



# CITY OF TROUTDALE

"Gateway to the Columbia River Gorge"

## AGENDA

### CITY COUNCIL – REGULAR MEETING

Troutdale City Hall - Council Chambers  
219 E. Historic Columbia River Hwy. (Lower Level, Rear Entrance)  
Troutdale, OR 97060-2078

**Tuesday, June 28, 2016 – 7:00PM**

Mayor

Doug Daoust

City Council

David Ripma  
Corey Brooks  
Larry Morgan  
Glenn White  
Rich Allen  
John Wilson

City Manager

Craig Ward

1. **PLEDGE OF ALLEGIANCE, ROLL CALL, AGENDA UPDATE.**
2. **CONSENT AGENDA:**  
**2.1 MINUTES:** May 31, 2016 Work Session.
3. **PUBLIC COMMENT:** Public comment is limited to comments on non-agenda items. *Remarks shall be limited to 5 minutes for each speaker unless a different time is allowed by the Mayor. The Mayor and Council should avoid immediate and protracted response to citizen comments.*
4. **REPORT:** Troutdale to Springwater Trail Route Alternatives.  
*Robert Spurlock, Senior Regional Planner, Metro*
5. **REPORT:** West Columbia Gorge Chamber of Commerce Annual Report.  
*Tamie Arnold, Board President & Bob McDonald, Acting Executive Director*
6. **RESOLUTION:** A resolution providing for current FY 2015-16 budget transfers and appropriation changes.  
*Erich Mueller, Finance Director*
7. **STAFF COMMUNICATIONS**

8. COUNCIL COMMUNICATIONS

9. ADJOURNMENT

*Doug Daoust*

**Doug Daoust, Mayor**

Dated: 6/23/16

City Council Regular Meetings will be replayed on Comcast Cable Channel 30 and Frontier Communications Channel 38 on the weekend following the meeting - Saturday at 2:30pm and Sunday at 9:00pm.

Further information and copies of agenda packets are available at: Troutdale City Hall, 219 E. Historic Columbia River Hwy. Monday through Friday, 8:00 a.m. - 5:00 p.m.; on our Web Page [www.troutdaleoregon.gov](http://www.troutdaleoregon.gov) or call Sarah Skroch, City Recorder at 503-674-7258.

The meeting location is wheelchair accessible. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to: Sarah Skroch, City Recorder 503-674-7258.

**DRAFT**

# Agenda Item #2.1

6/28/16 Council Meeting

## MINUTES

Troutdale City Council - Work Session  
Troutdale City Hall – Council Chambers  
219 E. Historic Columbia River Hwy.  
Troutdale, OR 97060-2078

**Tuesday, May 31, 2016 – 7:00PM**

### 1. Roll Call

Mayor Daoust called the meeting to order at 7:00pm.

**PRESENT:** Mayor Daoust, Councilor Ripma, Councilor Brooks, Councilor Morgan, Councilor White, Councilor Allen and Councilor Wilson.

**ABSENT:** None.

**STAFF:** Chris Damgen, Planning Director and Kenda Schlaht, Deputy City Recorder.

**GUESTS:** See attached list.

### 2. Presentation: Airport Mast Plan Preferred Alternative

Steve Nagy, Senior Manager General Aviation, Port of Portland, introduced himself and Emerald Bogue, Regional Affairs Manager, Port of Portland, to the City Council. Also joining them is Sean Loughran, Project Manager, Port of Portland.

Steve Nagy reviewed his PowerPoint Presentation regarding the Troutdale Airport, Shaping Our Future. A copy of the presentation is attached to the minutes as Exhibit A.

Steve Nagy states following a two-year process, a 23 member project advisory committee, made up of community members, pilots, airport tenants and other stakeholders, approved a recommended plan for the future of the Troutdale Airport. The committee's recommendation calls for reconstructing the runway length to 4500 feet and earmarking some airport land for industrial use. The reason we started this project was due to the increase of take offs and landings at Troutdale Airport. There was also a significant increase in flight training operations. Also in 2012 the Forest Service reached out to us because of some changes in types of aircraft that they were using. They were moving to contract services with larger aircraft. Those airplanes were having a hard time on the 5400 foot runway. In the switch to their jet fleet they told us they would not operate out of Troutdale. In 2014 they agreed on cancellation of their lease with TTD (Troutdale Airport). We also did geotechnical analysis of the runway. We core sampled it and found the runway cannot be resurfaced and full runway reconstruction is required. We discussed this with the FAA and what was suggested was it's been almost 10 years and

to do another Master Plan. In that Master Plan you'll look at current users and forecast users and you'll get a good idea of what facilities you'll need to build towards. The process was nearly 2 years in length. We had 11 Project Advisory Committee (PAC) meetings. We focused on the triple bottom line of an economic balance and an environmental and social balance. Our PAC came up with 7 evaluation criteria and helped the Port assess the future and recommend an optimal role for the airport over the next 20 years. We had extensive public outreach with 11 PAC meetings, 1 special topics meeting, 2 open houses, quarterly airport tenant meetings, 2 Troutdale Summerfest's and Troutdale First Friday.

Emerald Bogue states we're governed by a commission that has been kept up to speed on this project in real time as well.

Steve Nagy states we also had a Port Commissioner who is a pilot himself who was dedicated to the project. After looking at all the different scenarios of what is the forecast, how many are going to use this airport in the future, what type of facilities we have and how many more facilities we need to build out, we came down to sets of alternatives at the end. Alternative B and Alternative C showing in slides 9 and 10. Our consultant looked at the two of these scenarios. One, alternative B, was the smaller of the 2 runways at 3600 ft. It had more industrial development land because it added acreage at the far west end of the airport but it had smaller business aviation component. The other alternative that we looked at was alternative C. This one was a 4500 ft. runway. It accommodates more of the small and medium size business aviation aircraft that fly there right now. As leases expire on the north side of the airport, businesses have long term leases on the ground some of them out 10 years and 18 years, as they expire those facilities will revert back and over time we would look to reinvest and redevelop that north side with industrial land. The land would stay part of the airport and the rents from that land would offset the cost of operating the airport.

Councilor Wilson asks are any of the hangars privately owned there that aren't on the property that lease the property?

Steve Nagy replies some are owned by us and are on short term rental. There are people who have facilities that own the hangar. They generally get a 30 year lease from the Port to build the improvements on it. As those leases expire those facilities would come down and land would revert back to the Port for redevelopment of something else. We would look to those businesses to have them redevelop on the south side.

Councilor Wilson asks at their own expense?

Steve Nagy replies absolutely. The way our leases are structured in Port you build your improvement on the land that you're leasing for 30 years. You have 2 options at the end of that. You can walk away from the improvements that you built or you can take them down and remove them yourself.

Emerald Bogue states either way the cost is on the owner.

Councilor Wilson asks at the end of the lease how many of those that are privately owned will need to be relocated?

Steve Nagy replies right now we are looking at 5 leases on the north side of the airport. Two of them are in buildings owned by us already and are on short term leases. So really only 3 that have longer term commitments.

Councilor Wilson asks what does it cost to rebuild a hangar on the other side?

Steve Nagy replies it would depend on how big of a facility you wanted to build and what construction costs are at that time. What we charge for is the bare ground for you to build your facility on. What we're charging right now is .28 cents a square foot per year. I will also caution that this is a 20 year plan. This doesn't automatically flip the switch and say everybody on the north side move to the south side. This is a phased plan based on their leases and based on the industrial land and based on demand.

Councilor Wilson states you're looking at basically in 20 years the total is being subsidized by the Portland Airport. Is that correct?

Steve Nagy replies that is correct. In the Port's funding mechanism, a small percentage shows up on your property tax bill, it goes to fund the marine side of the Port terminals 1 – 6. The aviation system within the Port is a firewall between the two because aviation funds legally by the FAA can't be mixed outside of aviation. From our financial charter our airports have to be financially self-sustaining. Troutdale, whenever we have a shortfall, dips into the reserves that are made by PDX on things like parking and concessions. When that happens we are covered for the shortfall for that. We don't generate enough income off the annual fees because the smaller airplanes don't pay landing fees. Then there's ground rent that we get off of individuals. That's really where we make up our difference in revenue. The reason industrial looks beneficial to us is because there's a higher land lease rate for industrial land than for aviation land.

Emerald Bogue states the Port had expressed interest in alternative B. Ultimately the PAC and others in the community spoke up pretty loud and clear in favor of alternative C.

Steve Nagy states we started this process with one of the goals in mind for the Port was to hear what the community felt about the airport. We heard loud and clear that preserving the maximum amount of capacity for aviation was beneficial for the airport. The runway length of alternative C is determined by 2 things. One, the types of aircrafts that currently use it and the types of businesses that use it. The other is the guidance that's from the FAA on safety. What we wanted to do with this Master Plan is understand who's going to be coming to the airport in the next 20 years, what's the type of aircraft and what size runway length wise do they need to accommodate them.

Councilor Ripma states it sounded like you were saying it would be impossible for the FAA to fund a 5400 foot rebuild at 75 foot wide because of the trapezoids. Is that what you're saying? It couldn't be done? If we had asked it wouldn't have gotten done?

Steve Nagy replies you can always ask the FAA for anything. Whether or not they would actually agree to amend their own set of safety rules is highly, highly unlikely. They just in 2014 sent out a new guidance on this from D.C. specifically for these that said we are no longer going to accept these types of nonstandard things. They make you do a cost benefit analysis.

Sean Loughran states I would agree. Our experience isn't just limited to Troutdale it includes working with the FAA on the airport improvement program funding for all 3 of our airports. Because this is a reconstruction the FAA will view it as a new runway. As a new runway the expectation is that it will be current standards. The standard that Steve described is currently listed as interim guidance.

