



City of Tigard

Tigard City Council Meeting Minutes

June 12, 2012

Council President Buehner called the meeting to order at 6:30 p.m.

<u>Name</u>	<u>Present</u>	<u>Absent</u>
Mayor Dirksen		✓
Council President Buehner	✓	
Councilor Henderson	✓	
Councilor Wilson	✓	
Councilor Woodard	✓	

- STUDY SESSION

Track 1

A. Briefing on an Intergovernmental Agreement (IGA) with Oregon Department of Transportation (ODOT) Regarding Main Street Gateways and Fanno Creek Trail

Engineering Manager McMillan presented information on the IGA with ODOT to the City Council. Discussion of key elements of the IGA included:

- Establishment of a gateway, similar to the one constructed on Burnham Street.
- Improvement of a segment of trail from Main Street, near the bicycle shop under the viaduct. ODOT will want to city to take care of maintenance. Lighting will be part of the improvements as well as clean-up – for a safer area and make it nicer for pedestrians and bicyclists.
- In response to a question from Councilor Henderson, Engineering Manager McMillan noted that the proposed IGA packages several efforts for agreement within the downtown/Main Street location.
- In response to a question from Councilor Woodard, Engineering Manager McMillan advised that the lighting will be hardwired. She reviewed some of the factors considered when determining what the lighting will look like.
- Councilor Wilson asked about the bicycle property and Engineering Manager McMillan advised this is ODOT's property (easement). There was discussion about a person who lives in the area with concerns about safety perceptions. Engineering Manager McMillan said this is something to be addressed and suggested discussion

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be scheduled at a later time. City Manager Wine commented that this is a non-transportation related matter and could be pursued on a different track. Engineering Manager McMillan confirmed that landscaping for this area is not contained within the IGA; however, work is being done with environmental associates to obtain permits for work to be done in the area. Councilor Wilson commented that the existing thickly treed area would benefit from some clean-up work.

- Councilor Wilson suggested that the bridge railing be cleaned up and refurbished. Engineering Manager McMillan said there is money identified in the Capital Improvement Program to address bridge clean up after the project is completed on Main Street.

Track 2

B. Briefing on the Proposed Intergovernmental Agreement with Clean Water Services to Develop a Plan District for the Durham Wastewater Treatment Facility

Associate Planner Floyd reviewed the staff report for this item. The Intergovernmental Agreement (IGA) with Clean Water Services (CWS) would establish a roadmap to develop a plan district for the wastewater treatment plant area in the City of Tigard. Currently, the plant is within several zoning districts and the current zoning does not allow the plant as a land use.

Highlights of the IGA:

- States the purpose of the district.
- Spells out the goals and roles for each party.
- Establishes that city staff will take the lead in writing the new regulations with input from CWS staff.
- Establishes that CWS will take the lead on public outreach for this project.
- Sets a reimbursement schedule for CWS to reimburse the city for costs associated with this project, with a not-to-exceed-amount of approximately \$26,500.
- Provides an “aspirational” timeline, with the plan to have this matter before the City Council before the end of the year.
- States there is no guarantee on the outcome for this project.

The proposed IGA is a separate agreement from other IGA’s with CWS. The IGA will terminate at the end of the project.

Associate Planner Floyd reported that CWS staff has been eager to work with Tigard staff toward a positive solution.

Council President Buehner suggested to a CWS official at a recent tour of the plant, that there be a separate outreach with their immediate neighbors; i.e., the school district.

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City Manager Wine commented that the IGA creates the framework by which future permitting and other processes can follow. The specific outreach that will take place relates to each planned expansion of the plant. The city and CWS staff will be working closely together.

In response to a question from Councilor Woodard, Associate Planner Floyd described the function of a plan district, which is applied to a geographic area and specifies how it interfaces with the surrounding land uses.

The IGA is on the City Council Consent Agenda for City Council consideration during the business meeting later tonight.

Track 3

City Manager Wine reported on a citizen communications topic regarding a request for the council to consider a social gaming ordinance. Staff is researching the questions council asked and this topic will be scheduled for a future workshop meeting discussion.

City Manager Wine called the council's attention to the following administrative items and shared some of the topics scheduled for council's review in the near future.

C. Administrative Items

- City Council received a copy of an email from Justin Wood of the Home Builders Association of Metro Portland presenting testimony relating to Agenda Item No. 4, Informational Public Hearing: Consider a Resolution Adopting Park System Development Charge (SDC) Methodology.
- Supplemental Packet Information for Business Meeting Agenda Items (Finance Director LaFrance will refer to and explain these handouts during the business meeting):
 - Updates to Master Fees and Charges Schedule, Pages 22 and 26 (Agenda Item No. 10)
 - Technical Adjustments 1-4 to the 2012-13 Adopted Budget (Agenda Item No. 12)
 - June 7, 2012 Memorandum (sent in the June 8 Council Newsletter) from Sr. Management Analyst Collins Regarding Technical Adjustment #4
- Council/City Center Development Agency (CCDA) Calendar
 - June 19 - Workshop Meeting - Canceled
 - June 26 - Business Meeting - 6:30 p.m. Study Session/7:30 p.m. Business Meeting
 - July - Beginning of City Hall offices open 8 a.m. to 6 p.m., Monday through Thursday; closed on Fridays. The Library will be closed on Thursdays. Assistant City Manager Newton described the various ways the changes to hours are being distributed to the public.

