

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

A regular meeting of the Wilsonville City Council was held at the Wilsonville City Hall beginning at 7:00 p.m. on Monday, January 5, 2015. Mayor Knapp called the meeting to order after the swearing-in of Councilors-elect Starr and Lehan, followed by roll call and the Pledge of Allegiance.

The following City Council members were present:

Mayor Knapp
Councilor Starr
Councilor Fitzgerald
Councilor Stevens
Councilor Lehan

Staff present included:

Bryan Cosgrove, City Manager
Jeanna Troha, Assistant City Manager
Barbara Jacobson, Assistant City Attorney
Sandra King, City Recorder
Mark Ottenad, Government and Public Affairs Director
Jon Gail, Community Relations Coordinator
Eric Mende, Engineering Manager
Susan Cole, Finance Director
Cathy Rodocker, Assistant Finance Director
Chief Jeff Smith

SWEARING IN CEREMONY

A. Oath of Office

The Honorable Judge Gleeson administered the Oath of Office to Councilor-elect Scott Starr and Councilor-elect Charlotte Lehan.

B. Comments from Mayor Knapp

C. Comments from Council Members

Councilor Starr read his comments from a prepared script. The Councilor's comments are appended to the minutes.

Councilor Lehan stated Wilsonville has always had a civil civic atmosphere and she has worked with many Councilors over many years and there aren't any of them she wasn't pleased to have served with. Councilor Lehan looked forward to serving with this Council, to be a supportive member, and to continue in moving the city forward in a positive direction. She thought building a city is a job that is never finished starting from when Wilsonville was first incorporated but also back to the 1850s - it always has been a work in process and it continues to be a place that people take part in and love to live in.

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

Councilor Lehan continues to receive positive feedback about Wilsonville and she appreciated how sophisticated the community, citizenry and electorate is particularly when dealing with complex issues. Although staff has changed over time the Councilor felt staff has always worked together as a team; much more so than anywhere she has been, which showed in their service to the community.

Councilor Stevens expressed her appreciation for the breadth of experience on the Council and thought this Council would be one of the strongest. She looked forward to doing some great work for the city.

Councilor Fitzgerald welcomed Councilor Starr to another four years, and welcomed Councilor Lehan. She thought the Council was really interested in understanding what the citizens of Wilsonville want. One thing the people of Wilsonville can do to help Council be more successful, is to ask questions, the more Council understands they are going in the right direction and striving for more great accomplishments, the better.

Mayor Knapp concurred with the comments made by the Council members that the city has made significant strides in the last couple of years in building processes and policies in the city to enable the city to work with businesses and residents in an efficient and positive way. He agreed with Councilor Lehan about the input he heard from citizens that they love to live here; and that there are positive, unique things about this community that are not reflected in other communities. The Mayor thought over the past few years that staff has developed an expertise and capability that is not common in many other communities in the region.

Specifically, the idea of bringing together stakeholders and citizens in a task force format which represents a range of opinion, and not have a preconceived judgment about the outcome; rather to have confidence that, given our staff's skills and our ability to work with people, we can find a positive way forward and come to a conclusion about how to move this community ahead in a good way.

Wilsonville is on the leading edge in many ways, gaining influence in the region, and exercising more influence which is positive for where the city goes over the next years. There is a lot going on in Wilsonville, challenges, growth pressures, all of these things could be difficult for us but we have so far found positive ways to influence outcomes, and that is a very exciting thing to be a part of.

Motion to approve the order of the agenda.

Motion: Councilor Scott moved to approve the order of the amended agenda. Councilor Stevens seconded the motion.

Vote: Motion carried 5-0.

MAYOR'S BUSINESS

A. Elect Council President

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

Mayor Knapp stated he had been impressed and pleased with Council President Starr's performance as Council President these past two years and he recommended reelecting Councilor Starr to the position for the next two years.

Motion: Councilor Fitzgerald moved to elect Councilor Scott Starr as Council President for the next two years. Councilor Lehan seconded the motion.

Councilor Fitzgerald thought the city would be well served to have Councilor Starr in the position of Council President.

Vote: Motion carried 4-0-1.
Councilor Starr abstained.

B. Board and Commission Appointments

Mayor Knapp commented he interviewed the applicants for the Board and Commission openings; however, it seemed there were never enough volunteers. The Mayor mentioned the Leadership Academy beginning in January 2015, where the participants will learn more about local government.

1. Budget Committee

Motion: Councilor Stevens moved to reappoint Lonnie Gieber and Alan Steiger to the Budget Committee for a three year term beginning January 5, 2015 and ending December 31, 2017. Councilor Starr seconded the motion.

Vote: Motion carried 5-0

2. Development Review Board Panel - A

Motion: Councilor Fitzgerald moved to reappoint Kristin Akervall and to appoint James Frinell and Ronald Heberlein to the Development Review Board Panel A to a two year term beginning January 5, 2015 and ending December 31, 2016. Councilor Starr seconded the motion.

Vote: Motion carried 5-0.

3. Development Review Board Panel -B

Motion: Councilor Lehan moved to reappoint Aaron Woods and appoint Richard Martens and Shawn O'Neil to the Development Review Board Panel B to a two year term beginning January 5, 2015 and ending December 31, 2016. Councilor Stevens seconded the motion.