Steve Nagy states the PAC's recommendation is alternative C which would be a 4500 ft. runway. Right now we are looking at reconstruction in the year 2020 because we have to get in line for federal grants and we are in line right now with the FAA for grant funding that would allow us to construct in 2020. It maintains the maximum flexibility for increased aviation development. If the FAA changes their guidance somewhere along the way or there's a demand for a larger business aircraft in the future we lengthened this runway once from 4640 ft. to 5400 ft. In that timeframe, other than the Forest Service, a few business jets came here but there was not a demand that materialized. If it does somehow materialize in the 10 year or 20 year horizon there's nothing built off the end of these and if the FAA changes their design standards or if it becomes a large enough issue it can be looked at and pursued and pushed upstream with the FAA at that time. That's another flexibility that the PAC liked with this.

Mayor Daoust states that's an important point. Will that be in writing? In a report? Or how is that reflected?

Steve Nagy states I don't think it's in the document itself but that would be whoever is leading the project and the project advisory team at that time and can look at those factors. If that section of aviation is taking off there's nothing in this plan that says you're constricted to 4500 ft. beyond this planning horizon.

Mayor Daoust states I know that the Port plans on monitoring aviation use.

Steve Nagy states if it's materializing then we will trigger certain things along the way. If not then part of the plan won't come into fruition. If industrial demand isn't there then we may not develop all 56 acres on the north side. In the first 10 year horizon what we're looking at is all these questions back open to the PAC.

Councilor Wilson asks is that something that could be put in the IGA?

Steve Nagy responds I don't see a reason why it couldn't be. It's a natural assumption of any planning exercise that you would look at the current demand and the forecast demand.

Emerald Bogue states we would be just memorializing our roles. The role of the Port is to watch and to understand where trends are headed.

Councilor White states to me it seems like for all intents and purposes for deciding the future aircraft that's going to land and wanting to shorten the runway or narrow it, I think that future regulations will probably be more strict. If we're going to save this airport I would say we maintain what we have. Because once we shorten it, that's it.

Steve Nagy states I would respectfully disagree because there are plenty of airports that undergo expansions and runway lengthening. Runway expansions happen all the time at airports across the country. It's a multi-year process to do that and you have to justify need, demand and environmental impacts. There has to be a purpose and need for it.

Emerald Bogue states Councilor White you talked about saving the airport, the Port is committed to the Troutdale Airport. Part of that commitment is us figuring out a way for this airport to operate in the black. Currently it's not. When we're talking about saving the airport, part of our commitment to saving the airport is making sure that we're setting it on a course that is financially sustainable. Both option B and option C did that.

Steve Nagy states one of the ways to lose an airport is to make it financially unsustainable. If you overbill you run the risk of overextending yourself and then paying for it. You need the revenue and revenue source to come in and operate.

Councilor White I thought the lack instrumentation caused some planes to land at PDX and not in Troutdale.

Steve Nagy replies there are multiple issues associated with it. The FAA has limitations on the type of approaches they can develop here. There is also the issue that 2 air spaces overlap with each other.

Councilor Allen asks when you extend the runway do you have to start over or add extensions?

Steve Nagy replies you can add extensions.

Councilor Allen asks when we talk about what aircraft can land on a particular length of runway are we talking fair weather?

Steve Nagy replies there are different parameters for that. A lot of that is dependent on individual aircraft and the aircraft operations and whether or not you're flying for your own personal or corporate purposes. The rules change depending on what types of flights you're doing and sometimes depending on the individual aircraft.

Councilor Brooks states we talked about operational cost in the black in the future and that's where it would be nice to be. Is there an estimated time frame?

Steve Nagy states for either alternative B or C because there is capital events that are involved in building a new runway as well as moving facilities on either side to get the revenue it takes about 40 years to see that. We're going to lose money for a while but it's a vision on the long term. From an aviation perspective East County is probably better served than almost any community in Oregon from aviation perspective. You could be looking at 2033 or maybe even longer an airport that looks like the airfield layout, slide 16. A runway 4500 foot in length, industrial parcels on the north side, aviation redeveloped on the south side and helicopter training area. This kind of concludes the Master Plan and the findings as well as the recommendations of the PAC. There were issues of runway length and who could use the runway length and are you going to be affected by things like your insurance. Different insurers have different conditions even for your car or home. It's very hard to develop a standard for an airport based on insurance. The FAA isn't based on insurance. They're based on operating parameters of aircraft. Whether an aircraft chooses to operate at one airport or not is ultimately the responsibility of the pilot in command. That's the only FAA regulation. The pilot is going to make a determination and say based on my company policy, my insurance policy, the operating parameters of this aircraft, the weather conditions today, is it safe for me to use this length of runway. That is ultimately going to come down to the person that makes that decision. The other thing is we used, and our consultants used, the FAA's master planning guidance that says here's what you should do. Here's the runway length you need based on current conditions.

Councilor Morgan asks how long has this mixed use model variety been in place?

Steve Nagy replies we have had non-aviation businesses at the Hillsboro Airport now for about 25 to 30 years. So we've had some shopping centers and a hotel that goes back about 30 years.

Councilor Morgan states you said that you anticipate it could take up to 40 years before we could see positive cash flow.

Steve Nagy replies yes.

Councilor Morgan asks besides the Hillsboro Airport as a model what other airports in comparable size and regions were used to analyze this model or projection to begin with?

Steve Nagy replies the financial model was built specifically based on TTD. How much land we have, what's the going lease rate for that, what could you get for that, how many aircraft are currently landing here, and what are we gaining from revenue from that? Centralia has shopping centers and restaurants and non-aviation businesses. It's all being used to support the airport.

Councilor Morgan asks was Centralia looked at for changing towards this model?

Steve Nagy replies that was an example. What was looked at was in our own backyard. We have a good track record and history for this. In the Master Plan we incorporated the date as if it was already part of Metro's regional analysis of land use demand for industrial for the next 20 years and it came off that there's deficit of industrial lands in East County in the next 20 years. Especially in the 25 acre lot size. The thought was over time as all the other land is used and consumed in East County for industrial use this is going to become attractive for that use. If we can consolidate the aviation uses more effectively we can free up some amount of land. It's a natural cycle of what's being forecast for the Portland Metro area and specifically for East County. That's not us. That's not the project. We just took the data that's already out there. 20 years from now there's going to be a deficit of jobs and land for industrial development.

Councilor Morgan asks so the Metro numbers influenced the overall shape of the project?

Steve Nagy states what they influenced was can we accommodate some of this use on unused aviation land and would it then have an economic benefit that would benefit the community, benefit the airport, keep it open, fund the airport. It fit in because it was a good source of revenue and a need that is projected on the rise.

Councilor Wilson asks did you say earlier there are certain planes that land at the Troutdale Airport that don't pay landing fees?

Steve Nagy replies anything that is below 10,000 lbs. and is not involved in commercial operation. All the small single engine aircraft, all the helicopters that you see they do not pay landing fees. When they buy fuel they pay about .07 cents per gallon fuel flowage tax.

### **3. Public Comment:**

Mayor Daoust opens public comment at 8:30pm.

Joe Smith, Portland resident, came before the Council and expressed his concerns outlined in a memo handed out to the Council. A copy of the memo is attached to the minutes as Exhibit B.

Joe Smith states I am a pilot and a tenant at the Troutdale Airport and spent 10 years on the Oregon Aviation Board. I fly an airplane and pay \$9.00 a day for rent at the Troutdale Airport. If we lost 900 or 1800 feet at the airport it would not affect me personally at all. I understand you all received a copy of my dissent that I filed as a member of the PAC. We're talking about the future. Nobody can predict the future. One thing I think we can all acknowledge, the future to the significant extent is what we make of it and what we want it to be. I was not present when Mr. Nagy made a comment about the Troutdale Airport but I have been told by a person of integrity that Mr. Nagy said the biggest mistake the Port ever made was taking over the Troutdale Airport. I believe that is the mindset the

Port has had in this entire process. There are tenants at the airport who believe this whole process is fixed. So many lies. Mr. Nagy and I have a real disagreement over how possible it is to get the FAA to approve something that is not within the present parameters. I was astonished at the lack of understanding of aviation by the consultant on this project. Other evidence of the mindset of the Port is the second of command of the Port came to one of the PAC meetings of the decision making phase and gave a 20 minutes speech urging the committee to recommend a 3600 ft. runway. The chair of the committee did not run the meetings. The paid consultant virtually exclusively ran the meetings. I learned that there was to be this summer a seal on the runway which would have extended the time for it needing it to be completely rebuilt from 3 to 5 years at no cost to the Port. And the Port turned it down. I think this is a business mistake. All I asked for was language in the Master Plan which opened the door clearly that it might be appropriate to keep the runway length and therefore final decision should not be made until we get to the timing. I think that went down by one vote. If something is not in the Master Plan then the FAA will not consider it. I asked to put the language in the Master Plan to keep the present length. If the Troutdale City Council has the ability to encourage the Port to put that in there I can't see any down side to it at all.

Mike Rhodes, Gresham resident and tenant at TTD, states at that meeting the Port staff vigorously argued against that language that Joe wanted in the Master Plan. It openly and aggressively argued against including that provision for the possibility of a longer runway if outside funds could be found.

Mayor Daoust states it went to a PAC vote. The 20 member committee voted on Joe's recommendation and it got voted down. Your proposal was if the FAA would fund a longer runway then why not put that in the Master Plan.

Joe Smith replies exactly. It was not just FAA. If additional funds could be found.

Councilor Morgan states just to clarify, it was to keep the length that it currently is.

Joe Smith states this statement they fall back on saying we can't help ourselves because they are 2 separate entities and one can't support the other....that is an administrative decision.

Steve Nagy states it is not an administrative decision by the Port being able to cross a certain financial barrier. There are certain FAA federal regulations in place about usage of funds for certain things. There are very strict accounting rules and laws we cannot violate. We did look at the types of industrial uses that would be developing in East County and will they have an aviation component to them. That was part of what was studied in this Master Plan. Even if it's manufacturing or warehousing or distribution it's most likely those corporations aren't headquartered here.

