

**CITY OF SCAPPOOSE
REGULAR CITY COUNCIL MEETING
APRIL 15, 2013 AT 7:00 P.M.
33568 EAST COLUMBIA AVENUE
SCAPPOOSE, OREGON**

Call to Order

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

Flag Salute

Mayor Burge asked to take a moment of silence for the tragedy that occurred in Boston, Massachusetts today.

Attendance:

City Council Members:

Scott Burge	Mayor
Larry P. Meres	Council President
Donna Gedlich	Councilor
Jeff Erickson	Councilor
Mark Reed	Councilor
Jason Meshell	Councilor
Barbara Hayden	Councilor

Staff:

Jon Hanken	City Manager
Doug Greisen	Police Chief
Brian Varricchione	City Planner
Susan Reeves	City Recorder

Press:

Jeff Bennett	Legal Counsel	Robin Johnson	South County Spotlight
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Approval of the Agenda

Councilor Meshell explained regarding agenda item number 9.1, Resolution No. 13-03: Regarding Kinder-Morgan Coal Export Project he has been approached by a lot of community members as well as some business owners who really wanted to be here tonight to speak on this. He explained it just seems like there is a lot of discussion going on in the community and the community would like a forum for which to discuss this at greater length. He explained there are a lot of parents, a lot of teachers, and a lot of businesses who want to make sure that their voices get put on the records as well as some letters that they have received where people have asked to speak at the next Council meeting. He explained what he would like to do is see if Council can open up and facilitate a broader discussion where the party's maybe the railroad, Kinder-Morgan itself and the school board be in attendance and we invite everyone from the community to really be able to get their issues heard so we can make sure with this resolution we've heard all parties before we actually vote on it. He explained his question tonight is if we could delay this. He stated we could go ahead and hear public comments from anyone in the audience, but instead of Council voting tonight he thinks if we can give the community a little more time to speak at a different meeting and maybe we can even get the auditorium at the High School because there are a lot of folks that really want to speak on this issue about the coal trains, so we could delay tonight so everyone in the community could be heard.

Councilor Gedlich stated she has talked to a lot of citizens too over the last several months since all this began and she has gotten more people that are opposed as to proponents. Her question is why are we spending hours and hours and hours getting public input, hearing from all of these various bodies when the Legislature is doing the same thing and we should be considering negotiating with the Port of Portland because we have no control over the railroad, whether it is coal, or grain or logs, or whatever it might happen to be and so maybe what we need to do is put out an informational article in the newspapers and something on our web that says this is what this body can do and cannot do so that all of the people go to the Port of St. Helens because the Port that is where we have to go.

Councilor Meshell replied we could invite them so that the citizens would be able to comment to them and they could hear the feedback as well.

Councilor Meshell moved and Council President Meres seconded the motion to approve the agenda as amended; 9.1 is open for public comment but Council will not be voting on that issue tonight. Motion passed (7-0). Mayor Burge, aye; Council President Meres, aye; Councilor Gedlich, aye; Councilor Erickson, aye; Councilor Reed; aye; Councilor Meshell, aye and Councilor Hayden, aye

Public Comments

None

Council Report/Committee Reports

None

Consent Agenda ~ March 16, 2013 City Council Goal Setting Session minutes & April 1, 2013 City Council Meeting minutes

Councilor Meshell explained on the Goal Setting Session minutes there is one correction on page 5 it should be PPM ~ Carbon Dioxide.

Council President Meres moved and Councilor Reed seconded the motion to approve the Consent Agenda March 16, 2013 City Council Goal Setting Session minutes & April 1, 2013 City Council Meeting minutes as amended. Motion passed (7-0). Mayor Burge, aye; Council President Meres, aye; Councilor Gedlich, aye; Councilor Erickson, aye; Councilor Reed; aye; Councilor Meshell, aye and Councilor Hayden, aye.