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- o July 3 - CCDA Meeting - 6:30 p.m.
- o July 4 - 4th of July Holiday - City Offices Closed
- o July 10 - Business Meeting - 6:30 p.m. Study Session/7:30 p.m. Business Meeting
- o July 17 - Workshop Meeting - 6:30 p.m.
- o July 24 - Business Meeting - 6:30 p.m. Study Session/7:30 p.m. Business Meeting
- o August 7 - CCDA Meeting Canceled - National Night Out

Track 4

- Councilor Wilson said he does not want to remove Consent Agenda Item C for separate consideration (Receive and File the 2011 Annual Solid Waste Financial Report), but asked that he be sent a copy of the report. Councilor Wilson said he would like to see the services offered by the solid waste haulers. He said he was interested in learning why certain services, such as drop boxes, are exclusive to the franchised solid waste haulers and suggested services not required to be franchised be open to competition. He suspects that the haulers are not as accountable as they could be and would like to determine if there are areas that could be tightened up. City Manager Wine advised background information would be supplied to the council members for a future discussion.

City Manager Wine said she understands that next year the franchise haulers will likely be over the profit-margin threshold whereby council review of a solid waste rate adjustment will be triggered.

There was brief discussion on Agenda No. 11 to amend the City Manager’s employment agreement. The agreement is reviewed annually. In the City Manager’s proposed 2012-13 budget, she submitted a reduction in her base salary. Agenda Item No. 11 presents a contract addendum for council consideration. Council President Buehner thanked City Manager Wine for her willingness to “step up.”

Study Session concluded at 7:02 p.m.

- EXECUTIVE SESSION: No Executive Session was held.

1. BUSINESS MEETING

- A. Council President Buehner called the meeting to order at 7:31 p.m.
- B. Roll Call

<u>Name</u>	<u>Present</u>	<u>Absent</u>
Mayor Dirksen		*✓
Council President Buehner	✓	
Councilor Henderson	✓	
Councilor Wilson	✓	
Councilor Woodard	✓	

*Mayor Dirksen was present via telephone conference call connection for Agenda Item Nos. 8-13.

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- C. Pledge of Allegiance
- D. Council Communications & Liaison Reports:

Council President Buehner presented a report during Agenda Item No. 14.



Councilor Woodard report on Park and Recreation Advisory Board:

- The Tigard Rotary wants to make a contribution by installing a piece of fitness equipment on the Fanno Creek Trail near the vicinity of Main Street. (Target date: May 2013 for a decision and installation by May 2014, which is the Rotary's 50th anniversary.)
- PRAB is reviewing developmental and conceptual design costs for the acquired park properties.

Councilor Woodard report on Metropolitan Area Communications Commission:

- The City of Tigard will be receiving \$71,786 on July 1, 2012. The outlook for revenue looks promising with a \$300,000 increase in revenues predicted for the year. Capital costs are down, so this will mean additional dollars will be shared with participating jurisdictions.
- MACC will be reviewing the Intergovernmental Agreement with Comcast. The preface to those discussions will occur in 2013. The plan is to have the agreement finalized in 2014.
- Comcast has hired additional employees for their facility in Beaverton.
- PCN grants are available from MACC and the City of Tigard might be able to apply and receive a grant.

Councilor Woodard said at the June 26, City Council meeting, he would give a report on a session he recently attended on economic development.

- E. Call to Council and Staff for Non-Agenda Item: None



2. CITIZEN COMMUNICATION

- A. Follow-up to Previous Citizen Communication: None.



- B. Tigard Area Chamber of Commerce - Report from Chamber Chief Executive Officer Debi Mollahan. A copy of the highlights of her report on filed in the meeting packet.



- C. Citizen Communication (Sign-Up Sheet) – None.

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Council President Buehner reviewed the items listed on the Consent Agenda:

3. CONSENT AGENDA: (Tigard City Council and Local Contract Review Board)

A. Approve City Council Meeting Minutes for:

- 1. April 24, 2012
- 2. May 8, 2012

B. Receive and File:

- 1. Council Calendar
- 2. Tentative Agenda

C. Receive and File: 2011 Annual Solid Waste Financial Report

D. Local Contract Review Board:

- 1. Award Contract for Services Related to the Printing and Mailing of the City's Monthly Cityscape Newsletter to Precision Graphics
- 2. Authorize the Mayor to Execute an Intergovernmental Agreement with the Oregon Department of Transportation Regarding the Construction and Maintenance of Main Street Gateways and Fanno Creek Trail
- 3. Authorize City Manager to Execute Intergovernmental Agreement with Clean Water Services to Jointly Prepare and Propose a Plan District Designation for Clean Water Services Property Occupied by Durham Advanced Wastewater Treatment Facility

RESOLUTION NO. 12-17 - A RESOLUTION OF THE CITY COUNCIL APPROVING AN AGREEMENT WITH CLEAN WATER SERVICES TO ESTABLISH A CITY PLAN DISTRICT ASSOCIATED WITH THE DURHAM ADVANCED WASTEWATER TREATMENT FACILITIES

Motion by Councilor Wilson, seconded by Councilor Woodard, to approve the Consent Agenda.

