

**MINUTES**  
**Troutdale Budget Committee Meeting**  
**Police Facility Community Room**  
**234 SW Kendall Court**  
**Troutdale, OR 97060-2099**

**Monday, April 24, 2017**

**1. Call to Order**

Tanney Staffenson called the meeting to order at 7:01pm.

**2. Roll Call & Quorum Declaration**

**PRESENT:** Tanney Staffenson, Gene Bendt, Robert Canfield, Bruce Wasson, Rob Kodiriy, Victoria Rizzo, Corey Brooks, Mayor Ryan, Councilor Lauer, Councilor White, Councilor Allen, Councilor Hudson, and Councilor Morgan (via phone at 7:57pm).

**ABSENT:** Councilor Ripma (excused)

**STAFF:** Ray Young, City Manager; Erich Mueller, Finance Director; Sarah Skroch, City Recorder; Steve Gaschler, Public Works Director; and Chris Damgen, Community Development Director.

**GUESTS:** Jamie Kranz, Budget Committee Alternate; and Paul Wilcox.

**3. Process Recap / Status**

Erich Mueller, Finance Director, showed the Budget Committee a PowerPoint Presentation which outlined the meeting overview for the evening (slides 3 thru 5 of Exhibit A to these minutes).

**4. Public Comment**

Tanney Staffenson stated at this time I would like to open the public comment period. This is a public meeting on the proposed budget for the fiscal year 2017-18 and any citizens may speak on an item relative to the budget.

Paul Wilcox, Troutdale Resident, stated since Mr. Mueller assured us at last Wednesday's meeting that he would be discussing the financing of Imagination Station at tonight's meeting, there is only 1 comment that I don't have settled. At the last Parks Advisory Committee meeting former Mayor Daoust attended and shared some valuable and historical perspective on the playground. One figured mentioned was that the City's cash

contribution for the original Imagination Station was only \$40,000. The balance came from donations. Tonight I did want to reiterate the question and suggestion made by Gene Bendt regarding the vehicle replacement items on page 48 for 2 Ford 4-wheel drive Escapes. One of the 20 year old vehicles being replaced has only 53,000 miles. It seems that the fixed expenses such as insurance wouldn't warrant retaining a vehicle which is so rarely used since I'm sure most city staff drive themselves to work. Part of it would be to pay them mileage to use their personal vehicles. Another issue raised in previous meetings was the substantial raises given to 2 of the Department Directors. I strongly disagree with the argument that the City needs to pay more simply because other cities pay more. The Council knew that Craig Ward was actively looking for work in other cities and as far as I know, we weren't throwing money at him to encourage him to stay. Of course I don't know what goes on in executive session. People change jobs for all kinds of reasons other than higher pay. The Fairview City Manager left recently to work in a different environment. If anyone is secure in a job and already making a 6 figure salary, they aren't going to move to a different job with all that that entails for a salary bump of 10-15%. It's also a bit incredulous that basing the increases on salary surveys that coincidentally resulted nearly identically to increases of about 13.5% for 2 very different job classifications. I'd also like to raise an issue that could potentially impact future budgets. Gresham and Fairview have recently waived SDC's. Considering all of the talk that we've heard about infrastructure, maintenance, and replacement, I hope that waiving SDC's wouldn't even be considered. One final observation, this will be the final meeting for the Budget Committee. There are citizen members that have not actively participated in processes and this is your last opportunity so if you have anything to contribute, I would encourage you to do so.

**MOTION: Bruce Wasson moved to close public comment. Seconded by Councilor Allen. Motion passed unanimously.**

Public hearing closed at 7:06pm.

#### **5. Staff presents follow-up items from prior meetings**

Erich Mueller, Finance Director, showed the Budget Committee a PowerPoint Presentation which outlined follow-up items from prior meetings (slides 8 thru 10 of Exhibit A to these minutes).

Steve Gaschler, Public Works Director, stated the Beaver Creek Bridge project had a budget of \$40,000 for the repair of the north bridge which is the main connection between the 2 sides of the canyon for the trails that go through there. The south bridge was an older bridge, it was a log that fell over the creek, a bridge was built over the top of that and it finally rotted away and had to be taken out last year. The \$179,000 that is in there was in anticipation of getting a grant to replace the south bridge and thinking we could repair the north bridge. The rainstorm that we had that took out Gresham's culvert last year did significant damage to the north bridge. It's compromised, it twisted the bridge, and it's a higher priority. We're switching off the south bridge and letting that go for now.

We haven't received one call or complaint about that bridge, it just completes a loop around that trail. We think if we lose that north bridge which will block those 2 subdivisions from crossing that canyon then we'll probably have a lot of people concerned about that. We're just repurposing those 2 grant amounts and wrapping them up into 1 grant to the State Parks Department at the first of May. We'll only go forward with the work there if we are successful with that or another grant. The GSA property is a little bit the same. We didn't spend the \$100,000, that was a placeholder for improvements in accordance with the agreement that we made with GSA to put that to beneficial use. What's happened since last year is that when Goodfellows was out there working they found some more contaminated soil. We've given GSA notice because that site had a complete cleanup, it was tested, and it was given an all good but it's not. That's their problem, they gave it to us based on a clean bill of health. We've given them notice on that. They said that they will take care of it but I haven't heard from them since. I don't want to spend \$250,000 but I want to show them that we are serious about putting that project to beneficial use. The original plan from the prior Public Works Director which was to put biobags over there and that is a project to dry out our biosolids. It's too wet of a climate here and it didn't work very well. It's supposed to dry in 1 year and we left them there for 3 years and it still wasn't dry enough to be loaded into a truck and hauled off which is what we were looking to do with it. We abandoned the biobag idea and we've got to come up with a new one. I've talked to them about storing equipment on there and possibly putting solar panels there if that idea penciled out. They haven't agreed to any of them. The person I'm dealing with seems to be hung up on that and he wants to give me 12 months to do whatever we come up with. I keep telling him I can't get it done in 12 months because I have to come before the Budget Committee with some budget money, then get an agreement to Council for approval, design it, get permits, and build it. Twelve months is a pretty tight window to step through all of that. I don't expect to spend that this year. I don't think they'll get it cleaned up this year. That's fine with me because we really don't need to do anything with that. The important thing to me is the City having ownership of it. It's a pretty valuable property and I don't think they'd have too much trouble selling it if they took it back. That would land lock our Water Pollution Control Facility and if we need to expand that for volume or a treatment process due to increased treatment requirements, we'll probably need that additional property. Without it that means we may be in a position where we have to condemn a piece of property and pay an active business to move which will cost us a fortune. I don't want to spend any more money over there than we have to. But we need to put something realistic in the budget to show them that we are serious about doing something so we don't risk losing that property.

Councilor Allen asked how many acres are we talking about?

Steve Gaschler replied it's about 3 acres. If that goes back to GSA then they'll declare it surplus, put it on the market, and sell it. I guess at that time we could turn around and buy it back from them but I'd hate to see ourselves in that position. If that does happen then I think that's something as a City that we should look at. We're land locked down there and the site that we're on is pretty well full.

Councilor Allen stated at that point we'd be bidding on industrial land and it's probably going to be more expensive.

Erich Mueller replied my understanding is that the Port of Portland on multiple occasions had an interest in the property as part of their overall development. I think they would quickly swoop in and pick it up. They have deeper pockets than the City does.

Councilor White asked is there room at all at our current site? I know we overbuilt that sewer treatment station. If you had to do an additional type of federally mandated procedure, are you using every inch of that land?

Steve Gaschler replied we are not using every inch of it but I don't know what that requirement is going to be and I don't know what that treatment process will look like.

Councilor White stated if the land gets sold and goes on the tax rolls it isn't necessarily a bad deal. It's a great deal for us if we're going to use it but if we are just going to tie it up indefinitely then we might be better off getting it on the tax rolls and collecting some money.

