REGULAR MEETING OF THE WOOD VILLAGE CITY COUNCIL
January 28, 2014
MINUTES

PRESENT: Mayor Patricia Smith, Council President Mark Clark*, Councilors Stanley Dirks, Tim Clark and Scott Harden, City Administrator Bill Peterson, Finance Director Peggy Minter, Public Works Director Mark Gunter, and interested parties.

ABSENT: None.

MAYOR SMITH CALLED THE MEETING TO ORDER AT 6:00 PM.

PLEDGE OF ALLEGIANCE

CONSENT CALENDAR

- Liquor License Application: Bronx Eatery – Full On-Premise Sales

Upon motion by Tim Clark, seconded by Harden and passing 4-0, the Consent Calendar was approved.

PRESENTATION: AUDIT FOR FISCAL YEAR 2012-13

Tamara Graham from Pauly Rogers presented the audit via webcam. Graham stated that the audit for the City has been completed, and the results have been sent to the City. Graham explained that the financial statements are reviewed using Generally Accepted Accounting Principles and Auditing Standards. The statements were also reviewed based on Oregon municipal law. Graham stated that the auditing team expresses opinions as to whether the financial statements are prepared according to GAAP, and that management has prepared accurate statements.

Graham stated that the audit resulted in an unqualified opinion, which is a clean opinion with no reservations. Graham explained that there were no exceptions or violations of Oregon law, and no deficiencies of internal controls. Graham stated that there were no improper transactions, and significant transactions were recorded timely and accurately. Graham explained that overall the audit went well, and the staff was very helpful. Graham stated that there was one material accounting estimate, and that was for the capital asset depreciation. The estimate was tested, and there were no findings. Graham explained that statements were neutral, accurate and clear, and the staff was very pleasant and helpful.

Graham stated that there were no proposed adjustments from the audit team. Graham explained that management noticed two adjustments, but the audit team did not find any additional adjustments. Graham stated that there were no disagreements regarding the accounting methods or reporting. Graham explained that sometimes audits uncover complex issues and a second opinion is needed, but no second opinion was needed for this audit. Graham stated that there are four new GASB requirements coming out, and they are outlined in the Management Letter.

Graham stated that the Management Letter does identify two best practices. The first best practice is oversight by the Governing Board. Graham explained that it appears the Council is involved with the finances of the City, and the recommendation is to continue that due diligence. Graham stated that the second best practice is to have crime insurance coverage that covers the full cash balance. Graham explained that is a common best practice where there is more cash than insurance coverage. In the event of a large theft, the City could lose those funds. Graham stated that it is up to each entity to weigh the cost and associated risk.

Graham stated that summarizes the audit, and asked if there were any question. Smith stated that it looks like everything went well with the audit. Graham stated that was correct. The Council thanked Graham for the presentation. Graham stated that the Council may contact the agency at any time if there are questions or concerns. Graham was disconnected from the meeting.

Peterson stated that fund balances in the main funds increased this past year, even with significant capital projects. Peterson explained that staff is actively working hard to ensure that the City's finances are in good shape. Tim Clark asked about the GASB requirements. Minter stated that the board comes out with new requirements every year, and they are nationwide. Tim Clark asked if the new financial software will include those updates. Minter stated that the GASB requirements are separate reports outside of the financial system.

REPORT: ENTERPRISE ZONE STATUS

Peterson presented the report, and introduced Erika Fitzgerald from the City of Fairview who is the Enterprise Zone manager for the two cities. Peterson stated that the City's Enterprise Zone is part of the Columbia Cascade Enterprise Zone which encompasses areas of all three cities. Peterson explained that each city has slightly different benefits, but the main benefit is the property tax abatement.

Peterson presented a map of the zone, and stated that the properties north of the freeway and some sections along Halsey Street are in the zone. Peterson explained that there are more lands available in the other cities, and there are 64 other Enterprise Zones in the state. Peterson stated that when a property is certified in the zone, the investment increment is not calculated in the property taxes for three years. There are also options for a four and five year abatement, but a 25% community service fee must be paid to the local jurisdiction. Peterson explained that the 25% fee is calculated based on what the property taxes would have been.

Peterson stated that the City has several requirements for a business to qualify for the benefits, and some of the requirements were recently updated. Peterson explained that essentially there has to be a minimum number of new jobs created, they must pay at least 150% of the minimum wage, the business must sign a local procurement agreement for both employees and supplies, and then there is an application fee. Peterson stated that the application fee is split between the City and Fairview.

