



Mayor
Patricia Smith

Council President
Mark Clark

Councilors
Stanley Dirks

Timothy Clark

Scott Harden

**MEETING OF THE
WOOD VILLAGE CITY COUNCIL
October 28, 2014
MINUTES**

PRESENT: Mayor Patricia Smith, Council President Mark Clark, Councilors Stanley Dirks, Tim Clark and Scott Harden, City Attorney Jeff Condit, 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.

CITIZEN COMMENTS

There were none.

PRESENTATION: METRO COUNCILOR SHIRLEY CRADDICK

Metro Councilor Shirley Craddick stated that she wanted to attend the Council meeting to provide new information and receive feedback from the Council. Craddick stated that she appreciates the support from the City and region, and explained that she was recently reelected for her second term. Craddick explained that Metro has a role in East County, and she stated that her goal is to help increase the prosperity in the region. There also has to be a balance of housing and quality jobs in the area as well.

Craddick stated that about 75% of East County residents commute outside the area to go to work, and about two-thirds of the jobs in East County are filled by people who do not live in the area. Craddick explained that it is expensive to commute to work, and not good for the environment. Craddick stated that it is a goal to have better jobs in this area for the people that live here. That is part of the Climate Smart Communities Initiative. Craddick explained that she is focused on traded sector jobs for the region which have about 42% better pay compared to service sector jobs.

Craddick stated that cities on the west side get the benefits of traded sector employment and property taxes. Craddick explained that Metro is looking at the supply of industrial lands with an emphasis in lands for traded sector employment. Craddick stated that Metro conducted a study of available lands in 2011, and found that there were 54 parcels in some stage of readiness. Craddick explained that Metro's goal is to get more sites development ready.

Craddick stated that another hurdle to overcome for more industrial development is the transportation and utility infrastructure. There are also some zoning, annexation, and environmental issues as well. Craddick explained that part of the success of the west side developments were the large flat lots owned by one person. Parcels out here tend to be smaller, with several different owners that would have to sell in order to consolidate the lots.

Craddick stated that the current land supply has decreased since the 2011 survey. Craddick explained that there have been positive impacts for site readiness, but there are still challenges to find lots over 50 acres. Craddick stated that Metro will be going to the state legislature for financial support to help get more large lots development ready.

Craddick stated that another Metro focus is on the Urban Growth Boundary. Craddick explained that Metro will be looking at the available land for the projected growth over the next 20 years. There are population and employment forecasts to help with the projections. Craddick stated that these forecasts are based on cities comprehensive plans, and the low number is 300,000 new residents in 20 years, with a high of 485,000 new residents in 20 years. Craddick explained that the Metro Council will work on the growth report, and that should be completed by the end of the year. Craddick stated that this is not just about the numbers, but also on the return on investment. From 1998 to 2012 94% of new homes were built within the original 1979 Urban Growth Boundary.

Craddick stated that the considerations for expansion include the adopted comprehensive plans from the various communities. Craddick stated that Metro looks at what land is needed, and where additional land may need to go. Craddick explained that there is a lot of employment land, but more land is needed for industrial and residential uses. Craddick stated that the Metro Council will have a decision on the urban growth boundary by late 2015.

Craddick stated that several years ago Metro implemented a 0.12% construction excise tax. Those proceeds go into a fund that helps cities with planning projects. Craddick explained that she knows the City is doing planning work on the Town Center, and a new cycle for awards will be opening soon.

Smith asked if the City would be notified when the funds become available. Peterson stated that the City was notified, and applied about a year and a half ago. Peterson explained that part of the requirement for funding is that there has to be a willing developer to put a project on the ground within two years. Peterson stated that the City reached out to several stakeholders, but was unable to get a willing partner.