Steve Gaschler replied that might be true. I wouldn't advise that but it's up to the Council to decide. The next topic was the Sam Cox Building. Last year we got \$47,000 and we haven't spent any of it yet but we do have a contract with a siding manufacturer who is cutting that siding for us right now. We don't have an installer lined up yet. I don't know how much of that we'll have spent at year end. The \$20,000 for next year is just some spillover of what we don't spend this year. We did bump it up a little bit because we're worried about what we'll find once we start taking the siding off. If there's a structural problem or something, I want to have a little bit of money to take care of it. It's not an additional \$20,000 more it's just that it's not going to get finished this year and part of it will go over into next year. We'll need to have something there to pay for it. For the Parks Seasonal Workers increase, we've typically been bringing the seasonals on from May until Labor Day and keeping them through the summer primarily driven by the need for having 2 staff here on the weekends for all of the events, heavy park use, restroom cleaning, and garbage can emptying on the weekends. We're finding year to year because of staff leave requirements due to some medical issues, we're bringing in these seasonal workers to backfill those and I don't see that getting any better in the future. It's still seasonal help. We brought a seasonal on about 6-8 weeks ago to fill in for a person that was out for an extended period of time. For the Environmental Specialist, the question was is this required for our permits or can this be combined with another staff position? The short answer is yes it can be and that's the way we've been doing it. But with the increased workload we want to use our engineers more for engineering work and find somebody that can deal with our solid waste and the permit requirements that we have with stormwater, wastewater, and drinking water. They each have their own requirements on the permits and reporting that we have to do with the state. It takes

somebody fairly familiar with that type of work to do a good job for us and keep us out of trouble. We also have the pretreatment program which we're picking up a lot more industrial users. They will need to review the projects, make sure the pretreatment requirements are met, do the inspections, the follow up, and monitoring of that. With the 2 people leaving it opened up the slate for us to realign and try to stair step. We had 3 engineers which is the top paying position in our field under me doing all of those jobs. We've stair stepped now with moving Travis into Deputy Public Works Director/Chief Engineer, 1 Civil Engineer to do the engineering work, an Associate Engineer which is a step down, an Engineering Tech which is the bottom rung of the ladder, and this Environmental Specialist likely won't be an engineer.

Erich Mueller stated there is erosion control permits that are required and the City is the agent for DEQ so we are required to issue and monitor all of those. All of the projects at TRIP, every one of them involves this person handling part of the permit process for them to be able to do development beyond just our significant permits that we have to stay compliant with our operations.

Gene Bendt asked on the Sam Cox Building and any other parks related facilities, are we substantially increasing user fees for all of those services?

Steve Gaschler replied we haven't for years but we need to.

Ray Young replied we haven't increased them for a substantial period of time and that's on our radar screen, so we're considering that also. It's something the Council will have to approve but it is a good point and we are pursuing that.

Gene Bendt stated hopefully that proposed increase would be marked since it hasn't been done it a long time. We keep getting additional costs and it's very hard for me to buy into those types of expenses without offsetting fairly by using user fees and enhancing user fees to deal with things like the green house or any other projects when it's all being borne by the tax payers when we could easily defer a lot of that cost to user fees and it's so fair.

Erich Mueller replied part of the challenge with the Sam Cox Building is the rental fee for it hasn't been raised since before 2008. The bigger problem is that most of the groups that use it on a regular basis have all been given exemptions to where they don't have to pay the rental fees. Changing the rental fee won't make much of a difference unless the Council is willing to have the folks that make use of it pay something towards the maintenance of it. Raising fees is not something that past Councils have been enthusiastic about. It gets lots of interest because the rate is very inexpensive. It's very desirable for weddings and other events like that. One of the reasons why the loan was made to remodel the restrooms and the kitchen was to make it more desirable. Part of the expectation was that it would generate more fees to help repay the loan. It's just barely made it on a couple of years and not made it on others in order to make the \$15,000 per year loan repayment.

Councilor White stated I think we went off the Parks Advisory Committee's recommendation on who to charge and who not to charge. The ones that are not being charged are the Boy Scouts, Lions Club, and groups that do a lot for the community. I don't want you to get the wrong idea. It did get raised quite substantially to be more competitive. I just talked with the caretaker last night and she said they are booked pretty solid for weddings. It's one of the cheapest venues you can get. If you're a Troutdale resident, you don't pay the full bore rate. It is higher than it was in 2008. That's something we could always look at again. We're kind of becoming a wedding destination and they are quite expensive. I just had to go through it myself.

Gene Bendt stated if you're comparing other facilities throughout the greater metro area for wages, why not survey what they're charging for facilities like that for weddings to get us in line, especially for people that don't live in the city limits.

Erich Mueller asked are there any other questions?

Rob Kodiriy asked in regards to the GSA site preparation, is it possible to show the \$250,000 commitment through contingency?

Erich Mueller replied contingency is for something that is supposedly not yet known about, not planned, not quantified, we don't have the ability to budget for it. My answer is that I don't think you can demonstrate it through contingency. The other part to point out is the \$100,000 that is in the budget for this year. We've spent \$12,000 which is as much as we will spend this year and the remaining \$88,000 of this year's budget won't be spent. Whether we would have a project that would be acceptable to the GSA for next year, we don't know. The terms of the agreement was it was a \$1 transfer and we have to report for 40 years on the use of it. At the end of the 40 years, if we've used it satisfactorily to them, then it's ultimately ours. If we don't use it in accordance with the program under which they agreed to transfer it to us for \$1 then we have to give it back to them. There's an annual report that we have to prepare and send in. There is a letter that has to come from Steve Gaschler and a letter that has to come from me on the financial side. Those are the terms of the deal.

Rob Kodiriy asked is \$850,000 the adequate amount of contingency for the Sewer Fund?

Erich Mueller replied it was an estimate based on the magnitude of what's in the budget, what's available for resources, and potentially what could go wrong. If it's something that we know about then it's not contingency and we need to add it to the projects. It's a management judgement. Should it be \$340,000 or \$360,000? You could make the argument either way.

Rob Kodiriy stated I'm not arguing about management's judgement but I'm trying to understand what the right amount is historically or what the logic is behind that.

Erich Mueller replied again contingency is to provide for those things that we aren't prepared for. If it's in contingency then we have flexibility. Staff can't spend contingency. We have to go to the Council to get it transferred out of contingency into something else. However, if it's in the next line down, unappropriated, we can't touch it and the Council can't touch it.

Ray Young stated what Erich is saying is that we try to err on the side of having more in contingency rather than less because it gives the Council more flexibility. I think Mr. Kodiriy wanted to know if we had any track record of the last 5 years of how often and how much contingency we've used.

Erich Mueller replied not off the top of my head. I will tell you at the 2<sup>nd</sup> meeting in June, every year, I bring a resolution and we transfer money out of contingency and various budget categories to move things around to keep us in compliance with the local budget law.

Rob Kodiriy stated my point of view is that about 20% in contingency is a pretty high number. I'm not saying it's wrong or right, I'm just saying it's a pretty high number. That's just my point of view.

Steve Gaschler stated in particular to the Sewer Fund, I've got a lot of pretty big ticket items out there. We try and anticipate what we think is going to need replaced but sometimes stuff breaks down when we don't anticipate it. We did the digesters last year and they were about \$85,000 just for some repairs. We had to shut the thing down, pull the whole thing apart, pull the drives out of it, send it down to Salt Lake, have them remanufacture it, have it brought back in, and install it. We can get some pretty big items. We just rebuilt the Beaver Creek Lift Station and that was \$750,000. If I lose a lift station, which I think we have 7 of, that could be a half million dollar item right there. We're not anticipating that but if it does come up then it's helpful to have that in the budget and be able to go to the Council to get the money. It's across the board on all the public infrastructure. You can get into some pretty high dollar items really fast.