Steve Nagy stated we did talk to the current FBO and I wish he was here because we have minimum standards for the types of operation. If over time that is expanded or increased we talked about that would amend those so if somebody was not needing to

be in that line of business any longer we would allow them to get out of that and we're not going to make somebody continue to lose money on a line of business that is no longer profitable for them. If it changes how businesses operate we will change our business standards so businesses stay vital. We make our revenue off of the operators who rent space and land at the airport. It makes no sense for us to drive them off. Last thing, Joe, I don't worry about the information but I have never in my 20 years career and 15 of those involved in GA Air Force have ever felt or said that Troutdale Airport was a burden upon the Port or any type of action we took. A few years ago we came to this Council Chamber and several of you were Councilors at the time when the FAA was cutting funding. We put our own money at risk to challenge the federal government and a legal lawsuit for other airports in Oregon and across the Northwest. We put several hundred thousand of our own legal fees on that to keep the FAA to do that. So I think the idea that we're not committed to continue to see this airport functional and thrive is a falsehood. We have demonstrated over time. We put 6 million dollars in the rebuilding of the taxiway in 2009 and are about to put 12 or 13 more for rebuilding the runway. We put our own money at risk to keep the FAA and federal government there with a contract tower. We have demonstrated our overall commitment operating it, funding it and running it responsibly.

Councilor Allen states we deal with Master Plans here as well. Two things come to mind. I don't remember industrial land being a shortage in Troutdale. The other thing is, what's the logic rationale of not having the 5400 as a possibility if funding were available?

Steve Nagy replies the FAA and the Port were not members of the PAC. So any recommendations that came from them were solely from them. Joe's proposal was put to the PAC for them to vote. It wasn't the Port's say. The PAC voted it down. We didn't have a discussion about the rationale.

Mike Rhodes states the rationale was that it had already been decided that the PAC chairman at the time did not want to deviate from that past vote so therefore he did not want to change it at the last meeting. That's the only reason that language didn't get put in. Because the committee chairman refused to change the rules.

Councilor Morgan asks who's the chair person?

Steve Nagy responds Travis Stovall. To be fair, you are right, in the previous meeting the PAC had voted and approved building an Alternative C forward which was a 4500 ft. runway. Joe is correct that only 15 of the 20 members had shown up at the last meeting to take a final view. What was introduced was a motion that would have changed what had been approved by all 20 members of PAC the previous time but not everybody was there.

Joe Smith states I may have been the only person at that next to last meeting who misunderstand what was being done. Had anyone said to me this is the only vote that counts I promise you I would have offered my amendment at the next to last meeting rather than the last meeting. Nobody explained to me that I had to make a motion to get that language in at that meeting.

Mayor Daoust states it's not our job to judge how the PAC meetings were handled.

Joe Smith states there is no down side to say if the funds are available we may ask to keep the present length.

Councilor Wilson asks could that be something to consider putting in the IGA?

Emerald Bogue responds we talked about this as a plan or framework and these infrastructure decision are made based on need and demand and should the need and demand present itself down the road it's the job of the Port of Portland to recognize that and respond accordingly. There is no draft of an IGA at this point. It is something that should be discussed.

Steve Nagy states I think our consultants did a good job along with our staff in demonstrating what is the current use of the airport, what is the forecasted future use. We're still going to have a viable airport. It meets the demand. Maybe not all of it but certainly the best demand that's constrained by funding, regulation and what the FAA says about clearance and safety zones of the runway. At some point you have to draw a line and say this is what is fundable and what we choose and like to construct and this is the plan we're putting forward and that's what I believe this plan did.

Councilor Wilson states what they're voicing here is they want to capture that money here and not over there. I understand where you're coming from also.

Joe Smith asks Steve, am I not correct in my understanding, that there is not a single thing involved in the potential moving of businesses from the north side to the south side with the development that cannot be done just as well with the runway it's existing way. The only difference is the capital expense of the additional 900 ft. The worst the FAA can say is no. But if the FAA said yes and you decided to keep the 5400 ft. runway am I not correct that there is not a single thing in the projections of industrial development that would be done with the runway as is.

Steve Nagy replies it doesn't affect the available acreage for the industrial or aviation development because that area at either end of the runway is for protection or safety. You would have to get the FAA to go in contrary to their regulations. Yes you are correct.

Mayor Daoust states that you would have to prove that you need the longer runway. It's not just a matter of we want the longer runway just keep it the way it is. You have to prove and show that you need the longer runway.

Councilor Allen states in doing our own master plans we will sometimes put things in our master plans that we know are not probable but we put them in there so they're not ruled out.

Steve Nagy states I agree. There were 2 votes associated with that language. The PAC voted no. The Port and FAA were not voting members.

Mayor Daoust states part of the reason I was there at all those meetings was to make sure the process was handled appropriately. I was making sure the Port was fair, if the analysis was good or not and if all the voices were heard. I came away thinking it was handled very well from an outsider's point of view. And I am biased to leave the airport alone. I saw how the PAC operated and how the votes were taken and everybody had their input and it was a fair process. At the end when Joe brought up his point, you'll remember, I came up and said I think we have a minority opinion here and it's not being stressed in the report. I told the Port we need a minority opinion.

Steve Nagy states it's in the PAC's report.

Councilor White states it seems like common sense to add that great idea and put it in writing in the Master Plan.

Emerald Bogue states the minority report is meant to capture what did end up as a minority opinion of that. It's reflected. It's there. But it was the majority opinion of the PAC. It's not like the idea is lost.

Sean Loughran, Project Manager, Port of Portland, states as the long range plan manager one of my responsibilities is to make sure a process is what you described it as. Which the process has integrity. This issue with minority report, we actually set that up as part of the process and shared that with advisory group as part of the ground rules for when we got started. We do a lot of master plans for the Port. The City does a lot of master plans. You always hope that the process will end in consensus and that you'll have a unanimous recommendation. More often than not the outcome of these planning processes is that you hear a huge range of opinions through it and you learn a lot through that process. Hopefully the outcome has the greatest benefit to the airport. It's hard to hear comments that suggest we've managed this airport is a mistake. The Port has invested a tremendous amount of resources and money in the airport.

Mike Rhodes states I own an airplane that I built and it's based at Troutdale Airport. I'm a nuclear engineer by education. I have to say that I find that what the Port is putting out is highly deceptive. I agree completely with Joe's analysis and opinion that your future is what you decide to make it. The Master Plan should be a vision going forward and not built or based on looking in the rearview mirror. The idea of shrinking your way to success is not typically the way it works. Some of the issues that concern me are they tout about how Hillsboro is so successful but the west side has all the filthy rich hi-tech companies over there that take advantage of the Hillsboro Airport. What is the Port's plan for East County? A monstrosity big box warehouses like what you have on 242 and that's what they intend to do with East County. Is that what you guys want for your community? To look Hwy 224? I have had businesses tell me that when this change happens at the airport and their leases expire or they're not renewed they will go out of business. They will not build on the south side of the airport because they don't have the cash flow to be able to

support building a new building that in 30 years reverts to the ownership of the Port. The premise of the Port that these businesses will build and move to the south side is wishful thinking. It won't happen. There has been a lot of industry discussion about the looming shortage of commercial pilots. I talked to my insurance company and we had this discussion at one of the meetings with you and I don't care what your insurance survey says, a month ago my insurance company says that generically they will not insure a jet airplane to land on less than 5000 ft. unless the crew has had special training. It limits access to the airport to that class of airplanes in general unless you have the special training. What the Port is telling you is deceptive. As far as the minimum protection zone, the regional representative for Aircraft Owners and Pilot Association, which is the largest pilot organization in the country, told me that the FAA routinely issues waivers to the RPZ on existing airports. That restriction only applies to new airports. I'm convinced the Port had their consultant give them the answer they wanted. The Port is on a mission to shrink the airport. They'll agree to 4500 ft. and they have their consultant to provide them with geo-tech justification that the runway can't be saved. There is nothing wrong with that runway. There is no reason you can't do an overlay on that existing runway.

Mayor Daoust states I understand what you're saying but I'm having a hard time wondering what you want the Council to do about it. The decision makers are not us. The decision makers from now on going forward is the Port Commission. This goes to the Port Commission on June 8<sup>th</sup>. Those are the decision makers, not us. Then it goes from the Port Commission to the FAA.

Mike Rhodes states I had the impression that the Troutdale City Council had to approve this plan.

Mayor Daoust replies no we do not. We are not the decision makers.

Mike Rhodes states it fascinates me that you don't take an active role in protecting an asset that exists here in East County and let the Port run amuck in your backyard. In my opinion you are being railroaded by the Port into making East County an industrial bedroom for Portland.

Mayor Daoust states we did take an active role in the PAC.

Councilor Wilson asks are you willing to let the rates go up?

Mike Rhodes states a month ago I requested a public records request from the Port asking for a detailed line item expense and income budget for Troutdale Airport because the Port says they're losing \$500,000 a year at Troutdale. I don't understand how the airport could possibly be running in the red other than the Port has almost 800 employees and I can't help but wonder if Troutdale's budget is being expensed under things other than Troutdale. The Port is deceiving you about the condition of the airport and what their plan is for the airport.

Mayor Daoust states I watched almost every PAC meeting. Even though there was a minority of pilots the rest of the PAC members were intelligent people. The PAC members were able to listen to the arguments of the people and take it into consideration and make a decision and vote on it. You have to put some level of confidence in the committee makeup that goes into making a decision.

Mike Rhodes states I understand that but my observation and the other people who were part of that committee had their own economic development interest that were more aligned with the Port's vision of land development for commercial industrial purposes than they were encouraging the vision of building and developing an aviation infrastructure.

Mayor Daoust states I have some recommendations for you and the first one is to talk to the Port Commission on June 8<sup>th</sup>. If the Port's goal is to make the airport financially sustainable that's my goal too. We as a City want the airport to be financially sustainable well into the future. That is what the PAC came up with, as the preferred alternative of option C. I agree with them. When we do have the 10 year review and yearly review and it looks like we might lose them then we're going to have to regroup.

Steve Nagy states in 10 years we'll all be here doing this process all over again. We will work with the business. This Master Plan will be revisited again 10 years from now. 4 to 5 years from now the runway is going to get reconstructed. Then we'll revisit. I respectfully disagree about the runway the way it is. We have analysis that says both the underlying structure and the asphalt itself is at the end of its useful life.

