

MINUTES

REGULAR COUNCIL MEETING
OF
NOVEMBER 28, 2011
5:30 P.M.
THE DALLES CITY HALL
313 COURT STREET
THE DALLES, OREGON

PRESIDING: Mayor Jim Wilcox

COUNCIL PRESENT: Bill Dick, Carolyn Wood, Dan Spatz, Brian Ahier, Tim McGlothlin

COUNCIL ABSENT: None

STAFF PRESENT: City Manager Nolan Young, City Attorney Gene Parker, City Clerk Julie Krueger, Public Works Director Dave Anderson, Finance Director Kate Mast, Administrative Fellow Cooper Whitman, Police Chief Jay Waterbury, Community Development Director Dan Durow, Engineer Dale McCabe

CALL TO ORDER

Mayor Wilcox called the meeting to order at 5:30 p.m.

ROLL CALL

Roll call was conducted by City Clerk Krueger; all Councilors present.

PLEDGE OF ALLEGIANCE

Mayor Wilcox invited the audience to join in the Pledge of Allegiance.

APPROVAL OF AGENDA

Mayor Wilcox noted changes to the agenda, including a supplemental agenda to add an Action Item concerning the Thompson Street local improvement district (LID) and East 19th Street extension project; add authorization to endorse an OLCC change in privilege application by Clock Tower Ales; and to ask for the City Attorney's Report prior to Audience Participation. It was moved by Wood and seconded by McGlothlin to approve the agenda as amended. The motion carried unanimously.

PRESENTATIONS/PROCLAMATIONS

Audit Presentation

Finance Director Kate Mast introduced Tonya Moffitt of Merina and Company, who provide a review of the fiscal year 2010-11 audit. Ms. Moffitt reviewed the executive summary, noting they had provided a clean opinion. She highlighted the areas of required communications to those charged with governance and reviewed the audit comments and disclosures. Moffitt noted one control deficiency in the fixed assets area.

Councilor Ahier said there appeared to be a word missing on page 108, second paragraph from the end. He asked if the word "indicate" should be inserted between the words might and significant. Ms. Moffitt said the word indicate should be inserted.

It was moved by Wood and seconded by Spatz to accept the Audit as presented. The motion carried unanimously.

RECESS TO URBAN RENEWAL AGENCY MEETING

Mayor Wilcox recessed the meeting to the Urban Renewal Agency meeting at 5:46 p.m.

Reconvene City Council Meeting

The City Council meeting reconvened at 5:53 p.m.

CITY ATTORNEY REPORT

City Attorney Parker said he had received correspondence directed to the City Council, which included allegations that the Department of Justice was investigating Police Chief Waterbury.

Parker said this was not true. He said there were some issues regarding employee related issues. Parker said this was not a matter for discussion with the City Council and any comments regarding the matter should be directed to the City Manager.

Parker reported staff continued to work with the resale businesses to develop amendments to the resale business ordinance. He said it should be coming to the Council for consideration in January.

Parker said the law firm hired to review the City's franchise ordinances had provided him with information and recommendations which would be reviewed by staff. He said the information would be coming to Council in two to three months for consideration.

AUDIENCE PARTICIPATION

None.

CITY MANAGER REPORT

City Manager Young said the Lewis and Clark Festival Area project had started today and the Commercial Dock project was scheduled to start later in the week. He said both projects were scheduled for completion in May, 2012.

CITY COUNCIL REPORTS

Councilor Ahier reported the Mid Columbia Council of Governments meeting was last week, with the audit being the primary subject.

Councilor Spatz said the next meeting of Mid Columbia Economic Development District would be mid-December.

Mayor Wilcox said the Airport group was currently working to develop water agreements, work on the industrial park design and building a hangar for the Fixed Base Operator. He said a new airplane had been purchased for flying lessons.

Wilcox noted the Canton Wok would have a reception Tuesday at 5:00 p.m. to celebrate the completion of their recent expansion.

Mayor Wilcox said he had presented information at a meeting of agencies about how everyone could work together to move permits forward to allow for development on industrial lands.

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CONSENT AGENDA

It was moved by Spatz and seconded by Ahier to approve the Consent Agenda as amended. The motion carried unanimously.

The items approved by Consent Agenda were: 1) approval of November 14, 2011 regular City Council meeting minutes; and 2) authorization for City Clerk to endorse OLCC change in privilege application for Clock Tower Ales.