The motion was approved by a unanimous vote of City Council present.

Council President Buehner	Yes
Councilor Henderson	Yes
Councilor Wilson	Yes
Councilor Woodard	Yes

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4. INFORMATIONAL PUBLIC HEARING: CONSIDER A RESOLUTION ADOPTING PARK SYSTEM DEVELOPMENT CHARGE (SDC) METHODOLOGY

- Council President Buehner opened the public hearing.
-  Parks Facilities Manager Martin presented the staff report. Also present was John Ghirlarducci of FCS Group, the consulting firm hired to assist with the update to the park SDC methodology. Key points presented are included in the staff report on file in the meeting packet.
- Council questions:
 - Councilor Wilson asked if the timing of the phase-in of park SDC increases. Parks Facilities Manager Martin clarified the phase-in is in two steps. The first half of the increase will be July 1, 2012; the second half of the increase will be July 1, 2013.
 - Councilor Woodard asked about the timing for the next review of the Parks Master Plan. The Plan is reviewed every 5-10 years – a 10-year review is typical if there has not been a lot of activity. There was discussion on the basis for the SDC methodology, which relied on data contained in the Parks Master Plan completed in July 2009 and the Trails Master Plan completed in July 2011. If it seems as if the demographics have changed substantially, Parks Facilities Manager Martin said it might be more appropriate for up update to the Master Plan sooner (closer to the 5-year range rather than the 10-year range). Once the acquisitions and development are nearly complete with the bond measure, it might be appropriate to consider another review of the Master Plan.
 - Councilor Henderson asked for additional information on the bond measure adjustments. Mr. Ghirlarducci responded that conceptually they are attempting to account for the fact that the bond measure will pay for a lot of the same projects that are contained in the Master Plan. The bond funding is deducted from the SDC basis so people are not double charged.  The result is a reduction in the SDC, because a portion of the project costs are paid through the bond and if those costs were left in the SDC, then people would be paying debt service in the bond payments and again with the SDC fee.
-  Public Testimony: None
-  Staff Recommendation – Parks Facilities Manager Martin recommended that the council adopt the proposed resolution adopting the parks system development charges methodology
-  Council President Buehner closed the public hearing.
-  Council President Buehner called for any further City Council questions.

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- In response to a question from Councilor Henderson, Mr. Ghirlarducci explained that when a developer constructs a project that appears on the list in the master plan, the city is required to give the developer a credit for the oversizing portion of the park system facility. Councilor Henderson gave an example of where there was at one time a Boston Market business in the city and within a few years, the building was torn down and replaced with a Walgreens – both businesses probably paid SDC’s. Councilor Henderson asked if there was a credit given to the Boston Market? Mr. Ghirlarducci said typically when a business is replaced with another entirely different business (bigger impact to the park system), the SDC charge is calculated to be an incremental increase. The new business would not pay for what the previous business has already paid for. However, this does not apply similarly to single family residences.
- Councilor Henderson asked if the credit runs with the property or the owner. Mr. Ghirlarducci said the credit, in the case of a developer constructing a facility, is a local choice. The law states the minimum requirements and the city must credit the developer who constructs the facility and, from there, credit policies can differ from city to city. Parks Facilities Manager Martin said he could provide additional information on the city’s policy to the council.
-  Council consideration:

Motion by Councilor Woodard, seconded by Councilor Wilson, to adopt Resolution No. 12-18.

RESOLUTION NO. 12-18 - A RESOLUTION ADOPTING PARK SYSTEM DEVELOPMENT CHARGE (SDC) METHODOLOGY

The motion was approved by a unanimous vote of City Council present.

Council President Buehner	Yes
Councilor Henderson	Yes
Councilor Wilson	Yes
Councilor Woodard	Yes



5. PUBLIC COMMENT ITEM: CONSIDER AN ORDINANCE AMENDING TIGARD MUNICIPAL CODE CHAPTER 15.06.100 TO CLARIFY PAYMENT SCHEDULES AND INCREASE ELECTRIC FRANCHISE FEE 1.5 PERCENT

-  Council President Buehner opened the public hearing.
- Assistant to the City Manager Mills presented the staff report. Also present were Pam Beery, Special Counsel to the City of Tigard for franchise matters, and Mark Fryburg, Governmental Affairs Representative for Portland General Electric (PGE).

