

**MINUTES**

REGULAR COUNCIL MEETING  
OF  
JUNE 9, 2014  
5:30 P.M.

THE DALLES CITY HALL  
313 COURT STREET  
THE DALLES, OREGON

**PRESIDING:** Mayor Steve Lawrence

**COUNCIL PRESENT:** Bill Dick, Carolyn Wood, Dan Spatz, Tim McGlothlin, Linda Miller

**COUNCIL ABSENT:** None

**STAFF PRESENT:** City Manager Nolan Young, City Attorney Gene Parker, City Clerk Julie Krueger, Public Works Director Dave Anderson, Administrative Intern Rich Wachter, Finance Director Kate Mast, Police Chief Jay Waterbury, Librarian Sheila Dooley

**CALL TO ORDER**

Mayor Lawrence called the meeting to order at 5:32 p.m.

**ROLL CALL**

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

**PLEDGE OF ALLEGIANCE**

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

**APPROVAL OF AGENDA**

It was moved by Spatz and seconded by Miller to approve the agenda as presented. The motion carried unanimously.

### **AUDIENCE PARTICIPATION**

John Nelson, 524 West Third Place, The Dalles, asked the Council to adopt a resolution asking for increased safety regulations regarding transportation of oil through the Columbia River Gorge. He provided two draft resolutions from the cities of Mosier and Vancouver. Nelson provided statistics, saying no Fire Department in the Gorge was equipped to handle a large oil spill or fire that may result from a train derailment containing oil cars. He said it was important for the City to review their response and evacuation plans to ensure they were prepared for such an incident.

Mayor Lawrence asked if the City had received a questionnaire from the City of Hood River regarding this issue. Fire Chief Palmer said the department had received the list of questions and had responded. He said Mid Columbia Fire and Rescue District could not handle such an incident, and would have to use mutual aid agreements and possibly the State Conflagration Act to have enough help. He said the State Fire Marshal was involved in discussions and working to ensure communities would be notified when the oil cars were passing through the communities.

Councilor Wood said she believed the Council should advocate for safety regulations and noted that the State was currently working on the issue.

Russ Brown, 903 East 14<sup>th</sup> Street, The Dalles, said there seemed to be a lot of vandalism in the restrooms at the Lewis and Clark Festival Park. He said since the security cameras could not be used inside the restrooms, the City should consider reducing the hours that the restrooms were open and recommended they only be open for special events and when the cruise ships were docked.

Brown asked the Council to consider a program to maintain the City's manholes, saying they needed to be lifted to the level of the asphalt.

Bob McNary, 1525 East Ninth Street, The Dalles, said the E coli issue in Mill Creek had been very poorly managed, with a lot of finger pointing, when it should have been corrected immediately. He said it was irresponsible to allow the contamination to flow into Mill Creek for such a long period of time.

### **CITY MANAGER REPORT**

City Manager Young asked the City Council to authorize a letter of support to obtain a grant to fund the Transportation System Plan update. He said the grant would be in the amount of \$152,000. He said the City's share would be approximately \$50,000.

MINUTES (Continued)  
Regular Council Meeting  
June 9, 2014  
Page 3

It was moved by Wood and seconded by Dick to authorize staff to send a letter of support for the grant.

Mayor Lawrence said \$200,000 was a lot of money for a consultant to update the Plan.

Young said it was in line with what other cities had spent for their Plans. He said it would include an updated project list, planning for the overall street system and would include bike, pedestrian, and ADA concerns.

Mayor Lawrence asked if public input would be allowed in the process. Public Works Director Anderson said there would be a review committee and a technical advisory committee and then would be brought to Council where more public input could be taken.

The motion to authorize the letter of support was voted on and carried, Miller opposed.

City Manager Young said he had provided information to the Council regarding the League of Oregon Cities legislative agenda and a list of proposed priorities. He asked the City Council to provide him with their top eight priorities and he would then find the most common four items. Young said staff would also review the list to ensure that the priorities were in line with the City's goals and needs.

Young said the Planning Commission was ready to bring concepts and recommendations regarding residential infill. He asked if the Council could be available on June 30 for a work session to discuss the issues. It was the consensus of the Council to schedule the work session for June 30 at 5:30 p.m.