Mike Rhodes states the last nail in the coffin for this airport is the 4500 ft. runway. This is the crux of whether the businesses on the airport will be successful or not. They have told me this. That happens in 4 years from now. That sets the final cascade of this airport.

Councilor White states I want to disagree on a couple points. One, I think we should be hearing from our local businesses that they shouldn't just have to go to the Port to voice their opinion. I think we can influence a decision and we've done it in the past.

Mayor Daoust states that's why we're having this meeting.

Mike Rhodes states the reason you don't see more airport tenants here is, I believe, that they have told me that they fear reprisal from the Port on their leases if they speak out against what the Port is doing.

Scott Kenney, Troutdale Airport tenant, states I have been doing business with the Port of Portland for 17 years since I started Troutdale Aircraft Services. Other than 1 person at the Port of Portland, I've always had a good working relationship with and always felt I've been treated fair. I own a building at the airport and the only reason I own this building is because the Port sold it to me \$1.00. One of my tenants is the engine shop. I took that building because I had big thoughts of going places in aviation. The problem is not only what Troutdale is or where it is, coming from a business standpoint, there's a lot of opportunity here and just because the Port is going to develop.....I have 18 years left on

my lease. I can't fill my building with aviation tenants. I went to the Port and said I bought these buildings based on aviation growing and it's not growing. It's going down. Can I put a non-aviation based tenant in there? They said sure, we understand. They gave me those buildings because they couldn't afford to maintain them either. They were going to tear them down. For the last 7 years that I've owned it only the last year and a half they've been profitable. I put my own money into it to maintain the building. The Port didn't have anything to do with that. That was my decision. The FAA has limited our ability to put in an approach procedure that takes us down to the same minimums that you have Portland. Portland has an ILS (Instrument Landing System) that gets you down to 200 ft. if you're general aviation. We can't do that here because of this bluff. So unless you can move the bluff it's a done deal. You're never going to get it. Unless the standards change in the future for GPS approaches. That's why in the Master Plan things are flexible. It's not set in stone. Be flexible in the file process that you can change with the plan. I just want the facts to be straight. As a professional pilot I would love to see an ILS coming into Troutdale Airport and getting me down as low as I can. If you had an ILS in Troutdale I guarantee you would get the same amount of traffic in here as you do in Aurora. Planes won't come here because there's days out of the year that they can't get low enough to get in. It's not always the boss that decides where we're landing. That's the pilot's responsibility.

Councilor Morgan asks how much does the ILS cost and what are the procedures to go through that?

Scott Kenney replies it won't happen here because of the bluff.

Mayor Daoust states this has been a very educational process for the entire Council. We are now up to speed. The decision is going to be made by the Port Commission on June 8<sup>th</sup> and then it goes to the FAA. I'm going to support what the PAC came up with to be candid. I'm going to go and speak in favor of the financially sustainable Alternative C that the PAC came up with.

Mike Rhodes states we just wanted to make sure you understand the consequences of what we foresee as happening as a result of what the PAC has done. Those consequences were not voiced thoroughly in that group.

Mayor Daoust states tonight I heard you. I think there's enough flexibility built into the 2 year plan that it can adjust if things are not going right. Enough flexibility to adapt.

Steve Nagy states our goal is to be back on an annual basis for a refresher discussion on what's happened in the last year, what has changed and work together. The other reason the PAC recommended an IGA was to hopefully address some of these so we actually work together in that cooperative way.

Mayor Daoust states the IGA is still in front of us.

Councilor Ripma states the real decision is made by the Port Commission and we have no influence with them. When I went to the PAC I definitely sensed the Port's desire to go

with Alternative B. I was glad it came about as Alternative C if we couldn't keep the original runway length. I agree C is better than B and I appreciate that being a recommendation. I would like if at all possible the possibility of keeping the original runway length. That doesn't seem to be an option. The airport is important to us and our way of life here in Troutdale and our businesses. It does have highly skilled people. Thank you for coming and answering my questions very clearly. The other people that spoke raised a lot more questions.

Councilor Wilson states I understand diversity and you have to diversify in order to keep thing profitable. You need to expand things and once it starts people will understand that it's saving them money out of their pocket. I would hate to lose the airport so I'm glad you're thinking of ways to keep it active.

Steve Nagy states that is our goal, to keep the airport here. We recognize the value of the airport and the value of it is to the community.

Councilor White states it is a Council goal for us to look at ways to make the airport more viable in our community. The Port is a great partner.

#### **4. Adjourn**

**MOTION: Councilor Ripma moved to adjourn. Seconded by Councilor Wilson. Motion passed unanimously.**

Meeting adjourned at 10:15pm.

**DRAFT**

\_\_\_\_\_  
Doug Daoust, Mayor

Dated: \_\_\_\_\_

**ATTEST:**

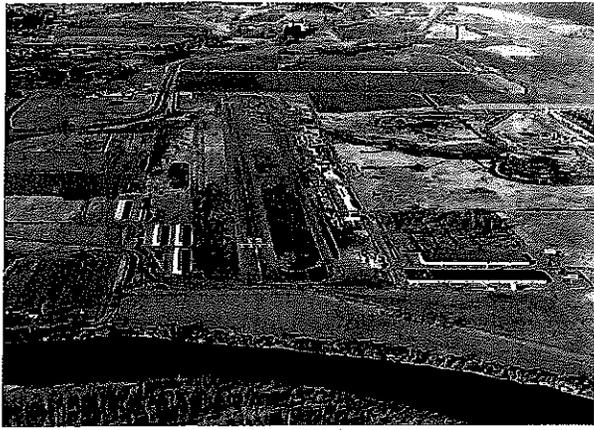
\_\_\_\_\_  
**Kenda Schlaht, Deputy City Recorder**



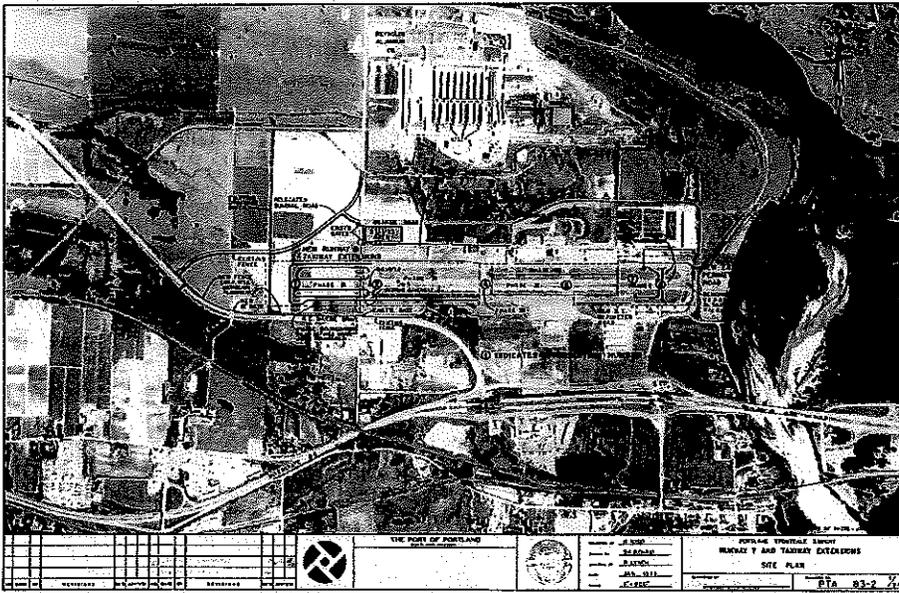
## **History**

1942 - Port of Portland purchases 263 acres, including the airfield, from 3 property owners

Runway paved to 4,640 feet



# 1983 Runway 7-25 and Taxiway B Extensions

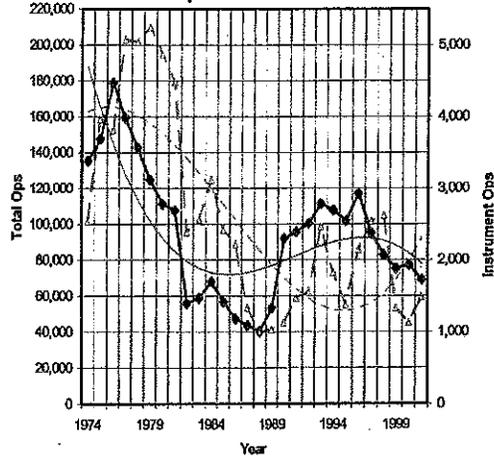


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TROUTDALE AIRPORT SHAPING OUR FUTURE  
 PORT OF PORTLAND

# History

TTD Aircraft Operations 1974-2001



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TROUTDALE AIRPORT SHAPING OUR FUTURE  
 PORT OF PORTLAND

## Impetus for 2016 TTD Master Plan

- 2010: Flight training operations at TTD began to significantly increase
- 2014:
  - USFS cancelled their taxiway access agreement at TTD
  - Geotechnical engineering report found:
    - Airport runway cannot be resurfaced, and
    - Full runway reconstruction required
- Full runway reconstruction is a very expensive project
- Port and FAA agree that an analysis of future aviation uses at the airport is preferred before beginning runway reconstruction

## Project Advisory Committee (PAC)

- A diverse representation of community interests:
  - Travis Stovall - Chair
  - 3 on-airport businesses
  - 1 Oregon Pilots Association
  - 4 local city representatives
  - 3 State of Oregon representatives
  - 2 Chambers of Commerce
  - 3 economic development & local industrial business
  - 2 natural resource stakeholders
  - 1 local citizen
  - FAA and Port of Portland

## Process

- Nearly two year planning process
  - 11 PAC meetings
  - Extensive technical analysis and public outreach
- Triple bottom line focus that balanced economic, environmental and social interests
- Considered seven evaluation criteria
  - Alignment with Forecasts
  - Community Economic Benefits
  - Community Planning Compatibility
  - Environmental Impacts
  - Financial Impacts
  - Fit with Local Airport System
  - Legal Feasibility
- Helped the Port assess the future and recommend an optimal role for the airport over the next 20 years