Erich Mueller stated fundamentally its flexibility, but its flexibility with controls because staff can't spend any of it.

Councilor Allen stated if we don't maintain our infrastructure, the state starts fining us.

Steve Gaschler replied they can. It depends on what happens. If we have a failure that does an illegal discharge into one of the streams then potentially we could be facing some sort of fine. They are usually pretty forgiving if you can show that it wasn't your negligence and you've been doing what you're supposed to do. You do get in trouble if you haven't been maintaining and doing that. They're in this business and know that you are supposed to do that. You've got an old lift station that you've known for years needed to

be replaced and you didn't do it, they're not going to be so sympathetic and they probably will fine you.

Erich Mueller stated we had that failure on Beaver Creek a few years ago, there was a discharge, there was a fine, and they forgave a big portion of it. It was almost 6 figures without the forgiveness.

Councilor White stated back to the Beaver Creek Bridge, I agree with you that I think it has a low amount of usage. I know that Multnomah County has an inmate crew that builds bridges. I know that's a volatile area and we've lost bridges more than once. I'd hate to see a big investment for something that very few people are using.

Steve Gaschler stated we don't have a counter down there to know how many people cross that. It's a nice amenity. It needs replaced and it needs to be replaced right. The new bridge is going to be elevated and it will have to be a bigger structure to try and keep us out of that floodway so that we don't get into this again. We hope we spend very little city cash on it. We're hoping to get a significant part of it through grants. If we don't get grants, it'll sit and it may get taken out of service. You'll hear from the people and know how many people want that back or not.

Robert Canfield stated just to clarify, you have the money saved for the replacement of the north bridge but you are hoping to have it covered by a grant and if you don't get a grant then you probably won't be doing it. Is that correct?

Steve Gaschler replied not probably, we won't. We have an expense on one side and on the other side we have grant income.

Robert Canfield asked is it a placeholder in the event that you get a grant?

Steve Gaschler replied yes.

Erich Mueller stated the amount of grant we would get is unknown but there are very few that are 100%. Metro has several different programs that we may be able to tap into related to their nature in neighborhoods and given where this is located we may be able to sell it from that standpoint. They have different programs with different requirements so we have to see what we can obtain.

## **6. Potential Committee Amendments**

Erich Mueller stated I have 2 motions prepared for Committee discussion based on the feedback that was given. The first is removing the Public Works flooring. It's a discussion motion. It's essentially the same one this Committee undertook a year ago to remove the item from the budget. It's a question of whether the Committee wants to remove it again this year.



**MOTION:** Victoria Rizzo moved to remove from the Public Works Management Department budget \$50,000 for building re-flooring and repainting. Seconded by Corey Brooks.

Councilor Allen asked Councilor White, how did the paint look?

Councilor White replied I thought overall the building looked really good. Especially for a Public Works building where you have a work crew type of environment. We have one more payment and then it's paid off. I think it would be better to pay the building off and then look at doing improvements. I appreciate Steve's willingness to want to keep things top notch. Everything I see at Public Works reminds me of a fire station. Even the "green bomber", I rode in that with Ray down to Salem and for as old as that car is it is really well maintained. I want to compliment staff in that department for what they do. That's something that I think Steve even mentioned when I talked to him that he didn't realize that it was back in the budget. The stairs were the worst part because that's what you see when you walk in. It's just that industrial type carpeting. There are some runs in the carpeting and some scuffs on the floor.

Councilor Allen asked are you thinking we should redo the stairs?

Councilor White replied I think you should redo it all at once. I think you can get a little more life out of it. Let's look at it next year. That would be my recommendation. I think Steve's ok with that.

Rob Kodiriy stated just to clarify, you think there is no safety hazard?

Councilor White replied it would be more cosmetic. I didn't see any tripping hazards or that sort of thing.

Rob Kodiriy asked was the intention of this money cosmetic as well?

Councilor White replied I think it was just basic upkeep and maintenance.

Robert Canfield asked Councilor White mentioned that Mr. Gaschler did not know this was in the proposed budget. Did you put it in because it was in last year?

Erich Mueller replied no I didn't decide to just put it in.

Robert Canfield asked did somebody request that this be put in the current budget?

Erich Mueller replied it was part of the budget worksheets that came back from Public Works. It was something that we asked for last year. The maintenance of the building and avoiding getting to the point of having trip hazards was something

that we decided was worth pursuing last year. It wasn't funded by the Committee last year so the carpet is another year older, the tiles are another year older, and the paint is another year older. It was determined to attempt to pursue the ongoing maintenance cost another year.

Robert Canfield asked so the Public Works budget proposal added this to the budget?

Erich Mueller replied correct.

Councilor White stated for clarification when I met with Steve he did say that to me.

**VOTE:** Tanney Staffenson – Yes; Mayor Ryan – Yes; Gene Bendt – Yes; Robert Canfield – Yes; Councilor Lauer – No; Bruce Wasson – Yes; Rob Kodiriy – Yes; Councilor White – Yes; Victoria Rizzo – Yes; Councilor Allen – Yes; Corey Brooks – Yes; and Councilor Hudson – Yes.

**Motion passed 11 - 1.**

Erich Mueller stated the next item is the greenhouse removal. It's the same item that was in the budget last year and was cut by the Committee. It is again in the budget that's before you. The comment was made Monday or Wednesday night that there was a desire to remove this as well so this is a recycle of the same motion and slide from last year.

**MOTION:** Victoria Rizzo moved to remove from the Parks Department budget \$25,000 for rebuilding the Greenhouse. Seconded by Gene Bendt.

Councilor Allen asked wasn't that previously used for the flower baskets that hang along Columbia River Highway? Anybody have some insight as to whether this should be revoked or not?

Jamie Kranz replied I think there is a \$2,000 line item for the baskets right now versus doing the greenhouse for \$25,000.

Councilor Hudson stated my recollection from last year is that the greenhouse has the potential to save us money. One reason that I remember that we got rid of it last year is that we really wanted our budget to be balanced or as close to balanced as possible. There was the sense that even though we liked the idea of long term savings, we just couldn't go for it that year. This year our budget being in a much stronger state, this could be the time to invest in something which will defray our Parks expenses not just for hanging baskets but for any other thing that needs to be grown and planted.

Steve Gaschler replied the history was when the Parks Department was down at the old Wastewater Treatment Plant, which was before their building was built about 10 years ago, they had the greenhouse down there and they moved and didn't bring it with them. They were going to bring it up there but it was about the time that they were moved out of there. They were only in their new building for about 1 year before they were asked to leave so the Planning and Building Department could move in and they joined us over at Public Works. Over time I guess it will save you money because there is \$2,000 a year for the hanging baskets, there are also other plants that we buy but I can't tell you what that number is but let's say its \$3,000. In 10 years we'll have \$30,000 and that number will inch up over time. So we're going to have \$30,000 out the door and nothing to show for it. If we do this we'll have a greenhouse and we'll be growing our own. One way or another, it's not a huge deal. I know staff would really like to see this happen because it's something they can work on in the winter when the weather is bad. Council says that staff morale is a big thing and if you want to do something for your Parks Department then that's a big thing. They want to do a good job, they want things to look nice, but when you tell them no we don't want to spend money on that kind of stuff, the message that they're hearing is we want you to have good morale but we're not going to put any money in to back that up. If you want me to, I'll stop bringing it forward.

Robert Canfield stated I'm against this motion. I share Councilor Hudson's remembrance of last year that we removed this because we did need to balance the budget. We're looking at it differently with our budget this year. Staff is telling us that not only will this be a big staff morale booster but it would actually save us some money. I'm all in favor of supporting whatever we can do to keep our City beautiful and parks beautiful. We have a good reputation for it. If this helps in any way for our staff to keep our parks and our entire City beautiful then I'm on board for letting them rebuild the greenhouse.