Oregon Association of Water Utilities Operator of the Year Award ~ Kevin Turner

Dave Branham, Wastewater Technician with Oregon Association of Water Utilities, gave history on Oregon Association of Water Utilities. He explained there are over 700 members in their organization. He explained he goes to over 400 plants a year and he sees lots of plants and Scappoose is one of the best plants he has ever seen. He explained it was really impressed to hear what the sewer rates are here. He explained the City's effluent water is so clean he wouldn't be afraid to drink it. He explained the State wide average of monthly sewer bills are well over \$40 probably closer to \$50 and there are a lot of systems that are paying up to \$100 a month just for basic sewer service. He explained each year they have an annual conference and this year Kevin

Turner was awarded Wastewater Operator of the Year. He explained Kevin shows true dedication in his perfection, he does most of the lab, he shows dedication to the City, he has seen several outstanding projects and he understands he is quite confident in times of crises and has a calming effect on his coworkers, he has moral and a good sense of humor, and he is dedicated to the City and doing his job.

Kevin Turner stated his name is on the plaque but it is definitely a team effort. He explained we couldn't do this with one person at the plant.

Congratulations Kevin Turner.

New Business

Public comments on the Coal Train issue

Skip Cook, Scappoose, explained his wife and he own a business here in Scappoose right across that railroad tracks. He gave some history on the log trains wanting to expand. He explained with that history reviewing the discussion at that time might be beneficial. He asked what is the carrying capacity of that track and what kind of length can there be without blocking all the crossings. He explained the other part of that from his perspective as a business person invested in this community; he asks who are we going to draw here. He stated you folks have put a lot of energy in the Port and the County into bringing the airport industrial area in to the City. He explained his concern is being a business person who hopes things will expand out here before he retires. He explained he is having a problem with are we actually going to give second thought by the people who may be looking at the airport as an investment for business, or even in here especially retail, are they going to believe that they can get their goods, services and customers across the tracks. He stated he appreciates all the energy that everybody has put into trying to make the airport right and for the future. He asked are we going to really know what the outcome and the attitude of business people who want to invest here how they are going to look at that in a long term. He said he can see down the line if all these companies get what they want we are going to end up with two tracks there.

Paula Miranda explained she is here to represent the Port of St. Helens. She explained the reason she came here today is this particular resolution she thinks is a little bit premature at this point. She explained first of all a study has been done back in December of 2008 and May of 2009 which addressed Lower Columbia Rail Corridor all the way from Multnomah County to Clatsop County and it definitely is here in the Columbia County area and the Scappoose area all the different accesses and so on and addressed the local trains as well as unit trains.

Mayor Burge stated that the 2008 and 2009 studies were for three trains a week with an increase possibly of four trains a day, wouldn't that like be considering an impact transportation study for a small retail business verses an impact study from Fred Meyer.

Paula Miranda replied she understands the concern about the three trains a day. She explained there is a study that impacts the uses that they have today and the anticipated uses that they have approvals as far as they know the businesses are coming today which at this point and time at least for the businesses that they work with and as well as some of the existing customers of the railroad.

Councilor Gedlich asked Paula Miranda where is that study.

Paula Miranda replied it was performed by the County for ODOT.

Mayor Burge stated the 2008/2009 study was about ethanol plant three or four trains.

Paula Miranda replied that is correct and that is all they have currently. She explained what she is saying is you were talking about Kinder-Morgan which is a company that they are still working with, they haven't moved forward. She stated there is nothing set that this business will come. They are still negotiating. She stated the Amber Energy project, for instance, we know that is moving forward, we know they are going to pull permits. She stated Kinder-Morgan has not decided to proceed at this point. So she thinks it is a little bit premature to try to go to State agencies and request a study to be done on something that you don't know for sure.

Mayor Burge replied let me ask, so what you are saying is the Governor was premature in his statements, the Governors of Oregon and Washington were premature.

Paula Miranda replied we believe so too. She stated they have already stated that to the Governors folks that it is premature.

Mayor Burge stated any body that says that for a business that is going to impact the communities that they are in, at anytime, we're not saying it might not happen. He stated to Paula Miranda that she was saying that we shouldn't ask to make sure that we're on record saying that we want to make sure that these studies are done so we know the impacts of our community but that we should wait. He stated Kinder-Morgan is out here doing a yard push wanting to meet with elected officials, but we shouldn't be able to respond and say here is what we want to make sure of the impacts to our community, we want to be engaged in the process and say these are the items that are important to our community and our livability here. He stated we understand that the Port has huge investments up in the North County.

Paula Miranda replied and in the South County, the airport.

Mayor Burge stated he is stating huge loans and investments that the County and the Port both have, he understands that.

