational costs, including water bills, increased. The property tax cap imposed by voters, without a corresponding measure for inflation, compounded the financial challenges. Despite this, the district received support from data centers and developed plans for growth, aiming not just to get by but to thrive.

Mayor Mays said he wanted to see the Park District thrive and the new Google data centers were expected to bring an additional \$300,000 to the park district. He mentioned that the community service fee and property taxes from the new data centers would benefit the City, County, and Park District. He praised the work done at Soroasis Park and thanked everyone involved.

Richardson recognized while the intention was to clean up an outdated ordinance, the situation was more complex than initially anticipated. He did not think it was appropriate to negotiate with various entities from the dais and suggested that it would be helpful to conduct further research on how the 55% could be used. He said Councilor Runyon had highlighted that other entities also request funds from the City, and were generally smaller and less frequent. He said these smaller, one-off requests were not directly comparable to the larger, amounts involved with TRT funding.

Kara asked if Councilor Richardson was seeking definitions or a list of possible ways to spend tourism dollars under state law.

Richardson said yes with relation to parks and park facilities.

Klebes said the City's Council fund or budget included various one-time items as well as recurring expenses, such as funding for fireworks. Larger dollar value items often appeared in different places within the City's budget, reflecting their long-term nature. For example, higher-value contracts, like the one with the Chamber of Commerce for tourism services, were included in specific departments or funds related to their use. This distinction illustrated the difference between the City Council's budget fund and longer-term, higher-value funding requests.

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Klebes asked for guidance on how to proceed with the ordinance. He requested feedback on the red-lined version of the ordinance included in the packet and asked whether the council wanted it brought back for action or additional discussion. Klebes sought specific comments on what should or should not be included and noted that any guidance on these points would be helpful.

Kara stated that if the council found most of the eight recommendations by staff to be inconsequential and acceptable, that would be fine. However, if the council wanted more detailed exploration on a specific recommendation, such as number four related to projects and entity-specific expenditures, that additional context would be helpful.

Richardson said he agreed with seven of the eight recommendations. He wanted further discussion on item four. He any immediate and significant ramifications of this item, especially those affecting many neighbors and entities, needed to be understood before proceeding.

Klebes said if changes to the ordinance were made, they would not take effect in the current budget year. This would allow the upcoming budget process to address some of the questions and work leading up to it, helping to manage any immediate impacts. He said staff would return with multi-year funding agreements to be included in the upcoming budget process, addressing concerns about reallocating funds due to the ordinance adoption. He said that the focus was on the ordinance itself and the levying and collection of the TLT. One reason for undertaking the effort was related to the contract for tourism services, which was set to end on June 30 of the following year. He emphasized the need to ensure there was sufficient time for a procurement process and that the ordinance served as a foundational document for this effort. Delaying the ordinance could impact the timeline, and options would need to be evaluated to have a plan in place for the next budget process and by July 1.

McGlothlin expressed that he was in favor of bringing the proposed revision back as an action item for City Council adoption and stated he was ready to move forward on it.

Runyon said he was also in favor.

Long expressed support for bringing the revision back as an action item for Council adoption. She was in favor of maintaining the 2% allocation for parks in the current budget cycle but did not want it codified in the ordinance. Long reassured that there was no intent to reduce funding for parks but emphasized the need to transition to a balanced budget process. She suggested using different language to avoid confusion about deliverables.

McGlothlin stated that he was not in favor of reducing any funding but wanted the ability to ensure that future spending would be appropriate.

Richardson said he disagreed. He felt they were rushing into a fundamental change in the way the City had participated in funding parks. He emphasized that while long-standing practices did not need to continue indefinitely, any changes should be made thoughtfully and carefully.

McGlothlin said he was in favor of including the funding in the next budget cycle. He asked if there had been any requests for money to appropriate some of the expenditures and inquired whether there had been any requests from the County for reimbursement of additional amounts.

Klebes said a letter received from the County requesting funding assistance with Kramer Field had been one of the four reasons that prompted the TRT discussions.


Richardson said he had participated in five budget cycles and witnessed discussions over smaller expenditures, such as \$10,000. He disagreed with placing \$350,000 for parks into the same process, stating that a long-term understanding between TRT funding and parks or any other entity made more sense than addressing it through an ordinance. There was a need for an agreement alongside the ordinance. He favored moving forward with staff bringing the proposed revisions back as an action item for City Council adoption.

Klebes said he heard there was interest in moving forward with the ordinance and bringing it back to the Council promptly. There was also a desire to have funding discussions with partners before the budget process. He understood Councilor Richardson's point about not wanting to wait for the budget process to address these issues and suggested having additional Council discussions and input on what a funding agreement might look like prior to the budget process. He reiterated the commitment to funding parks and emphasized the importance of providing clarity to ensure effective planning and funding. He proposed crafting a proposal that could be presented to the City Council. This could involve an Intergovernmental Agreement (IGA) or a direct funding agreement, depending on what is deemed most appropriate.

ADJOURNMENT

Being no further business, the meeting adjourned at 7:56 p.m.

Submitted by/
Amie Ell, City Clerk

SIGNED: 
Richard A. Mays, Mayor

ATTEST: 
Amie Ell, City Clerk