PUBLIC HEARINGS

Public Hearing to Receive Testimony Regarding a Proposed Rate Increase of 2.2% by The Dalles Disposal, Effective January 1, 2012

Mayor Wilcox reviewed the procedures to be followed for the hearing.

City Attorney Parker reviewed the staff report.

Testimony

Erwin Swetnam and Jim Winterbottom of The Dalles Disposal said the proposed increase would offset increasing costs of operation, including an increase in tipping fees at the landfill, increasing fuel costs and employee benefit costs. It was noted that they performed free community programs including free yard debris drop off twice a year, supported the Community Clean Up Day and supported youth activities in the community.

Councilor Ahier questioned what the employee benefit costs included. Swetnam said it was an increased cost for health care premiums, which had increased approximately 7%.

Councilor Spatz said he had expressed concern a year ago that the company investigate ways to absorb their employee costs instead of passing it on to the rate payers.

Mr. Winterbottom said they had made efforts to increase recycling which would reduce the amount hauled to the landfill.

Councilor McGlothlin asked what youth activities were supported by The Dalles Disposal. Winterbottom said they sponsored the High School basketball team, a baseball and soccer team, and participated in Earth Day events at three of the local schools.

Mayor Wilcox added they supported the Christmas Tree pick up program for the community.

Pat Combs, 733 Lee Street, The Dalles, spoke in opposition of the rate increase, saying she lived on a war widow's pension and could not afford to pay more money for the service. She cited a Wall Street Journal report which said the third quarter report on Waste Connections showed 16.8% profit for the company and said The Dalles Disposal should offset their employee costs with their profits and not pass it on to rate payers.

Brad Lynch, 1406 East Ninth Street, The Dalles, opposed the proposed rate increase. He said fuel costs were going down, not increasing and said it was wrong to pass on rate increases to the citizens during this difficult economic time. He said sponsorship of teams was their choice and should not be supported in the rates.

Winterbottom said they were not asking the rate payers to help support team sponsorships. He said the CPI information used to calculate the proposed rate increase had indicated a rise in fuel costs.

Hearing no further testimony, the public hearing was closed.

Resolution No. 11-031 Approving a 2.2% Rate Increase by The Dalles Disposal

Councilor Ahier said he recognized the economic hardships of the citizens. He asked if The Dalles Disposal could provide more detailed information regarding the benefits that would be supported by the rate increase.

Councilor Spatz said he understood the good deeds of The Dalles Disposal in supporting the community through their programs. He said the Council did need to consider the economic times and said he too would like detailed information regarding the benefits.

Councilor Wood said the tipping fees were implemented by Wasco County and were a fixed cost of doing business. She said that part of the requested rate increase was not negotiable.

Councilor McGlothlin said it seemed bad timing for a rate increase at this time.

Councilor Dick said the employees of The Dalles Disposal also lived in the community and they did provide jobs.

In response to a question from Council, Mr. Swetnam said The Dalles Disposal did have a low income/elderly/handicap rate program which was administered by the Community Action Program.

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Swetnam asked the Council to at least consider approving the tipping fee portion of the increase because it would be implemented on January 1, 2012.

It was moved by Dick and seconded by McGlothlin to direct staff to prepare a Resolution to approve the tipping fee increase to be effective January 1, 2012. The motion carried unanimously.

The City Council asked for additional information, including a detailed accounting of the increased employee benefits and updated information regarding fuel costs to be reviewed in April 2012.

ACTION ITEMS

Consideration of Department Managers Salaries

Mayor Wilcox said he supported a salary increase for only two positions, the Chief of Police and Public Works Director. He said the others were within 2% of comparable salaries, but the Chief and Public Works Director positions were much lower than comparable positions.

Councilor Dick said he had received a telephone call from a constituent who supported an increase for the Police Chief, but not the other Managers. It was noted Councilors Spatz and McGlothlin received similar telephone comments. It was the consensus of the Council to allow public comment regarding the subject.

Public Comment

Brad Lynch, 1406 East Ninth Street, The Dalles, said he disagreed with giving a salary increase for the Managers because they already made a very good income. He said if the City wanted a greater salary spread between the Managers, the Council should reduce the other Managers salaries. Mr. Lynch said the City's salaries should not be compared to other cities and that if they were dissatisfied with their salaries, they could move to other cities who paid more.

Gary West said he had written the letter referred to in the City Attorney's report and said the City Attorney had misrepresented the truth and that it was wrong to disregard his letter. Mayor Wilcox said this testimony was not appropriate and would not allow it.