Corey Brooks stated I had the privilege of being on the Parks Committee and working with Tim and everybody there. I know how important this is to all of them and this would be the second year that it would be denied. I agree with Councilor Hudson, Mr. Canfield, and Mr. Gaschler in regards to this being a huge morale booster for Parks.

Councilor Allen stated I had friends in a horticulture class and boy do they love their greenhouse. It was like a new computer to a computer geek.

Tanney Staffenson stated the question that I would have for staff is, I know that the Parks Department is pretty well strapped right now and we're adding another park to that system. If we add a greenhouse, what is that going to do? Is that going to require additional personnel or can we manage that within what we have? What does that look like going forward?

Steve Gaschler replied in the winter when we have days when we really can't get much accomplished outside then they can go in the greenhouse and work on propagating and taking care of the plants throughout the winter. We're not anticipating having to add anybody. It's more of a winter project.

Ray Young stated for all of the things that you say about morale. I can tell you that quantitatively at what point down the road will it pay for itself? Somewhere down the road what they'll stop spending on new plants each year will be made up for with the ones that they grow themselves in the greenhouse. At some point it will save money but we just can't tell you for sure when.

Councilor White stated I saw the greenhouse when it was intact. They had a dehumidifier, a heater, automatic fans, and I hope that stuff is still somewhere in the City. I did want to mention that Jennifer is trained on how to assemble those greenhouses as part of her college training. We do have a person on staff who's capable of putting those together. I don't know if that can offset some of the costs.

Councilor Hudson stated I wanted to remind the Committee that supporting the greenhouse entails voting no for this motion.

Councilor Morgan joined the meeting by phone at 7:57pm.

**VOTE: Mayor Ryan – No; Gene Bendt – Yes; Robert Canfield – No; Councilor Lauer – No; Bruce Wasson – No; Councilor Morgan – No; Rob Kodiriy – No; Councilor White – No; Victoria Rizzo – No; Councilor Allen – No; Corey Brooks – No; Councilor Hudson – No; and Tanney Staffenson - Yes.**

**Motion failed 2 - 11.**

Erich Mueller stated the next item is the SDIC (Sandy Drainage Improvement Company) Weir request. I'll warn you that there is a lot of information because it's complicated. What I want to stress to you is that much of it is not your decision, it's going to have to be addressed by the Council. The question for you is whether or not you want to choose to make a provision for it in the budget. Just because you provide money in the budget for a project, doesn't mean that it gets done. Also, if you decide to provide money in the budget for this item, it doesn't necessarily mean that the Council will ultimately approve an IGA that would be necessary for the project to go forward. For the Budget Committee, it is simply deciding whether or not you want to amend the budget to provide resources for it.

Erich Mueller reviewed slides 14 thru 25 from his PowerPoint Presentation which outlined the SDIC Weir request (a copy of the PowerPoint Presentation is attached as Exhibit A to these minutes).

Councilor Hudson stated mister chair, am I correct that you are a part of the SDIC?

Tanney Staffenson replied I am.

Councilor Hudson asked could you tell us what benefit this IGA would have for Troutdale, its residents, and the ongoing development?

Tanney Staffenson replied the reason that the weir ended up out of Troutdale is because when the TRIP property was slated to be developed, the Port had to convert 88 acres to wetland. The wetland area was to the west so that the prime real estate to be developed would be to the east which was in Troutdale. So basically Fairview and Wood Village got wetland and Troutdale got developable property. That kind of moved where the weir went. The other thing that does happen, and this all comes back to the whole stormwater thing, but Troutdale puts approximately 515,000,000 gallons of stormwater onto that property annually that basically someone else is taking care of. The weir is a functioning device that's needed to take care of that stormwater but also to complete the TRIP development. SDIC isn't in a position to even borrow the money to complete the weir. If they could, they probably would. They've got about a \$350,000 annual budget.

Councilor Hudson asked of the 2 options presented, which one do you feel would be most appropriate?

Tanney Staffenson replied I would recommend that the \$260,000 would be put as a Capital Project in account 15.00 – Stormwater Improvement Fund.

Robert Canfield asked for clarification, what is your position with the SDIC?

Tanney Staffenson replied I serve on the Board as a representative for the City of Troutdale.

Robert Canfield asked the new weir would be constructed in the City of Fairview?

Tanney Staffenson replied yes by about 14 inches.

Robert Canfield asked were the terms and conditions of the 2008 agreement successfully completed?

Erich Mueller replied that's sort of a judgement question that goes back to the issue of what was agreed to be done versus what was done is slightly different because circumstances changed. Most of the money was spent in 2013 and 2014. I think it's an issue of the good faith expectation, what the partners entered into in March 2008 was based on one set of circumstances. I think the circumstances evolved as the Port continued to develop the TRIP site. It became clear from the engineering standpoint that

it didn't make as much sense, from a flow standpoint, doing it there. It's going to ultimately be a judgement that the Council is going to have to make as to whether they're satisfied with the IGA. If it goes forward, I suspect there will probably be something in the new resolution that clarifies that.

Robert Canfield asked now that the new weir will be inside the City of Fairview, will they have any skin in the game to help fund the construction of this weir?

Tanney Staffenson replied if they were dumping water in there then they probably would.

Erich Mueller stated there is a limited amount of the Fairview jurisdiction that is served by this drainage area. Is 2% of their overall square footage of their City served by it? Maybe not even that much.

Steve Gaschler stated there is Fairview, Wood Village, and a piece of Gresham that are involved in this also. We're not the only ones that contribute to that.

Robert Canfield stated within this drainage district, have Fairview, Gresham, Wood Village offered to contribute any funds?

Ray Young stated one thing to remember, this is part of the argument in favor of Troutdale contributing a lot is that we would still be back at the smaller weir from 2008 if not for the TRIP property. That is creating a huge amount of impervious surface. The primary beneficiary of the TRIP property is Troutdale. Nothing that has happened in Wood Village or Fairview is really adding any water to it.

Robert Canfield stated given the fact that the new weir will be in Fairview, have any discussions been conducted with them regarding contributing to this?

Tanney Staffenson replied there've been discussions with Fairview and Wood Village and frankly they're quite upset that they got the wetland and Troutdale got the developable property.

Robert Canfield asked so basically Fairview and Wood Village said thanks but no thanks to making contributions to this?

Tanney Staffenson replied the drainage district isn't obligated to do the weir. The weir is simply to allow the property to be developed.

Erich Mueller stated ultimately that this infrastructure is not going to be on Fairview's books, it will be a responsibility and ongoing maintenance obligation of the drainage district.

Councilor White stated I think what convinced me the most is that the SDIC can do fine with the old weir but the portion of the TRIP property in Troutdale would be underwater. Maybe eventually they could get enough money saved up to fix the weir but meanwhile that property is going to sit vacant. I think with the Piper Project coming in that there is going to be some spinoff businesses and people riding their coattails. I think it's worth it to Troutdale to invest in ourselves and get the property so it's high, dry and developable now rather than 10 to 15 years down the road.

Robert Canfield asked does the drainage district have any taxing authority of its own?

Tanney Staffenson replied it does.

Robert Canfield asked could the drainage district on its own impose a tax?

Tanney Staffenson replied the drainage district raised its rates 75% last year and is planning on raising rates 62.5% this year. To give you an example, last year the Port paid \$191,000. Yes they do have taxing ability but they don't have taxing ability that will come in the amount of time that we're dealing with.

Councilor Hudson asked Mr. Mueller, between the 2 places in the budget, which would you suggest and why?

