

**CITY OF SCAPPOOSE  
REGULAR CITY COUNCIL MEETING  
MARCH 5, 2012 AT 7:00 P.M.  
33568 EAST COLUMBIA AVENUE  
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
Larry P. Meres	Councilor
Jeff Erickson	Councilor
Mark Reed	Councilor

**Staff:**

Jon Hanken	City Manager
Norm Miller	Police Lieutenant
Susan Reeves	City Recorder

**Press:**

Jeff Bennett	Legal Counsel	Chelsea Bowen	The Chronicle
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Excused: Councilor Judie Ingham

**Approval of the Agenda**

Mayor Burge explained 6.4 Appointment of the Budge Committee Member will be removed and be placed on the next Council meeting agenda.

Councilor Gedlich moved and Council President Bernhard second the motion to approve the agenda as amended. Motion passed (6-0). Mayor Burge, aye; Council President Bernhard, aye; Councilor Gedlich, aye; Councilor Meres, aye; Councilor Erickson, aye and Councilor Reed .

**Public Comments**

Scappoose Grant Watts students were here this evening to talk about the Annual Spring Auction.

Grace Negelspach introduced herself and said she is here with her friends and classmates. They wanted to invite City Council and staff to 16<sup>th</sup> Annual Spring Auction. They handed out invites and candy.

Sara Havlik stated they just wanted to invite the community and the community leaders on April 21 to their auction. She explained it benefits the students. They have Ixtapa Restaurant catering. They have a wonderful raffle for Skamania Lodge that tickets can be purchased. She thanked Council for allowing them to stop by.

**Consent Agenda ~ November 21, 2011 City Council meeting minutes, January 3, 2012 City Council meeting minutes and February 6, 2012 City Council meeting minutes**

Councilor Gedlich moved and Councilor Erickson seconded the motion to approve the Consent Agenda ~ November 21, 2011 City Council meeting minutes, January 3, 2012 City Council meeting minutes and February 6, 2012 City Council meeting minutes. Motion passed (6-0). Mayor Burge, aye; Council President Bernhard, aye; Councilor Gedlich, aye; Councilor Meres, aye; Councilor Erickson, aye and Councilor Reed.

**State of the City Address**

Mayor Burge read his State of City Address ~

Council members, staff, ladies and gentlemen, good evening. As this national recession continues the City of Scappoose has endured and shown the ability to move forward during these tough financial times. During this time our city council has strived to make Scappoose a business friendly community. A community that recognizes that local job growth is vital to the livability of our community.

We started 2011 by making some decisions that will affect Scappoose for the next 20 years. After numerous hours of public testimony this council passed the Urban Growth Boundary expansion as recommended to us from the Scappoose Planning Commission. The expansion was referred to the voters and they have spoken. The voters said “yes” to expanding the UGB for future job creation around our crown jewel; The Scappoose Industrial Airport. With the support of the people of Scappoose we passed this expansion and it now sits before the State of Oregon for their approval. I ask the state and those who opposed this expansion to yield to the will of the people and allow this expansion of our UGB to proceed.

We also completed another milestone project in Scappoose this past year. In May, the Havlik Road and SE 2<sup>nd</sup> Street were completed. Since completion of this project the city has seen almost four million dollars in private investment into the properties accessed by the road. The three current projects include the recently opened Les Schwab tire center, the near completion of the Good Will Store and the construction of Fultano’s Pizza. Without the Havlik Rd. extension none of these projects would have been possible.

This past year the city became part of the South County Enterprise Zone that covers portions of St. Helens, Columbia City and unincorporated Columbia County. In today’s worldwide competitive environment for attraction businesses we needed to position ourselves for success in recruiting these businesses and the Enterprise Zone helps us become more competitive with other communities. Our airport is a diamond in the rough. With the help of the Port of St. Helens, the Columbia County Economic Team and the local businesses already doing business around the airport we plan to market the airport to a wide variety of airport related manufacturing and work with the current businesses to help them expand. The enterprise zone expansion has already helped Oregon Aero move to expand its operation at the airport over this next year.

