

**CITY OF SCAPPOOSE
REGULAR CITY COUNCIL MEETING
SEPTEMBER 19, 2011 AT 7:00 P.M.
33568 EAST COLUMBIA AVE
SCAPPOOSE, OREGON**

Mayor Burge called the City Council Meeting to order at 7:00 p.m.

Flag Salute

Attendance:

City Council Members:

Scott Burge	Mayor
Jeff Bernhard	Council President
Donna Gedlich	Councilor
Judie Ingham	Councilor
Larry P. Meres	Councilor
Jeff Erickson	Councilor
Mark Reed	Councilor

Staff:

Jon Hanken	City Manager
Doug Greisen	Police Chief
Joe Lewis	Water Treatment Plant Supervisor
Brian Varricchione	City Planner

Cindy Phillips	Legal Counsel
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Excused: City Recorder Susan Reeves

Approval of the Agenda

Councilor Ingham moved and Council President Bernhard seconded the motion to approve the agenda. Motion passed (7-0). Mayor Burge, aye; Council President Bernhard, aye; Councilor Gedlich, aye; Councilor Ingham; aye; Councilor Meres, aye; Councilor Erickson, aye and Councilor Reed, aye.

Public Comments

Patrick Trapp, Port of St. Helens, introduced the newest member of the Ports staff ~ Scott Jenson, who is a recent graduate from the University of Washington and will be their planning coordinator. He thanked Council for excellent collaboration and coordination for the Wings and Wheels event. He gave Council an update on the Port of St. Helens.

Council thanked Patrick Trapp and Scott Jenson for attending tonight.

Councilor Ingham read the letter submitted by Delbert Long into the record. See below ~

SEP 16 2011 .

From: Delbert Long

To: Scappoose Mayor, City Counselors, other Scappoose City officials

My name is Delbert Long. I am a 43year resident of the Scappoose Community. Janet and I are the parents of 6

children, all of whom started and completed their education at the Scappoose school district. My wife Janet is a graduate of Scappoose High School. Currently three of my adult children reside within city limits of Scappoose. I have 11 of my 19 grandchildren attending Scappoose/Sauvie Island schools. Two of my adult children reside in the Scappoose community outside of the city limits.

The purpose of this letter is to inform you of a potential, serious danger within the city limits of Scappoose. I refer to the area between West 4th and E.M. Watts, extending to the intersection of Keys Road and E.M. Watts. I am a school bus driver for First Student in Scappoose, however, I am not writing this letter as a representative of First Student. My route takes me to E.M. Watts and Keys Road three times each school day. I am beginning my 6th year driving bus, all on the same route. During the past 5 years there have been several occasions I have observed which could have easily resulted in serious injury and possible fatal injury. There are estimated 60 children of all ages who reside in the west E.M. Watts/Keys road/Johanna Lane area. The problem is they have no place to walk along E.M. Watts unless they walk on the pavement. Because of the lack of a sidewalk or a trail along side of the road, the children put their lives in serious danger by walking on the pavement or on the edge of the pavement in the grass. As you know it rains frequently in Oregon and when they walk in the grass, they are soaked before they get to their destination. Because of the wet grass, they choose to walk on the pavement. It is just a matter of time before there is a tragic accident. As a school bus driver, we are continuously in training about avoiding potential hazards while we are driving the bus. During the past 5 years I have stopped the bus when there were no vehicles behind me, and asked the children to walk in the grass and not on the pavement. WE NEED A SIDEWALK IN THE WORST WAY along E.M Watts Road. I understand the continual problem all cities have with their budget. May I suggest that to begin with, why not put in a gravel trail next to the road for the pedestrians to walk on until it can be replaced with a cement sidewalk. I cannot believe there is not a way to come up with the funds to prepare the area for a gravel trail. I am not an engineer, but it does not take an engineer to see the need and way to make this happen. OUR KIDS SAFETY IS AT STAKE.