Erich Mueller replied there are arguments for both approaches. The existing weir project was funded out of the SDC Fund. It's described in the North Troutdale Drainage Master Plan as the Salmon Creek Weir. The discussions with Mr. Trompke is that if you go this route, the Council is going to need to go back and amend the Capital Improvement Plan and modify the nature of that project. To pay for anything out of an SDC Fund it's got to be a capital project and it has to be on an adopted plan list. I think this approach on one level makes it cleaner but there are additional steps involved that the Council will have to undertake. Whether they will choose to do it or not just because the Budget Committee makes money available is not necessarily a certainty. The other approach is that this takes more money out of the General Fund. My inclination is to lean toward the SDC Fund because ultimately it is infrastructure.

Robert Canfield asked based on what we know will probably be constructed in this area plus future projects, do you have an estimate of what type of SDC revenue we would be getting in the next 10 years?

Ray Young replied I can't give you an estimate because we can't base those until we know what the development actually is. We know that the TRIP property will potentially be a large number. We don't calculate it until we do the permits for it. Does anyone remember what FedEx paid for their SDC's?

Erich Mueller replied it was in 6 figures. But there's SDC's for transportation, storm, water, sewer, etc.

Robert Canfield asked if we put what FedEx paid, the SDC's would be enough to cover this?

Tanney Staffenson replied 10 times over. The last estimate that I saw for TRIP was 3,400 jobs and \$410 million a year in taxes.

**MOTION: Robert Canfield moved to increase the capital projects budget \$260,000 in the Storm Water Improvement Fund adding the Sandy Drainage Improvement Company TRIP weir project. Seconded by Councilor Hudson.**

Councilor Allen asked what's the estimate of the water flow through the new weir?

Tanney Staffenson replied now you are running 2.8 billion gallons of stormwater a year through that area. I'm not an engineer but it will probably increase by about another 15-18%.

Rob Kodiriy asked there is no money in the proposed budget, is there a technical reason?

Ray Young replied the reason that it's not in the budget is because we were not made aware of this potential need until December when Mr. Staffenson made some comments at a City Council meeting. After he made those comments, I began to do some research and figure out what was going on. Throughout this process we've had the Port and the Multnomah County Drainage District come to Council and now staff is preparing a report to completely inform the Council. It's a fairly new idea and from the Port's point of view, it's kind of hard for them to show the rest of the property if it's under water several months out of the year and this would supposedly solve this problem.

Mayor Ryan stated the Budget Committee can put money in there but it's still up to the Council to make a decision. Even if the Budget Committee doesn't pass this, the Council still has to vote on it.

Erich Mueller stated there were references made to it on page 157 in the budget. Part of it was a timing issue. We were gathering information as we were trying to get the budget done and go to the printer. There are also a number of variables and many of them are outside of staff's scope to decide. We didn't want it lost but we weren't going to presume.



**VOTE: Gene Bendt – Yes; Robert Canfield – Yes; Councilor Lauer – Yes; Bruce Wasson – Yes; Councilor Morgan – Yes; Rob Kodiriy – Yes; Councilor White – Yes; Victoria Rizzo – Yes; Councilor Allen – Yes; Corey Brooks – Yes; Councilor Hudson – Yes; Tanney Staffenson – Yes; and Mayor Ryan – Yes.**

**Motion passed 13 - 0.**

**Tanney Staffenson called for a break at 8:29pm and reconvened the meeting at 8:39pm.**

Erich Mueller stated Imagination was one of the items that was on the list for discussion. To answer the question, did we get \$180,000 or \$200,000 from insurance? We didn't get either one, we got \$179,000 which was the \$180,000 minus the \$1,000 deductible. We've had about \$7,000 in donations so we have about \$186,000. That money is in the General Fund ending balance.

Erich Mueller reviewed slides 26 thru 30 from his PowerPoint Presentation which outlined the Imagination Station rebuild (a copy of the PowerPoint Presentation is attached as Exhibit A to these minutes).

Erich Mueller stated this is not making a decision about selecting a vendor. That's not what the Budget Committee's role is. It's simply to make appropriations available. If you look at page 85 – Parks Department Capital Outlay Detail, under projects (01.85.8350), you'll notice we had Imagination Station restoration in this year's budget at \$200,000. We spent less than \$500 of that this year and that's been on the required public notices and publications we had to do related to the RFP. How much of that \$200,000 we'll spend by the end of the year is hard to know because we're still going through the selection process. There will be a notice period, an award of contract, there is an appeal period, and then the contract has to be negotiated with the vendor. Then potentially there will be some sort of down payment that they'll want as part of the execution. Might we spend some more of that \$200,000 this year? I think there's a reasonable likelihood but there is also a reasonable likelihood that we won't spend any more of it. You'll also notice when I was printing the budget I used \$400,000 because that was the number we had in the previous discussions back in February. I had to finish the budget and get it to the printer while the RFP process was going on. A potential motion would be to raise the \$400,000 that I had in there to \$800,000. My rational is that if we pick the highest scoring one, add contingency into it because there are a number of variables in that contract, there are other pieces of that which are unknown because we don't have a design finalized, and there will be costs on top of that because we have to provide them a site to work at. Whether you are comfortable with that or not is up to the Budget Committee to consider.

**MOTION: Mayor Ryan moved to increase the Parks Department budget an additional \$400,000 to a total of \$800,000 for the rebuilding of Imagination Station. Seconded by Robert Canfield.**

**Councilor Hudson stated I'd like to point out to the Committee that putting the item in our budget is not committing to spending the full \$800,000. We can look at cost cutting ways. I'd love to look at things to do like what was done with the original Imagination Station where people could sponsor or other ways to contribute to the building of this project. We shouldn't count on that yet, we should put the item in the budget and then start looking for ways that the community can help contribute as well.**

**Erich Mueller stated I would also clarify that even if we get \$790,000 in contributions, I still have to have authorization to spend the money regardless of whether it comes from raised funds or the General Fund balance. This is the authorization to spend side. Not to discourage raising funds.**

**Mayor Ryan stated all we're doing as a Budget Committee is allowing that to be put in there so we can actually have a realistic number of what this could cost. It could be less.**

**Erich Mueller replied absolutely.**

**Councilor Allen stated I'm choking on the number a little bit and maybe I'm just too cheap. Does this seem a little high to anybody else?**

**Councilor Lauer stated the numbers are there, the description is there, the reasoning is there, the different responses to the RFP are there. Like it was said, it could be less.**

**Councilor Hudson stated I thought the solution would be not to get a cheaper playground but to find ways to defray the cost to us. If that's our plan then we should put the high number in there and find ways to contribute to the money instead of planning on getting a cheaper one that one would assume is a less desirable structure.**

**Mayor Ryan stated if we put \$450,000 then we've kind of made our decisions on what we're going to do. What we did was take the highest recommendation by the Parks Committee?**

**Erich Mueller replied this was the scoring sheet that staff went through based on the RFP. I took the one on the top line with the highest score and a price of \$625,000.**

Mayor Ryan asked the \$800,000 is basically a worst case scenario?

Erich Mueller replied that's based on my assumptions. If it turns out that there is 25% of costs over that versus 20%.

Mayor Ryan stated but it gives us flexibility and hopefully it costs less. I'd rather go high and have it be less than go too low and have to come back and say we didn't put enough in there and we really need \$750,000.

Erich Mueller stated then it'll be an issue of the City not being able to stay within budget. Those are all criticism that'll be leveled regardless. The most expensive one was \$947,000 but it only got a score of 87 based on its response to the RFP. The second most expensive was \$694,000, the third was \$642,000 but it only got a score of 54, and the fourth got a score of 96 and included a volunteer labor coordinator by a certified installer. This doesn't necessarily mean this is who the Parks Committee is ultimately going to recommend to the Council and it doesn't mean that the Council is necessarily going to choose the one that is recommended to them.

Councilor Allen stated I'm having a bit of heartburn but I suppose as time goes on we'll get more information and be able to make a better more informed decision.

Erich Mueller stated this vote here doesn't actually commit to spend it. Until there is a contract, there's no expenditure.