Vote: Motion carried 5-0.

4. Parks & Recreation Advisory Board

Motion: Councilor Starr moved to reappoint Ken Rice, and appoint David Davis and Adam Rahmlow to the Parks and Recreation Advisory Board for a four year term

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

beginning January 5, 2015 and ending December 31, 2018. Councilor Fitzgerald seconded the motion.

Vote: Motion carried 5-0.

5. **Planning Commission**

Motion: Councilor Fitzgerald moved to appoint Simon Springall to the Planning Commission. Councilor Stevens seconded the motion.

Vote: Motion carried 5-0.

C. **Restore Oregon**

Mayor Knapp explained the Mayor of Albany sent a letter requesting support for passing legislation creating a Historic Rehabilitation Incentive (HRI) to be used for the restoration of historic buildings in downtown centers. The program would provide a 25 percent rebate for the rehabilitation of historic commercial buildings. The rebate would be funded by the auction of state income tax credits and a significant percent of the HRI would be directed toward smaller cities and rural communities.

Motion: Councilor Lehan moved to lend support to the Restore Oregon effort for the tax credit moving forward. Councilor Fitzgerald seconded the motion.

Councilor Lehan stated she had attended the Oregon Heritage Commission Conference where the HRI program was discussed, and noted Oregon is one of just four states without such a program putting the state in a disadvantage in terms of economic development for the private sector to be able to move forward with restoration of historic buildings. The Councilor identified several of the historic buildings in town such as the 19th century Ridder House one of the oldest houses in Wilsonville, the Frog Pond Grange Hall, and the Odd Fellows building. Because there were so few historic buildings in the city they are more precious to the city's history and they should be saved.

Councilor Fitzgerald indicated she had read more about the program and had spoken with Representative John Davis. The program does require a \$10 million state investment which eventually would boost private investment and stimulate local economies.

Vote: Motion carried 5-0.

D. **Upcoming Meetings**

Mayor Knapp noted the annual Council retreat and goal setting session scheduled for January 9th and 10th.

CITIZEN INPUT & COMMUNITY ANNOUNCEMENTS - There was none.

**CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES**

COUNCILOR COMMENTS, LIAISON REPORTS & MEETING ANNOUNCEMENTS

A. Council President Starr – (*Park & Recreation Advisory Board Liaison*) announced the date for the next Parks and Recreation Board meeting as well as the date of the next Parks Master Plan open house. The Councilor pointed out the deadline to participate in the online Parks and Recreation Master Plan survey is January 16, 2015 and suggested the public review the three plans and provide comments on the proposed features and uses.

B. Councilor Fitzgerald – (*Development Review Panels A & B Liaison*) had no report from the DRB and announced the next meeting dates for both Panels.

C. Councilor Stevens – (*Planning Commission; CCI; Wilsonville Seniors Liaison*) announced the Rotary Heart of Gold event is scheduled for The World of Speed and she reported on the activities of the Planning Commission, noting in particular the joint work session scheduled with Council on January 22nd.

D. Councilor Lehan – No report.

CONSENT AGENDA

Ms. Jacobson read the Consent Agenda items into the record.

A. Minutes of the November 17, December 1, and December 15, 2014 Council Meetings.

Motion: Councilor Starr moved to approve the Consent Agenda. Councilor Fitzgerald seconded the motion.

Vote: Motion carried 5-0.

PUBLIC HEARING

A. **Resolution No. 2505**
A Resolution Authorizing A Supplemental Budget Transfer For Fiscal Year 2014-15.

B. **Resolution No. 2506**
A Resolution Authorizing A Supplemental Budget Adjustment For Fiscal Year 2014-15.

Ms. Jacobson read Resolution No. 2505 and Resolution No. 2506 into the record by title only. She noted the public hearings may be held concurrently, but the resolutions should be voted on separately.

Mayor Knapp opened the public hearing at 8:03 p.m. for Resolution No. 2505 and 2506 and read the hearing format.

Ms. Rodocker presented the staff report. Oregon's Local Budget Law allows the Council to amend the adopted budget for an occurrence or condition that was not known at the time the

**CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES**

budget was adopted. A transfer resolution moves expenditures from one category to another within a specific fund and does not increase the overall budget that was approved during the annual budget process. A supplemental budget adjustment will impact the budget by increasing revenues and/or expenditures. The supplemental adjustment can also recognize expenditures that exceed 10 percent of the adopted budget expenditures or 15 percent of the funds' adopted contingency.

Transfer Resolution No. 2505 provides a detail listing of the projects that will be affected by the transfer resolution. Three projects that will require a transfer from contingency as the funding sources include: Annual Road Maintenance Projects, ADA Compliance Transition Plan, and Frog Pond Property Purchase.

Adjustment Resolution No. 2506 provides a detail listing of the projects and material and services expenditures that exceed the total expenditure and/or total contingency limitations as set by Local Budget law. The General Fund capital project expenditures that need additional budget appropriations totaling \$159,000 will fund the following projects: Boeckman Creek Slope Stabilization-Phase I, City Wide Public Facility Plan, Parks and Recreation Tenant Improvements and the Fiber Connectivity project. In addition, additional budget authority in the amount of \$110,000 is needed for outside service fees for the upcoming Comcast franchise fee negotiations and labor negotiations.