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- This is the first of a series of council action items prior to consideration of adoption of the city's budget for FY 2012-13.
 - The Budget Committee has made a recommendation to the City Council that there be an increase to the PGE franchise fee of 1.5 percent. PGE is the only electric franchise in the city. Currently, the fee is 3.5 percent.
 - Tigard Municipal Code Chapter 15.06 is the city's franchise utility ordinance and sets the rules and the right-of-way usage fees for all franchise utilities.
 - The proposed ordinance was reviewed.
 - The proposed 1.5 percent franchise fee increase is anticipated to provide an additional \$710,000 per fiscal year in general fund revenues. Since the fee will not be implemented until after the fiscal year begins, the amount to be received in FY13 is estimated to be no less than \$174,000.
 - The average residential bill each year is approximately \$88 per month; the tax proposed will amount to about \$1.32 per month per dwelling unit.
- Council questions/comments:
 - Councilor Henderson noted this topic has been discussed previously by the City Council and said he was in favor of the proposal to increase the franchise fee as proposed. He said he would like to hear opinions from others and acknowledged that this is an added tax.
 - Councilor Wilson asked whether the City Council vote this evening would implement the increase or if there were negotiations that still needed to occur with PGE. Assistant to the City Manager Mills advised the city has the authority to increase the franchise fee and has had this authority since 1993. The city can notify PGE of the increase with enough advance notice so they can add the additional fee within their billing cycle. The city is in the process of negotiating a new franchise ordinance with PGE; the current franchise expires in February 2013. The new agreement does not affect the proposal before the City Council this evening.
 - Councilor Woodard commented that he thinks the privilege tax is reasonable and will help the city move through this fiscal year.
 - Councilor Henderson commented that he would like to see continued analysis of the amount collected and requested an update in six months. Assistant to the City Manager Mills advised she would provide a six-month update in the council mail packet.
 - Mr. Mark Fryburg of PGE responded to a question from Council President Buehner. The average of \$88 per month per dwelling unit is the "energy charge," which is the electricity purchased. The \$88 figure is a close representation of the average residential customer charge.
 - In response to an observation by Councilor Woodard, Assistant to the City Manager Mills advised there is some fluctuation in the franchise fees. Overall the franchise fee revenue continues to grow.
 - Special Counsel Beery explained that the franchise negotiations will not address the percentage amount. By law, the city has the authority to impose the privilege tax. PGE is not opposed to the increased fee proposal. Staff, special counsel and PGE representatives are working on other terms and conditions of the company's use of

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the city's rights of way and contractual matters; i.e., insurance, notification of digging, relocation, etc. She advised there is another ordinance that will be considered by council this evening and both require approval to implement the charge.

- Staff Recommendation  - Assistant to the City Manager Mills recommended the City Council approve the proposed ordinance
-  Council President Buehner closed the public hearing.
-  Council discussion:
 - Councilor Wilson described the context for this proposed tax increase. The proposal to increase this fee came from the city's budget sessions. Some large budget cuts were needed. This fee increase was the result of the city's desire to restore two police officer positions that were cut; restoration of these positions would provide more overlap between shifts of the officers. The fee will also provide for a few other items in the budget, which the Budget Committee decided it would like to restore. He said he hoped residents would perceive this as a small increase with a modest impact to the average resident.
 - Councilor Henderson added that restoration of some of the youth services would also be possible with this increase; i.e., Peer Court and DARE program.
 - Councilor Woodard noted the city is attempting to find creative ways to bring resources together and to create a hub of a city recreation program.
 - Council President Buehner said that even with this additional revenue, the city had to cut several police positions and DARE summer camp support. Positions were cut throughout the city organization; difficult decisions were made.



- Council Consideration - Ordinance No. 12-04

Motion by Councilor Wilson, seconded by Councilor Woodard, to adopt Ordinance No. 12-04.

ORDINANCE NO. 12-04 - AN ORDINANCE AMENDING THE TIGARD MUNICIPAL CODE SECTION 15.06.100 TO CLARIFY THE PAYMENT SCHEDULE APPLICABLE TO THE RIGHT-OF-WAY USAGE FEE, AND TO INCREASE THE FEE APPLICABLE TO ELECTRIC UTILITIES OPERATING IN THE CITY

The motion was approved by a unanimous vote of City Council present.

Mayor Dirksen	Absent
Council President Buehner	Yes
Councilor Henderson	Yes
Councilor Wilson	Yes
Councilor Woodard	Yes

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6. PUBLIC COMMENT ITEM: CONSIDER AN ORDINANCE AMENDING PGE FRANCHISE ORDINANCE TO RECOGNIZE IMPLEMENTATION OF 1.5 PERCENT FRANCHISE FEE INCREASE

- Assistant to the City Manager Mills presented the staff report. Also present were Pam Beery, Special Counsel to the City of Tigard for franchise matters, and Mark Fryburg, Governmental Affairs Representative for Portland General Electric (PGE).
 - With the adoption of Ordinance No. 12-04, the Tigard Municipal Code will be amended to put in place a five percent franchise fee for electrical utilities.
 - The proposed ordinance for this agenda item will implement the increased franchise fee with PGE.
 - PGE is the only electrical franchise holder for PGE.
 - The City of Tigard and PGE have had a franchise relationship since 1962. The city has received great service and PGE has worked well with the city to make sure any work done in the city right of way is done well.
 - The impact will be receipt of no less than \$174,000 in the FY2013 budget.
 - If the City Council adopts the proposed ordinance, PGE anticipates that collection would begin in mid-September.
 - The proposal is the result of a recommendation of the Budget Committee.