**VOTE:** Robert Canfield – Yes; Councilor Lauer – Yes; Bruce Wasson – Yes; Councilor Morgan – Yes; Rob Kodiriy – Yes; Councilor White – Yes; Victoria Rizzo – Yes; Councilor Allen – Yes; Corey Brooks – Yes; Councilor Hudson – Yes; Tanney Staffenson – Yes; Mayor Ryan – Yes; and Gene Bendt – Yes.

**Motion passed 13 - 0.**

## **7. Budget Corrections**

Erich Mueller stated I mentioned to you that I had budget corrections. Typically each year I have a number of errors that I make. Some of them affect the numbers and some are formatting which I can change without the Committee. I talked about one the other day (slide #33), it's on page 95. What should have been in the proposed budget for the Planning Department Materials and Services should have been \$2,294 higher than what it was on page 95.

**MOTION:** Robert Canfield moved that the City of Troutdale Budget Committee amend the proposed budget and approve the staff requested budget corrections as presented. Seconded by Victoria Rizzo.

**VOTE:** Councilor Lauer – Yes; Bruce Wasson – Yes; Councilor Morgan – Yes; Rob Kodiriy – Yes; Councilor White – Yes; Victoria Rizzo – Yes; Councilor Allen – Yes; Corey Brooks – Yes; Councilor Hudson – Yes; Tanney Staffenson – Yes; Mayor Ryan – Yes; Gene Bendt – Yes; and Robert Canfield – Yes.

**Motion passed 13 - 0.**

## **8. Committee discussion and questions**

Erich Mueller stated Budget Committee discussion is what's left if there is any. Otherwise there are the formal motions needed for the tax levies and adoption of the amended budget.

Bruce Wasson stated I would like to make a motion.

**MOTION:** Bruce Wasson moved to remove the off leash dog park from the Parks Account (01.85.8350) on page 85 for \$70,000. Seconded by Robert Canfield.

Councilor Allen stated the last I heard, the Parks Committee was not interested in doing the \$70,000 off leash dog park. Does anybody know anything different?

Paul Wilcox, Troutdale Resident and Parks Advisory Committee member, replied they are fully pursuing it. We are actively pursuing one site over by Safeway.

Ray Young stated we have a request to Reynolds School District asking them if they would be interested in transferring the property to the northwest of Safeway to the City for this purpose.

Corey Brooks stated the area that I used to live in before I moved, there was a lot of people that had animals that really were encouraging us to move forward with this.

Bruce Wasson stated I just think that \$70,000 is an obscene amount of money for an off leash dog park. The Parks people will be out there cleaning up dog manure and if they have to put any kind of a drainage field anywhere in there.....I just don't think we should be involved with it.

Robert Canfield stated I'd also like to speak in favor of the motion. Mr. Wasson brings up a good point. There was a park in Troutdale that they tried using for a dog park, I think it was Sunrise Park. But staff complained that people were not

picking up after their dogs. With my late dog George W, we visited every potential area for walking a dog. Thousand Acres is like a poop world war one site. The park that we experimented with in Troutdale, people weren't picking up after their dogs. I don't think its good policy for the City. There are all sorts of places like back yards where you can have off leash. You can put your dog on a leash and give them all the exercise that they want. I just think that it would not be a good public policy.

Councilor Allen asked this new dog area that you are talking about, is it currently a mixed dog and no dog area? Or is it not really that used?

Ray Young asked are you talking about the Reynolds property?

Councilor Allen replied wherever you are talking about the new dog area would be.

Ray Young stated we're pursuing looking for property right now. One of the areas at the open house that came up was the idea of having one in that area. It had parking next to Safeway, it was away from everything else, and we hoped that Reynolds didn't have any future use for it and they might give us a deal on the property. Then we would have to add infrastructure.

Councilor Allen stated so it would basically be dog people walking in their own poo if they let it get out of hand.

Ray Young replied pretty much because we aren't going to put it into a currently existing park. It would be completely separate from all of the other parks.

Bruce Wasson asked is that why it's \$70,000 so that you can buy property?

Steve Gaschler replied that is an old number that was done by the prior Public Works Director. Like Mr. Wasson said, it was put back in the budget last year kind of last minute at the Budget Committee meeting.

Ray Young stated I would imagine that it's insufficient to buy property. It would almost have to be gifted to us and the money would be used for infrastructure for the park.

Steve Gaschler replied depending on the site, I don't know if that would be enough to cover it or not.

**VOTE: Bruce Wasson – Yes; Councilor Morgan – Yes; Rob Kodiriy – Yes; Councilor White – No; Victoria Rizzo – No; Councilor Allen – No; Corey Brooks – Yes; Councilor Hudson – No; Tanney Staffenson – Yes; Mayor Ryan – Yes; Gene Bendt – Yes; Robert Canfield – Yes; and Councilor Lauer – No.**

**Motion passed 8 - 5.**

Erich Mueller stated as I mentioned at the first night, the Budget Committee requires a majority of the Committee and not just those present. That is 8 in favor so it just passed.

Councilor Morgan asked what was the final vote?

Ray Young replied 8 in favor to cut the \$70,000.

Councilor Morgan asked can I change my vote?

Tanney Staffenson replied we noted that you wished to change it. Erich, do you know what our deficit is now?

Erich Mueller replied not off the top of my head.

Tanney Staffenson stated we've made a few policy decisions. Now this is where it gets tough. If you want to add something to the budget, it would be really good if you had a proposal of how to pay for it. One of the things that we're looking at is struggling infrastructure. We're also looking at a record rate increase. I don't know but we may also be looking at close to a record deficit too with Imagination Station in there. I'm not proposing that we do or don't do something. I just think it's something that we need to be aware of. I would also ask that hopefully when the budget gets to Council, Council votes the same way they do this evening. If you vote for it here then please vote for it again or the same if you vote no. We would appreciate that support. It gets tough, we have to weigh out the needs of the community and the citizens that put us here and that's what we're all going to be held responsible for. The service that we provide, the cost that it provides, taking care of our staff, and supporting our businesses. How are you doing Erich?

Erich Mueller replied there is the absolute number which includes contingency of \$750,000 and there's the net of contingency. Adding \$400,000 for Imagination Station, \$2,200 for my budget correction, we removed \$70,000 for the dog park, we did not remove the green house, the removal of the reflooring does not affect the General Fund because it's out of the Public Works Management Fund. That would be a gross \$1,455,021. If you back out the \$750,000 in contingency which is what was on page 34, and we have a forecasted deficit of \$705,000.

Tanney Staffenson stated it's come up about contingency. We are decreasing our net unappropriated and increasing contingency again this year. We're increasing contingency by over \$1 million and decreasing unappropriated by over half a million. I think the concern that came up was with us trying to save for infrastructure in the future, committee members wondered if we were going to do that or is the Council going to spend

it because in the end, if you take all the increases that we did on utilities, 57% of that goes to personnel, materials, services, and overhead. You've got 43% left for capital projects now and into the future. Hopefully we are going to save some of that for the future. I always think of contingency as something that might be spent in the near term more than in the long term.

Erich Mueller stated it's only good for one year.

Councilor White stated I thought we were done with that after last year's budget. We didn't touch it. I'm wondering why we need the additional.

Erich Mueller replied again it goes back to flexibility. Infrastructure is now another year older. The likelihood of a failure is greater than it was a year ago. Again the concern about Council being able to spend it, the Council can't spend Sewer Fund Contingency in the Parks Department. The only place it can be used is in the Sewer Fund. Staff will have to come to Council if a pump station has an issue, a main line breaks, or whatever the case is and say this is what we need the transfer for. Yes, 4 Councilors can spend the money but it's all public and out in the open. It's not done by staff in the back room.

Ray Young stated it's simply an emergency option for the Council if something happens. Very little was spent this year, right Erich?