The resolution also includes additional appropriations for the portion of the Frog Pond Property Purchase that will be funded by the Park SDC Fund.

The following list of capital projects will be funding by reducing existing capital project budgets that result is a net zero adjustment. Water CIP: Willamette River Water Supply, Annual Well Hole/Facility Sewer CIP: Upgrade, Waste Water System Master Plan Update, Streets CIP: Tooze Rd – 110th to Grahams Ferry Rd, Road Maintenance Project, Transportation Performance Modeling, Stormwater CIP: Park Place Storm Water Improvements, and Parks CIP: City Parks & Trails-ADA Title II.

As stated in the Fiscal Management Policies, the City shall amend its annual budget in accordance with Oregon local budget law. The supplemental budget adjustment is adopted by the Council at a regularly scheduled meeting. The budget committee is not required.

As required by Local Budget Law, a notice for the public hearing has been published in the Wilsonville Spokesman. The notice was published on Wednesday, December 24, 2014. Adoption of the Supplemental Budget Adjustment is required prior to the end of the fiscal year, June 30, 2014.

Mayor Knapp invited the public to speak, hearing nothing he closed the hearing at 8:14 p.m.

Motion: Councilor Stevens moved to approve Resolution No. 2505. Councilor Fitzgerald seconded the motion.

Vote: Motion carried 5-0.

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

Motion: Councilor Lehan moved to approve Resolution No. 2506. Councilor Stevens seconded the motion.

Vote: Motion carried 5-0.

C. Resolution No. 2507

A Resolution Setting Stormwater Utility Rates For The City Of Wilsonville And Amending Resolution No. 2353.

Ms. Jacobson read Resolution No. 2507 into the record by title only.

Mayor Knapp opened the public hearing at 8:16 p.m. and read the hearing format.

Ms. Kraushaar introduced Shaun Pigott of Shaun Pigott Associates, LLC. A summary of the entire study was presented by Mr. Pigott aided by a PowerPoint presentation.

Ms. Kraushaar prepared the staff report which is included here to provide background. The Stormwater Utility has been under financial pressure over recent years resulting in a fund balance that is near zero. This is due to major repair projects at Morey's Landing and the Rivergreen Bank Stabilization and Channel Restoration. Both these emergency projects were cash funded through the Utility's operating reserves.

As noted in the adopted 2014-15 Wilsonville Budget, the Utility does not meet ending fund balance goals the City has set for all enterprise funds. The fund is able to minimally meet operational needs, but cannot support future capital requirements. The Stormwater Utility Rate Update was initiated to determine necessary actions to restore fund stability. Subsequent to initiating this Rate Update, significant additional outfall repair costs were identified along with capital expenses related to stormwater system rehabilitation in Charbonneau.

Staff has discussed various approaches toward addressing over \$33 million in immediate and long term stormwater capital needs. Over the course of three work sessions held during the summer and fall of 2014, various scenarios have been presented and discussed. Council expressed that their preferred approach is a 25 year capital improvement schedule which includes an initial 5 year CIP addressing the highest priority projects and funded through debt. The longer term program for project funding would establish rates and fund projects on a pay as you go basis.

As a result of the November 3, 2014 work session, Council directed the following:

1. Keep the current 5-year capital program as presented. That CIP cost is \$7,130,015,
2. Include in the 5-year CIP costs related to the 3 pending outfall projects,
3. Debt finance the 5-year CIP by combining an inter-fund loan (via the General Fund) with a revenue bond, and
4. Expand the timeframe for implementing the remaining CIP to 25 years. That CIP cost is \$26,318,315 (excludes SDC eligible capital costs) which will be annualized and cash funded.

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

While developing the rate increase proposals, staff assumed a 10-year payback period the inter-fund loan from the General Fund. In preparing the final rate increase proposal, staff also looked at a 5-year loan payback period. This will reimburse the General Fund in a timelier manner and re-establish the financial independence of the Stormwater Utility which is a goal for all of the City's enterprise funds. This 5-year inter-fund loan approach will slightly increase the rate initially, but also results in a lower rate increase in years 2021 and beyond. Staff recommends the 5-year (vs. 10-year) inter-fund loan. In the resolution itself, a table reflecting the 5-year payback period has been included.

For reference, the existing stormwater fee and SDC were established by Resolution No. 2353 that was adopted by the City Council on April 16, 2012. The resolution included a stormwater fee of \$3.58 per ERU. Based on the annual rate increases contained in that Resolution the current rate, effective July 1, 2014, is \$5.25 per ERU.

The proposed stormwater fee increases will provide funding for projects currently identified in the Stormwater Master Plan, outfall improvements and for stormwater repairs and replacements identified in the Charbonneau Consolidated Improvement Plan. The proposed stormwater rates will also provide necessary revenue for ongoing operations and maintenance of the stormwater system. The proposed rates are expected to stabilize the Stormwater Operating Fund and meet the City's reserve requirements. If adopted by the City Council, the proposed stormwater rate increases would become effective April 2015.