-  Council President Buehner opened the floor to accept public comments. There were none.

- Assistant to the City Manager Mills recommended council adopt the proposed ordinance.

-  Council President Buehner asked if there was any member on council who wished to discuss this matter. There was no discussion.

- Council Consideration - Ordinance No. 12-05

Motion by Councilor Wilson, seconded by Councilor Henderson, to adopt Ordinance No. 12-05.

ORDINANCE NO. 12-05 - AN ORDINANCE IMPOSING A PRIVILEGE TAX ON PORTLAND GENERAL ELECTRIC COMPANY FOR USE OF CITY RIGHTS OF WAY IN THE PROVISION OF ELECTRIC SERVICE

The motion was approved by a unanimous vote of City Council present.

Mayor Dirksen	Absent
Council President Buehner	Yes
Councilor Henderson	Yes
Councilor Wilson	Yes
Councilor Woodard	Yes

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7. CONSIDER A RESOLUTION ENDORSING THE SUBMITTAL OF A TRANSPORTATION AND GROWTH MANAGEMENT (TGM) GRANT APPLICATION FOR DEVELOPMENT OF A TIGARD TRIANGLE AREA PLAN

- Assistant Community Development Director Hartnett presented the staff report.
 - Council is being asked to consider a proposed resolution to submit a Transportation and Growth Management grant.
 - A pre-application was submitted to Oregon Department of Transportation (ODOT) and ODOT staff encouraged staff to follow through with a full application.
 - A requirement for a full application is for either a council resolution of endorsement or a letter from the city manager.
 - The grant funds, if approved, would be applied to the development of a Tigard Triangle Area Plan. Assistant Community Development Director Hartnett described the key elements.

- Council/Staff Discussion
 - In response to a question from Councilor Henderson, Assistant Community Development Director Hartnett advised there have been three efforts to develop a Tigard Triangle Plan, the first being in the 1970's. Conclusions reached in those efforts were supported with varying degrees of comprehensiveness. There is a general sense by the Planning Commission, City Council and staff that the three plans have had limited success in creating the kind of development and activity in the Triangle that has been envisioned.
 - Councilor Henderson asked for additional detail on what the grant funds would be used for. Assistant Community Development Director Hartnett said staff would step back to look at the existing conditions and why the past plans are not working. Next, an effort would be made to identify the elements that would be supportive of a high capacity transit station; i.e., a street connectivity plan to improve pedestrian and bicycle access within the Triangle. The planning effort would likely include a fairly significant market analysis to understand what "niche" can be filled in the Triangle.
 - Assistant Community Development Director Hartnett referred to recent changes in the Transportation Planning Rule (TPR) and changes in Metro's Title 6 for Town Centers. She advised that about two years ago, the City Council voted to expand the Town Center boundaries to include the Tigard Triangle. This expansion has not been completed under Metro's rules and includes a set of comprehensive steps – this would be part of what would be accomplished if the city was awarded the grant.
 - The work on the Plan would create new opportunities for the Triangle.
 - Councilor Wilson was pleased and somewhat surprised that ODOT officials are encouraging this process. Assistant Community Development Director Hartnett said the city would be the recipient of the grant and noted the importance in how the scope of work is written up in the grant application. She confirmed for Councilor Wilson that once the scope of work is established, the city would be free to administer the process.

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-  In response to a question from Councilor Woodard, Assistant Community Development Director Hartnett advised that the Transportation Planning Rule (TPR) is embodied in the Oregon Revised Statutes and makes the link between land use and transportation. The Oregon Highway Plan (OHP) is ODOT's document outlining how they manage state highways. The TPR and the OHP need to coordinate. Recent efforts have been made to resolve the conflicts between the two documents.
 - During discussion on the TPR, Assistant Community Development Director Hartnett advised that the Tigard Triangle was the example site likely to be eligible for the first MMA (mixed-use, multi-modal area) as a result of the revised TPR.
 - In response to a question from Council President Buehner about the application process, the pre-application for the TGM grant has been well received by ODOT.
- Council Consideration - Resolution No. 12-19

Motion by Councilor Woodard, seconded by Councilor Wilson, to adopt Resolution No. 12-19.

RESOLUTION NO. 12-19 - A RESOLUTION SUPPORTING A TRANSPORTATION AND GROWTH MANAGEMENT GRANT APPLICATION FOR THE TIGARD TRIANGLE AREA MASTER PLAN

The motion was approved by a unanimous vote of City Council present.

Mayor Dirksen	Absent
Council President Buehner	Yes
Councilor Henderson	Yes
Councilor Wilson	Yes
Councilor Woodard	Yes

Mayor Dirksen joined the meeting via speaker telephone connection and participated in Agenda Item Nos. 8-13.

Finance and Information Services Department Director LaFrance gave an overview of the budget process during the staff report portion of Agenda Item No. 8.



8. PUBLIC HEARING - CONSIDER A RESOLUTION CERTIFYING THAT THE CITY OF TIGARD PROVIDES SERVICES QUALIFYING FOR STATE-SHARED REVENUES

- Council President Buehner opened the public hearing.