Paula Miranda replied with her due respect she applauds the City for trying to anticipate that. She stated they really do and they appreciate that and the Port actually does the same as they are negotiating with some of these companies. She explained as a matter of fact if you look at the option that they have currently with Kinder they do ask them to address all of the items including work with the railroad to address, even though they can't tell the railroad what to do, they can tell their customers what they want if they are going to come to their property. She stated so they have worked with them and they will continue to work with any anticipated business throughout their district anyway that they anticipate coming in order to address those. She explained they certainly would like and she thinks they have been to the extent we know where that is moving forward which it hasn't yet. She stated they look forward to working with the City just like they look forward to working with all the city's that will be impacted in the future by any business the Port brings at this point. She stated we will continue to work with you and would like address any concerns you have and be able to pass those on to both the customer as well as the railroad

as we move forward, but at this point in time we just find it a little premature to go to agencies that currently don't even have that kind of money to study.

Mayor Burge stated the only agency we are going to is the Port of St. Helens and saying we want these studies done and these are the agencies that would do the studies. He explained there are other people that say we shouldn't be asking the agencies to do the studies we should be asking Kinder-Morgan and he is open to either way. He stated when Fred Meyer came here they paid for their study.

Paula Miranda stated if you do ask that all they are saying is they are not coming. We don't know if they will and when we get to that point we certainly will be addressing working with that company making sure they are addressing the communities. She stated they are concerned about the communities that they are impacting as well because this is part of the community the Port of St. Helens works with. She stated also in addressing the other gentleman that mentioned the airport, of course they are concerned about anything that they have control over that would impact the airport or any business for that matter. She explained their job is to bring jobs here, keep the businesses around and bring in new business, so she doesn't think we would want to do anything that would jeopardize that. She stated again we have no control necessarily what the railroad does but they work well with the railroad and they have control of their property but if they decide to do something up in Clatsop County for instance they have no control of that but they have been working with them with their property.

Mayor Burge replied which is true, that would be the Port of Astoria and if the Port of Astoria was doing the same thing and running an surmountable amount of trains through our community we probably send them the same type of resolution saying we want impact studies for that because it is impacting our community. He explained the City knew before the 2008 study that we needed Havlik Drive because the City did their own rail corridor study previous and the 2008 study kind of confirmed it with three to four trains but when you go from three to four to a lot more trains you are impacting more times a day which creates traffic problem issues throughout the community more than three times a way and he thinks that is his concern.

Paula Miranda replied she understands and they appreciate that and all she is saying is they are ready to continue working with the City as they know those businesses are coming. She stated right now it is a little bit early because they don't know for a fact they are coming. They may end up having a different business and they only need three trains or maybe more, they don't know and at that point they would like to work with the City in addressing any of those impacts would somehow somehow effect the City and any of the cities for that matter.

Mayor Burge replied pretty much our resolution is asking for impact studies. He doesn't see where the Port, whether it is no or at a point that Kinder-Morgan decides they want to move forward, where's the difference whether when we pass it.

Paula Miranda replied who is going to be paying for it, right now we don't have a customer that would pay for it because we don't have that customer yet.

Mayor Burge explained Fred Meyer knew when they came here that they had to do a certain number of studies that they would have to do in order to build in Scappoose, they knew that ahead of time, they knew that before they decided. He stated what we would be doing here is saying Kinder-Morgan or really any business that is proposing putting twelve or fifteen trains

through town a day, show us the impacts on our community and our livability within this community and our traffic flow because it is going to change the traffic flow and it is going to change emergency response and what our officers have to do when the trains come and it may even change how the Fire Department stations their vehicles. So there are impacts that we need to know and to say it is premature, he doesn't think it is ever premature to say if there are going to be impacts we want to have studies to show what it is. He stated at the point when you have a deal and they want to build or it goes through that might be too late for us to say we want a study.

Paula Miranda replied well again she believes the current impact analysis they have even though it talks about three trains it does give some formula to address addition trains and she believes at this point not knowing what is to come for sure that should address but that is the way they look at it and they have been talking to the railroad about this as well. She stated they haven't stopped talking to the railroad how to address and when to address those issues from day one on this project or any other projects they have worked through that has rail impacts.

Mayor Burge explained most the time it doesn't cost the railroad anything, they just run their trains on their tracks that they already have. He explained if it wasn't for getting the grant Havlik Crossing would not be built today. He stated we just want to know what our impacts are.