The Stormwater Rate Study was budgeted at \$20,160 in the adopted FY 2013-14 Budget. Approximately half of this was spent before July 1, 2014. A supplemental budget adjustment to the adopted FY 2014-15 Budget will recognize remaining funds to complete the study.

Articles about the stormwater utility rate study and proposed fee increases and implementation schedule were published in two issues of the Boones Ferry Messenger. The City's Community Relations Coordinator issued several press releases about the topic through the City's web alert system, including notification that a public hearing would be held at the January 5, 2015 City Council meeting and inviting those with concerns to participate. The December 17, 2014 Wilsonville Spokesman included an article describing proposed fee increases, public hearing date, and an explanation about the need. Finally, on December 15, 2014, 120 notification letters were sent to the City's top business customers/accounts based on ERUs. The letters invited them to contact the City's Economic Development Manager with questions and concerns or attend the January 5 public hearing and express their concerns to the City Council.

Stormwater management is an important component of the public works infrastructure in Wilsonville. The stormwater system protects against flooding, improves water quality by removing sediment and pollutants from urban runoff, and can protect and enhance wildlife habitat.

The community will benefit from a reliable stormwater system – including operations and maintenance and well-programmed capital investments. Environmental benefits include water quality protection in the Willamette River, healthier natural resources (such as the Coffee Creek

**CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES**

wetlands and the Boeckman Creek watershed), and protection of native plant and wildlife species. The recommended rate increases will allow the City to address aging stormwater infrastructure, system deficiencies, growing system needs, and regulatory requirements.

Summary of Rate Projections – 25-Year Capital Schedule

Background

At its November 3, 2014 work session, City Council reviewed a third rate projection that shows the effect of a 25-year capital improvement schedule. The cases discussed at previous work sessions had addressed CIP schedules of 20 and 30 years. Under the 25-year capital program, total capital costs remain at \$33,448,019 (current dollars) and the initial 5-year CIP, that would be funded through a combination of a revenue bond and inter-fund loan, also remains at \$7,130,014 (less SDC eligible costs). The difference is that the remaining capital requirements of \$26,318,005 (less SDC eligible costs) would be funded on a “pay as you go” basis that reflects the average annual CIP cost for years 6 through 25.

The Utility’s future operating requirements were also evaluated including the addition of a staff engineer (2016), utility worker (2025) and the need to re-establish an adequate operating reserve (2017).

25-Year Rate Scenario

The following conditions are reflected in the rate scenario requested by Council at its October 6, 2014 work session:

1. The initial CIP timeframe is 5 years (\$7,130,014),
2. Debt finance the entire 5-year CIP (less any SDC eligible project costs or \$521,586) via an inter-fund loan and a revenue bond,
3. \$2,000,000 will be the maximum amount to be financed through an inter-fund loan from the City’s General Fund,
4. The remaining capital costs (\$4.6 million) will be financed through a revenue bond,
5. The revenue bond is 20 years at 4.5% interest with reserve requirements funded through bond proceeds. Annual debt service for the revenue bond will be \$405,993.

At its November 3, 2014 work session, Council agreed to the use of an inter-fund loan from the City’s General Fund. The loan amount was \$2,000,000 with a payback period of 10 years. Subsequent to the November 3 work session, staff reviewed and recommends that the 10-year payback period be reduced to 5 years. This will reimburse the General Fund in a timelier manner and re-establish the financial independence of the Stormwater Utility which is a goal for all of the City’s enterprise funds. This 5-year inter-fund loan approach will slightly increase the rate initially but also results in a lower rate increase in years 2021 and beyond. Annual debt service for the 5-year inter-fund loan at .54% interest is \$406,503.