### **CITY ATTORNEY REPORT**

City Attorney Parker said he had spoken with the attorney for Wal-Mart and learned they had just concluded a hearing for the wetlands permit, but that it could take up to four months to get the decision from the Division of State Lands.

Parker said he was working on getting updated equipment for the Municipal Court.

Parker said he had provided a draft agreement to the Council for the City and Klickitat County to support an EDA grant for a flex building at the Airport to house Life Flight. He said Section 5 noted the City would be responsible for the project reports, but that it would most likely be Klickitat County. Parker asked the Council to approve the agreement with the condition that staff may administratively change the language in Section 5.

It was moved by Spatz and seconded by Dick to authorize the agreement with Klickitat County for financial assistance from EDA for the Airport flex building, subject to administrative clarification of Section 5. The motion carried unanimously.

### **CITY COUNCIL REPORTS**

Councilor Wood said she had attended the Riverfront Trail Committee meeting regarding proposed routes to complete the trail. She said that Oregon Department of Transportation (ODOT) was working with the Committee to develop alternatives. Wood said she attended the planning meeting for the Library addition and thought the addition would be simple and tasteful. She said there had not been a Historic Landmarks Commission meeting in May. Wood said she had attended the Council of Governments meeting and they had provided an estimated cost for operating of the transportation facility of \$28,000 per year. She said construction of the facility was expected to start in February, 2015, being completed in December of 2015.

Councilor McGlothlin noted the crack seal project was being worked on, brush had been trimmed away from signs, and that sweeping of bike trails had been done. He said the Third Place, from Trevitt to Lincoln Street project would be started in August. McGlothlin said the asphalt for the Airport Business Park had been completed and work continued to build the flex building for Life Flight.

Mayor Lawrence asked why the chip seal overlays on Mt. Hood Street and Dry Hollow Road were failing. Public Works Director Anderson said the reason was partly because that process was not intended to be used on streets with a high traffic volume and secondly, it was done too late in the season and didn't have enough warm weather to set properly. He said the staff would continue to monitor and add rock as needed over the next months.

Councilor Dick reported the next QLife meeting would be to adopt the annual budget.

Councilor Spatz said he would be attending a MCEDD meeting this month and would be attending the Gorge Commission meeting on Tuesday.

Councilor Miller said she had also attended the Riverfront Trail Committee meeting and was impressed with the number of alternatives being considered to complete the trail. She said the Urban Renewal Advisory Committee had met on April 28 and the Urban Renewal Agency would be meeting after the Council meeting.

Mayor Lawrence said he had attended a community meeting with a corporate site locator who had explained what they look for when looking to site a business and said he had given them many good recommendations on how to be ready for new businesses. Lawrence said he attended

MINUTES (Continued)  
Regular Council Meeting  
June 9, 2014  
Page 5

and was a speaker at a ceremony renaming Interstate 84 as the Vietnam Veteran's Memorial Highway and said he had attended a meeting with QLife and Google to celebrate the completion of Phase IV of the public Wi Fi system.

### **CONSENT AGENDA**

It was moved by Wood and seconded by McGlothlin to approve the consent agenda as presented. The motion carried unanimously.

Items approved by Consent Agenda were: approval of May 12, 2014 regular City Council meeting minutes and approval of April 30, 2014 Council work session minutes.

### **PUBLIC HEARINGS**

#### **Public Hearing to Receive Testimony Regarding Proposed Uses of State Shared Revenue**

Mayor Lawrence reviewed the procedure to be followed for the public hearing.

Finance Director Mast reviewed the staff report.

#### **Testimony**

No testimony was offered. Mayor Lawrence closed the public hearing.

#### **Resolution No. 14-017 Electing to Receive State Shared Revenue for the City of The Dalles**

It was moved by McGlothlin and seconded by Dick to adopt Resolution No. 14-017 electing to receive state shared revenue for the City of The Dalles. The motion carried unanimously.

#### **Public Hearing to Receive Testimony Regarding the Proposed 2014-15 Fiscal Year Budget**

Mayor Lawrence reviewed the procedure to be followed for the public hearing.

Finance Director Mast reviewed the staff report and handed out an amended report which included additional items for consideration. She noted changes proposed for the General Fund were to fund a business recruitment professional, described in an issue paper previously provided by the City Manager; increase of \$4,000 to City Hall Department to pay for services provided by Parks and Recreation Department for downtown street tree and Riverfront Trail maintenance; and to roll \$3,600 into the next fiscal year for the purchase of weevils for the Codes Enforcement budget, because they would not be delivered prior to the end of this budget year.