Brian Rosenthal, Scappoose, explained he wanted to touch on a few points talked about tonight. He stated first off when they say there's been no deal done, there actually is an option and the Port is currently receiving \$10,000 a month for that option. They have been doing that for over a year now. So the Port has received over \$100,000 based on the idea the coal facility is quite possible and going to happen. So when people say we don't know if it is going to happen or not Kinder-Morgan must think there is a chance it is going to happen or they wouldn't be giving \$10,000 a month to the Port. He stated in this contract Kinder-Morgan can back out at any time and stop paying the \$10,000. So they obviously feel there is enough value there to make that payment. He explained as far as the whole discussion on the 2009 safety study the more he heard Port representative talk about it the more he become convinced that we need research done because based on what she was saying basically we already have the research we need and we can extrapolate from that report what we need and it seems to him, as Mayor Burge was saying, that three verses fifty there is no way you can extrapolate from that, there are completely different issues that would come up from that. He explained he would just like to encourage the City to move forward. He explained the other thing is he doesn't understand why anyone is opposed to this resolution. He stated this resolution doesn't say no coal, this resolution says let's do research and find out if it's a good deal for Scappoose. He stated if you are pro coal you shouldn't have a problem with it because it is research and the research will show that's it is a fair deal for the community. He stated if you are against it you shouldn't have a problem with it because you should feel that it will show that it's a bad deal. He looks at this at just information gathering. He explained he doesn't really understand how you can any kind of business transaction without that information and this is a business transaction. He stated the impacts are huge to the community and the investors but at the end of the day the railroad, Kinder-Morgan and the Port are looking at this as a business transaction so he doesn't see why they would have a reason to not want the community to know unless of course they have something to hide and that is the only conclusion he can come to. He stated as far this being off in the future, we haven't negotiated, investors such as himself, they look five, ten, twenty years ago. He explained he can tell you that from an investor's standpoint this creates economic uncertainty and he would like information so he can move forward with his business decisions and when there is not

information that translates into risks and there is risk in not knowing what the future for Scappoose is. He stated about 20 cities have already passed resolutions so he finds it very hard to believe it's premature and it includes small cities like Portland, Seattle, Eugene, Milwaukie, The Dalles, Vancouver, Hood River, on and on, so it is not premature.

Mike Clarke, Scappoose, stated just a quick couple comments here, he guesses they are derogatory towards the Port here so he will try to keep them limited. He asked why would the Port as part of its business plan send in somebody to talk to this City about waiting to ask the questions that are so important to this City. He asked why is the Port as part of its plan deciding we should wait until the deal is done to do some of this research and bring somebody here to ask the City Council hey you guys don't need to worry about this we don't even have these deals in place, when as Mr. Rosenthal just pointed out yea there are deals in place. He stated \$10,000 a month is a deal in place. So it is very frustrating as a citizen and somebody who also cares about this City and all the cities up and down the highway, Rainier, Clatskanie, everywhere. He stated why do we not want to be proactive with this.

Mayor Burge asked if anyone else would like to comment.

Paula Miranda stated she just wanted to address that the fact that two people here mentioned the fact that they already have a deal a deal with Kinder and that they are receiving \$10,000. She stated yes they have an option, and it's called an option, not a lease and they have clause that if they don't provide them certain things or property or the Commission doesn't agree to approve their business there and the project they are going to bring and that includes with some of their requirements that we need to address the rail issues and other things that they would give their money back to them. So she just wanted to make sure clear that, they haven't even used any of their money, they put it in an escrow, and it's sitting there. She stated there is a chance that the money might be given back to them if they don't address the concerns that the Port has.

Mayor Burge thanked Paula Miranda.

Mayor Burge he stated since no one else wants to talk he will close the public comments. He explained this will be the only agenda item on May 6.

City Manager Hanken will need to make sure we can get the school facility or some larger facility, so he will work on that tomorrow.

Awarding Construction Contract for SW 1st Street/Credit Union Sanitary Service Lateral

City Planner Brian Varricchione went over the staff report. He explained this is to replace approximately 115 feet of sewer that was built in 1973 and the existing pipe is deteriorated and it has lead to more than one sewage backup into one of our local businesses. He explained the City directed consulting engineers Kennedy/Jenks to draft up construction drawings and we put the project out for quotations. He explained we requested quotes from two different companies and two of them turned in the bids. Kessi Construction was \$12, 950 and T.F.T. Construction was \$24,870. He explained staff recommends awarding the contract to Kessi Construction.