6. The overall CIP schedule will be evaluated on a 25-year timeframe.

**CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES**

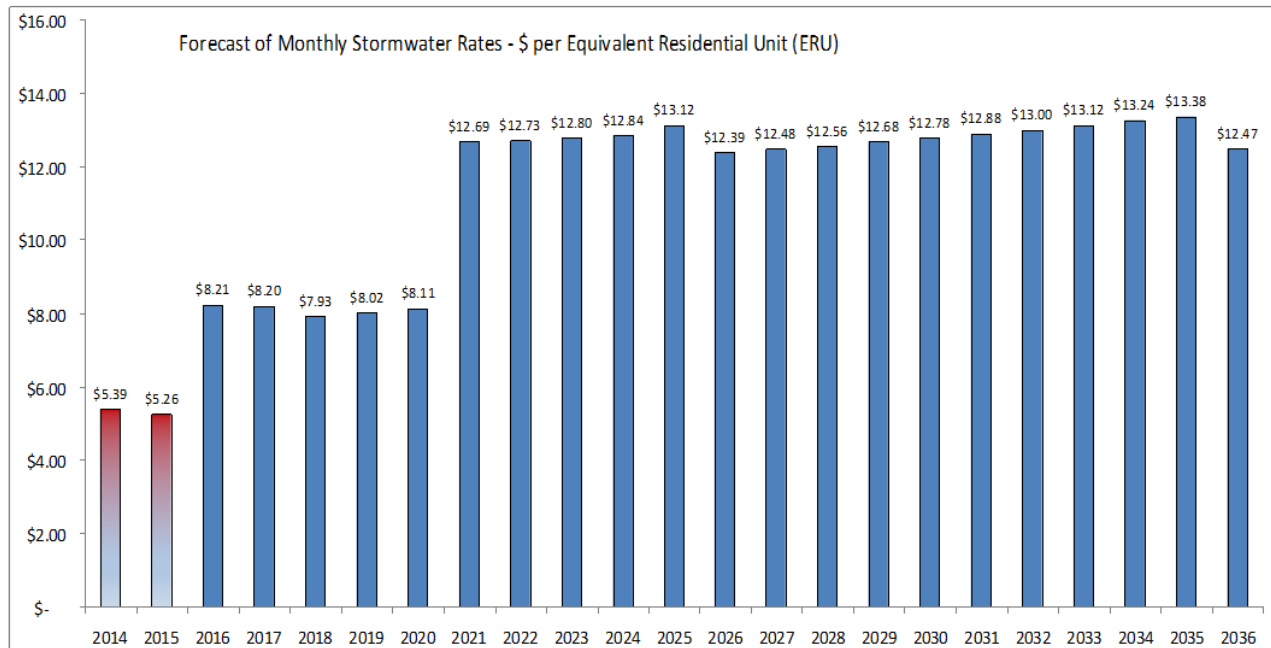
7. Projects to be scheduled for years 2021 through 2041 will be funded via the “capital reserve strategy” which simply means we will divide the total inflated project costs by 20 years and adjust annual rates to meet that average annual capital cost. The average annual amount will be \$1,329,000 million for the 25-year case, and
8. The costs for the 3 recently scoped outfall projects are in the 5-year CIP and will be included in the debt issuance.

Rate Projections

The two cases presented in the next pages are based on the estimated revenue requirements of the Stormwater Utility over the next 25 years. Case 1 represents the rate forecast assuming a 10-year inter-fund loan from the General Fund. Case 2 represents the rate forecast for a 5-year inter-fund loan.

Operational costs are indexed based on inflation factors consistent with Wilsonville’s other enterprise funds and include the staffing additions for an engineer and utility worker. Achieving an operating fund reserve of 20% of annual operating costs is also reflected in the projections. All capital costs have been inflated for the year of planned construction and the debt service expense is as outlined above in paragraph 5.

CASE 1 – 10-Year Inter-fund Loan from General Fund



The above graph reflects the estimated rate required on an annual basis. Based on Council direction regarding the preferred approach, rates could be “smoothed” as reflected in the following table:

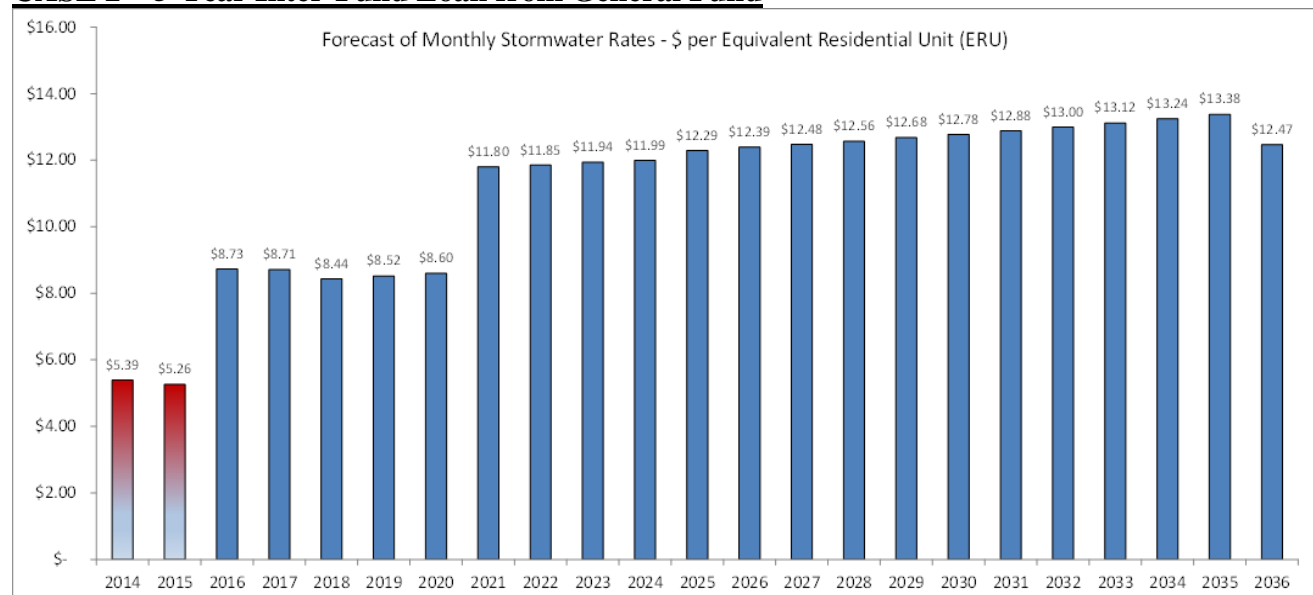
CITY OF WILSONVILLE

CITY COUNCIL MEETING MINUTES

CASE 1 Rates – 10-Year Inter-Fund Loan

Date	Monthly Rate Increase Per ERU	New Rate	Percent Increase
Current Rate	n/a	\$5.25	—
Apr. 1, 2015	\$1.50	\$6.75	29%
Jan. 1, 2016	\$1.50	\$8.25	22%
Jan. 1, 2017	\$.90	\$9.15	11%
Jan. 1, 2018	\$.90	\$10.05	10%
Jan. 1, 2019	\$.90	\$10.95	9%
Jan. 1, 2020	\$.90	\$11.85	8%
Jan. 1, 2021	\$.90	\$12.75	7.5%