Marilyn Clifford, 1380 Oak Hill Drive, said the City staff was very well paid and if they wanted more money, they should go somewhere else to work.

Shirley Walsborn, 1912 Thompson Street, The Dalles, said she appreciated the Police Officers and said she obviously was not aware of any problems. She asked how she could obtain the information which was being discussed.

City Manager Young said the Manager's salary information was available on the City's website or could be obtained from the City Clerk's office.

Sherry Jones, 515 West 19th Street, The Dalles, said the City Council had just asked a company to find ways to absorb costs. She said it was not the time to spend more money and the City should show it's being responsible and not give salary increases at this time.

Bob Fraley, The Dalles, said it was not a good time for the City to spend more money and the City should instead focus its efforts and job creation in the community. He said once the economy was strong again, the City could talk about wage increases.

Pat Combs, 733 Lee Street, The Dalles, spoke in opposition to a salary increase for Managers, saying their current monthly income was more than her annual income as a war widow. She said many people in the community lived below the poverty level.

Andy _____, 1605 East 12th Street, The Dalles, said the City should be the example of not spending additional money during these difficult economic times. He said people of his generation, recent graduates, were employed, but were barely able to make ends meet.

Council Deliberation

Councilor Wood said the subject of increasing salaries was not initiated by the City Council. She said the Mayor had asked to review the matter. Wood said the Managers were excellent employees and were well paid. She said the current system of having the Managers in one pay group was appropriate and that they all had very different responsibilities, but it brought harmony and balance to the group.

Councilor Ahier said he didn't agree with the principle of paying all Managers the same salary, but did not support a salary increase for anyone at this time. He said the budget had been approved and should not be changed. Ahier said it could be addressed during the next budget cycle.

Councilor McGlothlin said he also did not support any salary increases at this time but was open minded to discuss in the future. He said it may be appropriate to consider a higher pay scale for the Police Chief and Public Works Director positions, but not at this time.

Councilor Spatz said it was poor timing to give pay increases at this time, but would consider it during the upcoming budget process.

Councilor Dick said he was not swayed either way, but agreed it was not the time for salary increases right now.

Mayor Wilcox said public safety was the most important concern of the City and the public works infrastructure was also vital to the community. He said these two positions had the most responsibility and should be compensated at a higher rate than the other managers.

It was the consensus of the Council to direct the City Manager to provide additional salary information and a recommendation through the next budget process.

Recommendation Regarding 19th and Thompson Street Local Improvement District

Thompson Street

City Manager Young reviewed the staff report and noted that the staff report had referred to support for the project requiring two-thirds majority. He said the two-thirds referred to the dollar amount of the project, not the number of property owners. Young said the staff report also made reference to foreclosures on properties with City liens. He clarified that there had been a foreclosure on a vacant lot in the early 1990's and possibly some in the 1980's, but there had been no foreclosures on residences. Young further clarified that the interest rate could be reduced by the City Council because part of the project funding is from bond financing. He said the rate could be reduced to 5%, with a 15 year term to repay it.

Young said if 19th Street was not extended the City would continue to provide minimal maintenance on Thompson Street until an LID was formed. He said if the LID was delayed, staff could be directed to develop a pavement plan to extend the life of Thompson Street travel surface for an additional five to ten years.

It was the consensus of the Council to approve the 5% interest rate with 15 year repayment if the LID was approved.

Councilor Ahier said he didn't believe there was much support for proceeding with the Thompson Street LID. He said he would support delaying the project.

Public Comment

Ken Allmer, 2119 East 16th Street, the Dalles, asked for clarification of the cost per foot for the LID. He said a figure of \$300 had been mentioned, then a cost of \$150.

City Manager Young said improvements for new development were approximately \$300 per foot, but the cost for the proposed LID was approximately \$150 due to the City adding funds to complete the project. Young said if the project was delayed, those funds would likely be used to complete other projects and would no longer be available to offset the cost of the Thompson Street LID.

Sheldon Ayres, 2310 East 19th Street, The Dalles, said extending 19th Street as a collector street would create between 5,000 and 10,000 trips per day and would add significant traffic on Thompson Street.

Public Works Director Anderson said the Traffic System Plan did not assign trips per day to streets, but a collector street was designed to handle more traffic and would be designed in a manner to last a long time. He said the type of street constructed was tied to performance standards, not trips per day.

Sue Madsen, 2400 East 16th Street, The Dalles, asked if the Thompson Street LID was delayed, whether the City would discontinue improvements to the street.