Please consider this. The intersection of Lower Keys road and E. M. Watts is a very, very dangerous intersection. There are 6 roads/streets and driveways all coming together within a few feet of each other. (1) Keys Road, (2) Eggelston Lane, (3 &4) EM Watts both directions,(S) Boom Lane, and (6) Johanna Lane. In addition there is a sharp corner on or near where the six roads come together. I understand that changing the intersection is not an option. However a sidewalk or gravel trail between Eggelston/Keys Road and Boom Lane will help a great deal to make the intersection much safer for pedestrian traffic. Then extend the trail/sidewalk from Boom lane to connect with 4th street. In addition, more signage on EM Watts and Keys to warn the drivers of the possible danger would also help. Also consider a marked crosswalk from Keys across Eggelston would help.

I am convinced that changes could and should be made asap. I do understand that there many streets in Scappoose which do not have sidewalks, and it would be cost prohibitive to put sidewalks on all streets. However, Most of those streets are wider and are side streets , whereas EM watts is a major thoroughfare and is narrower than most of the other streets *w/o* sidewalks. I am forwarding a copy of this letter to the Oregon Transportation Safety Committee as well as the Columbia County Traffic Safety Committee.

Thank you for your consideration and willingness to fix this very dangerous situation.

Sincerely,
Delbert Long

29930 Bolin Drive Scappoose Ore 97056

Phone 503-543-5959

City Manager Hanken explained one thing Council needs to remember is that EM Watts Road is a County Road and it's not under the City's jurisdiction. He stated having said that you can still go back to the number of possible solutions that can be looked at. He asked what is Council's direction in terms of what they wish for him to do with this.

Councilor Ingham thinks Mr. Long's recommendation of doing a gravel path where there is a place off the road for children to walk would be a band aid until it can be further moved along and then maybe approaching the County.

City Manager Hanken replied having a conversation with the County is probably a good idea simply because of stormwater issues that are related to that. He explained it is a little bit more complicated than what's laid out.

Mayor Burge asked City Manager Hanken to work on some solutions and bring them back to Council in a month. He asked for this to be put on the agenda for the second meeting in October.

Councilor Gedlich stated there are many streets in Scappoose that don't have sidewalks. She stated maybe we need to work with the County regarding better signage and make people aware of the bus stops and the hours that the buses go by so that they are watching or lower the speed.

Mayor Burge would like to see this on the agenda in a month with options and solutions.

Consent Agenda ~ September 6, 2011 City Council meeting minutes

Councilor Ingham moved and Council President Bernhard seconded the motion to approve the September 6, 2011 City Council meeting minutes. Motion passed (7-0). Mayor Burge, aye; Council President Bernhard, aye; Councilor Gedlich, aye; Councilor Ingham, aye; Councilor Meres, aye; Councilor Erickson, aye and Councilor Reed, aye.

Old Business

Ordinance No. 817: An Ordinance Relating To Land Use and Amending Municipal Code Chapters 17.140 (Public Land Tree Removal) and 17.162 (Procedures for Decision Making--Quasi-Judicial)

City Planner Brian Varricchione stated as noted this is the second reading of the ordinance, the first reading was at the last Council meeting at which time there was also had the public hearing. So tonight is not a public hearing just a second reading. He explained staff and the Planning Commission are recommending these updates to the Development Code to change the rules and procedures for public land tree removal.

Mayor Burge stated there is a motion on the table from the last meeting and asked if there is any discussion. He stated hearing none all those in favor ~

Motion passed (7-0). Mayor Burge, aye; Council President Bernhard, aye; Councilor Gedlich, aye; Councilor Ingham, aye; Councilor Meres, aye; Councilor Erickson, aye and Councilor Reed, aye.

New Business

Resolution No. 11-19: A Resolution Revising Rates for Monthly Use of Water Systems

Mayor Burge opened the public hearing.

City Manager Hanken explained the last time water rates were discussed before Council; Council held off on doing any approval and established the Public Works Advisory Committee. This Committee met over the past 7 months to discuss the waters operational budget, maintenance issues, capital improvement needs, debt obligations, the current rate structure and the possibility of going out for a General Obligation Bond. At this time the Public Works Advisory Committee is just recommending that Council make a 5 cent increase in the water commodity rate, from \$0.33 per 100 gallons to \$0.38 per 100 gallons and everything else would stay the same. If Council approves this rate consumption the rate would go into effect starting September 21 and residents would see this reflected in their November bill.