Erich Mueller replied the year isn't over yet. There will be substantial transfers of contingency in June as there always are to square up the budget. What we ultimately spend is always significantly less.

Ray Young stated the last 2 years we've always ended with a net positive of several hundred thousand dollars.

Councilor White stated unappropriated can be used for emergency.

Erich Mueller replied unappropriated cannot be used unless it's a natural disaster. If we have a pump station fail that's not a natural disaster.

Councilor Allen asked on contingency, isn't some of that for potential new development that might occur where we'd need to have money to work with?

Erich Mueller replied if new development comes in before the next budget cycle, we're going to have to come to Council and say we need \$500,000 out of the Water Contingency Fund because this new development in TRIP needs a 12 inch water line that we didn't have in our Capital Projects, do you want to approve that or don't you? Again, staff can't do that.

Councilor Lauer stated think of it like car or medical insurance. You don't want to pay for it, it's always expensive, but I tell you what, it's a lot cheaper to fix it with insurance than it is to have to fix it out of your pocket when it happens. It's not planned but it's better to have a cushion than it is to not.

Councilor White stated I think the concern is how much we increased from last year. Happy Valley is growing in leaps and bounds and we were way beyond what they keep in contingency. I think that's why we're concerned at that large of a number.

Robert Canfield stated I've never had a problem with contingency. We've had several Managers, Finance Directors, and there's never been an abuse of contingency. When you think of what the City is here for, what's its mission, the stuff that nobody thinks about because they take it for granted such as water, sewer, and roads. If you have a giant sinkhole in your road or if a \$500,000 part at the Sewer Treatment Plant breaks and all of a sudden you can't flush your toilet or there's flooding, that's what the City is for to make sure if that stuff happens that it gets fixed right away. I think our citizens expect the City to be ready for unforeseen problems. None of this infrastructure is cheap. That's why you have to have contingency. You can't just go to Home Depot and get the large pumps for the Treatment Plant or the pump stations. But our citizens expect this stuff to just happen without them noticing it. I have never had a problem with your contingency, it's there in case something happens so the City can fix it without anybody noticing.

Councilor Lauer stated we can't have community without flushing toilets and drinking water. I don't know the percentages but Happy Valley has blown up over the past 15 years and so a lot of the infrastructure is only 15 years old.

Councilor White stated to follow what Rob said, 2 of his examples I'd consider natural disasters such as a sink hole or flooding which we would be allowed to use unappropriated. Maybe it's something we should monitor and see how much we're using on an annual basis and trim them down if necessary.

Erich Mueller asked if we have a large contingency and use very little of it what's the risk? Why trim it down and eliminate your flexibility?

Robert Canfield stated there's no risk.

Councilor White replied except 4 Councilors are in control of that money. To me that's a risk.

Erich Mueller stated then that's an issue for the voters to decide who they're going to put on the Council.

Councilor White stated it can also be motivation for elections to be aggressive.



Rob Kodiriy stated according to my understanding, there are different funds of contingencies as well.

Tanney Staffenson stated this is contingency more in all funds.

Rob Kodiriy stated so the \$750,000 is the.....

Tanney Staffenson replied is the General Fund Contingency.

Rob Kodiriy stated in general I'd say contingency is a good thing in terms of flexibility and I support that argument. I'm not saying this is wrong, financially I like this number. The argument against it is that depending on the percentage that you have, as a member of the public, the legitimate question would be why do you have too much contingency and why aren't you actually planning those dollars for other things. There should be a good answer. In terms of comparisons, sometimes they can go really wrong because with Multnomah County this number proportion-wise is significantly less for General Fund Contingency. There are other reserves but again I'm talking General Fund Contingency. I think the good thing that I agree with in terms of why would we want to take away flexibility, the bad thing is that how much is too much. I'm not proposing any number here. I just want to say that there are arguments for and against it.

Tanney Staffenson stated I'm not arguing for or against contingency or any particular number. I'm just stating that over the past 2 years we've basically moved all of our unappropriated into contingency which is fine as long as the Council doesn't decide to spend it. Then we have to go back to the rate payers and hit them up for an additional increase because something breaks and we don't have the money to fix it.

Erich Mueller replied they can only spend those things for the funds purpose. If it's something in the water fund, ultimately the rate payers pay for it one way or another. They can't spend it for something that isn't related to the designated purpose of the fund.

Tanney Staffenson stated let's say there's \$500,000 in the Sewer Fund and we spend it on a new development which could be great and then a pump breaks. How does that work?

Steve Gaschler replied the City isn't a developer. When a developer says they want to develop a property, they're the ones that do the capital investment in the infrastructure, not the City. The only piece that we play is if we need to upsize it. I think it's a little misleading that the City needs money to develop unless the Council wants to take that kind of position and take the City's money and build those roads, pipelines, and see who comes in to use them. That's typically not the way it's done.

Robert Canfield stated I've been in Troutdale since 2002 and I've never seen the City Council abuse contingency. I also trust the City staff. They're the experts that know what

we need and what's prudent. They're the ones with the advanced degrees and experience. I think this is a non-issue.

Tanney Staffenson stated I hope you aren't taking the comments that I've made as a mistrust. That's not the case at all. It's simply a change that I was asked to bring up and it's something that the Budget Committee had more influence in the past and has less influence going forward.

Councilor White stated that has been my concern as well. I'd like to have more eyes on that.

Tanney Staffenson asked are there any other adjustments to the budget?

Councilor White asked can we talk about uncapping the stormwater rate? I don't think we've done a good enough job as far as notifying the businesses. We heard tonight from Steve Gaschler that he needs 12 months himself to deal with the GSA property. Businesses are no different. My proposal is instead of breaking into 50% / 50% that we do quarters. That gives us time to notify, do some outreach, and let them know its coming. I'm throwing that out as a goodwill gesture to help our businesses prepare and plan for this sizeable increase.

Councilor Hudson asked is the Budget Committee able to make such a change or would that be something for the City Council?

Ray Young replied the Council is going to get this question later to vote on and they've already had a whole demonstration on it. The only concern I have is what you are echoing is that the Budget Committee members who are not on Council didn't get the full 2 hour presentation. If they were to make a decision it would not be with all of the information that the Council has. The Council will ultimately need to make that decision anyway in the end of May. It's a fair proposal but I don't know that the Budget Committee is in a position to give the best answer without the benefit of the presentation.

Councilor White asked will the utility rates be decided by Council?

Ray Young replied yes. What was put in the budget was the indication that we got from Council before. To staff it sounded like the majority of the Council wanted to move this direction with the rate increase and we put that in the budget. Before the budget is approved the Council will have to approve the rate increases.

Tanney Staffenson stated our rate increase represents about 12.78% across the utility funds.

Councilor White stated I have one other concern under the Public Works budget. I didn't have a problem with the increases as much as I did with the new position. I'd rather keep

our structure the same way. My concern is that I don't want to enter into a higher cost model. We've gotten by with what we've had for a long time and we're adding an engineer. I'm worried that next year's budget is going to ask for another engineer because we now have a Deputy position. I don't want to see that department get top heavy. I'm more comfortable with the old model, the old titles. An example is that we had an operator that on his own became an engineer and we promoted him to engineer and we ended up losing that employee anyway and now we're replacing that as another engineer position instead of going back to what it was which was an operator position. I may be using the wrong terminology.

Erich Mueller replied we had an associate who finished their credentialing requirements and the time in service requirements in the profession. Then they moved from an engineering associate to a civil engineer once they got all of their certifications. In the structure that's in the budget, we have an engineering associate again. So we're back to that structure versus operator.