CASE 2 – 5-Year Inter-Fund Loan from General Fund



The above graph reflects the estimated rate required on an annual basis. Based on Council direction regarding the preferred approach, rates could be “smoothed” as reflected in the following table:

CASE 2 Rates – 5-Year Inter-Fund Loan

Date	Monthly Rate Increase Per ERU	New Rate	Percent Increase
Current Rate	n/a	\$5.25	n/a
Apr. 1, 2015	\$1.70	\$6.95	32%
Jan. 1, 2016	\$1.70	\$8.65	24%
Jan. 1, 2017	\$0.65	\$9.30	8%
Jan. 1, 2018	\$0.65	\$9.95	7%
Jan. 1, 2019	\$0.65	\$10.60	6.5%
Jan. 1, 2020	\$0.65	\$11.25	6%
Jan. 1, 2021	\$0.65	\$11.90	5.5%

Shaun Pigott of Shaun Pigott Associates, LLC, summarized the past decisions made during the past six months. The process started in the spring of 2014 with an impetus from the 2012 Master

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

Plan, since the 2012 Maser Plan the City identified significant costs in outfall projects, and repairs and/or replacements for the stormwater infrastructure in Charbonneau. To address these significant capital needs staff brought various alternatives to Council to consider, including a 20, 25 and 30 year CIP schedule with the intent to evaluate the rate impacts, and what alternatives were most viable.

Capital Program Costs identified with a Master Plan CIP are about \$13.8 million. Charbonneau requires an additional \$19.5 million, in what are identified as “spot” or “complete repair” projects. The total CIP over a 20-year forecast was just under \$33.5 million. Engineering analysis identified \$8.3 million of the costs were SDC eligible. The project costs that needed to be funded through rates would be just over \$25 million.

Mr. Pigott recapped the direction staff received from Council:

- Include the 3 new Willamette River projects totaling \$1.14 million
- Expand the time frame from the initial CIP from 3 to 5 years \$7.1 million
- Finance all projects for the 5-year CIP through a combination of revenue bonds and an interfund loan
- The interfund loan was set at \$2 million
- Evaluate rate impacts using the 25-year CIP schedule.
- Re-establish an operating reserve for the Stormwater Utility consistent with City policies at 20% of operating expense.

The payback period for the interfund loan originally was set at 10 years, however after evaluating the general fund it was recommended to reduce the payback period to 5 years. This made for a timely reimbursement and re-establishment of the Stormwater fund independence, and made the General Fund whole for the amount of money lent to the Stormwater Utility. This change will increase the short term rate for the first five years from \$8.25 to \$8.65 per month; however in year 2020-2021 the rates goes down from \$12.75 to \$11.90 per month. Basically the amount up front is increased to undertake the projects in a timelier manner and repay the general fund in a five year period as opposed to a 10 year period. Mr. Pigott provided detail regarding the rate forecast in the 25-year case. He noted the \$8.65 rate implemented in 2016 was critical because this rate funds the program and pays the debt service on the interfund loan and the revenue bond. Subsequently the rates will increase in a stair step manner to reach \$11.90 in the year 2021, which begins the “pay as you go” scenario.

Mr. Pigott displayed a slide showing stormwater rates in surrounding communities, and noted Wilsonville’s is one of the lowest, he pointed out the cities with rates in the \$8.00-\$13.00 range have made significant capital improvements, repairs and replacements programs similar to what Wilsonville was contemplating.

Ms. Kraushaar outlined the public outreach process to insure citizens would be aware of the increase. She did not foresee the rates decreasing in the future due to a growing community, and aging infrastructure.

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

Councilor Starr thought the approach being taken was the way to have the stormwater utility rates be the least amount per month while allowing the City to complete the mandated projects and comply with regulations.

Councilor Stevens thought maintaining infrastructure correctly was important to avoid damage to personal and private property.

Not maintaining stormwater infrastructure properly or adequately leads to flooding, potential lawsuits, property damage, erosion leading to damage of natural resources and pollution in the creeks and Willamette River and as well as the creation of sinkholes. The City must comply with mandates issued by the EPA and DEQ to reduce the amount of pollutants going to the Willamette River.

Mayor Knapp invited public testimony.

Beverly Chestnut Foster spoke on behalf of Norris Biggs and Simpson, who manage commercial properties on SW Commerce Circle, River Road, and Commerce Park. Ms. Foster indicated Norris Biggs opposed the stormwater rate increase and asked Council to vote “no” on the rate increase, and request staff to go back and reevaluate their analysis. She asked why rates were not increased during the time period of 2003-2011 to care for the stormwater infrastructure.