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- Finance and Information Services Department Director LaFrance presented information on the budget process.
 - Reviewed the process that began ten months ago involving council, staff, and a number of the city’s citizen committees. The information received during the input time period was used to create a proposed budget submitted to the Budget Committee.
 - The Budget Committee held four public meetings. A great deal of discussion occurred and significant changes were made to the budget that is now before the City Council.
 - The proposed budget has a number of reductions in services, which are needed because of the state of the city’s finances – affected by the current economy.
 - There are 29 funds. One of these funds is the General Fund, which was the fund most discussed because most of the services are supported by this fund. The remaining 28 funds are dedicated funds where the revenue received is expended for a specific purpose.
 - Property taxes and franchise fees are deposited to the General Fund. Revenues for this fund have been growing at a reduced rate – about 2 percent annually and expenditures grow about 4 percent annually. Reductions were made two years ago with the hope that economic recovery would be underway by now. The recovery has not come; in fact, the economy has “reset.” The theme for this budget is to propose one that is sustainable and should be adequate for at least three to five years.
 - The proposed budget is not only sustainable, but maintains core city services:
 - The library will be open six days a week.
 - By changing the scheduling in the police department, a reduction in staff will mean 28 hours of coverage (24 hours a day with four hours of overlap).
 - Services at the City Hall will be offered four days a week, Monday – Thursday, from 8 a.m. to 6 p.m.
 - The proposed budget is predicated on management’s ability to spend about 95 percent of the budget – as the budget represents the maximum amount the city can spend.
 - The proposed budget is sustainable because of the ending fund balance. The city’s fiscal year is from July to June. Property taxes are received at the end of November. Enough money needs to be in the city’s savings account at the beginning of the fiscal year (July 1) so the city can pay all of its bills, make payroll, and provide services until the revenue is collected for the property taxes. Therefore, the city needs approximately 22 percent of its annual budget in savings at the beginning of the fiscal year.
 - One of the city’s challenges will be to attempt to build up the fund balance to a higher level so there is not an inherent 5 percent reduction required from day one.
 -  Four years ago, the General Fund balance was over \$10 million. Within the next five years, even with the franchise fee that was just adopted, there will be no point where the ending fund balance of the General Fund is forecasted to be more than \$8 million.
 -  The city is facing service level demands in the way of maintaining recently acquired parks. Facilities require ongoing maintenance along with other services and priorities the city has identified. City officials are going through the process of coming up with some potential solutions in a long-term strategic financial plan. When completed, the plan could provide options identifying how to offer and fund additional services.

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-  As the Mayor called for in his January 2012 State of the City Address, there is a plan to bring together citizens to have a discussion about what services are needed and how we would spend our next public dollars.
- Finance and Information Services Department Director LaFrance specifically addressed agenda Item No. 8. The proposed resolution before the City Council is required by the state. The state shares the revenue it collects for cigarette, gas, and liquor taxes. The city is required to hold a public meeting and adopt the resolution stating that the city would like to use these revenues. For the upcoming fiscal year, this revenue will amount to more than \$800,000 for the General Fund and \$2.8 million for the gas tax fund. To receive this money, the city needs to provide at least four of seven public services listed by the state. The city provides six of these services – the only one not provided by the city is fire protection service.
- Public Testimony: None.
- Staff Recommendation – Staff recommended approval of the proposed resolution.
- Council Discussion

Councilor Henderson asked for clarification on the terms, “state-shared revenues.” These revenues are passed through from the state to the county to the city. Finance and Information Services Department Director LaFrance added that these revenues are based on population.

- Council President Buehner closed the public hearing. 
- Council Consideration - Resolution No. 12-20

 Motion by Councilor Wilson, seconded by Councilor Woodard, to approve Resolution No. 12-20.

RESOLUTION NO 12-20 - A RESOLUTION CERTIFYING THAT THE CITY OF TIGARD PROVIDES SERVICES QUALIFYING FOR STATE SHARED REVENUES

The motion was approved by a unanimous vote of City Council present.

Mayor Dirksen	Yes
Council President Buehner	Yes
Councilor Henderson	Yes
Councilor Wilson	Yes
Councilor Woodard	Yes

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9. PUBLIC HEARING - CONSIDER A RESOLUTION DECLARING THE CITY OF TIGARD'S ELECTION TO RECEIVE STATE REVENUE SHARING

- Council President Buehner opened the public hearing.
- Finance and Information Services Department Director LaFrance advised the procedure for this matter is covered in an Oregon Revised Statute. This is another portion of the liquor tax that is distributed to the city based upon population.
- Public Testimony: None.
- Finance and Information Services Department Director LaFrance said staff recommend approval of the proposed resolution.
- Council Discussion
- Close Public Hearing - Council President Buehner
- Council Consideration - Resolution No. 12-21

Motion by Councilor Wilson, seconded by Councilor Henderson, to approve Resolution No. 12-21.

RESOLUTION NO. 12-21 - A RESOLUTION DECLARING THE CITY'S ELECTION TO RECEIVE STATE REVENUE SHARING

The motion was approved by a unanimous vote of City Council present.