Over the next year I propose we continue to waive the business license fee for businesses based inside the city limits of Scappoose. Our city should not be nickel and diming our local businesses

owners. I also believe we should continue our reductions in SDC charges for sewer and road SDC's.

The most rewarding comments from the new businesses in Scappoose are how helpful and easy it was to work with our city staff. It has always been my goal to make Scappoose as business and user friendly as possible. If we fall short please let us know. If there is a regulation that is impeding business or community livability please contact me. In the mean time I will propose the city undertake a review of all city regulations and rules asking a simple question, are the regulation doing what they were intended and should we continue these regulations? We don't know the impacts of all regulations and do not wish them to be too burdensome on citizens or businesses within our city or trying to locate here. This past year we heard from citizens regarding our sign ordinance because of the placement of a sign on Highway 30. The sign met the regulations but because of citizens concerns we will be amending our regulations to better fit the community's needs. We also streamlined the process for removal of public trees. I ask of the community, if there is a rule that seems too burdensome or unnecessary please let me know and we will begin a discussion on that rule.

With the ethanol plant near Clatskanie set to operate again and the prospects of other industrial facilities near Clatskanie bring longer and more frequent trains through Scappoose; I propose the city of Scappoose form a committee to pursue a quiet zone for rail traffic through Scappoose. The quiet zone would alleviate the noise of horns blaring at every intersection through Scappoose at all hours of the day and night. Specifically, we hope to look to Columbia City and learn how they managed to get one for their community.

After three years of recession our General Fund cash carry-over continues to be over \$1 million dollars and the contingency for emergency or unforeseen expenses is now over \$900,000 dollars. Weak housing markets and a slow recovery to the recession has put a dent into reserves for our building department, planning department and water department. Thanks to our great staff we are working at saving in these budgets to avoid or minimize rate increases. Our budget is posted on our website and available for any community member to peruse. Thanks to our staff we have been able to weather this recession and we believe with the economic growth in our area we will continue to be in a stronger fiscal position than most communities in Oregon.

As Mayor I have been strongly supportive of community events and groups who work to better our community. It is with pride that we saw two such groups this past year accomplish great things for Scappoose. First I'd like to thank the Scappoose Booster's Club for bringing back the Pow Wow for the first time in 19 years and look forward to seeing it here in the future. Then the Scappoose Dog Owners Group successfully raised the money to install fences for a dog park at the Scappoose Veterans Park. Thank you for the hours of volunteer work it took to do both of these projects. As I look forward to the completion of the Rotary fountain project being designed by Michael Curry Design.

While things continue to be tough through our state and nation, we have a bright future here in Scappoose. Our local economy is creating new businesses for our community and new jobs and we hope to continue this trend into the future. We will pledge to work to provide the needed services to our community as efficient and fiscally responsible as possible.

Thank you and May God Bless the City of Scappoose and the United State of America.

## **New Business**

### **Columbia Health District Board**

City Manager Hanken explained what you have before you is information that was submitted by Jim Huffman who is representing the Health District and he will be discussing his proposal tonight.

James Huffman, Scappoose, explained the Health District is in the process of dissolving and has about 3 to 4 million dollars in assets that could benefit the City of Scappoose depending on the exact amount that has been collected, to the approximate sum of \$500,000.00 in tax refunds to the tax payers to the City. He explained that would be an economic benefit to your constituents and they are hoping that the City Council can help support the request to Columbia County that they allow that to happen. He explained the outline he provided has some political commentary as well as a structural description of what happened when the district resolves. He explained the failed hospital plan was never going to happen from the get-go but regardless to that it did come to pass that the district was resolved by the vote of the people. He explained the Statute that requires the dissolution to occur has a very precise construct of how the assets are distributed; common sense and also the Statute would suggest that it should go back to the tax payers who paid the money to buy those assets. He explained it has puzzled him and everybody else that he has been associated with to understand why the former board, who is no longer in office, would want to dissipate those assets to third parties as a windfall. He explained apparently the design was suggesting that the City of St. Helens would be the primary beneficiary of the windfall, of all the remaining assets in the district but for those that were transferred to the Public Health Authority. He explained the Public Health Authority had nothing to do with the hospital district. He explained probably about a million dollars in assets has been diverted to the Public Health Authority program that doesn't need the money because they are fully paid for by state and federal programs. He explained he is looking for support from the City of Scappoose. He would ask that the City adopt a resolution to support the efforts to refund the taxpayers.