Craddick stated that she is also focused on the East Metro Connections Plan, and to help get the project moving forward. Craddick stated that Multnomah County has received funds to improve

238th, and Gresham is reviewing their corridors in the plan. Craddick explained that there is also the Powell Division Transit Development Study which is moving forward on recommendations for improvements. Craddick explained that the steering committee recommended bus options, but not light-rail for the area. The final details have not yet been worked out, but significant progress has been made.

Craddick stated that there are upcoming activities at the Glendoveer Golf Course. The new operator is doing a great job of making activities available to the community. Craddick explained that the Ringside Restaurant will close this January for a few months to undergo a total remodel. Craddick stated that Glendoveer will also host the Nike Cross Country Championship which is a really prestigious event to host.

Craddick stated that a new nature park was completed at Scouters Mountain. Craddick explained that Metro acquired the site from the Boy Scouts, and created trails and shelter areas. Craddick stated that the Metro Nature in Neighborhoods program has awarded several grants this year. There are many projects slated for Johnson Creek and Westmoreland Park. Craddick explained that the recent projects to Johnson Creek have allowed salmon to return to that area.

Craddick stated that Metro is reviewing their solid waste management plan, and are looking at ways to improve the process. Craddick explained that the contracts for the landfills and transfer stations come due in 2019, and Metro wants to see if there are better and more efficient ways to handle solid waste.

Craddick asked if there were any questions.

Mark Clark stated that Metro is doing a lot of different things, and is really impressed at what they do. Craddick stated that Metro is also taking on the fifth improvement project at the zoo. This project is the educational facility which will be used to educate students on conservation, and the challenges faced worldwide for animal habitats.

Tim Clark stated that he appreciated the effort and enthusiasm that Craddick brings to Metro and East County. Craddick thanked Tim Clark for how he has stepped up, and is in line to be the next chair of MPAC.

Harden asked how cities can help make more industrial lands development ready. Craddick explained that East County has a lot of smaller parcels that need to be combined. Craddick stated that is where partnerships can be developed, and the City can contact Metro for resources to potentially improve sites. Craddick explained that the land is available, but there are challenges with missing infrastructure and mitigation.

Smith asked about the zoo bond, and if there was enough money to complete the requested projects. Craddick stated that there is, and all the recent projects have either come in on or under budget. Smith asked if there is money to maintain the recent parks that have been improved. Craddick stated that there is, and that was part of the recent bond measure.

The Council thanked Craddick for her presentation and work on behalf of East County.

PRESENTATION: MHCRC TECHSMART INITIATIVE GRANT PROGRAM

Harden and Program Manager for the MHCRC Julie Omelchuck provided the presentation. Harden stated that at the last budget presentation there was information provided about the new grant program. Harden explained that the new grant program has been branded as the Tech Smart Initiative. The grant program will have about \$19 million over the next ten years. Harden stated that the goal is to expand technology in schools including training and implementation.

Harden provided brochures about the Tech Smart program. Harden explained that the goals of the new grant program are to improve kindergarten readiness, have children read at the third grade level by third grade, and ultimately improve high school graduation rates. Harden stated that Oregon ranks fairly low in overall graduation rates. Harden stated that more information about the program is in the brochure, and can answer any questions.

Mark Clark stated that it is a nice looking program, and asked about the grant funding. Harden stated that the grant funds come from a portion of the cable provides gross revenues. Harden explained that the grants are not necessarily competitive, but work to achieve specific tasks and outcomes with area partners.

Peterson asked about the specific funds use to fund the grant program. Omelchuck stated that the fees are based on 5% of the provider's revenues. A portion of those fees goes to the MHCRC and Metro East. Omelchuck explained that 3% of the fee goes to community programs and the I-NET. Omelchuck stated that there is still about \$800,000 worth of competitive community grants available.

Mark Clark asked how the technology will be incorporated in the classroom. Omelchuck stated that will depend on the district, and how they want to make technology available for students. Some districts want take home technology, but others do not. Omelchuck explained that other projects have included expanded wi-fi not only in the school, but surrounding areas as well. Harden stated that the technology can be used to help reduce the cost of paper textbooks as well.