Mayor Burge asked if anyone would like to comment on the water rate issue. No one in the audience wanted to speak on this matter.

Council President Bernhard stated to Mayor Burge he was hoping considering he was part of the Committee he could talk a little bit about the Committee, what they went through and how they came up with the recommendation.

Mayor Burge explained the Committee met five or six times and they did everything from tours of the water systems to discussions of the entire budget, future needs, what the budget looked like, and options. He explained this was a Committee that during the previous meeting was split between people who were adamantly apposed, to any rate increase to people that were offering their own options, to people that were just citizens interested in being involved. He explained it was the members that were mostly opposed that made the motion for this increase and they made the increase based on the idea that it was a commodity rate which means that if you were running your own water at least you would have some control over your water usage. He explained the Committee went through every option; they looked at all the arguments that were made before the Council as well as before the needs of the system and what it takes to run a system. This was really the minimum that they felt they could do not knowing what the future was like and the fact that the recession is really beating up on this fund and there's got to be some give and they've cut it down to the bone as it is. They have a City Manager and a Water Department that are doing things as cheaply as possibly and are putting way too many things off. We needed to do something and this is what the committee agreed to do. It was passed unanimously by the Committee and forwarded to the Council.

Council President Bernhard stated from a budgetary standpoint this comes in a lot shorter than what we were looking at approximately a year ago. He asked Joe Lewis, Water Treatment Plant Supervisor, can you give us some perspective of where we are looking from a budgetary standpoint with this increase. He stated when we talked a year ago we had some major shortages coming up and he wants to know where this fits into those shortages.

Joe Lewis replied we are in critical imbalance in our funding at the water department. It has to do with something's they talked about last time when he came before Council to talk about the water system in general. He explained Council was very on the money about how although we were consuming a million gallons of water a day which is close to our maximum production we really weren't in trouble because of the money we have spent on infrastructure building a recent 2 million

gallon reservoir and a 300,000 gallon reservoir adding to our existing 1 million gallon reservoir and 300,000 gallon reservoirs. So the investment in our infrastructure is what allowed us to avoid a difficult time this summer. That investment was done on loans and one of the biggest challenges we face in our approx \$2,000,000.00 budget is \$500,000.00 in loan payments every year. He explained this rate adjustment suggested by the Committee to the Council is a step in the right direction. As the Committee members suggested it is controllable by the consumer dependent upon how much water they use. So that if you don't want to pay any rate increase you can cut your water consumption down a little bit. He explained the estimated impact on the budget is somewhat variable for that reason. He explained the best estimate that staff can come to at this point that a 5 cent per 100 gallon increase over the course of the year would garner about \$87,000.00 extra revenue and so as he says that is a step in the right direction. Although it doesn't answer all of their issues it begins to address the true quality of the processing and delivery of our water to the citizens. He explained we are not alone with this issue, infrastructure across America is aging and in need of investment if we want to continue to live the style of life that we have grown accustomed to. He would like to thank the members of the Committee ~ Mayor Burge, Councilor Heerwagen, Carmen Kulp, Joshua Francoeur, Lisa Smith, Karen Johnnesse-Thornton and Rick Weber for the hours that they invested in coming to this recommendation.

Mayor Burge explained one of the things that they talked about in the analysis and one of the things that the Public Works Advisory Committee talked about is some of the infrastructure we felt that it might be a better idea to look at going for a bond to upgrade some of the infrastructure like pipes and 2 million dollar main raw water line because at least if you are paying it through your taxes you can write it off on your income taxes and that way there are some benefit where as if they are paying for it through their water bill they don't get to write it off.

Council President Bernhard asked City Manager Hanken if we move forward with this is staff prepared to answer questions of concerned citizens in forms of how to provide or how to point them in the right direction for low flow devices or methodologies as in how to conserve water.

City Manager Hanken replied absolutely. He explained in the past we have partnered with Columbia River PUD for low flow faucets and shower heads.