Councilor Gedlich asked Mr. Huffman if he has presented a resolution to the other municipalities in Columbia County.

James Huffman replied the other municipalities that are effect by this are St. Helens. He stated you might imagine how they feel about this. He explained some of the City of St. Helens principals were involved in the conferences that they found in an email. He thinks there's a back room deal made between the City of St. Helens and the County Commissioners that has never been disclosed to anybody, he doesn't know they would have shared this but it all has been hush hush. He stated we don't know what the deal is but there is a deal, he is not sure what it is, but they certainly are resisting this aggressively to avoid the refund. He said Columbia City might be involved, they are affected too. He explained they have not approached Columbia City but they intend to.

James Huffman explained for Scappoose it would be about \$1.00 per \$1,000.00 of asset value for each and every tax payer in the City. He explained the ballot measure that the citizens of Scappoose voted on did not describe any details about how the property was to be dissolved and that is one of

the things the people are required to do is approve a dissolution plan. He explained this plan that was on the ballot didn't have a word about what was going to happen.

Council President Bernhard thanked Mr. Huffman for the information. He explained he is not opposed to a resolution but there are a couple of things that he wants to bring up first. He explained one is he doesn't recommend that the City actually takes a stance on this particular issue at this particular time. He stated we don't really have unbiased information that he knows of for Council to look at. He explained the other thing is this is a very controversial issue and Council decides to take a stance on something like this he feels they need to be very careful in what they are doing. He explained the Council itself has also historically looked at things in a very methodical manner when it comes to anything that is sensitive or can be in debt like something like this and he thinks they need to continue to do so. He stated if the Council feels that we need to take a stance on this his recommendation is that they actually have a staff report put together and we have it done in a way that it's done by a fact finding mission if the Council feels that we need to take a stance, that's his recommendation.

Councilor Gedlich replied she has to agree with Council President Bernhard and she has some other concerns. She would like staff and our legal counsel to look at the pro and cons and the liability. She is also concerned if they are going to wait for 6 months to a year to hear from Judge Grove to find out what his opinion is.

James Huffman replied it's not a judge's decision it is a political decision. He stated you represent me and the other people in this room, he is a tax payer. He stated he wants Council to speak out for him to the people that are trying to steal his money as a tax payer.

Councilor Gedlich replied no body on this board is saying that they don't want their tax money. She explained she is a tax payer, just like he is and so is the rest of the Council. She explained that is not the question of this board. She explained they want to make sure that they are doing exactly what they are legally to do.

Legal Counsel Jeff Bennett replied he agrees that the City Council if it is going to take this on this issue of considering adopting a resolution one way or another should really get an analysis from your staff about what the impact of that is and what role the City really ought to play. He explained there are political overtones to this, policy overtones to this, there are legal overtones to it and certainly Council should be fully informed about what those overtones are before you proceed. He stated having said all that Mr. Huffman has indicated the City of St. Helens may be behind some nefarious things here and he explained their firm also represents the City of St. Helens. He explained because they represent the City of Scappoose and the City of St. Helens they won't be able to advise Council or the City of St. Helens regarding this matter if you take a stand at all.