Smith asked how the technology will work in the long term with low income people. Omelchuck stated that an analysis on that was conducted, and it appears that the smart phone is now the entry level computer with internet access. Omelchuck explained that there are

limitations with smart phones, and there are concerns about internet access for students. Omelchuck stated that there are low income internet service providers, but there are no statistics on how successful that program is.

Tim Clark asked about the \$800,000 available for competitive grants, and asked if that money would be better used in the Tech Initiative Program. Omelchuck stated that the commission spent two years redesigning the grant program, and explained that about 2/3 of the former grants went to public education. Omelchuck stated that the commission used the same figures to develop the budget for the competitive grants which are beneficial, but lack the specific strategic outcomes that the Tech Smart program has. Omelchuck explained that any unused funds will go into the Tech Smart program.

Tim Clark asked about funding data plans for students. Omelchuck stated that is an issue for the districts and schools. There has to be internet access if the schools move to an internet based delivery system. Omelchuck explained that partnerships will have to be developed if there is to be broad and open internet access. This includes the overall community and parents of the students.

Peterson stated that the Council has been testing televising some of their meetings, and there is a potential to make it permanent. Peterson asked if there were still funds available to help the City fund the project. Omelchuck stated that would be part of the competitive grant program, and a letter of intent is due by December 9th. Omelchuck stated that she would recommend sending in the letter, because there is no requirement to move forward if the Council does not want to make it permanent.

The Council thanked Omelchuck and Harden for the report.

CONSENT CALENDAR

- a. Adoption of the findings for the decision on Lots 18 and 19 in the Town Center

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

DISCUSSION: POTENTIAL FEES FOR THE SALE OF MARIJUANA

Peterson presented the discussion and stated that there is a ballot measure on the November election which would decriminalize marijuana. Peterson stated that the recent polls indicate it is a tight race, and would create a complex legal network if approved.

Peterson stated that the measure includes tax provisions, and a revenue distribution system that basically mirrors the current liquor tax. Peterson stated that half of the tax revenue is distributed

based on population, and the other half based on the number of retail outlets within a city. Peterson explained that estimating revenues is difficult because of the formula, but basic estimates would have the City receive \$3,500 to 5,000 a year. Tim Clark asked how that compares to liquor revenue. Peterson stated that the City receives about \$50,000 a year from liquor revenue.

Mark Clark asked how the tax revenues will work since marijuana is still illegal federally. Peterson stated that has been an ongoing discussion, and if an illegal entity can actually be taxed. Condit stated that there are two attorney's from his office's Seattle firm who are working on this issue right now. Condit stated that there is another complication in that the State Bar indicated that it is unethical to provide legal advice in illegal activities, and the issue has gone to court for a legal opinion.

Peterson stated that the measure includes local tax and fee prohibitions which are identical to the liquor tax prohibitions. Peterson explained that the liquor tax was initiated in the 1940's, and the courts at that time threw out existing local taxes. Peterson stated that despite that, a number of cities have acted to enact a sales tax on the sale of marijuana. Peterson explained that there are a lot of opinions on both sides of the issue. Condit stated that home rule authority has strengthened since the 1940's, but there is also the provision that the state can preempt local taxes if expressed. Condit stated that he is skeptical that the local taxes will pass legal muster, and that all the cities with a tax will be covered under a declaratory judgment.

Smith stated that she asked that this item be added to the agenda because she wanted to know if taxes or fee could be implemented.

Peterson stated that the City cannot establish a tax without the vote of the people. Peterson explained that Gresham, Troutdale, and Fairview have all adopted local taxes with fees from 5-20%. Peterson stated that could drive outlets to the City to avoid paying a local tax. Peterson explained that there could be nine outlets based on the current criteria.

