

City of Tigard
 Tigard City Council Meeting Minutes
 November 18, 2014

1. WORKSHOP MEETING 

- A. Mayor Cook called the City Council meeting to order at 6:34 p.m.
- B. Deputy City Recorder Alley called the roll:

| <u>Name</u> | <u>Present</u> | <u>Absent</u> |
|-----------------------------|----------------|---------------|
| Mayor Cook | ✓ | |
| Council President Henderson | ✓ | |
| Councilor Buehner | ✓ | |
| Councilor Snider | ✓ | |
| Councilor Woodard | | ✓ |

- C. Mayor Cook led the Pledge of Allegiance.
- D. Mayor Cook asked Council for Communications & Liaison Reports to be heard as Agenda Item 6. Council President Henderson provided a handout and quickly reviewed what was in the handout.
- E. Mayor Cook asked Council and Staff for any Non-Agenda Items to be heard as Agenda Item 7. City Manager Wine stated she did not have any. The mayor stated he had one item.

2. DISCUSSION OF RECREATION PROGRAMMING IN TIGARD 

Parks And Facilities Manager Martin introduced consultants Ian Stewart, EMC Research, and Ryan Mottau, MIG. Mr. Mottau provided the presentation accompanied by a PowerPoint presentation. Mr. Mottau stated MIG was contracted to look into what can be done to see this project move forward. The first phase was to have an updated understanding of what is going on and to be inclusive of all parties. Second is about refining all the things that could be and test possibilities with the public. We are now in the third phase to help facilitate the decision making process. We want to give you the opportunity to explore the different angles we have been exploring and answer questions and move forward with direction from you. We have been working with the Park and Recreation Advisory Board to understand the background story and look forward to what they would like to see. Phase 1 was to figure out the level of interest, topics and ways to provide a different type of investment in recreational opportunities. Initial stakeholders included all councilors to make sure we understood what the city's issues and challenges were around this topic, the need to determine what the next steps are and what that meant. The findings show that current services are meeting some needs and leaving some out, which is a message we heard throughout the process. We conducted an online survey to test the market for these services with people that are already connected and using the current facilities and services. We saw a very strong interest from that group for the city to play the role of providing classes, summer camps, and activities happening in their public spaces, which are already provided. We heard a desire for a central location to help provide an identity, but it was brought up that centralizing services also makes for transportation

issues by only providing to a certain area of people. The key point is the community painted a picture of Tigard as a family friendly, middle class community. There are some extremes as well and finding ways to serve those different needs is an important part of services. The take away message is the services are good for those who can afford to pay for the services, which has impacts on how you might provide services and what affordability would look like when you put them out. When we look on to what the city is already doing. We repeatedly heard interest in finding ways to make the most out of existing facilities and investments whether by the city or other parties. Phase two was to look at funding strategies to validate what we heard, which could be a local option levy, bond measure, or special districts. The general survey showed a strong commitment for a bond measure.

Mr. Ian Stewart, EMC Research, presented the results of EMC Research's online survey of registered voters and did over 300 interviews; providing a 5.7 point margin of error in the survey. Mr. Stewart stated the results showed people are relatively satisfied with facilities available, but not necessarily the programs available. 70 percent responded they expect the city to do something and could be doing something more with available space. The survey had three options. Funding Option 1 would equal \$20 a year to the tax property rolls. Option 1 received a lot of support. Option 2's cost per household is \$60, which comes with sticker shock. Option 3 is clearly not as attractive at this time. To close out the survey we asked about presenting a scenario of joining with other resources, the city doing it ourselves or keep as they are and the majority of support was to joining forces. We asked the direct question stating the Tualatin Hills Park and Recreation District provides a full range of services for an average of \$380.00 dollars a year and should Tigard do the same at that cost. The result showed support at this level.

Mr. Ryan Mottau stated it is clear there is a high level of support of doing something even if it is going to cost something, therefore, this is an important time to move. Shaping some of those options is going to be called the preferred scenario. This is outlined in the PowerPoint presentation and included in the permanent record. This recreation guide is a way to find opportunities to promote programs, get access across the entire community and find ways to bring back things that were happening prior to the recession. The next steps are to get a sense at how viable all this is and to create an implementation program of key steps, staffing, and costs.