City Manager Hanken replied tonight you are going to be hopefully naming a prosecuting attorney for the Scappoose Municipal Court and it is feasible that in terms of that person can provide legal counsel if Council so wishes to explore this. He explained that person can help review any resolution and staff report that is put together by staff.

Mayor Burge stated it sounds like to him that Council wouldn't mind hearing more information from staff on the issue.

Councilor Meres explained he was very concerned and expressed his concerns to the Commissioners about St. Helens receiving that property. He stated the tax money is gone but he doesn't know why St. Helens should be the beneficiary of property.

Councilor Gedlich moved and Councilor Erickson seconded the motion that the Scappoose City Council direct staff to look into all of the legalities pros and cons, liability issues regarding CHD and bring it back to Council in a timely manner.

James Huffman stated he feels that Council does have jurisdiction in a duty of government to object on behalf of your tax payers to our tax money going to buy a park for the City of St. Helens.

Mayor Burge replied that is why they are asking staff to the research. He agrees with Councilor Meres.

Council President Bernhard replied it would be remiss of him to not do everything he can do to educate himself in an unbiased matter before he makes a decision. He explained people vote Council on here to make those types of decisions not to go off of their personal feelings. He explained they are up here to make these types of decisions after all the facts have been supplied to them and they can thoroughly go through them and discuss it as a Council.

James Huffman stated we are ready for an argument why this money should go to the City of St. Helens, he hasn't heard one yet.

Councilor Reed explained he wondered the same thing; why it would all go to the City of St. Helens and he disagrees with that.

Motion passed (6-0). Mayor Burge, aye; Council President Bernhard, aye; Councilor Gedlich, aye; Councilor Meres, aye; Councilor Erickson, aye and Councilor Reed.

### **Morrow Pacific Project**

Liz Fuller, Gard Communication, is here this evening to discuss The Morrow Pacific Project. She explained the Morrow Pacific Project is a proposed coal export terminal. She described it broadly in her presentation. She explained Morrow Pacific is a project by Ambre Energy and they have a U.S. base in Salt Lake City and there International base in Australia. She explained back in May 2011 they signed a unanimous port agreement and option agreement with the Port of Morrow. She explained what they would like to do is they have 50% of ownership of coal mines in the state of Montana and Wyoming and those are low sulfur cleaner burning coal. She explained they like to bring the Powder Basin coal by rail into the Port of Morrow to transload it on to barges, to barge it down river and to transload that on to ocean going ships at the Port Westward Industrial Park. She explained two months ago on January 25 they got a unanimous agreement by the Port of St. Helens Port Commission to sign an option agreement with the Port to pursue the project. She explained right now the project has submitted permits to a variety of different agencies which are regulating the project and will very shortly enter a public comment period associated with those permits. She gave a little description of the project. She explained the coal is cleaner burning lower sulfur coal. She explained as many of you know there is a wide supply of coal in this Country and our Country really relies on this for energy as we transition into more cleaner burning perhaps sustainable