Mayor Dirksen	Yes
Council President Buehner	Yes
Councilor Henderson	Yes
Councilor Wilson	Yes
Councilor Woodard	Yes



10. CONSIDER A RESOLUTION ADOPTING THE CITYWIDE MASTER FEES AND CHARGES SCHEDULE REPLACING RESOLUTION NO. 11-22 AND ALL SUBSEQUENT AMENDMENTS TO DATE

- Finance and Information Services Department Director LaFrance presented the staff report. The Tigard Municipal Code provides that the city needs to adopt fees and charges each year. The proposed resolution contains the list of the master fees and charges listing the fees/charges the City Council has approved as well as fees charged/collected on behalf of other jurisdictions.
- Finance and Information Services Department Director LaFrance reported City Council received earlier this evening two pages to replace Page No. 22 and No. 28 in the proposed scheduled attached to the resolution. Since the council packet material was published, the Clean Water Services Board approved their fees and charges, and the two replacement pages reflect these recently approved fees.

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- Council Consideration - Resolution No. 12-22
- Motion by Councilor Woodard, seconded by Councilor Wilson, to approve Resolution No. 2-22.

RESOLUTION NO. 12-22 - A RESOLUTION ADOPTING THE CITYWIDE MASTER FEES AND CHARGES SCHEDULE WHICH REPLACES RESOLUTION NO 11-22 AND ALL SUBSEQUENT AMENDMENTS TO DATE (as amended)

The motion was approved by a unanimous vote of City Council present.

Mayor Dirksen	Yes
Council President Buehner	Yes
Councilor Henderson	Yes
Councilor Wilson	Yes
Councilor Woodard	Yes

11. CONSIDER A MOTION AMENDING THE CITY MANAGER EMPLOYMENT AGREEMENT

-  City Manager Wine summarized this agenda item. The proposed 2012-13 budget included a salary reduction for the City Manager. This recommendation would amend the City Manager’s employment agreement to reflect this salary change via contract addendum from \$140,000 to \$130,000 a year.
- All councilors present commented on the proposal indicating their appreciation for the City Manager’s commitment to the city and leadership role through example.
-  Motion by Councilor Henderson, seconded by Councilor Woodard, to amend the City Manager’s contract as proposed

The motion was approved by a unanimous vote of City Council present.

Mayor Dirksen	Yes
Council President Buehner	Yes
Councilor Henderson	Yes
Councilor Wilson	Yes
Councilor Woodard	Yes

 12. PUBLIC HEARING - CONSIDER A RESOLUTION ADOPTING THE CITY OF TIGARD FISCAL YEAR 2012-2013 BUDGET, MAKING APPROPRIATIONS, DECLARING THE AD VALOREM TAX LEVY, AND CLASSIFYING THE LEVY AS PROVIDED BY ORS 310.060(2)

- Council President Buehner opened the public hearing.

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- Declarations or Challenges: Does any council member wish to declare or discuss a conflict of interest or abstention. There were none.
- Finance and Information Services Department Director LaFrance presented the staff report. Technical adjustments were reviewed as contained on a document entitled Technical Adjustments to the 2012-13 Adopted Budget. This list was distributed to the City Council and Director LaFrance explained proposed Adjustments #1-4. In addition the City Council received an explanatory memorandum regarding Technical Adjustment #4.
-  Public Testimony: There was none.
-  Finance and Information Services Department Director LaFrance recommended approval of the proposed resolution with Technical Adjustments #1-4.
- Council President Buehner closed the public hearing.
- Council Consideration - Resolution No. 12-23

*Motion by Councilor Wilson, seconded by Councilor Woodard, to approve Resolution No. 12-23 with technical adjustments as presented.

RESOLUTION NO. 12-23 - A RESOLUTION OF THE CITY OF TIGARD ADOPTING THE APPROVED BUDGET, WITH ADJUSTMENTS, MAKING APPROPRIATIONS, DECLARING THE AD VALOREM TAX LEVY, AND CLASSIFYING THE LEVY AS PROVIDED BY ORS 310.060(2) FOR FISCAL YEAR 2013

The motion was approved by a unanimous vote of City Council present.

Mayor Dirksen	Yes
Council President Buehner	Yes
Councilor Henderson	Yes
Councilor Wilson	Yes
Councilor Woodard	Yes

The council meeting recessed.

 City Center Development Agency meeting was convened to consider budget adoption for FY 2012-2013.

<u>Name</u>	<u>Present</u>	<u>Absent</u>
Chair Dirksen	✓	
Director Buehner	✓	
Director Henderson	✓	
Director Wilson	✓	
Director Woodard	✓	

*City Recorder's Note: Motion was amended to reflect Councilor Wilson's statement included the words "with technical adjustments as presented." On July 24, 2012, the Tigard City Council adopted the proposed July 10, 2012, meeting minutes with this amendment.