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TROUTDALE AIRPORT SHAPING OUR FUTURE  
PORT OF PORTLAND

## Extensive Public Outreach

- 11 PAC Meetings
- 1 Special Topics Meeting
- 2 Open Houses
- Quarterly Airport Tenant Meetings
- 2 Troutdale Summerfests
- Troutdale First Friday

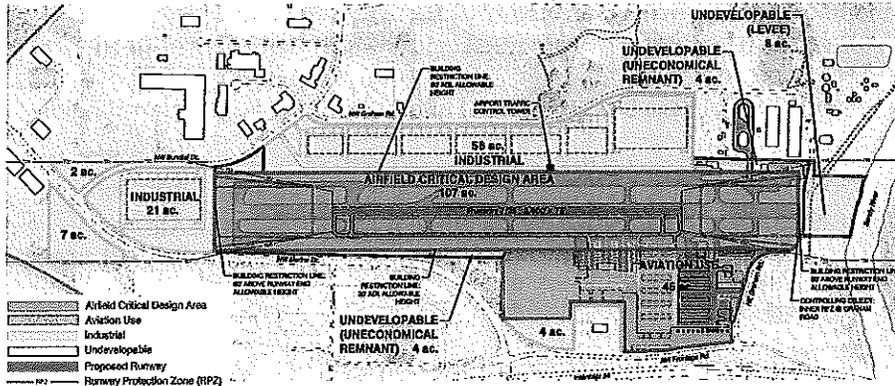
### Outreach to:

- City of Fairview
- City of Gresham
- City of Troutdale
- City of Wood Village
- East Metro Economic Alliance
- Gresham Chamber of Commerce
- Hispanic Metropolitan Chamber of Commerce
- Metro
- Mount Hood Community College
- Multnomah County
- Oregon Metro Regional Solutions Team
- Sandy Drainage Improvement Company
- Sandy River Watershed Council
- Tri-Met
- Troutdale Airport Users and Tenants
- West Columbia Gorge Chamber of Commerce

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TROUTDALE AIRPORT SHAPING OUR FUTURE  
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## Alternative B: Flight training / recreational aviation More industrial land

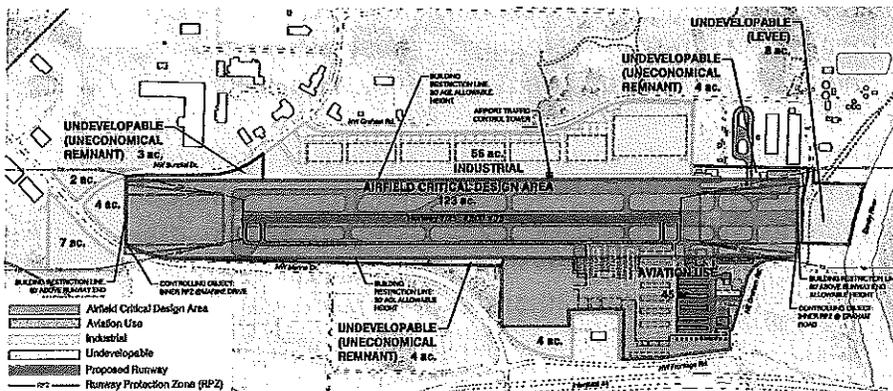


- Flight training
- Recreational aviation
- Maintenance & repair (MRO)
- More industrial development
- Smaller business jet aviation

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TROUTDALE AIRPORT SHAPING OUR FUTURE  
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## Alternative C: Small / medium business jet aviation Less industrial land



- Flight training
- Recreational aviation
- Maintenance, repair & overhaul (MRO)
- More medium business jet aviation
- Less industrial development

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TROUTDALE AIRPORT SHAPING OUR FUTURE  
PORT OF PORTLAND

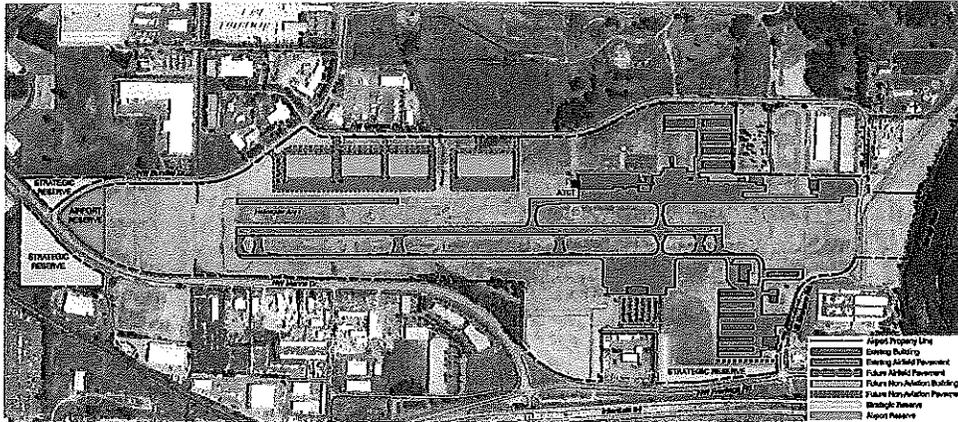
## PAC Recommendations

- Alternative C, with a 4,500 foot runway, will maintain maximum flexibility for increased aviation development at Troutdale Airport.
  - Accommodates 99% of current and future TTD aviation operations.
- Jobs and private sector investment are critical to improving the economic demographics of east Multnomah County. Troutdale Reynolds Industrial Park and Troutdale Airport are vital to this effort.
- The financial sustainability of the airport requires that partners share responsibility for airport development.

## TTD Master Plan Findings

- Troutdale Airport should serve recreational, flight training, maintenance/repair/overhaul, and business aviation needs, and industrial land use demands of the community.
- Troutdale Airport remains an important asset to the community. Facilities need to be effectively organized to better serve the needs of aviation and industrial users.
- Troutdale and East Multnomah County are well served by two airports (TTD and PDX) which jointly provide access for all types of aircraft.

## Phase I - Runway Improvements

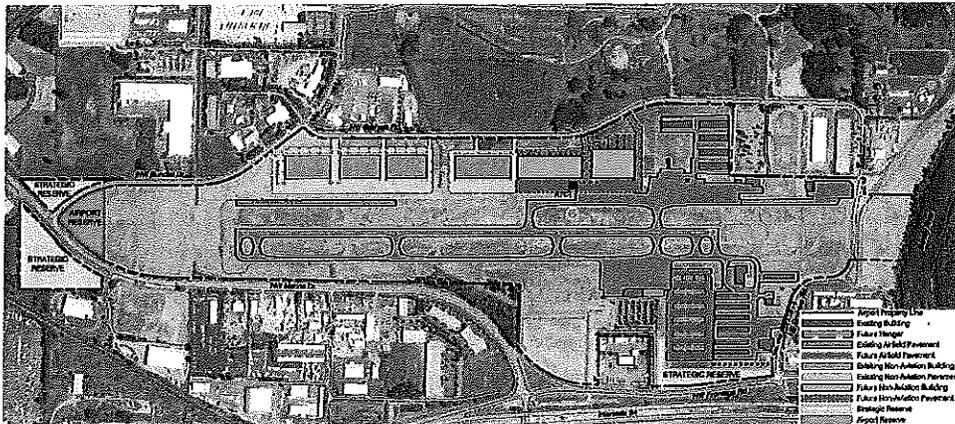


- Runway reconstruction (4,500 runway length x 75 foot runway width)
  - Funding, environmental analysis, permitting, & design 2017-2019
  - Construction projected Summer 2020
- Taxiway A and Taxiway B reconfigurations
- Phase I of Industrial development

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TROUTDALE AIRPORT SHAPING OUR FUTURE  
PORT OF PORTLAND

## Phase II – Southside Aviation Improvements

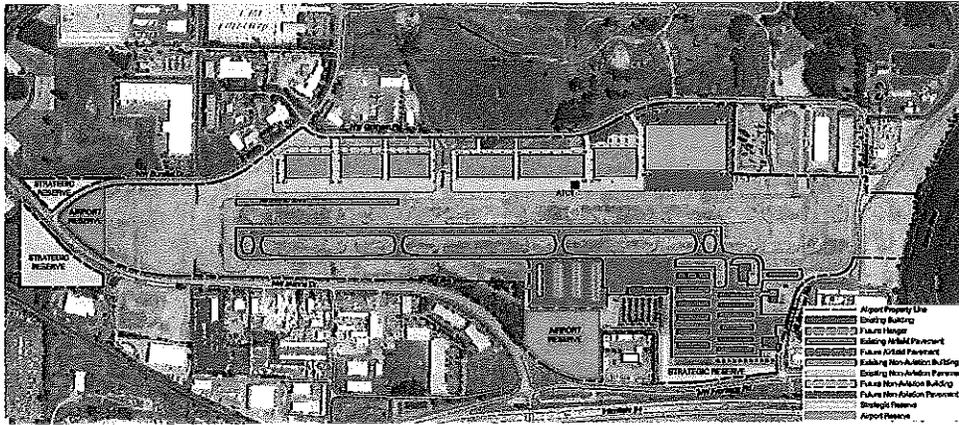


- New T-hangar and Box hangar sites prepared
- Airport Terminal building rehabilitation
- Southside storm water improvements
- Phase II of industrial development

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PORT OF PORTLAND

## Phase III – Aviation Consolidation

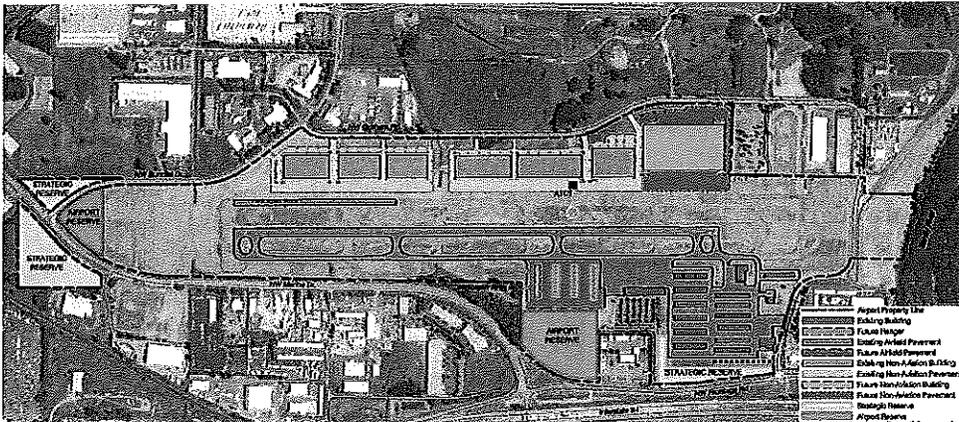


- Additional aircraft storage space on south side
- Northside Taxiway A removed
- Phase III of industrial development