sources of energy. She explained Asia has the need largely driven by China's increased demand for energy products and so the customers would be our Asian allies, including Japan, Taiwan and Korea, so that is the need. She explained the coal would get sprayed with surfactant when it comes out of the mines which reduces any dust by up to 85% studies have shown, it would then come into the Port of Morrow. She explained the Port of Morrow facility (she showed an image) would be completely enclosed. She explained the trains would be unloaded in an enclosed area. She explained where the coal would be stored, which looks very similar to a food processing plant, which is already existing in that area. She explained coal would then come in enclosed conveyors and be loaded into covered and enclosed barges and then it would go down river. She explained they chose barges for a number of reasons; it's more energy efficient and it allows them to move the product without having issues with modes of transportation through Portland, the Gorge or Columbia County. She explained it would then be unloaded at the transloading sites. She explained at the unloading site you see no coal, it would never touch the ground and it would be completely enclosed the entire time. She explained the project in its entirety is designed to eliminate dust and spillage. She explained the project understands the importance of mitigating the environmental concerns and so they are trying to do that in every step of the way. She explained at the initial capacity we are looking at 3.5 million tons a years, so what that means it is approximately one train per day going into Morrow, one barge tow, which is a tow with four barges are connected together going down the river, that would be a day and then one vessel a week. She explained at full capacity they are permitting for up to 8 million tons a year and to get to that point the Port has to agree to increase the capacity and that would about double the number of trains, barge tows and ships. She explained as far as jobs and community support goes, this would create a total of 105 family wages job; 25 jobs at the Morrow facility, 25 jobs at the transloading facility in Clatskanie and 55 jobs in transportation of coal through barge or train. She explained as far as community support goes, the project is donating a 10 cent per ton fee to schools in both Morrow and Columbia County, so that looks like a pool of initially \$350,000.00 to schools in Morrow County and the matching contributions in Columbia County. She explained they have begun conversations with the superintendents of the schools and they are working on a mechanism by which they can distribute those funds to local schools. She explained the project is committed to doing things the Oregon way and to really reaching out to the community, which is why she is here tonight on behalf of the project to first present what they are doing and gage Councils support. She explained in a couple of days they will enter a public comment period. She explained they invite Council if they are in support of this project, if you have questions or if you have concerns to make their comments, they can do so on their website, the Army Corps of Engineers website or on the Port of St. Helens website. She explained right now they are in the phase of trying to create the best project possible and they are looking for community support and feedback.

Council President Bernhard stated he assumes they will have safety records for the public to look at.

Liz Fuller replied absolutely, that is a major concern of theirs and a top priority.

Councilor Erickson asked if coal is combustible on barges.

Liz Fuller replied in certain situations, certain types of coal, but it is only under certain circumstances. She stated not in this case.

Council thanked Liz Fuller for the information.

## **Appointing a Municipal Court Judge**

Councilor Reed went over the staff report. He explained due to the retirement of Judge Taylor a committee was formed to interview candidates for the position of Municipal Court Judge. The committee interviewed Mr. Nicholas Wood, Ms. Laurie Seldon and Ms. Cynthia Phillips. He explained the committee unanimously selected Mr. Wood for the position.

Councilor Reed introduced Mr. Wood and explained he is here to answer any question Council may have.

Nicholas A. Wood, Vancouver, gave his address for the record.

Councilor Gedlich moved and Councilor Reed seconded the motion that Scappoose City Council appoint Mr. Nicholas Wood as the Scappoose Municipal Court Judge.

Councilor Gedlich stated she would like to say that she thinks Mr. Wood will be a definite asset to the City and she thinks he work very well with staff. She explained he is very knowledge. She would like to say welcome aboard.

Nicholas Wood stated first and foremost he wanted to thank everyone here, Mr. Mayor, Councilmember's, Mr. Hanken and the folks that he will be meeting in the days to come. He really appreciates this opportunity. He hopes to earn the opportunity that Council has given him over the months and hopefully years to come. He looks forward to opportunity to serve the men and women of Scappoose, Oregon.

Council President Bernhard welcomed Mr. Wood. He asked him what are his first steps as in trying to develop a partnership obviously with our City Manager and with staff, also in regards to working with the County.

Nicholas Wood replied first and foremost he thinks it is important that he attends as many City Council meetings as he can over the next several months to get a feel for the hot button issues that are affecting this community. He explained he has spoken with Mayor Burge about that. Also he and City Manager Hanken have talked about getting together and getting his input, which he feels is also very important. He plans on holding a open invitation to the local bar to sit down to just down and talk about any issues related to municipal court that he can take and learn from. He thinks it is also important that he sit down with members of law enforcement. He explained what he needs to do is get the pieces in order and move forward; it's going to take some time. He stated he is going to take the time and he is going to do what it takes to do the job right, he has made a commitment to this community and now he's got to keep his word to that commitment. He welcomes any input from Council and the community so he can do the best job he can and move forward.