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13. PUBLIC HEARING - CONSIDER A RESOLUTION ADOPTING THE FISCAL YEAR 2012-2013 CITY CENTER DEVELOPMENT AGENCY BUDGET, WITH ADJUSTMENTS, MAKING APPROPRIATIONS, AND IMPOSING AND CATEGORIZING TAXES

- CCDA Director Buehner opened the public hearing.
- CCDA Director Buehner asked if any CCDA board member wished to declare or discuss a conflict of interest or abstention. There were none.
- Finance and Information Services Department Director LaFrance presented a summary of the staff report on the proposed 2012-2013 CCDA Budget.
- Public Testimony: There was none
- Finance and Information Services Department Director LaFrance recommended approval of the proposed resolution.
-  CCDA Director Buehner closed the public hearing.
- CCDA Consideration - Resolution No. 12-01

 Motion by Director Henderson, seconded by Director Wilson, to approve CCDA Resolution No. 12-01.

CCDA RESOLUTION NO. 12-01 - A RESOLUTION ADOPTING THE FISCAL YEAR 2012-2013 BUDGET, WITH ADJUSTMENTS, MAKING APPROPRIATIONS, AND IMPOSING AND CATEGORIZING TAXES

The motion was approved by a unanimous vote of agency members present.

Chair Dirksen	Yes
Director Buehner	Yes
Director Henderson	Yes
Director Wilson	Yes
Director Woodard	Yes

Mayor/Chair Dirksen, who was attending the meeting via speaker phone left the meeting at 9:28 p.m.

CCDA meeting concluded and the City Council meeting resumed.

14. COUNCIL LIAISON REPORTS

 Council President Buehner presented information on recent activity by the Tax Committee she serves on for the League of Oregon Cities.

- The committee is reviewing a variety of concerns with regard to potential revenue sources for future state taxes.
- Committee discussions included the possibility of rewriting the entire system.
- The committee also considered re-introducing HJR26 allowing voters to approve local option levies outside of compression.

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- Additional committee consideration included extending the life of bond measures past five years.
- Recently, the committee discussed getting rid of the 3 percent discount for payment of property taxes in November. Council President Buehner thanked Finance and Information Services Department Director LaFrance for providing information to the committee regarding how the elimination of the 3 percent discount would impact tax receipts in our jurisdiction. Cities were surveyed and the results were varied based upon whether or not the cities had sufficient reserves to span the time until the taxes are collected. Also discussed was whether to add interest to later payments of taxes due. Effectively, the system allows an interest-free loan for up to six months to taxpayers who do not pay their entire tax amount due in November. These proposals were sent to the LOC governing board.
- The committee discussed how to help cities become more financially competent in handling their budgets. There were a few cities in the state that had problems, primarily because of using dedicated funds counter to provisions of the budget law. LOC will offer a program at the annual conference on “Budgeting 101, which will be designed to help smaller cities.
- The LOC Board supported and adopted the committee’s major recommendations and will be looking at the smaller recommendations and consider adoption.
- Josephine County is no longer financially solvent and Curry County is approaching insolvency. A county must provide three services: provide a jail, an elections office, and a tax assessor’s office. The current revenue for those counties is insufficient to cover those three services and, if a county cannot provide tax assessor services, the service is picked up by the Department of Revenue. The concern is that this could impact state-shared revenue funds for the 2015 legislative session.
- Assistant City Manager Newton advised council will be receiving a memo outlining information about a proposed legislative agenda to consider the League of Oregon Cities priorities and those items the City of Tigard would like to bring forward. Council discussion on the agenda is scheduled for July 10, 2012.
-  Council President Buehner distributed information to the City Council regarding a June 6 Regional Climate Adaptation (Integrating Climate Change into Planning) meeting.
- One of the speakers, Ray Rasker, has a company called Headwaters Economics of Bozeman, MT. This company develops detailed economic analyses based on long-term climate data. They did a study of ten cities throughout the country with different types of climate issues (i.e., hurricanes, droughts, flooding, etc.). The company recommended things to look for in terms of potential threats that typically face a city and to prepare for those threats within the context of the city values. Mr. Rasker also recommended utilizing existing staff and committee resources and to address the threat(s). He suggested that city officials contact other cities who deal with certain problems on a routine basis. Emergency management ordinances should be in place in advance.
- The second speaker was Kathie Dello, a state climatologist from Oregon State University. Council President Buehner distributed the slide presentation by Ms. Dello. The slides depict some of the climate trends in Oregon and Washington since 1920. Average high and low temperatures have trended upward. Given observed and anticipated impacts, Ms. Dello recommended that prudent measures to adapt be taken now.

15. NON AGENDA ITEMS: None.

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16. EXECUTIVE SESSION: Not held.



17. ADJOURNMENT

Motion by Councilor Wilson, seconded by Councilor Woodard, to adjourn the meeting at 9:50 p.m.

The motion was approved by a unanimous vote of City Council present.

Mayor Dirksen	Absent
Council President Buehner	Yes
Councilor Henderson	Yes
Councilor Wilson	Yes
Councilor Woodard	Yes

Catherine Wheatley
 Catherine Wheatley, City Recorder

Attest:

[Signature]

 Mayor, City of Tigard

Date: *July 24, 2012*