City Manager Young said Thompson Street had been a County Road and did not currently meet City standards. He said if it was improved to City standards, then the City would provide maintenance, but until that time, there would be minimal maintenance to the road, likely just some work on the travel surface.

Debbie Richelderfer, 2310 East 19th Street, The Dalles, said if the LID was rejected because two-thirds of the project did not want it, the project would only be suspended for six months. She said the estimated costs provided to the owners could increase if the project cost more than anticipated. Richelderfer said this proposed project had been scaled back from previous proposals and it took parking away in the neighborhood by installing sidewalks. She said the project was not affordable for property owners at this time and that if the project proceeded, they would not be able to make the payments.

Councilor Dick noted a concern that the costs could be even higher if the project was delayed for several years due to increasing construction costs and that the City's funding may no longer be available to offset the LID costs.

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Cyndi Vipperman, 1300 Thompson Street, the Dalles, said the residents paid taxes and deserved to have the City make improvements on Thompson Street. She said the street would have more use if the 19th Street extension was constructed. Vipperman said she could not afford to pay the proposed assessment on her property and that the poor economy made for bad timing for the project.

David Childs, 1806 Thompson Street, The Dalles, said he loved his neighborhood and did not think the 19th Street extension was necessary for traffic patterns on the east side of the community. He expressed concern regarding pedestrian safety on Thompson Street if the traffic increased along that street. Childs said he did not support the School District giving up their property for the street because that property was needed in the neighborhood for recreation purposes.

Tom Griswold, representing Bethany Lutheran Church, questioned why the proposed assessment for the church was so much more than others in the neighborhood.

City Manager Young explained that the corner lot relief program was only available for residential properties, though the City Council could make a decision to include the church and make them eligible for the corner lot relief.

Mr. Griswold said the church had no means to pay for the proposed assessment.

Councilor Ahier said he didn't consider a neighborhood church to be a commercial use and would support including churches and non-profits in the corner lot relief program.

Cherri Keller, 1812 Thompson Street, The Dalles, said there had been many changes in the Thompson Street neighborhood over the 30 years she had lived there and she did not support the 19th Street extension because it would add traffic congestion on Thompson Street.

Shirley Walsborn, 1912 Thompson Street, The Dalles, said she felt threatened by the staff saying the cost would be higher if the project was delayed. She asked why 16th Street could not be used as a connecting street.

City Manager Young said the Developer and City had an agreement that 16th Street would not connect until after 19th Street extension was completed.

19th Street Extension

City Manager Young summarized the recommendations for 19th Street extension, saying it was the best option for connecting the east side of the community. He said there had been some

discussion regarding providing future bike lanes. Young said if the Council directed, he would speak with the School District about an option to provide an additional two feet of right of way to provide for future bike lanes in the area. Regarding the radius, he recommended giving the School District the option for the size of the radius.

Diana Cheadle, 1715 Thompson Street, The Dalles, said the projects could not really be separated because if the 19th Street extension was constructed it impacted Thompson Street. She asked for clarification regarding liens on the properties for the project.

City Manager Young said LID assessments were considered a lien on property, but they would not be foreclosed on. Young said if people were delinquent in their payments, the City would collect the assessments at the time a property transferred ownership.

Ms. Cheadle asked how much property the School District would donate for the project. City Manager Young said it would depend on the size of the turning radius they requested, but it was projected to be approximately one acre. Cheadle questioned if the District was getting an adequate return for the donated land, compared to a recent land sale by the City to Mid Columbia Medical Center. City Manager Young said the property recently sold by the City was approximately \$5.00 per square foot and the proposed improvements by the City in exchange for the School District land was approximately \$9.00 per square foot.

Ms. Cheadle said her family moved to the neighborhood because it was peaceful. She said additional traffic in the area was not desirable.

Brad Lynch, 1406 East Ninth Street, The Dalles, said the City willingly annexed properties from the County and they should pay for the maintenance of the streets they annexed. He said the City should provide corner lot relief for the church and that he believed the 19th Street extension would only benefit Mid Columbia Medical Center.

Extend Time of Meeting

It was moved by Spatz and seconded by Dick to extend the time of the meeting to 9:00 p.m. The motion carried unanimously.

19th Street Extension, Continued

Colleen Tenold Sauter, Sun Ridge Development, said she wanted to be on record that she was the owner of the Sun Ridge Development and that the City had not spoken with her regarding any amendment to the 16th Street extension agreement. She said she had not been approached by the City.