Council President Bernhard explained he would greatly appreciate a proactive approach toward the issues that we have within our community associated with goals and action plans to go along with it so that we are staying on task and that we are moving forward. He stated he appreciates his words and welcome aboard.



Motion passed (6-0). Mayor Burge, aye; Council President Bernhard, aye; Councilor Gedlich, aye; Councilor Meres, aye; Councilor Erickson, aye and Councilor Reed.

Mayor Burge swore in Nicholas A Wood as the Scappoose Municipal Court Judge and City Recorder Reeves attested the swearing.

Congratulations Mr. Nicholas Wood!

### **Appointing a City Prosecuting Attorney**

Councilor Reed went over the staff report. He explained the same committee that met to decide the Scappoose Municipal Court Judge met again on Thursday, March 1 and interview two candidates for the position for City Prosecutor: Mr. David Herr and Ms. Laurie Seldon. He explained the committee reviewed answers to questions that were posed by Councilor Gedlich to the Oregon Ethics Commission regarding any possible conflict of interest with regard to Mr. Herr's potential appointment. He explained there are no conflicts of interest. He explained the committee recommends the appointment of Mr. David Herr as the Scappoose City Prosecutor.

Councilor Gedlich moved and Councilor Meres seconded the motion that the Scappoose City Council appoint David B. Herr as the Scappoose City Municipal Court Prosecuting Attorney. Motion passed (6-0). Mayor Burge, aye; Council President Bernhard, aye; Councilor Gedlich, aye; Councilor Meres, aye; Councilor Erickson, aye and Councilor Reed.

Congratulations Mr. David Herr!

### **Resolution No. 12-05: A Resolution Declaring a Washer, Dryer, Stove and Vehicle as Surplus Property**

Steve Wabschall went over the staff report. He explained what Council has before them is a resolution that declares a washer, dryer, stove and vehicle as surplus which will allow staff to advertise and sell.

Councilor Gedlich asked Steve Wabschall how old are the washer and dryer?

Steve Wabschall replied they are from 1990.

Councilor Gedlich discussed donating the appliances.

Councilor Gedlich moved and Councilor Erickson seconded the motion to pass Resolution 12-05: A Resolution Declaring a Washer, Dryer, Stove and Vehicle as Surplus Property as presented.

Legal Counsel Jeff Bennett explained the process of donating the appliances.

Motion passed (6-0). Mayor Burge, aye; Council President Bernhard, aye; Councilor Gedlich, aye; Councilor Meres, aye; Councilor Erickson, aye and Councilor Reed.

## **Announcements**

Mayor Burge went over the calendar.

## **City Manager**

City Manager Hanken and Legal Counsel Jeff Bennett gave an update on the UGB process.

## **Council**

Councilor Gedlich thanked staff. She congratulated Judge Wood. She stated we need more chairs in this room. She stated the parking lot is dark and dangerous and there are no lights, you can't see. She doesn't think it would cost that much money to put in a light.

Councilor Meres stated he would like some easels so when people are here doing a presentation they can use them. He stated it was a hard choice for the judge and prosecutor, it was very difficult and he is glad it is over.

Council President Bernhard stated it is the start of baseball season, stop on by and watch them. He stated it is so neat to see Veterans Park being so well used.

Councilor Reed explained he was glad to be a part of the committee that selected the Judge and prosecutor. He stated it was a privilege to work with Councilor Gedlich and Councilor Meres. He agrees with Councilor Meres that it was a difficult decision and he thinks they made the right decisions. He welcomed Mr. Wood aboard.

Mayor Burge thanked the Council members that served on the committee; Councilor Reed, Councilor Meres and Councilor Gedlich. He stated it was greatly appreciated that they took the time to sort through the candidates and make a recommendation.

## **Adjournment**

Mayor Burge adjourned the meeting at 8:13 p.m.

  
Scott Burge, Mayor

Attest:   
Susan M Reeves, CMC, City Recorder