Peterson stated that a tax is prohibited, and a fee has to be well defined to not be considered a tax. Peterson explained that a fee has to be charged for a specific purpose, the funds cannot be diverted to another account, and the fee cannot be for more than the cost of the service. Peterson stated that a fee cannot be levied simply because someone owns something, and there has to be a method to advert the fee. Peterson stated that fees based on the percentage of sales has been declared a tax.

Peterson stated that using the business license approach will not work either as the businesses license is basically a privilege tax. Peterson explained that a fee could be put together around a dedicated program, but a new program would have to be created and adopted by the Council.

Peterson explained that there would still have to have a provision to allow people to advert the fee.

Condit stated that the ballot measure also prohibits local fees. Peterson stated that the Council would have to move quickly to adopt a program and a fee before the election in November. Tim Clark stated that he feels there would not be any benefit because the revenue would all have to go to the dedicated program. Tim Clark stated that he does not see how that would help with anything. Peterson stated that it could make a difference if retail outlets were looking for locations with no local fees or taxes. The City would be the only one in the area without a tax, and that could result in a higher number of retail outlets. Peterson stated that it could be a way to level out the playing field.

Tim Clark stated that it would still not be a revenue generator. Harden stated that he thought some of the issues could be resolved in the land use process. Peterson stated that is possible, and about three potential locations could be removed through that process. Harden stated that the issue is really about if we want additional revenue, or not have any retail outlets. Harden explained that having a fee will not result in any extra revenue.

Dirks stated that there are probably more than nine locations to get marijuana in the City right now because of medical marijuana. Condit stated that the moratorium that the City put in place allows until July of 2015 to work out all the details. Dirks stated that approach seems to make more sense, and does not see any advantage in developing a program. Condit stated that it would be difficult to develop a program within a week. Dirks stated that the measure may not pass anyway, and asked if retail outlets could be prohibited. Peterson stated that question is being reviewed by the courts right now.

Tim Clark stated that there seems to be some time to put things in order if the measure passes. The Council agreed.

RESOLUTION 35-2014: IGA WITH METRO FOR CONSTRUCTION EXCISE TAX COLLECTION

Peterson presented the resolution and stated that this is a fairly straightforward resolution. Peterson explained that Metro has extended the construction excise tax until 2020. Peterson stated that there is a current IGA with Metro for the collection of the tax which allows the City to retain 5% of the collected proceeds. Peterson stated that while there was not original support by the City for the tax, there is a benefit to the City's customers by having the City collect the tax at City Hall.

Peterson stated that there are a series of alternatives, but the staff recommendation is to adopt the resolution extending the IGA until December 31, 2020.

Upon motion by Tim Clark, seconded by Mark Clark and passing 5-0, Resolution 35-2014 extending the IGA with Metro for the collection of the Construction Excise tax was approved.

Harden asked if the City will make any money from the collection of fees. Peterson stated that the collection has been minimal because of the low value of permits. Peterson explained that it does not cost the City much to collect the tax. There is not a lot of revenue for the City, but that could change with a large development. Peterson stated that while there is a de-minimis value for the City; there would be additional time and cost for contractors if the City did not collect the tax.

DISCUSSION: LEAGUE OF OREGON CITIES CONFERENCE DEBRIEF

Tim Clark asked if this item could be held over until the next meeting because of time constraints. The Council agreed.

PUBLIC WORKS DIRECTOR'S REPORT

Gunter presented the report and stated that the Waste Water Master Plan is moving forward. Gunter explained that the Shea lift station has a contract for the pump replacement, and there will be a Council agenda item next month for the electrical upgrade. Gunter stated that the hydrant flushing is done for the season, and a new CL17 chlorinator was added to well 4. Gunter explained that a new meter was installed at Poplar Mobile Manner, and there was a 100% increase from this time last year. Gunter stated that the manager was notified. Peterson stated that Wood Village Green will have their meter replaced within the next week or so.