Council President Bernhard replied so in a way we are empowering the citizens to decide if they are going to continue to use the same amount of water and unfortunately pay a little more to do so or by all means they have the power to cut back through their own device or information that we can provide for them.

City Manager Hanken replied ultimately we do want the consumers to conserve because the more they conserve the longer our supply last.

Councilor Ingham stated looking at the potential debt shortfall this generating \$87,000.00 in additional annual revenue there is that band aid again. She asked when are we looking at having to come back and make another rate increase or have you suggested along with the Committee that you sit down every 2 years and develop a methodology as far as making a rate increase every year or every other year so that we can catch up with the debt.

Joe Lewis replied he is happy to say that the Committee is going to be on going and so it is not going to be completely up to him to make the suggestion. It is going to be up to him to inform the Committee members of our need and they will be able to make some suggestions to this body in the

future as they are making tonight. As he says it is a step in the right direction and one thing that has turned out to be kind of good is if this was passed and the money generated this year is not budgeted for spending this year. So we would start gathering this revenue in November but we wouldn't be able to spend it until July. He explained we need to balance the budget and examine the needs and our revenues and come to a place where we are paying so that everything is taking care of like the treatment plants, the underground infrastructure and all the needs that we have will be ongoing addressed into the future. He explained his is really grateful for the Public Works Advisory Committees help, for their ideas and their approach.

Councilor Ingham explained she knows how important conserving is, it's key, but we need to generate income. The incentive to conserve is a good thing but again it is a double edge sword because you're not generating the revenue that we need to balance the debt issue. She doesn't know but maybe moving forward the Committee could look at something that is a little more stringent then just incentive based increase in rates.

Joe Lewis explained when he spoke to Council about water rates and balancing our budget before he mentioned the Public Utilities Commission recommendation when you have a large degree of indebtedness as our system does that your rate adjustment should come on the base rate. That is how he advised the Public Works Advisory Committee when they initially began talking about it and they haven't chosen to go that route. As Councilor Ingham stated in the future that may be something this body needs to discuss and consider.

Mayor Burge replied just to follow up regarding the Public Works Advisory Committee he thinks the biggest reason for the increase on the commodity side was the recession. He explained there was a commitment from that Committee that they felt they should be looking at rates every year, not every other year. So this next January to May they will be looking at the rates again. By increasing every year they can try to keep it in the more manageable range so it is not a shock, it's something more acceptable and it is constant with the cost of inflation and the growth of the community and those items.

Mayor Burge closed the public hearing.

Councilor Gedlich explained she has some concerns. She stated first off she does want to thank staff and the people that served on the Committee for their commitment for this very important issue. She is not opposed to the increase but she is opposed to the timing. She has to say since the article came out in the newspaper she has heard from 13 individuals, two of them were business owners that have since closed their businesses in Scappoose within the last 6 months. She explained part of the reason that they said they closed was due to the economic times, the rent per square foot of their business and all the business regulations that they had to put up with and the expenses of all their utilities, plus advertising. She just kind of thinks when you go down Highway 30 and see all the vacant businesses how are we going to encourage economic development when we have so many vacant spots in town and it makes her feel so bad. Then we have a UGB that is coming up and she knows that is going to take several years for it to go through, However if we start right now we are not only effecting commercial entities that we are trying to get here but we are also hurting our citizens and the people that are on fixed incomes. She stated as you know she worked many, many years for the food bank and they have so many more new clients that have been laid off. Just to meet the current utilities that they have and their mortgage and or rent is very difficult and if we raise the rates 6 of our 2,300 customers pay an average of \$640.00 a month for water and that might be Councilor Erickson's laundromat, she doesn't know. But how it's going to effect those 6