Mayor Knapp closed the public hearing at 8:45 p.m.

Motion: Councilor Stevens moved to approve Resolution No. 2507. Councilor Lehan seconded the motion.

Councilor Stevens commented stormwater is a critical part of the City’s infrastructure and not maintaining or making improvements is not an option; it must be maintained or it negatively affects private property and the quality of life for citizens.

Councilor Lehan asked for the neighboring community rate comparison chart to be shown. She noted Wilsonville’s stormwater fee is at the bottom of the list because Wilsonville did not combine its sewer and stormwater systems, older cities have had to retrofit their systems to separate the two. Stormwater systems are evolving as evidenced by the increase in the use of landscaping, storm swales, detention ponds, and pervious surfaces. The need will remain due to growth and the construction of homes and impervious surfaces; however, Wilsonville will continue to use the best technology going forward to keep on top of stormwater impacts.

Councilor Starr asked why the stormwater rate remained the same from 2003-2011. Mr. Cosgrove assumed it was based on the CIP in place at the time and on the needs of the operations and maintenance in place at the time.

Councilor Fitzgerald agreed with the previous comments made by the Council.

Mayor Knapp said staff has looked at the stormwater rates from multiple points of view. Having the rates low for so long can be considered lucky; if the technology of today was available 15

**CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES**

years ago, pipe conditions may have been discovered earlier. DEQ requirements continue to be tightened and the City must continue to meet higher standards.

Vote: Motion carried 5-0.

CONTINUING BUSINESS

A. **Ordinance No. 765** – 2nd Reading

An Ordinance Of The City Of Wilsonville Amending Wilsonville Code Chapter 3, Section 3.560, By Providing For A Governmental Exemption From The Established Privilege Tax For Use Of City Right-Of-Ways And Allowing Alternative Consideration In Lieu Of The Tax.

Ms. Jacobson read Ordinance No. 765 into the record for second reading by title only.

Motion: Councilor Stevens moved to approve Ordinance No. 765 on second reading. Councilor Starr seconded the motion.

Vote: Motion carried 5-0.
Mayor Knapp - Yes
Councilor Starr - Yes
Councilor Fitzgerald - Yes
Councilor Stevens - Yes
Councilor Lehan - Yes

B. **Ordinance No. 763** – 2nd Reading

An Ordinance Of The City Of Wilsonville Annexing Approximately 9.8 Acres At 11650 SW Tooze Road And A Small Triangular, Approximately 6315 Square Foot, Property Across SW Grahams Ferry Road From 28333 SW Grahams Ferry Road Into The City Limits Of The City Of Wilsonville, Oregon; The Land Is More Particularly Described As Tax Lots 1100, 1101, And 1503 (Formerly 1591) Of Section 15 T3S-R1W, Clackamas County, Oregon, City Of Wilsonville, Applicant.

Ms. Jacobson read Ordinance No. 763 into the record for second reading by title only. She noted the changes to the attachments which reflect the recorded plat number only.

Motion: Councilor Lehan moved to approve Ordinance No. 763 on second reading. Councilor Fitzgerald seconded the motion.

Vote: Motion carried 5-0.
Mayor Knapp - Yes
Councilor Starr - Yes
Councilor Fitzgerald - Yes
Councilor Stevens - Yes
Councilor Lehan - Yes

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

C. Ordinance No. 764 – 2nd Reading

An Ordinance Of The City Of Wilsonville Approving A Zone Map Amendment From The Clackamas County Rural Residential Farm Forest 5 (RRFF5) Zone To The Village (V) Zone On Approximately 9.8 Acres At 11650 SW Tooze Road And A Small Triangular Approximately 6315 Square Foot Property Across SW Grahams Ferry Road From 28333 SW Grahams Ferry Road. Comprising Tax Lots 1100, 1101, And 1503 (Formerly 1591) Of Section 15, T3S, R1W, Clackamas County, Oregon, City Of Wilsonville, Applicant.

Ms. Jacobson read Ordinance No. 764 into the record for second reading by title only and noted the changes to the attachments reflect the recorded plat number only.

Motion: Councilor Lehan moved to approve Ordinance No. 764 on second reading. Councilor Stevens seconded the motion.

Vote: Motion carried 5-0.
Mayor Knapp - Yes
Councilor Starr - Yes
Councilor Fitzgerald - Yes
Councilor Stevens - Yes
Councilor Lehan - Yes

NEW BUSINESS

A. US EPA Green Power Communities Proclamation – Green Power Challenge for the Wilsonville Community

Mr. Ottenad prepared the staff report. As a component of the City Councils' goals for Environmental Stewardship, the City Manager has indicated an interest in the City of Wilsonville becoming designated by the EPA as a "Green Power Community." Green Power Communities are "towns, villages, cities, counties, or tribal governments in which the local government, businesses, and residents collectively use green power in amounts that meet or exceed EPA's Green Power Community purchase requirements." Locally, a participating "Green Power Community" purchases qualifying "Clean Wind" renewable electrical power from PGE.