Gunter stated that the Wood Village Blvd. extension is almost complete, but there is not yet an opening date. Gunter explained that the City's slurry seal project is complete, and more on that will be presented at the next meeting. Gunter stated that the catch basins are being cleaned, and the leaf drop off at the park will start on November 1st.

Gunter stated that there is a development and code violation report in the packet. Smith asked about the haunted house issue. Peterson stated that the Planning Commission granted a temporary use permit for the project. Tim Clark asked if there would be a ribbon cutting for the Wood Village Blvd. extension. Gunter stated that there will be some kind of ceremony, but a date has not yet been set.

Tim Clark asked about the boil water order, and if that had all been discussed. Gunter stated that staff has discussed that event extensively, and asked if there were any questions. Tim Clark stated that the event happened on a Friday, and stated that the boil order was not done until Monday. Gunter stated that there were communication issues between the City's operator who responded, and the contractor who performs the SCADA work. Gunter explained that those communication issues have been resolved.

Tim Clark stated that he feels the notice could have been sent out right away with all the modern technology that is available. Gunter stated that there were other issues at play, and there had to be coordination with other outside agencies. Petersons stated that there was an incident in Gresham the other week, and the notice did not go out until Monday but the incident occurred on a Thursday.

Tim Clark asked if something more could have been done on the day of the event. Gunter stated that more could have been done, but there were communication issues that resulted in the delay. Tim Clark asked if there would be different outcomes if a similar result occurred again. Gunter stated that there would be a different outcome, but there is a remote chance of that same incident occurring again. Gunter explained that the incident only occurred because both reservoirs were off line and empty. The pressure of the water in the reservoirs keeps the pressure in the system above the state requirement.

FINANCE DIRECTOR'S REPORT

Minter presented the report and stated that the first quarter is complete, and the funds are doing well. Smith asked if the interest income was increasing. Minter stated that the rate is holding steady at a fairly low rate. Minter stated that the bulk of the property tax income will come in next month, and the Tyler conversion is still moving forward. The fixed asset module is complete, and the new accounts receivable test module will be rolled out next week. Minter stated that the new employee is doing well. Minter explained that the server upgrade is moving forward, and the City will be transitioning to Office 365.

Tim Clark asked how the savings have been doing over time. Minter stated that the information is in the packet, but not in a graphic form. Minter explained that total savings are at about \$4 million, and that last time the account was that high is when it was made up of several loans. Peterson stated that the peak was \$5 million, but \$2 million of that money was from loans. Peterson explained that there is more disposable resource now than in the last 15 years.

CITY ADMINISTRATOR'S REPORT

Peterson stated that the City Calendar is in the packet, as well as the APP report. Peterson stated that there is nothing specific to report on from the APP, but some adjustments will be requested next month. Peterson stated that the Town Center work has changed, and a modification to the APP will be requested.

Peterson asked if the Council would like to have two meetings in November and December. The Council requested one meeting in November and December.

CITY COUNCIL REPORTS

Mark Clark stated that he had a tour of the air traffic control tower at PDX. Mark Clark explained that there was a lot of coordination involved to get the tour, and the CNAC has a lot of influence and impact on air traffic and the Portland Airport.

Smith stated that EMEA took the position to support the measure for the state to take out bonds to issue student loans. Smith stated that the measure will probably not make a lot of difference in the overall impact for students as it does not provide for new college funds or programs.

Harden stated that he has still not had a response from the school about supporting a tag project, and suggested that some of those funds be used to help offset the costs of graffiti abatement for Riverwood. Harden stated that he knows the Council will have to discuss that item, and asked if it could be placed on a future agenda. The Council agreed.

ADJOURN

With no further business coming before the Council, and upon motion by Tim Clark, seconded by Dirks and passing 5-0, the Council adjourned at 8:41pm.



Patricia Smith
Mayor

11-13-14

Date

ATTEST:



Greg Dirks