Mayor Cook asked if the registered voters truly represented the stats as provided in the census and was it a cross representation of the city. Mr. Mottau answered the focus groups and online responders all mirrored the population and the needs being met. We go to the voters because they are the ones who will come out to vote.

Council President Henderson said to understand what the needs are he needs to know what is and is not already provided by other organizations. Ms. Wine said we are addressing the role of the city by putting together the recreation inventory, which answers what is there now. That was the foundational base for this survey and key part in the first phase of understanding what was going on.

Councilor Buehner expressed concern about the difficulty it may be to get voters to support a bond measure. She said she would need to see a much higher number in the survey in order to support this. Mr. Mottau said there is certainly the concern of how many more citizens are willing to pay and a bond is a leap, but there is motivation and desire to make something happen. The right information is here to put together a package to move forward.

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Council President Henderson asked what does the \$20 equate to and will it be adequate funding. Mr. Mottau answered the \$20 is \$340,000 a year and would adequately fund the services in package one.

Mr. Mottau and Mr. Stewart closed their presentation offering to be available for any questions or needs the city has in the future.

3. JOINT MEETING WITH THE PARK AND RECREATION ADVISORY BOARD

The Park and Recreation Advisory Board (PRAB) joined the City Council for this discussion. Members present were PRAB Chair Troy Mears, Holly Polivka, Linda Shaw, Tim Pepper, Wayne Gross, and PRAB Vice Chair David Brown.

Vice Chair David Brown stated PRAB took the information from the consultants and came away with a more idealistic option. PRAB's overall recommendation is going with Option 2 shooting for Option 3 in three to five years for a recreation center. Mr. Brown suggested doing a survey on an alternate recreation center.

Chair Mears said Option 3 is not a good idea to pursue right away. PRAB has already started some things within Option 1, so it's time to move to Option 2. Once it gets going the momentum will continue to build and we can accomplish more than if we start too high and then are not able to keep the momentum; start at a safe place and get it to grow.

Councilor Snider stated he was surprised to see the amount of support for the full service options. THPRD is a nationally recognized organization as a premier program and maybe it would be wise to join with them. Chair Mears replied that joining them now may not be an option and it may not be realistic to join with them. Tigard has its own identity and we can use those resources now.

Vice Chair Brown said to be successful there is a need for a recreational manager to drive the programs, which is clearly identified as one full-time employee.

Chair Mears commented if we go out to bond, we need to show what we are going to use the money for and what we are going to give them. That needs to be built up to prove what we have and what the community will get for the bond.

Ms. Polivka said the Board had talked about THPRD and the YMCA. Mr. Mottau said joining with any organization is a three year plan with the city figuring out who is going to operate that. Mayor Cook stated 50 percent of those surveyed agreed to partner with someone else.

Councilor Snider suggested reconsidering the mindset of only putting one thing on the ballot and the city educating the community on all options. This seems to be a prime opportunity to allow voters to choose their options.

Councilor Buehner said THPRD has clearly stated they do not want to move this direction and only want to serve the Beaverton School District; therefore, this is not a viable option at this time.

Councilor Snider inquired if Option 2 would require a vote to levy fees. Ms. Wine said the city has many needs and different ways to fund those needs and one way is a voter improved bond. If we are just getting into the recreation program, we have a general fund and we can initiate fees, which are funding choices that may not be necessary to go before the voters. We do not have existing capacity in the general fund to add additional programs, so going to the voters is still a possibility.

Council President Henderson said in order to do this right the city would need to hire more staff with the skill set; it may not take just one person. He asked is the community of volunteers out there to support this. Mr. Mottau replied there are a lot of great opportunities going on, but there is not a unified function promoting the existing programs and bringing it together. He said it is a new line of business the city would be taking on that your community is interested in and there are ways to go about it that do not require new programs. This would be hiring one or two people to go find the programs already going on in the community and bringing them together or providing them in a unified facility. There are a lot of programs already in the community, but the citizens are asking where they are located. This is the missing link. The opportunities are available, but marketing those opportunities is where it is failing.

Chair Mears said additionally, activities are available all over, but you have to pay additional fees for those which means it is not accessible to everyone.

Mr. Wayne Gross said parks and recreation are essential services and there are very few cities of 50,000 that have programs. It is time Tigard starts somewhere and it seems a lot can be done in the range of \$20 to \$60 thousand a year. He suggested consultants put together a proposal of what that may provide. The low income is not being served with the programs out there because they cannot afford it and the city needs to recognize that.

