MEETING OF THE WOOD VILLAGE CITY COUNCIL
May 24, 2016
MINUTES

PRESENT: Mayor Patricia Smith, Council President Tim Clark, Councilors Scott Harden, Bruce Nissen, and Jimmy Frank via phone, City Attorney Jeff Condit, City Manager Bill Peterson, Public Works Director Scott Sloan, and interested parties.

ABSENT: Finance Director Peggy Minter.

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

CITIZEN COMMENTS
There were none.

CONSENT CALENDAR

- Three-City Recreation Committee Appointments
  - Mayor Patricia Smith
  - Councilor Scott Harden

- Resolution 19-2016 IGA – Metro Campsite Cleanup Authorization

Harden stated that he met with Councilor Cooper of Fairview last Tuesday to get more information about the three-city recreation committee, and what the overall goals will be.

Upon motion by Clark, seconded by Nissen and passing 5-0, the Consent Calendar was approved.

ORDINANCE 4-2016 ESTABLISHING A MARIJUANA TAX ON RETAIL SALES
Peterson presented the ordinance and stated that this ordinance would establish a tax on marijuana. Peterson explained that the Council had discussions on the potential taxation of marijuana while measure 91 was in front of voters. A City Charter provision that requires a public vote for all new taxes prevented a tax prior to the approval of measure 91. Peterson stated that the Council decided to wait until after the legislation was complete and there was more information on how to move forward before deciding to take any further action.

Peterson stated that the marijuana legislation has been adopted and amended. The legislation permits cities to enact a tax of up to three percent on recreational marijuana sales. Peterson explained that this is a true sales tax on the purchase of marijuana products at the point of sale. Peterson stated that the legislation requires that the tax be enacted by a vote of the public at a General Election.

Peterson stated that this would be a local tax, and the state would still collect a 17% tax. Peterson explained that the ordinance in front of the Council simply adopts the tax, and does not get into the means of collection or penalties. Peterson stated that there are options for collection, and one of them is similar to the motel tax that is administered by the City. Another option would be to enter into an IGA with the State Treasury to collect the tax on behalf of the City. Peterson stated that the fee is 2% of the total taxes, but that would still cost less than having staff administer and collect the taxes. Peterson stated that those details can be worked out after the election in November.

Harden asked if the state would also do the enforcement if they collect the taxes. Peterson stated that is correct. Peterson stated that there is still the question of what would occur if an outlet pays the state's portions, but not the City's portion and if the state would still go after the outlet for the remaining three percent. Condit stated that in other state IGA's for collection of taxes, there is just one set amount, and then it is divided between the parties. It does not have a City and state amount, and something like that could be written into an IGA.

Peterson stated that in the first year of state tax distribution, 10% is distributed to cities based on population. Peterson explained that for us, the amount would be similar to the current cigarette tax revenue which is about $6,000. Peterson explained that three percent of actual sales in the City could be substantial.

Peterson stated that he tried to get sales information from the outlet in the City, but he was not able to access any figures. Peterson stated that we do not know what the potential revenue will be. Smith asked how the state will get the figures. Peterson stated that the state has the right to access the information, but that cannot be disaggregated into actual sales per location. Peterson explained that once we receive our first payment, then it could be possible to work those numbers backwards to get at sales per location.

Peterson stated that the key point of the three percent tax is that it can only be collected in outlets inside the City at the time of sale. Peterson explained that the ordinance outlines the definitions, and establishes a tax. It is not enough to actually administer the tax, but it is all that is necessary to take the question to the voters. Peterson stated that if the measure is approved, then we can work out the details for administering and collecting the tax. If the measure does not pass, then we do not move forward.

Peterson stated that there are two actions that need to occur. The first is to consider the ordinance, and if approved there is a resolution that would send the question to the voters of Wood Village. Peterson explained that both items were modeled after the League of Oregon Cities examples, and reviewed by Condit. Peterson stated that staff believes that the items are clean, and ready to go.

Harden asked what the cost will be to put these items on the ballot. Peterson stated that there is no fee for a general election, but there will be some cost to publish the notices. Nissen asked if this would apply to medical marijuana as well. Peterson stated that it does not, and it for recreational marijuana and products only.