Ray Young stated over the years Troutdale has changed in terms of the engineering department. I think Steve indicated that we're changing the titles to reflect what our changing needs are. We don't have as many civil engineers in the department, they are getting different titles based on the different needs. Staff made the conscious decision of talking about what positions we really needed for this next year and Planning and Engineering are the 2 that we decided were the most important. If I'm here next year doing this, we will not be asking for another position in engineering. We think this is what we need to get us into the next phase, knowing what will happen at TRIP over the next couple of years and I think we're setting ourselves up well for that.

Councilor White stated I would have preferred that the presentation to Council would have involved this entire Committee. I value the input of this Committee. I feel like part of the Budget Committee is left out of the loop on what the proposed rates are going to be. Another suggestion is that I'd like to see a goal of projects on the Public Works task and I'd like to see some kind of a progress report. It seems like the same projects come back year after year. I know we've had a lot of budget constraints but it looks like Troutdale has the optimistic approach coming our way. It would be nice to see some of these projects getting checked off. I'd like to see the list and the projected timeline. I'm not trying to create work for staff but I'm hoping what I'm asking for doesn't get turned into a major project. I'm looking for something we could see up on a slide during the budget meetings.

Erich Mueller replied we certainly want to make progress on the projects. Part of the challenge has been the turnover in the engineering group. We haven't had enough people to manage the projects so they've been carried over from year to year.

Gene Bendt stated on page 19 in the middle of the page is "Long Range Financial Issues". Personnel costs are obviously a huge portion. I'd like to see some concerted effort by the

Cities to pressure and put more emphasis to see reforms in PERS. Especially if we're going to use PERS, AFSCME, and benefit costs as a rationale for continuing expenses that are quote, unquote unsustainable.

Tanney Staffenson stated a lot of those are contractual and out of our control.

Gene Bendt stated I've talked to Senator Anderson about it and basically get the same report that the Supreme Court knocks down what they've already done. It's very hard to address that when those people are on the system.

Councilor White stated there is PERS reform, the new employees aren't getting the same package. You would have to overturn the Oregon Supreme Court decision on that contract.

Tanney Staffenson stated I do understand your concern. I roughly came up with our tax increase for next year which would be \$155,000 and the PERS increase next year would be \$125,000.

**9. Approvals:**

- A. General Fund Property Tax Levy**
- B. Debt Service Property Tax Levy**
- C. Approve Budget**

**MOTION:** Councilor Lauer moved that the City of Troutdale Budget Committee approve the levy of the full permanent rate of \$3.7652 per \$1,000 of assessed value for the Fiscal Year 2017-18, for operating purposes in the General Fund. Seconded by Robert Canfield.

**VOTE:** Councilor Morgan – Yes; Rob Kodiriy – Yes; Councilor White – Yes; Victoria Rizzo – Yes; Councilor Allen – Yes; Corey Brooks – Yes; Councilor Hudson – Yes; Tanney Staffenson – Yes; Mayor Ryan – Yes; Gene Bendt – Yes; Robert Canfield – Yes; Councilor Lauer – Yes; and Bruce Wasson – Yes.

**Motion passed 13 - 0.**

**MOTION:** Bruce Wasson moved that the City of Troutdale Budget Committee approve the levy in the amount of \$796,796 for Fiscal Year 2017-18 for payment of general obligation bond principal and interest in the Debt Service Fund for the Water Pollution Control Facility bonded indebtedness. Seconded by Councilor Lauer.

**VOTE:** Rob Kodiriy – Yes; Councilor White – Yes; Victoria Rizzo – Yes; Councilor Allen – Yes; Corey Brooks – Yes; Councilor Hudson – Yes; Tanney Staffenson – Yes; Mayor Ryan – Yes; Gene Bendt – Yes; Robert Canfield –

**Yes; Councilor Lauer – Yes; Bruce Wasson – Yes; and Councilor Morgan – Yes.**

**Motion passed 13 - 0.**

**MOTION: Robert Canfield moved that the City of Troutdale Budget Committee approve the levy in the amount of \$376,154 for Fiscal Year 2017-18 for payment of general obligation bond principal and interest in the Debt Service Fund for the Police Facility bonded indebtedness. Seconded by Councilor Lauer.**

**VOTE: Councilor White – Yes; Victoria Rizzo – Yes; Councilor Allen – Yes; Corey Brooks – Yes; Councilor Hudson – Yes; Tanney Staffenson – Yes; Mayor Ryan – Yes; Gene Bendt – Yes; Robert Canfield – Yes; Councilor Lauer – Yes; Bruce Wasson – Yes; Councilor Morgan – Yes; and Rob Kodiriy – Yes.**

**Motion passed 13 - 0.**

**MOTION: Councilor Lauer moved that the City of Troutdale Budget Committee approve, the entire proposed budget for Fiscal Year 2017-18, in total as submitted and amended. Seconded by Corey Brooks.**

**VOTE: Victoria Rizzo – Yes; Councilor Allen – Yes; Corey Brooks – Yes; Councilor Hudson – Yes; Tanney Staffenson – Yes; Mayor Ryan – Yes; Gene Bendt – Yes; Robert Canfield – Yes; Councilor Lauer – Yes; Bruce Wasson – Yes; Councilor Morgan – Yes; Rob Kodiriy – Yes; and Councilor White – Yes.**

**Motion passed 13 - 0.**

#### **10. Meeting Wrap Up, Closing Comments, Adjourn**

Erich Mueller stated I know you want to know when you get to come back next year and that is April 16 & 18, 2018.

Ray Young stated thank you so much. It's been 3 long nights but it's really important that you're able to look at all of these pages and give your input. Thank you so much for your time.

Tanney Staffenson stated I want to thank staff for the time that they've spent and all the time they've spent preparing the budget. I want to thank each one of you because I know how many hours it takes to go through this whole thing. It's a lot of work and it's taken a lot of time. I appreciate your dedication to the process, the City, and the citizens of this community. I want to thank you for allowing me to lead the process this year. I really appreciate and honor that opportunity.

Corey Brooks stated I'd also like to echo what Chair Staffenson said and thank staff for all the time and hard work they've put into this. I know it takes many hours. And to everybody here for taking time out of their day to come, listen, and make the decisions that sometimes aren't easy to make.

Rob Kodiriy stated I want to thank staff for not just addressing questions but all of the hard work. Also thank you for the opportunity. I think the fact that we're all here and that people contributed and can ask questions, it's a good thing. At the end of the day, nothing is personal here, it's about the work and I hope nobody takes it that way.

Councilor White stated I want to thank staff for taking time to meet and get questions answered. I think it helped the process move along. I hope staff didn't take offense to any of my comments. I'm just looking for answers to questions that I know I'm going to be asked by the public. Now I feel I can give them a fair explanation. I wanted to say how smooth it went this year. I especially want to take time to thank Tanney Staffenson as Chair. A lot of you don't know this but Tanney lives in a part of the City that really doesn't get a lot of City services. A lot of what he fights for doesn't even affect him. He's looking out for the rest of us. I also want to thank Corey Brooks as Vice Chair and your experience on Council. We had some public comment from a former Councilor that said we should do this meeting in 1 night. I think we were quite efficient with our time. It would be wonderful if we could do that but the presentation alone took 2 nights. I think this additional Monday meeting was very important, to have the deliberations that we had and I appreciated everyone's comments.

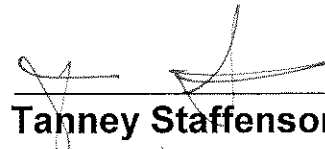
Bruce Wasson stated I think we should welcome Jamie as our new alternate.

Jamie Kranz replied thank you, I'm excited to be here.

Erich Mueller stated thank you for your service and time.

**MOTION: Victoria Rizzo moved to adjourn. Seconded by Corey Brooks. Motion to adjourn passed unanimously.**

Meeting adjourned at 9:43pm.

  
\_\_\_\_\_  
**Tanney Staffenson, Chair**  
Date: 10/2/2017

**ATTEST:**

  
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**Sarah Skroch, City Recorder**