Public Works Director Brian Rager said what we want to come away with is a direction from you on where to go from here. Staff wants to know what the target is so staff can come back with an implementation plan. Ms. Wine added the purpose of tonight's discussion is also for staff to receive guidance for the budget. Between now and April staff can put finer details on the budget proposal, which will be reviewed during the budget process.

Councilor Snider suggested doing a feasibility study to pursue a YMCA coming to the community. Ms. Wine said the city has agreed to fund half of the study.

Mayor Cook thanked the PRAB for coming and closed the discussion stating staff has continued work to do and has received some good guidance on the next steps.

4. UPDATE ON STRATEGIC PLAN COMMUNITY OUTREACH

Assistant City Manager Liz Newton and Community Development Director Kenny Asher provided the staff report accompanied by a PowerPoint presentation. Ms. Newton reported the purpose of tonight's meeting is to report to the council about the year-long efforts to collect public opinion about the strategic plan draft vision and goals. The strategic planning effort started in 2012 when the Mayor's Blue Ribbon Task Force suggested a strategic plan for the city's long term focus and direction. Vision and goals were developed taking the city's assets and strengths and considering

how the city would be distinctive in 20-25 years. Staff has been out over the last year testing the vision with the Tigard Community sharing the vision and plan with over 1,200 people. Staff heard:

- Positive responses to Tigard being walkable and a healthy community. Interconnection is something that resonates with people and they can aspire to.
- Number one request is sidewalks.
- Number one concern is funding and safety.
- A few people who have been with us along the way have some comments
 - Lawrence Gillespie's participation (principal at Metzger) and Troy Mears. (Troy will represent the Park Board and the Mayor's Blue Ribbon Task Force).

Councilor Snider asked if the city asked the school district or special districts what they think of the plan. Ms. Wine said TVF&R is part of the management team and the entire team is aware and involved in this vision.

Mr. Asher said when the Strategic Plan was initially envisioned it came within the walls of our city. The city has been partnering with the Washington County Public Health Division (WCPHD), through the Brownfields program, to find out how the community perceives their environment. At these meetings, WCPHD came up with a word cloud, as shown in the PowerPoint, from what WCPHD heard when they asked the community 'how do you experience your environment'. This shows that we are on the right track with this Strategic Plan. No matter which neighborhood you are in, people want more sidewalks whether the neighborhood is sidewalk rich or sidewalk poor. We went all around the city in new neighborhoods with complete sidewalk networks and older ones. No matter who we talked to everyone loved their neighborhood and a universal desire is people want to walk.

Mr. Asher stated staff has started doing some things to get the plan operational including the Safe Routes to Schools Initiative and today we received three proposals to review the Zoning Code and scoping to see how it may pertain to the walkability of Tigard. We are figuring out a different way of looking at the world of transportation projects and what we could be doing. Streets and Transportation Senior Project Engineer McCarthy was asked to gather all the projects the city has and all those projects came to \$1.9 billion to fund. The five year CIP is more in the order of a few million. The manner to prioritize projects and make it affordable is tied into the transportation infrastructure and would presumably be implemented that next year after many refinements. Ms. Wine has taken the lead on lighter, quicker, cheaper projects which are things that can be done now instead of three to five years. As we are planning we are changing small things. Others on staff have completed a walk friendly community assessment. This is an organization that helps you rate your city on how walkability. There is a bit of work to complete this assessment and we talk monthly on what needs to happen for this plan to become reality.

Mr. Lawrence Gillespie, Metzger Elementary School principle, said he appreciates the partnership with several events held at Metzger. The bike to walk event was very successful. People were very appreciative the city was there to receive feedback on making our community more walkable or bikeable. They loved the idea of a safer community to get the kids to the school.

PRAB Chair Mr. Troy Mears said this has definitely been heard and many people are very excited to see what is going on.

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Ms. Newton said staff will bring a resolution to Council next week for adoption. Staff can then develop a budget to align with the vision and develop additional initiatives and milestones to implement the plan.

Mayor Cook thanked the staff for all their time and effort put into the plan so far. As found in staff and council's outreach, the community is positive. It is good to do a variety of outreach and receive opinions from a number of members in the community.