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TROUTDALE AIRPORT SHAPING OUR FUTURE  
PORT OF PORTLAND

## 2033 Airfield Layout



- Aviation on south side, industrial on north side
- 4,500 foot Runway
- Helicopter Training Area
- Additional reserve for aircraft storage and aviation business expansion

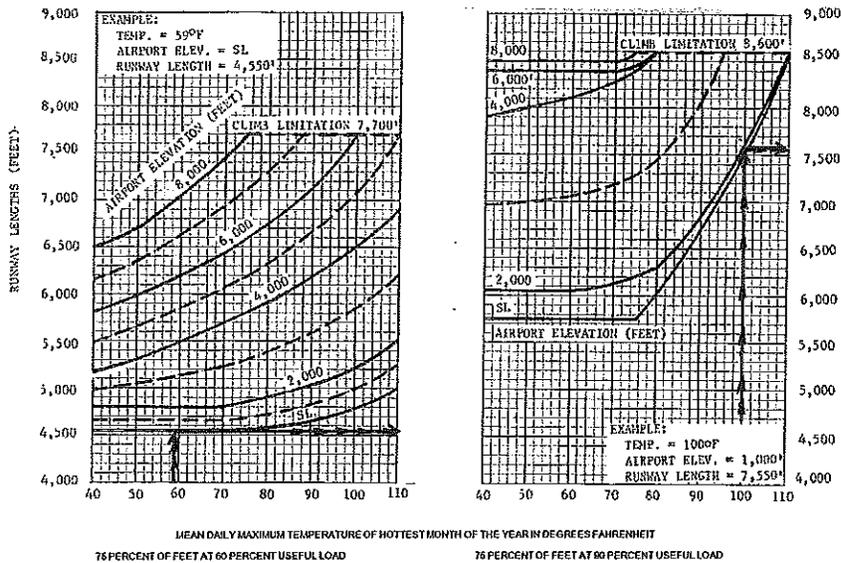
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TROUTDALE AIRPORT SHAPING OUR FUTURE  
PORT OF PORTLAND

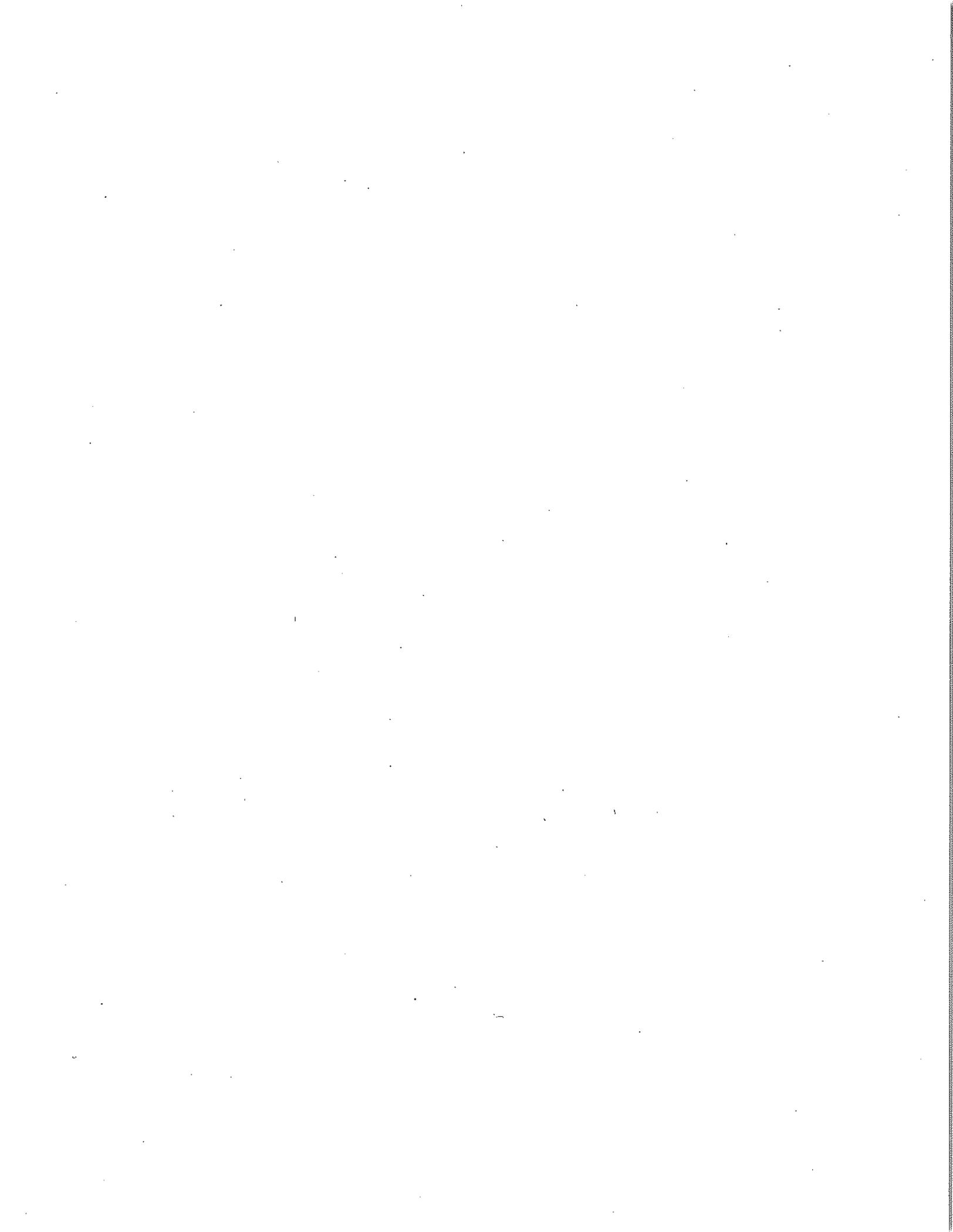
## Runway Length & Insurance Requirements

- Aircraft insurance requirements vary greatly between individual aircraft operators and different insurance companies
- Whether an aircraft chooses to operate at one airport versus another is the decision of the pilot in command
- The TTD Master Plan used FAA runway length planning guidance (along with runway safety zone criteria) when recommending the runway length alternatives
- 2013 Aurora State airport surveyed 30 business jet pilots if their insurance required "minimum runway length"
  - 25 "No Minimum Length"
  - 4 Insurance requires a "Balanced Field"
  - 1 "Yes"; but gave no further information

## FAA AC-150/5325-4B Runway Length Required



\*\*\*TTD Airport maximum average hottest month is 82 degrees



**R P Joe Smith**  
2211 NE 21<sup>st</sup> Avenue  
Portland, Oregon 97212

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Memo to: Board of Commissioners, Port of Portland

Via E-mail to Sam Imperati

RE: Master Plan, Portland Troutdale Airport (TTD)

This memo is to express my dissent to the recommendation of the TTD Planning Advisory Committee (PAC) for the KTTD Master Plan.

At the outset, it seems important to note that I have a huge respect for the Port, its staff, and all that it does to promote not just air service and transportation for our community, but our quality of life. I say that as someone who first flew into PDX in 1962 (commercial); flew in my own plane numerous times between 1966 and the time Atlantic made it unattractive for small aircraft by imposing large access fees; flew in and out commercial an average of over 4 times a month from 1986 to 2001 (and several times a year since); and from presently serving on the Port's Citizens Noise Advisory Committee, and as CNAC's representative on the Port's Community Advisory Committee. It is therefore with reluctance that I submit this disagreement with what I believe has been the Port's staff's bias on the future of TTD. It's offered because I think adopting the Plan as submitted by the PAC would be a real mistake, not just for the future of aviation in our area, but for the economy of east Multnomah County. I also think it would be a bad business decision for the Port. **The key issue: how long should the runway be?**

The Port staff bias has been at best toward converting TTD into a facility just for small (less than 6000 pound) aircraft, and at worst, fazing it out. (I know there will be some denial about such bias; however, the Port's second in command's lengthy statement asking the PAC to recommend a 3600 foot runway, which would eliminate use by virtually all aircraft over 6000 pounds, convinces me of its truth.)

First, some statements of fact, some premises, and *comments* thereon:

- The runway is presently 5399 feet long, all of which distance is available for take-offs in either direction. There is a displaced threshold on runway 25, shortening the landing length availability to just over 5000 feet. The majority recommendation from the PAC is to reduce the length to 4500 feet. *That recommendation was based on information provided by the Consultant, Mead and Hunt, and urgings from Port staff. M and H made no effort to ask insurance carriers, or even pilots, about preferred runway lengths.*
- 5000 feet (that is, a number starting with at least the numeral "5") is a critical length for both jet and turboprop aircraft under, but close to, 12,500 pounds. I use the word "critical" because for pilots flying such aircraft, there's a reluctance to operate in or out of any shorter runway, that grows as the distance below 5000' shortens. Also, insurance carriers typically require special training for aircraft like Citations to operate in and out of a 4500 foot strip.

- Everything in the way of eliminating and/or moving existing facilities contained in the PAC recommendation can be accomplished without shortening the runway.
- The runway needs to be rebuilt sometime in the next four or five years; there was uncontradicted testimony that TTD is almost certainly already in the FAA "queue" for 90% funding. (I inquired about information I'd received that the TTD runway was eligible for maintenance help from the Oregon Department of Aviation (ODA), and received this answer: *"The ODA PMP program did in fact have the Troutdale Runway scheduled to receive a complete slurry seal this summer. ODA's cost share would have been approximately 250k-300k and the Troutdale sponsor match of 25% would have been completely funded by their FAA non primary entitlement funds and would have had to pay nothing out of pocket. The slurry seal would have added at least another really good 3-5 years before the need to completely rehabilitate."*)

The Port declined to take advantage of that help.