Councilor Hayden asked why is there such disparity between these two bids.

City Planner Brian replied the T.F.T. representative that he spoke with was concerned that it could take a while and that it could inconvenience some of the neighboring property owners and it's possible that their bid reflects kind of a worst case scenario. He explained the challenge for this is as the new line is being put in place you have to maintain service to the existing customer so they are not inconvenienced.

Councilor Gedlich asked City Planner Brian Varricchione how many change orders does he anticipate.

City Planner Brian Varricchione replied it is impossible to count the number we might have. He explained if they encounter unanticipated conditions we'll have some.

Councilor Reed moved and Councilor Meshell seconded the motion that Scappoose City Council Awarding Construction Contract for SW 1st Street/Credit Union Sanitary Service Lateral to Kessi Construction Incorporated. Motion passed (7-0). Mayor Burge, aye; Council President Meres, aye; Councilor Gedlich, aye; Councilor Erickson, aye; Councilor Reed; aye; Councilor Meshell, aye and Councilor Hayden, aye.

Discussion on Ordinance Change for Chapter 11

City Manager Hanken explained after looking through the ordinances one of the items that keeps coming through in the street department is the discussion about the Public Works Director. He explained the City of Scappoose hasn't had a person in the official capacity of the Public Works Director since 1999. He explained in terms of being consistent with how we operate one of the items we should be doing is taking out where it says Public Works Director and replacing it with City Manager or designee.

Mayor Burge explained the second part is more responding Councils discussion over the last couple of years about the fact that the Council is the road authority and moving a part of the road authority that had been specifically delegated to the Public Works Director up to the Council level where it's establishing where the crosswalks and safety zones or designating where they would be so if there is an issue it is a vote by the Council. He explained he wants Council to have the ability to do that. He stated when the signs do get changed who hears about it, us up here. He stated with a vote Council would know what signs were changed because they made the final decision. They would still have the recommendation from the Police Chief, Public Works or City Manager Hanken on why these sign changes need to happen, but the Council would sign off on it.

Councilor Gedlich stated she has to agree but her only concern is if Mr. Hanken leaves, because of his background right now, what would happen if we have a new City Manager that maybe wouldn't have the expertise or background that City Manager Hanken does.

Mayor Burge replied that is why it would say City Manager or designee. He stated in terms of establish, remove or alter signs that should come before Council, but not the maintaining of signs.

Announcements

Mayor Burge went over the calendar.

City Manager

City Manager Hanken explained before Council you received an invitation to Representative Bonamici's meeting in Columbia City on April 21st. He explained Council got a copy of a letter regarding Elm Street safety concerns. He explained the City looked at exploring the Elm Street issues back in August of 2008. He explained staff talked to property owner's related to the need of additional right-of-way to bring that up to a proper standard to meet ADA requirements. He stated some of you will remember when we started talking about the need for right-of-way the effected property owners were not impressed and not happy at all and that is why it didn't go any further.

Mayor Burge explained he believes one of the effected properties is up for sell.

City Manager Hanken replied he didn't realize that was for sale and it may be something to look at.

Police Chief

Chief Greisen explained he has a meeting with ODOT regarding the light at Havlik and Highway 30. He explained he will send Council an email with the results of the meeting.

Council

Councilor Gedlich thanked everyone for coming tonight. She thanked Paula Miranda for coming and speaking and stated she certainly appreciates her input. She thanked staff for all the staff reports.

Councilor Hayden thanked staff. She explained she had the opportunity to go out to Oregon Aero and see the new building and it is beautiful.

Council President Meres thanked Kevin Turner on his award. He thanked staff and said he knows they work very hard and he appreciates them.

Councilor Meshell explained the barricades at Veterans Park are working very well, people are not parking there.

Councilor Reed congratulated Kevin Turner on his award.

Mayor Burge stated congratulation to Kevin Turner. He stated we appreciate the work you do. He stated congratulations to everyone at the plant for working hard and getting recognized.

Bill Blank explained the Farmers Market will open May 18.

Adjournment ~ Mayor Burge adjourned the meeting at 8:05 p.m.

Attest:


Susan M. Reeves, MMC, City Recorder


Scott Burge, Mayor