Peterson stated that there is an IGA with the City of Fairview to manage our portion of the zone. Peterson explained that the state only allows for two managers, and the City decided to go with Fairview over Troutdale. Peterson stated that the manager provides all the application support to the businesses, interfaces with the County for the tax abatement, and provides regular updates to the City. Peterson sated that the City's responsibility is to attract businesses.

Fitzgerald stated that there are specific details about how an Enterprise Zone can function and work. Fitzgerald explained that not all businesses can qualify for the benefits, and there are specific rules regarding what type of equipment can qualify for the abatement. Fitzgerald stated that the zone was created in 2007, and includes 1,731 acres. Wood Village has 155 acres in the zone. Fitzgerald listed businesses that qualified for the benefits in each city, and stated that the largest one for Wood Village is Pressure Safe LLC. Fitzgerald explained that Pressure Safe is a food production and freeze drying operation. The current employment is between 24-26 people, and that is anticipated to grow to another 50 positions within the next three years. The total investment has been just over $7 million.

Fitzgerald stated that the largest company in the entire zone is the FedEx facility in Troutdale. That facility is a 450,000 square foot distribution center which opened in 2011. There are 341 total employees, and the investment is just over $116 million. Fitzgerald explained that there are plans for another expansion as well. Fitzgerald stated that there are plans for an energy center in Troutdale which qualified for the benefits, but the site has not yet been built. Employment for that industry would be about 50 people, but it would be a very large investment.

Fitzgerald stated that Fairview has two companies in the zone. The first company is General Pacific which is a wholesale stocking and distribution center for large utilities. That business was authorized in 2009, and employs 35 people. Fitzgerald stated that the other business is Communications Test Design which is a maintenance and repair facility. That business occupies over 120,000 square feet and employs 228 people.

Fitzgerald stated that in summary there are four participating businesses with five authorized in the zone. There are 630 jobs, and over $130 million has been invested. Fitzgerald explained that this is a great tool for attracting quality businesses and jobs to the area. Peterson stated that the zone is working, and achieving great results. Fitzgerald asked if there were any questions.

Harden asked about the 25% community service fee, and if that puts this zone at a competitive disadvantage compared to other zones in the state. Fitzgerald stated that the fee is more of a bonus to allow a five year abatement. The fee also goes back to the local jurisdiction, which most businesses understand that will benefit them in the long run. Harden asked about the 150% of minimum wage requirement, and if that could be hurting the zone. Peterson stated that is a local requirement, and can be changed. Tim Clark asked if that could be negotiated with a potential business. Peterson stated that it can be, and the purpose of that requirement is to help ensure that the level of investments and jobs are worthwhile. Harden stated that he likes the requirement, and stated that most companies could afford those kinds of wages.

Tim Clark asked about the company that left Fairview, and if the city lost money in that arrangement. Peterson stated that any company that is approved for the benefits has to live up to their obligations, or pay back the taxes. The obligations include target employment rates. Fitzgerald stated that particular company did pay all the taxes. Peterson stated that is the requirement unless the company goes bankrupt.

Tim Clark asked about the Electronic Enterprise Zone. Peterson stated that is fairly simple, and can function as an add on to the zone. Peterson explained that you have to apply when the option is open, and it is a competitive. The next opportunity to apply is around 2015. The Council thanked Fitzgerald for the report.

RESOLUTION 3-2014: PGE FRANCHISE EXTENSION

Peterson presented the resolution and stated that the City has been working with an outside legal counsel because Condit has a conflict of interest. Peterson explained that there are two issues left between the cities and PGE, and those issues are expected to be resolved within the week. Peterson stated that the resolution before the Council extends the current franchise agreement for one month. Peterson explained that PGE is required to provide service regardless if there is an agreement, but without an agreement certain rules and benefits go away. Peterson stated that PGE is okay with the extension.

Tim Clark asked about LED street light conversions, and if that could be part of the agreement. Peterson stated that is a relatively complex and separate issue. Peterson stated that there are some poles and fixtures owned by the City, PGE, or jointly owned. A buyout agreement with either party would be needed which would lower the tariff, and the LED conversion could be made. Harden asked if there was a limit on how many times the franchise could be extended. Condit stated that generally an agreement can be extended for as many times as both parties agree.

Upon motion by Tim Clark, seconded by Harden and passing 4-0, Resolution 3-2014 extending the PGE Franchise Agreement for one month was approved.