customers that pay that kind of water and not only that she is not even including sewer so you might want to double that. She is hoping that these 6 customers don't close their business or pass on the increase to their customers because that's what is happening. We are nickel and diming and charging fees, no matter if it is local, county, state, federal, where does it stop and she knows that the economic times are going to get better and then when you stop and think about the last couple of years we have eliminated the business license fee to help our local business owners. She is not saying that the water increase is going to effective them to that extent of \$50.00 or \$55.00 business license, she doesn't know that, however there reaches a point where maybe we can just back up for a few month and wait and see how our economy is growing here in town. We are getting commercial businesses down on 2nd Street, that's going to bring in business, that's going to bring in customers and maybe we just need to just hold off for a few months. She knows that we have 465 delinquent accounts a month out of 2,300 customers and that's sad. She stated you know what that means; if they don't have the money to pay they don't get any water and sewer so what is that going to do. She knows that we need the \$87,000.00 but we also need to look at our citizen's interest and how it is going to affect them. She is on a fixed income, she's in a two family house hold, and she has been at her same residence for 43 years. Her water bill last year was exactly \$392.01 however sewer and water was \$762.22 this year so far she has paid \$220.14 in water and she has paid \$462.14 in water and sewer, that is a lot of money for seniors that are on fixed income that are not getting a wage increase every year to meet up with all the other services and fees that just keep coming and coming and coming. She would just like to wait a few months.

Councilor Ingham replied those issues did not get lost on this Committee. She thinks the Committees foresight in using an incentive base rate increase was the absolute best resolution to the conflict and the issue and the emotional emotion that this type of issue draws and it is the minimal amount that we can raise but we can't ignore the need of the revenue that needs to be generated to get us out of this hole. She explained on down the road you can't sacrifice water and sewer needs, you can't, so the other things go like police protection and the other infrastructure that comes in and are necessary. She stated it is not an easy decision but she thinks the Committee did a very good job in the decision making process.

Councilor Ingham moved and Council President Bernhard seconded the motion that City Council adopt Resolution No. 11-19: A Resolution Revising Rates for Monthly Use of Water Systems.

Council President Bernhard explained he doesn't think that any of us would like to see water rates go up. He thinks majority of us, if not all of us, some how, some way have been affected by this 5 year recession that we are in right now and this literally is the last thing that we would like to do. He stated but a couple of things that come to his mind and the reason why he supports this is the Committee itself was a very diverse committee and they collaborated and come to an agreement that this was the best route. This was a group of citizens that he remembers a year ago sitting in this room extremely angry about raising rates and they did something about it, they got on the committee and they worked it out, they came to an agreement and to him that is one of the best things that could happen from this unfortunate situation that we have to raise rate. The other thing, he said it earlier, we are also empowering the citizens, even though it is a rate increase, we are empowering them to lower their water usage if they choose to and we are empowering them to use low flow water systems if they want to. He stated as much as he does agree with Councilor Gedlich and her points about the economy, about the businesses, about the hardships that people go through and stuff like that, he just feels there is a responsibility that we have to adhere to and we have to bring these budgets into line and he is in support of it.

Councilor Gedlich explained she is not opposed to this at all, what she is opposed to is the timing. She thinks maybe we are just doing it too quickly. She was surprised that the room wasn't filled tonight because she thought there would be the 13 individuals who called her would be here. She encouraged them to come and she explained to them if they couldn't come she encouraged them to write a letter. She stated she was so disappointed tonight but maybe the citizens didn't think it would happen so quickly or that it would begin right away. She explained all she is saying is maybe sit on it for a couple of months and see if we get some good responses or maybe we can contact the local newspapers and get some information out there. That's all she is asking.

Councilor Erickson stated he would just like to say from the commercial standpoint that if this passes ultimately any citizen that uses any of those businesses will pay the extra, they will feel it in the end. He stated you are hitting them at home and you are hitting them when they have to take care of business.

Councilor Reed explained he went on tour to the water plant and he knows there is a lot of expense in maintaining that.

Joe Lewis stated he appreciates the business analogies that several Councilors have brought forward tonight because that is really is what they are at the City Water Department, they are in the business of delivering processed water to the citizens and that business has costs. They can't go on neglecting those costs as they have for the last 9 years, ignoring the recommendations of finance professionals who at that time suggested a significantly larger water rate that year and almost every year until now in an effort to balance our budgets going forward to the 5, 10 and 20 year interims. He does think this is a step in the right direction.