Sloan asked how medical and retail sales in the same facility will be tracked. Peterson stated that there has been a lot of work at the state level to track marijuana sales from seed to consumption. Peterson explained that even with all the tracking, there will still be a black market that will not stop. Peterson stated that Colorado is moving towards a recreational only market, but Washington does not seem to be moving in that direction. Peterson stated that the prescription drug industry has also been interested in extracting the active ingredient from marijuana to make an actual prescription medication, and that could impact the medical marijuana in the future.

Upon motion by Nissen, seconded by Harden and passing 5-0, Ordinance 4-2016 establishing a three percent retail tax on marijuana sales was adopted.

RESOLUTION 17-2016 REFERRING TO THE VOTERS OF WOOD VILLAGE A 3% TAX ON RETAIL MARIJUANA SALES

Upon motion by Harden, seconded by Clark and passing 5-0, Resolution 17-2016 referring Ordinance 4-2016 for a three percent marijuana tax to the voters of Wood Village at the November General Election was approved.

RESOLUTION 18-2016 REFERRING TO THE VOTERS OF WOOD VILLAGE A CHARTER AMENDMENT DEFINING A TAX UNDER SECTION 32 B OF THE WOOD VILLAGE CITY CHARTER

Condit presented the resolution and stated that this item has been discussed at several previous meetings and workshops. Condit explained that the City Charter provision that requires a public vote on all new or increased taxes has caused some issues in the past, and this is attempting to address some of those unintended consequences.

Condit stated that the Charter Amendment was put in place in 2006 when the City was considering implementing a sales tax. The language of the amendment was drafted by the proponents, which covered all taxes. Condit stated that there are several items that can constitute a tax, and there are two options for the Council to consider in amending the provision. Condit stated that the first option is to clarify that the tax is for excises taxes which includes items like a gas tax, sales tax, motel tax, and other similar items. Any increased or new taxes of that nature would still have to go to the voters. Condit stated that it would not cover privilege taxes which are things like business license fee, rental license fees, and other similar items. Condit stated that this amendment would honor the intent of the voters, but still allowing some movement on limited items.

Condit stated that the other option would permit the City to adjust all taxes, but there would still need to be a vote on any new taxes. Condit explained that may not have been the intent of the voters in 2006.

Smith stated that the voters probably did not know the full extent of the consequences when they voted on this in 2006. Condit stated that it is up to the Council on which direction they would like to go in, if any. The resolution would then refer the question to the voters in November.

Harden stated that the provision in 2006 was mainly done by a retailer in the City, and if we try to push too hard there could be some financed opposition to the measure. Harden stated that he likes the idea of being able to adjust the privilege taxes, but not the full spectrum of taxes.

Clark asked if this looks to be a hard sell to the voters, and how the official question can be worded. Condit stated that it is tough, and you cannot write the question or explanatory statement in a way that could influence voters. Condit stated that the Council could campaign for the measure and pay for a statement in the voters manual. Condit explained that City staff cannot participate in that activity, but the Council may.

Harden stated that because of the way it has to be worded, the average citizen will assume that we want and will increase their taxes. Condit stated that some people will recognize the difference, but staff cannot do that, and it cannot be in the explanatory statement either. Condit stated that he feels that the voters will have a reaction to vote no, and retain full control.

Frank asked if any of the proposed amendments have a cap on what the increase can be. Condit stated that is not included, but could be added. Clark ask if there was a simpler way to write the voting language. Condit stated that he wrote it as simple as he could.

Condit stated that another option is to take an advisory look at the options, and take action at a future meeting. Harden stated that he feels there could be issues even with the privilege taxes. Harden explained that we have made a lot of effort to attract businesses to the City, but now there could be increased to the licensing fees.

Nissen stated that he is in favor of keeping things simple, and trying to avoid any organized opposition especially with a three percent marijuana tax on the same ballot. Nissen stated that he feels that if we push too hard on this measure, we may lose out on the other measure as well. Harden stated he agrees, and we may want to wait until another election. Clark stated that he does not mind waiting a year. Clark stated that he does not want to lose out on the marijuana tax measure just because there are multiple taxing measures on the ballot.