DISCUSSION: 26TH ANNUAL EASTER EGG HUNT

HR/Records Manager Greg Dirks presented the discussion, and stated that the goal is to come up with a plan for the 26th annual Easter Egg Hunt. Greg Dirks explained that staff is proposing hunts

for children ages three and four, five and six, seven to nine, and all special needs children. The Council agreed.

Greg Dirk stated that staff is proposing 12,500 eggs for the hunt. That is number is in line with previous hunts except for last year which had 25,000 eggs to celebrate the 25th anniversary. The Council agreed to 12,500 eggs. Greg Dirks stated that staff is proposing that there be 675 prizes, which is down from last year, but up from previous years. Greg Dirks explained that there were several prizes leftover from last year that will be used this year. The Council agreed. Greg Dirks presented a breakdown of eggs and prizes for the age groups. The Council requested that the special needs hunt have 250 eggs. The Council also asked about the need for grand prizes. Greg Dirks explained that some prizes that get donated are larger than others, and it works out to have those items as grand prizes. Greg Dirks stated that it is not necessary to have grand prizes, and something else could be worked out. The Council requested that grand prizes be removed.

Greg Dirks stated that staff is proposing to have the Easter Bunny arrive by helicopter at 9:30am. Photos can then be taken at the gazebo. Greg Dirks explained that he has contacted Jessica Morkert to be the emcee, and she had some interest. Spanish speaking support volunteers have also been contacted. Greg Dirks stated that he will work with the MCSO for lost child support, and crowd control. Greg Dirks explained that there are a few groups interested in selling coffee and doughnuts at the event as a fundraiser. Greg Dirks stated that the Cub Scouts have operated that booth for the past few years, and it has worked out well. Greg Dirks explained that another group has inquired about the potential fundraiser, and direction is needed on how to handle this piece of the event. The Council asked if the group was local. Greg Dirks stated that they serve this area, but are not based in Wood Village. The Council stated that they would like to keep the fundraiser with the Cub Scouts, and then provide the opportunity to other Wood Village groups if the Cub Scouts decline.

Greg Dirks presented the estimated budget for the event, and stated that it is about $3,300, and $3,500 was budgeted. The Council asked if it would be more cost effective to buy a bunny suite rather than always renting one. Greg Dirks stated that the suite is tailored to the size of the volunteer, and it might be difficult to find a volunteer year after year who could fit into a purchased suite. Greg Dirks presented a layout of the event, a draft flyer and banner. The Council stated that they look good. Greg Dirks asked if there were any further questions or concerns. The Council thanked Greg Dirks for the update.

Upon motion by Motion Tim Clark, seconded by Dirks and passing 4-0, the 26th Annual Easter Egg Hunt was approved as discussed.

DESIGNATION OF COUNCIL REPRESENTATIVE TO THE WATER MASTER PLAN UPDATE

Upon motion by Dirks, seconded by Tim Clark and passing 4-0, Mark Clark was appointed as the Council Representative to the Water Master Plan Update.

*Mark Clark arrived at 7:10pm.

DISCUSSION: ANNUAL CITY COUNCIL RETREAT SUMMARY

Smith stated that she thought the retreat went really well, but is still concerned about televising the Council meetings. Mark Clark stated that he felt like there could have been more work done on the APP, and he is having a hard time figuring out what more could be done for the City. Mark Clark stated that he feels that staff is doing such a great job, and it is hard to think of what more staff could do. Dirks stated that is kind of where he was coming from by wanting to simplify the APP, and having just a few items. Tim Clark stated that he would be interested in how much time really is available, instead of just listing a bunch of items and cramming them all together.

Peterson stated that staff has started compiling the APP based on the retreat, and are currently looking at the effort that will be needed to accomplish those items. There is still some research to do, and a draft will be brought before Council. Peterson stated that some items may have to drop, and there are also some potentially conflicting items such as selling the City Hall site while attempting to locate the MCSO office here. Peterson explained that some further discussion on some items may be needed.

Tim Clark stated that he wants staff to be honest on the items, and indicate if something cannot be accomplished. Peterson stated that feedback will be provided, and there appears to be more on the proposed APP then can be accomplished. Peterson stated there are also some general statements such as the Capital Improvement Plans that will have to be further defined before they can be evaluated. Staff hopes to have a draft APP for the Council at the next meeting. Peterson stated that water valves were tested along Arata Road as part of the Water Master Plan Update, and there was a 60% failure rate. Peterson explained that will have to be fixed, and that may impact the APP.