- The PAC was heavily influenced by representations by both Port staff and the Consultant that the FAA would require shortening the runway, to get federal funding, because of runway protection zone issues. I asked ODA whether this was a hard and fast rule, or whether exceptions could be granted. I received this response:

*"Relating to the airports standards question you had – I believe that Mr. Steve Nagy may have misspoke or did not properly convey Airport Owner/Sponsor requirements for being able to meet a FAA airport design standard. I believe he did state that they (Port/Owner) are "not allowed to modify or propose a modification to a standard", which is not an accurate statement. Any airport may request a modification to any design standard. As long as the airport's engineer can provide a sound justification to the FAA, the FAA may approve modification to standard – this is called a "Mod to Standard" and is regularly done. In fact, the Port staff should already be familiar with this process for this and their other airports."*

- I also asked ODA concerning my impression of what the FAA representative had to say about RPZ issues, and master planning in general: I received this response:

*"Master Planning is used to make sure you have the right size facility needs for the future growth of the airport and make sure the infrastructure is properly planned for and built and that the FAA understands the needs and role too so they can also plan for assistance with future/possible Airport Improvement Program (AIP) funding. Please refer to the attached FAA guidance. I am also attaching the RPZ memo that Jason Ritchie (FAA ADO Assistant Manager) was referring to at the*

last meeting. The memo does specifically discuss the best case scenario of having RPZ's "clear" but it does not make that a requirement. Mr. Jason Ritchie was correct when stating that they (the FAA) do NOT require all RPZ's to be "clear". The FAA does recognize that there are other issues at play and that not every road or obstacle in an existing RPZ can or could be moved or removed. If an airport owner/sponsor alternatives show that there are clearance issues in an RPZ, the ALP is forwarded to FAA headquarters for final review. With that said, there are many current ALP's of Oregon Airports that have the same or even worse situations that have not been forced to reduce the length of their runways due to an RPZ clearance issue (at least at this time). In fact the FAA had recently signed off on the Scappoose Master Plan ALP in which that airport has a road running through the RPZ also. The airport was not forced to reduce the length of their runway in the Master Planning process and final ALP."

- I asked ODA about its experience with shortening runways eligible for federal assistance, and with constructing non-aviation-related structures inside an airport ALP. The answer: "Generally, and in my experiences I have never seen a master plan where an airport that was projecting modest growth (even very minimal growth), or even projecting no growth but remaining flat – propose to reduce the facility size and capacity of the airport. That being said, I am sure it is done somewhere, it is just not what I have experience with nor do the FAA A/C's for Master Planning really go into detail to deal with those issues. Additionally, it has been my experience with the FAA that no proposed future development located inside an airport ALP may be designated for anything other than aviation/aeronautical use. "
- The proprietor of Gorge Winds, the existing TTD fixed base operator (FBO) at TTD, stated that once we lose 900 feet of runway no FBO will be able to operate profitably, because it will spell the end of itinerant jet aircraft using the airport. (Again, there will probably be resistance to this as fact; the consultant offered examples of other airports with runways of less than 5000 feet that had an FBO. Those examples were frankly, to both my and other aviation-knowledgeable folk, almost laughably inapposite. And while I'm saying this, this was just one example of what struck me as a serious lack of understanding by the consultant of general aviation, or even aviation. Two more: they included a written statement, in support of their recommendations, that a headwind requires an increase in the required runway length for take-off, and, that a narrower taxiway provides a benefit to smaller aircraft.)
- There are times when PDX is below IFR CAT 1 minimums, and because of the gorge wind, TTD is open, itinerant small jets land there. Lose that runway 900 feet and many if not most of them will go to Aurora (where the runway is 5004 feet – that last four for obvious reasons) or Hillsboro – assuming they're open.

- **Finally, and perhaps the single most important factual issue that leads me to submit this dissent: on at least three occasions I asked the Consultant, Port Staff, and the FAA rep whether it is true that unless something is included in a master plan, it will not be considered for FAA funding, and each time was told yes. In other words, unless there is at least some mention of possibly retaining the existing runway length, we say goodbye to even the possibility.**

At the final PAC meeting, my motion to include a sentence allowing for the possibility of keeping the existing length runway failed by I think a single vote. I confess to thinking that was due in no small part to the fact that of the 21 PAC members, only five had any aviation background, (only four of whom were present) and most had backgrounds weighted toward land development.

The Port staff and the consultant have made much of the fact that less than two percent of the operations at TTD are by aircraft requiring more than 4500 feet of runway. As noted above, that was not based on anything other than FAA construction minimums, not pilot or insurance company sources. But my concern is not just the preclusion of itinerant operations. It's the elimination of a scenario like this one;

*XYZ Corporation is looking for a place in the Pacific Northwest to build a facility – maybe even a headquarters. One consideration: they want easy access to an airport out of which they can operate their small fleet of aircraft. They learn of the availability of shovel-ready land adjacent to or near TTD\* and ask what the future plans for the runway are. They're told it will be shortened 900 feet (and maybe even learn that Port staff wanted to make that 1800 feet). The message they get: there really isn't long term hope for the airport, so they won't look further.*

*Alternative scenario: Port decides to make possible, if not maximize chances for, keeping the present runway. It then actively and imaginatively markets both the adjacent and the Columbia riverside land as "airport access." XYZ asks what are the plans for the airport; we tell them if they come, we'll go for 5399; for that reason it moves to Oregon.*

So, all I'm asking for, is some language in the Master Plan that leaves the possibility that in four years or so (or seven or eight, if the Port changes its mind on a slurry seal) we'll ask the FAA to support the existing runway.

Attached find relevant FAA circulars.

Respectfully submitted

R P Joe Smith

\*Another significant deficiency in the consultant's analysis was that it excluded from all economic analysis the possibility that the Columbia riverside land northwest of TTD would attract potential development because of proximity to an airport



# CITY OF TROUTDALE



## STAFF REPORT

**SUBJECT / ISSUE:** A Resolution Providing for Current Fiscal Year 2015-2016 Budget Transfers and Appropriation Changes.

**MEETING TYPE:**  
City Council Regular Mtg.

**MEETING DATE:** June 28, 2016

**STAFF MEMBER:** Erich Mueller  
**DEPARTMENT:** Finance

**ACTION REQUIRED**  
Resolution

**ADVISORY COMMITTEE/COMMISSION RECOMMENDATION:**  
Not Applicable

**PUBLIC HEARING**  
No

**Comments:**

**STAFF RECOMMENDATION:** Adopt the proposed Budget Transfers resolution.

**EXHIBITS:** none

**Subject / Issue Relates To:**

Council Goals       Legislative       Other (describe)  
Fiscal reconciliation as required to comply with the Local Budget Law.

**Issue / Council Decision & Discussion Points:**

- ◆ Funding by transfer of available budgeted contingency appropriations
- ◆ No appropriations increase, just transfer and reallocations
- ◆ Routine year end balancing of available budget appropriations
- ◆ Maintains budget compliance and avoids repeat audit findings

Reviewed and Approved by City Manager:

## **BACKGROUND:**

By the end of each fiscal year, many, many changes have occurred in plans, events, and circumstances during the 15 months since the Budget Committee diligently developed the budget. These changes impact actual spending and routinely cause budget variances requiring budget transfers to cover necessary expenditures that were unknown at the time of budget adoption. In aggregate we are under budget, however many individual components are over or under, so we need to shift appropriations around, as expected by the Local Budget Law, to remain in compliance.

Attached is a resolution providing for transfers of existing budget appropriations between departments for the *current* Fiscal Year 2015-2016. The total appropriation level is *not* increased with this resolution, simply shifting from Contingency existing budget from one unit to another.

Some of the transfers result from City Council action during the fiscal year, many are for necessary items unknown during budget adoption, and a few the Finance Director is requesting just as precautionary transfers. As part of the annual audit the auditors compare expenditures to budget appropriations by category and or department. In a prior year I missed transferring available appropriations and was cited in the Audit Report for noncompliance with part of the Local Budget Law.

## **GENERAL FUND**

Budget transfer from Contingency to provide for the unanticipated and necessary additional expenses of the contracted City Attorney for ongoing and expanded legal services; transferring \$100,000 from Contingency to the **Legal Department**.

Budget reallocations within the **General Government Department** to provide for unanticipated and necessary additional expenses associated with the development process of Phase 2 of the Troutdale Reynolds Industrial Park, (TRIP site): \$50,000 for legal counsel on environmental liability agreements with the Port of Portland, and \$5,700 for a Phase I type Environmental Site Assessment update report, which will be reimbursed by the Port of Portland. Additionally transferring \$80,000 from of General Fund Contingency to the Management budget unit of the Public Works **Internal Services Fund** for construction inspection and oversight, and for erosion control inspections at the TRIP 2 site. These costs are also being reimbursed by the Port of Portland.

A budget reallocation of \$13,426 within the **General Government Department** to provide for the City payments under the 3 Intergovernmental Agreements (IGA) for the Levee Ready Columbia cost sharing levee recertification process with Multnomah County, Port of Portland, and Sandy Drainage Improvement Company. The \$13,426 cost reimbursement, half from each Multnomah County and the Port of Portland, have already been received.

Budget transfer from Contingency to provide for the unanticipated and necessary additional expenses associated with the temporary labor coverage expense for employees on Family and Medical Leave (FMLA) status; transferring \$10,000 from Contingency to the **Facilities Department**.

A budget transfer from Contingency of \$50,000 to the **PD Building Operations Department** ensure budget compliance for unanticipated and necessary additional expenses of utilities costs for the operation of the leased Police Facility. The lease provides for a reimbursement from the MCSO of 72.5% of the utility costs.