Frank asked what the real issues are with the Charter Provision. Condit stated that there have been a few time since 2006 that the City Council was not able to move forward on beneficial

revisions to fees because of the City Charter amendment. Condit stated that while the voters may not mind correcting some of the unintended consequences of the amendment, there could be some issues of having two taxing measures on the ballot.

The City Council elected not to act on Resolution 18-2016.

PUBLIC WORKS DIRECTORS REPORT

Sloan presented the report and stated that there has been a lot of activity in the Public Works Department over the past month. Sloan stated that the Halsey Sewer Line capacity project has been completed, and we are just waiting for the as-built drawings to be delivered before making the final payment.

Sloan stated that the Wood Village inceptor trial project has about 90% completed plans, but we will have to wait until the Public Works Director at Fairview returns from vacation to determine the end point of the trail in Fairview. Sloan explained that we are attempting to design a boardwalk feature across some wetlands in Fairview to reduce the impact to neighbors in that area, but we need a wetland determination before doing so.

Sloan stated that the 238th island project has stalled out because the contractor has been having some personnel issues. Clark asked how much has been paid to the contractor. Sloan stated that there was a down payment and one progress payment. Smith asked how much is left to complete. Sloan stated that there is some rack facing to complete, and the planting of the annuals. The project is close to being completed, but there is still some work to do.

Sloan stated that the arboretum trail has been completed, and the area will really be something special once the trees grow up. Peterson stated that one of the specialty trees was dedicated to former Mayor Don Robertson.

Sloan stated that water service was installed along Sandy Blvd. in anticipation of a future water connect ahead of the roadway rebuild. Sloan explained that we also applied for right of way permits along Arata Road to move water services, and to install a water line stub into Wood Village Green ahead of the Arata Road reconstruction project.

Sloan stated that the Best Western tree removal project is moving forward with permits from the county. Sloan explained that the sidewalk in front of Best Western needs replaced because of the tree roots in the area. The trees will be replaced once the Halsey Concept project has been completed.

Sloan stated that the new permit/code enforcement person started the other week, and has been doing a great job. Clark asked about the electrical stub that is still in the yard on 238th Pl. Sloan stated that is in the list to complete, and should be done shortly.

FINANCE DIRECTOR'S REPORT

Peterson stated that the report is in the packet, and we are substantially ahead on all revenues except for sewer. Peterson stated that the interest rate at LGIP has increased to .75%, which does make a difference. Peterson stated that the budget will be in front of the Council at the June 14th meeting, and there will be a few revisions compared to the April hearing. Peterson explained that the revisions include adding back in the Treehill water project, the design costs of the Wood Village Green Water line project, and the revenue from the marijuana tax.

CITY MANAGER'S REPORT

Peterson stated that the APP is on track and in great shape. Peterson stated that the community beautification projects likes the banners and flower baskets really do make a dramatic impact on the community. Harden asked about the best practices survey, and when that would be brought back. Peterson stated that the final report on the purchase order process is being completed now. Peterson explained that based on preliminary results it looks like we are not at the cutting edge of that program, so some adjustments may be needed in the future.

CITY COUNCIL REPORTS

Clark stated that there was a meeting on May 16th about the Troutdale Airport Master Plan. Clark explained that there was a presentation about this topic to the Council several months ago. Clark stated that the Troutdale Airport does not make any money for the port, and the Port of Portland is looking at the operations and potential revenue streams at the airport. Clark explained that the Troutdale Airport is mostly a training facility, but that may not be the case in 30 years. Clark explained that the main runway will be rebuilt in 2020, but it will also be shortened.

Nissen asked if air traffic would be lost because of the shortened runway. Clark stated that it is projected to be less than 1%. Clark explained that the port looked at shortening the runway in order to add additional development to the site.

Clark stated that the East Metro Connections Plan interactive map is a cool tool, but there are still some issues with the program at this point. Clark stated that the map allows you to see different traffic impacts based on address or area. Clark stated that there was information about flex funding and the MTIP, and how each region has a different idea on what should be done with the funding based on their needs and situation. Clark explained that we need flexibility, but we also need matching funds as well. Clark stated that he recently went on an e-bike ride tour around Lloyd Center. The purpose of the tour was to show off the new bicycle technology that can be used for bicycle commuters who live in hilly areas.