Tim Clark asked about potentially moving the retreat to another site next year. There were issues with the room such as temperature that did impact the session. Condit stated that meetings open to the public have to be held in or very near the local jurisdiction. Having the retreat in a neighboring city would probably not be an issue in this case, but you would not want to have it too far away. Greg Dirks stated that the Council had discussed having the City's vision statement and goals posted in the Council Chambers. Greg Dirks stated that he created some sample signs that could be posted. The sign would be made out of fabric, and would be six feet tall and five feet wide. The cost is $130. Greg Dirks presented six options. The Council selected the look of option two with the goals centered, and no motto. Greg Dirks stated that he would order the sign, and it should be installed by the next Council meeting.

The Council thanked staff for the support and work at the retreat.

PUBLIC WORKS DIRECTOR'S REPORT

Gunter presented the report and stated that the Water Master Plan is well underway. Gunter stated that one of the principal engineers on the project had to take some time off because his wife recently had a baby. The plan will be back on track next week. Gunter stated that there is a lot of work going on at the park including mole eradication. Gunter explained that there is no way of knowing how many moles are in the park, but action is being taken. Gunter stated that the City's clay valves were rebuilt and recalibrated this past week. Those valves help regulate pressure between the upper and lower zones.

Gunter stated that the county has been doing some engineering work for the 238th project. Gunter stated that the City received a light station as part of some UASI funding. Gunter explained that the light station was purchased with a $15,000 grant, and it can be used by the City for any reason, but it has to be available to other jurisdictions in an emergency. Mark Clark asked what kind of valve problems were on Arata that caused the valves to fail. Gunter stated that they are not seating properly, and they will have to rebuild the valves and seats.

Tim Clark asked about the Arata Road project and if it has been pushed out until 2015. Gunter stated that he will be talking with the County Engineer tomorrow. Gunter stated that there have been a few recent conversations with conflicting dates, and he will try to get it figured out. Peterson stated that the county will be moving forward with the Wood Village Blvd. extension. Mark Clark asked how involved is EMCTC and MTAC on those types of issues. Peterson stated that those groups deal with funding for projects, but it is up to the jurisdiction to complete the projects. In this case it is the County, and they have until the end of 2016 to complete the Arata and Sandy projects.

The Council thanked Gunter for the report.

FINANCE DIRECTOR'S REPORT

Miner provided the report, and stated that the report only covers revenues for the past month as staff has been focused on the software conversion. Minter explained that six out of the eight revenues are on track or higher. Cigarettes and interest income are below their targets. Minter stated that total investments are at $4.8 million. Minter explained that the software conversion is going well, and all the staff members are working hard.

Tim Clark asked where staff is in the conversion process. Minter stated that staff has stopped using the old system for financial data including payroll. The utility system will be converted next month, and the process will wrap up in April.

CITY ADMINISTRATOR'S REPORT

Peterson stated that the APP is in the packet, and he does not have any comments on it. Peterson stated that he thought the retreat went well, and a draft APP will be ready at the next Council meeting.

CITY COUNCIL REPORTS

Mark Clark stated that he has been working with the PDX Noise Advisory Committee to present at a Council meeting. There have been conflicts with the dates, and it is looking like they might be able to present in March. Mark Clark stated that he might be the next Chair of the Noise Committee, and he will be attending a Noise Summit in Palm Springs next month.

Tim Clark stated that the focus at EMCTC and MPACT has been on the Climate Smart Communities initiative. Tim Clark stated that he is meeting with a group representing Metro regarding the Climate Smart Community project next week, and asked if Peterson could join him. Peterson stated that he would.

Harden stated that he had his first meeting on the Fire User Board. Norm Thomas was selected as the Chair, and the group voted on new rules for a quorum. Harden explained that there cannot just be a simple majority of people, and at least one representative from each City has to be present. Harden stated that the discussion mainly focused on the PSU Fire Service Study. Harden explained that Gresham Fire responded to portions of the report such as response times, and ideas for future improvements. Harden stated that one idea is to have a two person response team for medical calls. If that works the plan is to have three total teams in the area.

Smith stated that Jim Francesconi who is running for County Chair was the speaker at EMEA. Smith stated that Francesconi made good points, and had a good plan for the county. Smith stated that Sgt. Lichatowich is their new liaison for their Neighborhood Watch group, and the last meeting went really well.

ADJOURN

With no further business coming before the Council, and upon motion by Tim Clark, seconded by Harden and passing 5-0, the Council adjourned at 8:00pm.

Patricia Smith
Mayor

2-13-14
Date

ATTEST:

Greg Dirks
City Recorder