Mast noted the new sludge truck to be purchased by Public Works would not be delivered by June 30, so they would also need to roll \$174,498 into the next budget. She said in order to comply with Oregon Budget Law, a new public hearing would need to be scheduled for the next City Council meeting and after that hearing the Council could adopt the budget. She asked the Council to consider the proposed changes so she could make changes to the resolution for consideration at the next meeting.

#### Testimony

Hearing no testimony, the public hearing was closed.

#### Council Deliberation

It was moved by Dick and seconded by Wood to approve the recommended changes to be included in the resolution for consideration at the June 23 Council meeting. The motion carried unanimously.

#### **ACTION ITEMS**

##### Approval of Distribution of Enterprise Zone Fees From Design LLC 2005 Agreement for Fiscal Year 2014-15

City Manager Young reviewed the staff report.

Councilor Wood said the college needed flexibility to be successful. She said the agreement would reduce their ability to serve the needs of students and didn't think the agreement should be needed.

City Manager Young explained that a need in the community had been identified for a technology program. He said it had taken time to get the program developed and ready to launch and that this funding was to help fund a specific program. Mayor Lawrence said it was also important to the City and County that the enterprise funds be used for enhancements in Wasco County, and they didn't want the program to be offered at the Hood River campus.

Wood said she disagreed with tying the hands of the college with such specific requirements. Mayor Lawrence said all Enterprise Zone funds were now distributed through the use of intergovernmental agreements with the entities and this was no different.

MINUTES (Continued)  
Regular Council Meeting  
June 9, 2014  
Page 7

Councilor Spatz said as an employee of the college, he would not vote on the matter due to a potential conflict of interest.

It was moved by Miller and seconded by Dick to approve the amended distribution of Enterprise Zone fees from Design, LLC as identified in the proposed "Exhibit B" and authorize the Mayor to sign the agreement between the City, Wasco County, and Columbia Gorge Community College for the distribution of \$75,000 to the college. The motion carried unanimously, Spatz abstaining.

General Ordinance No. 14-1335 Amending Sections 2, 9, and 11 Through 19 and Repealing Section 10 of General Ordinance No. 06-1266 Concerning Systems Development Charges

Mayor Lawrence said it seemed premature to start making amendments on SDC's. He said it would be better to delay this matter until the Council had an opportunity to discuss the residential infill recommendations and concepts on June 30.

City Manager Young said action could be delayed, but suggested the Council have a preliminary discussion so staff could address any concerns.

Councilor Spatz said he had concerns about removing a tool for economic development that could harm the City. He asked for more analysis by staff.

City Manager Young said there was a balance between recruiting business and affordability to expand infrastructure. He suggested considering a cap on the job incentives, so the business could receive a discount but the City could still receive funds for building of infrastructure.

Mayor Lawrence said he would like additional information on the overall scope of the incentives, what the value of the deferral program had been, a discussion regarding who would be responsible for the collections, and what the standards were. Lawrence said it seemed like it would be better to have the Finance Department responsible for collections instead of the Planning Director. He suggested discussing as part of the overall infill discussion.

City Manager Young said the infill discussion was related to residential development and the SDC issue was related to commercial and industrial development. He said the Planning Department was more involved in development and would have a better handle on when to collect the SDC's. Mayor Lawrence said he disagreed with the Planning Department being responsible for installment payments.

MINUTES (Continued)  
Regular Council Meeting  
June 9, 2014  
Page 8

Resolution No. 14-016 Approving The Dalles/Wasco County Enterprise Zone III be Designated for Electronic Commerce

Economic Development Specialist Durow reviewed the staff report. Letters of support were handed out from the Mid Columbia Economic Development District, Columbia Gorge Community College and Northern Wasco County PUD. In response to a question, Durow said the Legislature had decided to only apply the E-Commerce designation to the three to five year program, and not the seven to 15 year program.

Councilor McGlothlin asked what the benefits of the designation were.

Durow said it was an investment tax credit with the State. He said one example of a business that would benefit was a call center type business.

Mayor Lawrence said it would be one more tool to draw business to the community.