### **CODE SPECIALITIES FUND**

Budget transfer from Contingency to cover the unanticipated additional part time employee hours, and contracted professional services expenses, and other necessary but un-budgeted expenditures to maintain the building inspection service hours and processing volume; transferring \$4,880 from Contingency, and \$40,000 of General Fund Contingency appropriations, allocating \$10,000 to **Building Inspections**, \$24,880 to **Electrical Inspections**, and \$10,000 to **Plumbing Inspections**.

### **WATER IMPROVEMENT FUND**

A budget appropriation transfer for the remaining professional services costs associated with the completion of the water master plan update. The project had been fully budgeted in the prior year, but the completion was delayed. There was unused budget that expired in the prior year. The transfer corrects the budget and expense timing mis-match in the Water Improvement Fund; transferring \$1,500 from Contingency to Materials and Services.

## **SEWER FUND**

Budget transfer from Contingency to provide for the unanticipated and necessary additional expenses associated with the temporary labor coverage expense for employees on Family and Medical Leave (FMLA) status, personnel due process costs, and separation settlement and release agreements; transferring \$25,000 from Contingency to Personnel Services.

## **STORM WATER FUND**

Budget transfer from Contingency to provide for the unanticipated and necessary additional expenses associated with the completion of the long delayed the Beaver Creek Cottages Pond Overflow Water Quality project. This project began back with the developer and previous Public Works Director, and was delayed multiple times involving disputes with the developer and the subsequent home owners. The project cost as partially offset by a long held developer deposit. Also expenses associated with the temporary labor coverage expense for employees on Family and Medical Leave (FMLA) status, personnel due process costs, and separation settlement and release agreements; transferring \$13,000 from Contingency allocating \$4,000 to Personnel Services and \$9,000 to Capital Outlay.

## **SUMMARY:**

The broad types of adjustments are:

- Use of contingency for un-budgeted items, both unanticipated expenses and programs/projects initiated after budget adoption,
- Transfer of existing appropriations budgeted in one department to another department or fund

Much of the above expenditures are offset by external reimbursements.

## **PROS & CONS:**

A. Approving the proposed Budget Transfers resolution will provide funding from

Contingency to maintain compliance with the Local Budget Law requirements.

- B. Not approving the proposed Budget Transfers resolution would create potential violations of the Local Budget Law and expose the City to potential penalties from the Department of Revenue.

<p><b>Current Year Budget Impacts</b> <input checked="" type="checkbox"/> Yes (<i>describe</i>)    <input type="checkbox"/> N/A First Year: Makes use of a portion of budgeted Contingency. The budget transfers do <i>not</i> increase total appropriations for FY 2015-16.</p> <p><b>Future Fiscal Impacts:</b> <input type="checkbox"/> Yes (<i>describe</i>)    <input checked="" type="checkbox"/> N/A Future Years: This resolution relates to current year appropriations and has no impact on future year appropriations.</p> <p><b>City Attorney Approved:</b> <input type="checkbox"/> Yes (<i>describe</i>)    <input checked="" type="checkbox"/> N/A</p> <p><b>Community Involvement Process:</b> <input type="checkbox"/> Yes (<i>describe</i>)    <input checked="" type="checkbox"/> N/A</p>
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## **RESOLUTION NO.**

### **A RESOLUTION PROVIDING FOR CURRENT FY 2015-2016 BUDGET TRANSFERS AND APPROPRIATION CHANGES.**

#### **THE TROUTDALE CITY COUNCIL FINDS AS FOLLOWS:**

1. The budget for FY 2015-2016 was adopted by the City Council on June 9, 2015 by Resolution No. 2292.
2. Budget appropriation transfers to provide for unanticipated necessary expenses associated with the development process of Phase 2 of the Troutdale Reynolds Industrial Park, (TRIP site) for: legal counsel on environmental liability, a Phase I type Environmental Site Assessment update, construction inspection and oversight, and erosion control inspections.
3. A budget appropriation transfer is necessary to provide for unanticipated additional and necessary contracted City Attorney expenses for ongoing and expanded legal services.
4. A budget appropriation transfer is necessary to provide for unanticipated necessary expenses associated with the 3 Intergovernmental Agreements (IGA) for the Levee Ready Columbia cost sharing levee recertification process with Multnomah County, Port of Portland and Sandy Drainage Improvement Company.
5. A budget appropriation transfer is necessary to provide for unanticipated necessary expenses associated with the development process of the Beaver Creek Cottages Pond Overflow Water Quality project.
6. Budget appropriation transfers for unanticipated and necessary expenses associated with the temporary labor coverage cost for employees on Family and Medical Leave (FMLA) status, personnel due process costs, and separation settlement and release agreements.
7. Budget transfers to and within budget appropriations of the Code Specialties Fund between divisions to provide for the unanticipated and necessary expenses associated with the staffing and organizational changes required to support to maintain the building inspection services and budget compliance.
8. A budget transfer to provide for the unanticipated and necessary additional expenses of utilities costs for the operation of the leased Police Facility.
9. A budget transfer to provide for unanticipated and necessary budgeted expense which was carried over from the prior fiscal year and paid in the current fiscal year for the delayed completion of the water master plan update.

10. Appropriation authority is available from budgeted Contingency and that ORS 294.463(2) provides for the transfer of Contingency appropriation and that such transfers may be made within a fund when authorized by official resolution of the governing body.

11. Appropriation authority is available that ORS 294.463(1) provides for the transfer of available appropriations and that such transfers may be made between departments and funds when authorized by official resolution of the governing body.

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TROUTDALE:**

Section 1. The following appropriation adjustments to the Fiscal Year 2015-2016 Budget are required to provide for unexpected needs or to expend certain funds not anticipated at the time the budget was adopted, and are hereby authorized in accordance with ORS 294.463(1) & (2).

Section 2. The 2015-2016 Budget is adjusted within the General Fund by transfer of existing Contingency appropriation totaling \$280,000 which is allocated to departments as follows: \$100,000 Legal, \$50,000 PD Bldg. Operations, \$10,000 Facilities, and \$120,000 Transfers to Other Funds.

	CURRENT	INCREASE /	REVISED
GENERAL FUND	BUDGET	(DECREASE)	BUDGET
Legislative	34,300		34,300
Judicial	117,322		117,322
Legal	197,906	100,000	297,906
General Government	488,559		488,559
Administration	649,689		649,689
Community Services	128,868		128,868
Information Services	292,502		292,502
Finance	564,494		564,494
Police Operations	3,859,795		3,859,795
PD Building Operations	71,420	50,000	121,420
Solid Waste/Recycling	27,186		27,186
Fire Protection Services	1,856,715		1,856,715
Planning	259,027		259,027
Parks & Greenways	648,966		648,966
Facilities	408,630	10,000	418,630
Transfers to Other Funds	770,000	120,000	890,000
Contingency	321,885	(280,000)	41,885
All other appropriations	-	-	-
Total General Fund Appropriations	10,697,264	-	10,697,264

Section 3. The 2015-2016 Budget is adjusted within the Code Specialties Fund by transfer of existing fund Contingency appropriation and \$40,000 of General Fund Contingency appropriation transfer totaling \$44,880 which is allocated to departments as follows: \$10,000 to Building Inspections, \$24,880 to Electrical Inspections, and \$10,000 to Plumbing Inspections.

	CURRENT	INCEASE /	REVISED
CODE SPECIALITIES	BUDGET	(DECREASE)	BUDGET
Building Inspections	208,935	10,000	218,935
Electrical Inspections	45,818	24,880	70,698
Plumbing Inspections	51,307	10,000	61,307
Contingency	4,880	(4,880)	-
All other appropriations	-	-	-
Total Fund Appropriations	310,940	40,000	350,940

Section 4. The 2015-2016 Budget is adjusted within the Sewer Utility Fund by transfer of existing Contingency appropriation totaling \$25,000 which is allocated to Personnel Services budget category.

	CURRENT	INCEASE /	REVISED
SEWER FUND	BUDGET	(DECREASE)	BUDGET
Personnel Services	562,575	25,000	587,575
Contingency	222,408	(25,000)	197,408
All other appropriations	3,734,078	-	3,734,078
Total Fund Appropriations	4,519,061	-	4,519,061

Section 5. The 2015-2016 Budget is adjusted within the Internal Services Fund by \$80,000 of General Fund Contingency appropriation transfer which is allocated to Public Works Management.

	CURRENT	INCEASE /	REVISED
INTERNAL SERVICES FUND	BUDGET	(DECREASE)	BUDGET
MANAGEMENT	1,036,986	80,000	1,116,986
All other appropriations	339,548	-	339,548
Total Fund Appropriations	1,376,534	80,000	1,456,534

Section 6. The 2015-2016 Budget is adjusted within the Storm Sewer Utility Fund by transfer of existing Contingency appropriation totaling \$13,000 which is allocated \$4,000 to the Personnel Services budget category and \$9,000 to the Capital Outlay budget category.

	CURRENT	INCREASE /	REVISED
STORM SEWER UTILITY FUND	BUDGET	(DECREASE)	BUDGET
Personnel Services	179,358	4,000	183,358
Capital Outlay	-	9,000	9,000
Contingency	24,676	(13,000)	11,676
All other appropriations	441,778	-	441,778
Total Fund Appropriations	645,812	-	645,812

Section 7. The 2015-2016 Budget is adjusted within the Water Improvement Fund by transfer of existing Contingency appropriation totaling \$1,500 which is allocated to the Material and Services budget category.

	CURRENT	INCREASE /	REVISED
WATER IMPROVEMENT FUND	BUDGET	(DECREASE)	BUDGET
Materials & Services	-	1,500	1,500
Contingency	30,464	(1,500)	28,964
All other appropriations	-	-	-
Total Fund Appropriations	30,464	-	30,464

Section 8. These 2015-2016 Budget transfers shall cause the appropriation by department within the fund to be increased and appropriated. The net effect of such appropriation transfers are zero.

Section 9. The Finance Director is authorized and directed to implement all such actions necessary to ensure budgetary compliance.

Section 10. Upon adoption, this Resolution shall be effective as of July 1, 2015.

**YEAS:**  
**NAYS:**  
**ABSTAINED:**

\_\_\_\_\_  
**Doug Daoust, Mayor**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Sarah Skroch, City Recorder**  
**Adopted:**