Clark stated that he will be going on a fieldtrip to PDX tomorrow for a behind the scenes tour as part of the MPACT meeting. Clark stated that he also attended a parks meeting hosted by the

Intertwine Alliance. Clark explained that it was an interesting meeting, but a lot of the questions that were asked were common sense questions and not tough questions. Most of the questions did not have people making touch choices. Smith stated that there was a heavy slant towards parks, and their goal is to have a park within a 10 minute walk for everyone. Clark stated that the questions seemed to be slanted and fabricated, but he did sign up to be on their steering committee.

Clark stated that there was a Metro meeting on Transportation for America, and that meeting focused on the Fast Act which is about fixing the surface transportation in America. Clark explained that the act reviews the federal funding from 2016-2020, and the main funding source is the gas tax. Clark stated that the gas tax has not increased since 1993, and since the amount is a fixed price per gallon there is overall less purchasing power due to inflation. Clark explained that over $71 billion has been brought over to the highway trust, but there is no long term plan for sustainable funding. Clark stated that there is more movement towards forced ranked grant programs, and that may by common place in the future. Harden stated that some of the issue is that there is no political will to change the system, even though it is the public's money.

Clark stated that the state is piloting a new pay per mile program called OREGO to potentially replace the gas tax. Clark stated that just raising the gas tax may not solve the issue as there are more electric cars now. Clark explained that the TIGER grants were not included in the FAST Act, and those grants have been a major funding source for east county projects. Clark explained that federal grants are mainly distributed by population, and not by problem areas, which is an issue as well.

Smith stated that she did not stay too long at the recent EMEA meeting as the meeting primarily focused on membership. Smith stated that the recent neighborhood watch meeting focused on getting the brush cleared from the top of the hill. Peterson stated that there is a group of partners meeting to address that very issue. The Cherry Park area is scheduled to be cleared out in the first part of June. Peterson explained that McMenamins will be taking over the old pig farm on Halsey by the end of June. There is a large homeless camp in that area which is also scheduled to be cleared as well. Peterson stated that the school district owns some of the land on the hill, and they were discussing potentially disposing of the property which could potentially be acquired for more park space.

Smith asked if the Council would like to make a contribution to help rebuild the Imagination Station in Troutdale. Clark stated that he thought the structure was insured. Smith stated that it would be more of a gesture of good will. Harden asked if Smith had a dollar amount in mind. Smith stated that she did not. Clark stated that good will can be shown in other ways.

Peterson stated that he just received an updated East Metro Tri-Met Enhancement Plan. Peterson explained that the updated plan removes a proposed route along Wood Village Blvd north to

Glisan, and puts the route on Arata Road to 223rd. Peterson stated that revision was driven by a busy stop on 223rd near Arata Road, and residents of Fairview did not want to lose that location. Peterson explained that you cannot turn left on to 223rd from Arata, and we would lose the route into the Town Center. Peterson stated that the route could travel on Wood Village Blvd. to Park Lane, and then access the stop on 223rd.

Smith stated she likes that idea. Peterson stated that it was Joanna Valencia at Multnomah County that had the idea. Sloan stated that there could be some traffic impacts on Park Lane, but it looks like a good idea. Peterson explained that Tri-Met had concerns about the speed, but a lot of ridership would be generated at that location. Peterson stated that there are options for bus turnouts, and other improvements if this moves forward.

Peterson stated that he can advocate for that project if the Council directs him to do so. The Council directed that Peterson advocate for the Tri-Met route revision on to Park Lane.

Clark asked about the upcoming City Garage Sale event. HR/Records Manager Greg Dirks stated that there are about 30 registered sellers for the event, and the webpage has been fairly active. The weather looks to be okay, so there should be a good turnout.

ADJOURN

With no further business coming before the Council, and upon motion by Clark, seconded by Harden and passing 4-0 the Council adjourned at 7:55pm.

Patricia Smith
Mayor

6-14-16
Date

ATTEST:

Greg Dirks
Recorder