5. REVIEW OF THE RESULTS OF THE WATER AND SEWER RATE STUDIES

Finance and Information Services Director LaFrance, Assistant Finance Director Smith-Wagar, Utility Division Manager Goodrich and HDR Consultant Healy provided the report accompanied by a PowerPoint presentation.

Mr. LaFrance reported in 2010 a water financing plan was done resulting in proposed water rate increases. Instead of renewing our agreement with Portland, the city chose to partner with Lake Oswego providing ownership in a water source. We finalized that agreement, updated finance plans, and created a rate structure with fee increases over the next five years. This allowed us to finance the first of two bonds of \$97 billion. The first was sold in 2012 allowing us to fund the Lake Oswego-Tigard Water Partnership Project. The proceeds of that bond will be fully utilized in early spring of 2015, so the second bond sale will occur in February 2015. In the interim there was a change in the project opportunity to secure an additional four million gallons per day. In July 2013 Council was presented a high level analysis of the impact in fee increases of less than nine percent. With that information council changed the intergovernmental agreement and increased fees.

Mr. Healy presented the findings and recommendation as outlined in the PowerPoint of what was provided in the packet summarizing the survey. The preliminary conclusion is two scenarios, Scenario A with a smoothed rate impact and Scenario B a one-time rate hike in 2015. Both scenarios will meet city revenue requirements and are just different in how they get there.

Councilor Snider asked why an option is considered a smooth rate when they not even. Mr. Healy answered the city needs to make up a deficit with a decrease in the rate of increase.

Mr. Healy pointed out in Scenario A the 5.3 percent measures out to \$2.40 for the average residential bill. In Scenario B, the 10.5 percent amounts to about \$4.80. After the large initial increase the city would look at a much reduced increase rate.

Councilor Snider asked if the bill is about the same at the end of 2019. Mr. Healy answered it is less in Scenario B.

Councilor Snider said when he thinks of debt services he specifically thinks of the actual service on the debt, not the principle. Mr. LaFrance said this would be principle and interest payments. He clarified the payments are only interest up through the time the city stop making payments to the city of Portland and then payments will be on principle and interest.

Councilor Buehner stated in 1995 the city adopted a policy having an annual increase of about seven percent. Roughly four percent went to Portland and the remaining went into the capital fund for payment of projects. City residents were comfortable with this and it became the standard until we got involved with the partnership in 2010. Councilor Buehner proposed going to 7-7.5 percent, look at higher rate increases after 2017 and start refunding the capital fund for future improvements without having to go out for bonds.

Mr. LaFrance recommended taking another deep look at the water rates after five years. This provides five years of operating a water treatment plant and we will have numbers to really know what it is going to cost to operate the system.

Councilor Snider asked if any assumptions have been made to sell wholesale water to raise capital and supplement rates. Mr. LaFrance replied there was no consideration within the five year horizon. He said we do not have any established agreements in place to make that assessment, but without those agreements it would not be prudent to get a financial plan together to speculate that.

Councilor Snider suggested staff consider that for the five year mark and ensure the city secures complete control over the right to sell as the city of Tigard. He said, "I am only comfortable approving with this type of rate plan to see wholesale sales; we owe it to our customers to do that."

Mayor Cook said this is the cheapest water we could have purchased, but now we have these rates. We can serve the citizens better with a steady increase because it is easier to budget for than bouncing all around in different rate percentages. When we talk about rates it gets added to the bill, which is confusing no matter how it is explained. The utility bill is comprised of many things, so Scenario A makes it less confusing, easier to understand and better to budget for.

Councilor Buehner asked how can there be a stable increase to meet the increasing demands of population growth and service and put money in reserves. Council President Henderson said if the city does not use up all the water we have in storage, we have the capacity to service the increase in the population. There is a savings in cost to produce the same amount we have been to service the increased demand. Ms. Smith-Wagar said with the two percent increase the reserves are building up after 2017. Mr. Goodhouse said that does cover investment for future capital improvements as O&M is not the driver of rate increases; debt service and big capital outlay are the drivers. Staff has taken into consideration what projects will need to occur in the next ten years based on existing statistics. These rates were developed with those considerations.

Councilor Buehner said going out to a bond issuance is a big issue as no one is expecting to have to go out as it was not communicated. Mr. LaFrance said the issuance of the bond in 2019 is factored into the proposal and would be financed with the two percent increases.