It was moved by McGlothlin and seconded by Spatz to adopt Resolution No. 14-016 approving The Dalles/Wasco County Enterprise Zone III be designated for electronic commerce. The motion carried unanimously.

Approval of Annual Insurance Renewals for Property, Liability, Auto and Worker's Compensation

Mike Lipky from Oregon Trail Insurance presented the information. It was noted the overall increase would be 18.2%. It was further noted that CIS would be requiring additional involvement by the City Council for risk management, which would be in the form of a Power Point presentation.

In response to a question, staff noted the Airport was under a separate policy.

Mayor Lawrence expressed concern regarding the worker's compensation. He said the increases and the statistics for the City were alarming. He asked what types of programs were in place to reach a better safety record. Lawrence noted in the past 10 years, the rates had gone from approximately \$94,000 per year to \$208,000 per year.

City Manager Young recommended adding the issue as a discussion item on a future Council agenda.

It was moved by Wood and seconded by Miller to approve the renewal of the City's property, liability, auto, and worker's compensation insurance coverage as presented. The motion carried

unanimously.

Approval of Amendment No. 7 to Operations Management International (OMI) Agreement for Operation of the Wastewater Treatment Plant for Fiscal Year 2014-15

Public Works Director Dave Anderson reviewed the staff report.

It was moved by Miller and seconded by Wood to approve the contract amendment and authorize the City Manager to sign Amendment No. 7 to the Operations Management International (OMI) agreement in amount not to exceed \$907,991.00. The motion carried unanimously.

**DISCUSSION ITEMS**

Discussion Regarding Proposed Wasco County Road Maintenance District

City Manager Young reviewed the staff report. Wasco County Commissioner Steve Kramer, Administrator Tyler Stone, and staff member Arthur Smith were in attendance to provide information and answer questions. They provided handouts and described how the Wasco County Road Service District could be phased in over a period of five years to help ease the burden of property tax compression on all the taxing entities and allow time for the economy to rebound. Tyler Stone said the County and City needed a shared solution and he hoped the City would make a decision to opt into the County's proposed Road Maintenance District.

Mayor Lawrence said he couldn't support the proposal because of the huge financial impact to the Fire District. Councilors Miller and McGlothlin agreed with the Mayor's statement.

Councilor Dick said he recalled an option discussed at the recent meeting between the City and County where the City could opt in at a later time.

There was a discussion regarding the possibility of an operating levy. It was noted that with compression, the temporary rate or levy would be impacted first and the result would be that no funds were available from the levy.

Councilor Dick said an increase in the fuel tax would help the City to fund their maintenance needs.

There was discussion regarding whether funds from the road district could be used for any other purposes. It was stated the funds could only be used for maintenance and construction of roads.

It was moved by Spatz and seconded by Wood to opt the City into the Wasco County Road

District.

Councilor Spatz said this action would allow the voters to make a decision on how to provide the funding for street maintenance.

Councilor Dick said the staff recommendation was to propose a local fuel tax increase. There was discussion regarding having competing measures on the same ballot. City Manager Young said if the City opted out of the district, County voters would only be voting on the district and City voters would only be voting on the fuel tax issue.

The motion to opt the City into the Wasco County Road District was voted on and failed: voting yes, Spatz; voting no, Wood, Dick, McGlothlin, Miller.

It was moved by Wood and seconded by Spatz to opt the City into the Wasco County Road District with a five year phase-in approach. The motion failed: voting yes, Wood; voting no, Spatz, Dick, McGlothlin, Miller.

It was moved by Dick and seconded by Spatz to opt out of the proposed Wasco County Road District and direct staff to bring back a potential fuel tax ballot measure to the Council for further consideration. The motion carried unanimously.

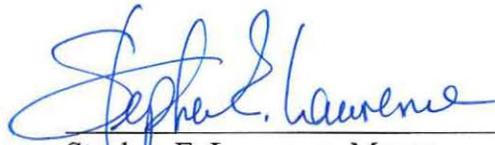
**ADJOURNMENT**

Being no further business, the meeting adjourned at 8:03 p.m.

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Submitted by/  
Julie Krueger, MMC  
City Clerk

SIGNED:

  
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Stephen E. Lawrence, Mayor

ATTEST:

  
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Julie Krueger, MMC, City Clerk