Councilor Meres thanked the Committee for their hard work. He explained he is not interested in raising rates but he knows this is a necessary thing but he thinks 5 cents is reasonable. He knows since he has been on Council, this is his 5th year, nobody has raised water. He knows when he moved into this community it was booming and they neglected to raise those rates back then, we have not kept up and he thinks it is time to protect the City and do our responsibility. He knows it is tough on everybody with fixed incomes. He stated we can't continue to put this stuff off.

Councilor Ingham stated maybe to help citizens adjust to the rate increase we can encourage people to start paying monthly because they can.

City Manager Hanken explained we do that currently.

Mayor Burge stated he thinks the Committee also had discussions on averaging the water bill. He is not sure if we can do that or not but he knows the Committee was interested in seeing what the options were on that.

City Manager Hanken replied that is something that we are looking at which would mean a change to our software program which means more money.

Motion passed (5-2). Mayor Burge, aye; Council President Bernhard, aye; Councilor Ingham, aye; Councilor Meres, aye; and Councilor Reed, aye. Councilor Gedlich, nay and Councilor Erickson, nay.

Announcements

Mayor Burge went over the calendar. He wanted to make a suggestion to change the next Council meeting from Monday October 3 to Tuesday October 4 because the movie that was filmed in Scappoose will be previewed on October 3 in Portland.

City Manager

City Manager Hanken explained there is a City/County Meeting on September 27, 2011 at 6:00 p.m. at the St. Helens Elk Lodge. He also explained the League of Oregon Cities Conference is September 28 through October 2. He explained he is part of a presentation panel on Economic Development and Municipal Cooperation.

City Manager Hanken explained tomorrow is Election Day and City Hall will be open until 8:00 p.m. He explained Saturday was the Sauerkraut Festival. He explained the Barbara Bullis Golf Tournament was held last Monday and on the score cards the Cities of St. Helens and Scappoose tied. However when they did the tie breaker the City of Scappoose won.

Police Chief

Police Chief Greisen talked about Legislation lowering all the traffic fine bails which will go into effect in January. He explained at the same time they decided to change some verbiage on the traffic citations so they will have to buy all new traffic citations. He explained October 2 through October 7 the National Center of Rural Law Enforcement is coming out from Little Rock Arkansas to do a week long training, two days for supervisors and command staff and then three days for patrol officers. The National Center of Rural Law Enforcement is providing this training at no cost to the Cities.

Council

Councilor Gedlich explained she listened to the football game the other night from here house and it was absolutely wonderful. She would like to go to the City/County Quarterly meeting however she would like to carpool.

Councilor Meres thanked City Manager Hanken and staff for all their hard work at the Sauerkraut Festival.

Council President Bernhard spoke in regards to the water rates. He explained we are talking about .38 cents per 100 gallons. He stated as Americans how entitled really are we, how spoiled are we. He stated we are talking .38 cents per 100 gallons; think about how much that truly is, how much a 100 gallons is. Think about how much we use for cars, pools, plants, yards, whatever it may be and he is just as guilty as everybody else but doesn't that just hit you right upside the head in all honesty.

Councilor Gedlich replied that is because were all are so lucky that we are sitting up here making those decisions for our citizens but you know what there are so many citizens in our community that don't have what we have.

Councilor Erickson stated ditto to what you just said Councilor Gedlich.

Councilor Reed replied he will say the same thing that Council President Bernhard just said. He said I am sitting up here drinking this glass of water without having to worry about what it in it. He explained 11 years ago he was in China and in a what he considers to be a very nice hotel there was a sign on the bathroom window that said "Do not drink this water".

Mayor Burge replied the Sauerkraut Festival was good.

Mayor Burge recessed at 8:16 p.m. and then went into Executive Session.

Executive Session

ORS 192.660 (2) (h) Litigation Likely to Occur

In attendance: Mayor Burge, Council President Bernhard, Councilor Gedlich, Councilor Ingham, Councilor Meres, Councilor Erickson, Councilor Reed, City Manager Hanken and Legal Counsel Cindy Phillips.

Adjournment

Mayor Burge came out of the Executive Session and adjourned the meeting at 8:32 p.m.

Scott Burge, Mayor

Attest: _____
Susan M Reeves, CMC, City Recorder