Debbie Richelderfer, 2310 East 19th Street, The Dalles, questioned how long the City would continue to pursue the 19th Street Extension project. She said the neighbors had opposed it every time it was brought up, but the City continued to make it a goal. She questioned why the City didn't negotiate with Sheldon Ayres to purchase a portion of his property for the extension instead of taking property from the School District. Richelderfer said the City had tried in the past to take Mr. Ayres' property from him and didn't know why they weren't interested in purchasing it now.

Sheldon Ayres, 2310 East 19th Street, noted the current design had been reduced by approximately 13 feet. He questioned why the design had changed, with sidewalks being removed and asked if pedestrian safety was no longer a concern.

Public Works Director Anderson said sidewalks were currently only proposed for one side and if the other side of the street was developed in the future, sidewalks would be required to be installed at that time.

Sherry Jones, 515 West 19th Street, The Dalles, said she had attended the School Board meeting and did not believe they were excited about the proposal of the project.

Council Deliberation

Councilor Ahier said the main issue with the Thompson Street LID was the timing of the project. He questioned whether a survey was needed to determine whether there was support for the project.

Councilor Spatz said that based on the testimony, he didn't feel there was support for the project at this time and didn't think it was necessary to send out a survey.

Councilor Dick said he would support sending a survey, noting that many people who were property owners within the proposed LID project had not expressed an opinion.

Councilor Wood said she supported sending the survey and said the Council had not heard from those in support of the project. She said the property owners should be sent full information about the project along with the survey.

Councilor McGlothlin said he was an employee of the School District and would not participate in discussion regarding the 19th Street Extension project, but that he was comfortable discussing the Thompson Street LID. He said some kind of improvements needed to be made on Thompson Street and that the testimony had indicated to him that a survey was not needed to know there was not support for the project at this time.

Mayor Wilcox said the area had grown over the years and he did not want people to feel threatened by the City saying the cost would increase if the project was delayed. He said that was an attempt to provide full information regarding the project.

Extend Time of Meeting

It was moved by Ahier and seconded by Spatz to extend the time of the meeting to 9:15 p.m. The motion carried unanimously.

Council Deliberation, continued

Councilor Dick said he believed all the affected property owners should be provided with the information contained in the staff report and said he supported the staff recommendation.

It was moved by Dick and seconded by Wood to direct staff to provide the staff report information to the property owners; send a survey, providing them with their assessed costs and annual payments over a 15 year period; and to notify property owners that the City would suspend the project for two to five years if the majority of the property owners opposed the project, providing for minimum maintenance on Thompson Street. The motion carried, Ahier voting no.

Councilor Ahier said he was an employee of Mid Columbia Medical Center (MCMC), but had no conflict of interest in the 19th Street Extension project and that MCMC was not the prime beneficiary of the project and would receive no financial benefit from it. Ahier said it was important to look at the broad picture of the need for access in the east side of the community, and to expand the urban growth boundary in the future.

Councilor Dick said there had been a lot of development on the east side of the community. He said no one liked a lot of change and no one wanted to pay for it, but many people who live in the area did want to see the 19th Street extension go through and 19th Street was the most logical location to have a through street in the area. He said the School District said they did intend to use the property to build a school in the future so the street would be needed.

Councilor Wood said there were laws dictating how cities could grow and that the LID process was one of the methods for making necessary infrastructure improvements in a community.

Councilor Spatz said from a community-wide perspective, 19th Street extension would be instrumental in the future expansion of the urban growth boundary.

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Extend Time of Meeting

It was moved by Spatz and seconded by Wood to extend the time of the meeting to 9:20 p.m.
The motion carried unanimously.

Continued Council Deliberation

It was moved by Dick and seconded by Spatz to direct staff to inform the School District that the Council was not interested in the 17th Street option; give the Board the option of increasing the right of way from 42 feet to 44 feet to allow for bike lanes in the future; and the option to provide a larger or smaller radius at Thompson Street. The motion carried: voting yes, Dick, Spatz, and Wood; voting no, Ahier; abstaining, McGlothlin.

ADJOURNMENT

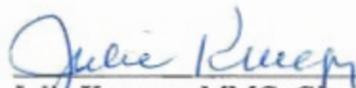
Being no further business, the meeting adjourned at 9:20 p.m.

Submitted by/
Julie Krueger, MMC
City Clerk

SIGNED:


James L. Wilcox, Mayor

ATTEST:


Julie Krueger, MMC, City Clerk