Councilor Snider asked what is the rate model would be in order to build reserves and not go out for a bond in 2019. Mr. LaFrance said staff built the model to minimize the rate impacts, not with the thought of cash financing all our capital. Staff could come with a proposal to cash finance the project in the 2019 timeframe.

Council President Henderson said a six percent increase would assure covering what everyone desires.

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Mayor Cook stated he liked a flat model because it has less impact.

Councilor Snider proposed looking at the ten percent and a second model of cash financing versus the bond issuance.

Mr. LaFrance clarified that staff will bring to the public hearing two options. Scenario A with a 10.5 percent with a two percent increase and Scenario B a 10.5 increase with an unknown going forward in order to cash finance capital improvements.

Mr. LaFrance provided the sewer presentation accompanied by a PowerPoint presentation. Our operations cannot be cut and there are capitals we need to do. There is not enough money to fund operations and capital. We have enough for operations, but not for capital. Clean Water Services (CWS) is our provider and they set the charges and divisions of funds. Currently, for every dollar paid by a rate payer \$0.84 goes to CWS. Current revenues are inadequate and the city would be looking at a \$1.25 million deficit. In order to cover this deficit under Scenario 1, the city will need to charge \$3.55 per dwelling unit local sewer charge and under Scenario 2 the city will need to charge less than \$2 per dwelling unit per month. The longer we delay the more we use our cash on hand from our reserve fund and eventually that deficit is growing. Both scenarios are presented because to go with Scenario 2 there will need to be some contract negotiations with CWS to make changes. There has been some case law that will support cities with home rule charters to charge an overlapping franchise fee.

Councilor Snider asked do other cities charge. Mr. LaFrance said according to the LOC data Banks and Hillsboro are currently charging the additional fee.

Mayor Cook requested a comparison of what other jurisdictions are charging and what their rates are. Mr. LaFrance entered a document with this information into the record.

Mayor said he liked scenario 2 assuming we can get through the issues with CWS.

Councilor Snider asked what there was to negotiate with CWS. Ms. Wine said cities do not know all the implications to charge this additional fee and entering into discussions with help us identify those. Also, CWS may not assent to being charged the franchise fee. Public Works Director Brian Rager said staff has worked very hard for a number of years to work in concert with CWS through participation on a variety of committees focused mostly in the operation and maintenance side. CWS acts as the permit holder for our storm and sanitary permits so they have the first hit when regulatory agencies come along. Many cities operate under their umbrella when it comes to agreeing on how infrastructure is maintained and development regulations. In trying to maintain a healthy and positive relationship it is worth having the conversation with them as they may offer other solutions in dealing with this situation. Mr. LaFrance said we have not had this conversation because we wanted to see if council wanted to pursue this first.

Council President Henderson asked how the deficiency is going to be made up. Mr. LaFrance answered that the additional revenue imposed by the local surcharge, which currently does not exist, is enough to stay in the black and pay for the operations and capital needs.

Council President asked who is paying the deficit right now. Mr. LaFrance said the sewer fund is currently with the healthy beginning fund balance, which is going into a negative spiral.

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Mr. LaFrance said staff received council's recommendation to start discussion with CWS and report back in order for council to select a scenario. Discussions will be held in late spring.

6. COUNCIL LIAISON REPORTS – None.

7. NON AGENDA ITEMS 

Mayor Cook suggested the Woodard Park name be expanded to include the surrounding areas. Consensus by the council was met to bring a formal proposal to the council for approval.

8. EXECUTIVE SESSION

Mayor Cook called the executive session to order at 9:05 p.m. to consider information or records exempt by law from public inspection under ORS 192.660(2)(f). Mayor Cook closed the executive session at 10:25 and reconvened the public meeting.

9. ADJOURNMENT

Motion by Councilor Buehner seconded by Councilor Snider to adjourn the meeting at 10:25 p.m.

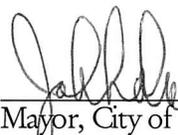
The motion was approved by a unanimous vote of City Council present.

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| Mayor Cook | Yes |
| Council President Henderson | Yes |
| Councilor Buehner | Yes |
| Councilor Snider | Yes |
| Councilor Woodard | Yes |



Norma I. Alley, Deputy City Recorder

Attest:



Mayor, City of Tigard

Date: February 10, 2015