The minimum requirements for Wilsonville to be designated as a "Green Power Community" are:

- 1) City Council approval of implementing the program in Wilsonville.
- 2) City to purchase at least 5 percent of the municipal government's commercial electric usage from renewable energy sources such as PGE's "Clean Wind" program. (The percentage amount to purchase is determined by city size and power usage.)
- 3) A total of 3 percent of business and residential electricity accounts within city limits must purchase renewable power. Currently Wilsonville residential/business participation surpasses the minimum threshold and is at 11 percent. PGE reports that 14 percent of all residential customers in PGE's service territory participate in the "Clean Wind" program.

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

PGE proposes running a community-wide “Green Power Challenge” campaign to increase awareness and support by signing-up an additional 200 residents and 20 businesses.

PGE’s Clean Wind program offers various levels of participation—Bronze, Silver, Gold and Platinum—of utilizing renewable power. Each participation level is accompanied by various marketing/promotional benefits.

The City Manager recommends consideration of the Silver level as the minimum level of participation. The City Council may elect to increase the level of the City’s participation.

Based on the City of Wilsonville’s annual commercial usage (12-month usage ending 6/2014) of 11.9 million kWh, and a minimum threshold for participation of 5%, the minimum annual purchase necessary for Green Power Community designation is 596,595 kWh. In order to purchase this amount of via PGE’s Clean Wind program, the total additional annual cost or premium to be paid is \$1,790.

The complete set of participation levels and potential costs to City are summarized below:

Clean Wind Award Level	Monthly Premium	Annual Premium
100% Platinum	\$2,982.97	\$35,795.67
6.9% Gold	\$205.83	\$2,469.90
5% Silver	\$149.15	\$1,789.78
5% Bronze	\$149.15	\$1,789.78

As part of a community-wide Green Power Challenge, the City is expected to promote the PGE Clean Wind program locally to residents and businesses and encourage their participation. Staff members of the City Manager’s office are able to accommodate promotion of the program as part of the City’s larger, on-going outreach efforts through utilizing publications like the all-city newsletter, *The Boones Ferry Messenger*, and utility bill-stuffers and helping to organize promotional events in conjunction with other City and community events.

Participation in the EPA Green Power Communities program and the PGE Clean Wind program each provide marketing promotional benefits to the City. The EPA promotion includes:

- Being highlighted on EPA’s website (www.epa.gov/greenpower/communities)
- Using the EPA Green Power Partner mark on marketing materials and websites.
- Becoming eligible for EPA’s Green Power Community of the Year Award
- Receiving two Green Power Community signs for outdoor display

According to the EPA, of the 53 Green Power Communities in the U.S., 11 are located in Oregon, with eight of those ranking in the top-15 for the amount of renewable power purchased.

According to PGE, over 100 local-area governmental units and businesses are now participating in green power programs; a total of 109,000 customers are participating. The cities of Beaverton, Milwaukie, Portland and Hillsboro are participating at the Platinum level; Gresham and Salem are at the Gold level. Hillsboro has received national recognition by the EPA as using a “higher percentage of sustainable power than any other ‘Green Power Community’ in the nation.”

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

A total of 10 percent of Wilsonville residents (zip code 97070) and 0.6 percent of the 1,593 business accounts are enrolled in PGE's renewable power program.

City participation in the EPA "Green Power Communities" and PGE Clean Wind programs is in alignment with City Council goal number three, "Environmental Stewardship," by providing the City's electrical power consumption be produced by sustainable, environmentally friendly wind-power generation. Additionally, Wilsonville joins with other local jurisdictions to participate in the program, which also provides regional recognition and marketing promotions benefits.

The annual cost to the City to participate in the PGE "Green Power Challenge" program at the recommended Silver level is \$149 per month or \$1,790 per year.

Councilor Fitzgerald indicated she would abstain from the vote since she works for the Nature Conservancy who received grant funding from PGE.

Motion: Councilor Stevens moved to approve that the City of Wilsonville participates in the Green Power Communities Program at the gold level of 6.9% of its electricity in green power. Councilor Lehan seconded the motion.

Councilor Stevens thought it was a good idea and she hoped the community outreach and education program would be robust to help citizens make informed decisions. She supported the program because of the benefits to the health of the community.

Councilor Lehan would like to see the program be more aggressive on power reduction as a whole rather than championing being one that uses the "most green power". The Councilor wished she was more convinced the new technologies superior enough to warrant the extra costs without an attendant campaign to reduce total power consumption.

Mayor Knapp asked that information about the program be included in the Boones Ferry Messenger, and provide information on conservation.

Councilor Starr called for the question.

Vote: Motion carried 4-0-1
Councilor Fitzgerald abstained.

B. Resolution No. 2508

A Resolution Of The City Of Wilsonville Authorizing An Intergovernmental Agreement Between The City Of Wilsonville And Clackamas County For Sharing Data Network Resources.

Ms. Jacobson read Resolution No. 2508 into the record by title only.

Ms. Miller prepared the staff report. The City has been working with Clackamas County to arrive at terms for an Intergovernmental Agreement (IGA) that would allow for the City and Clackamas County to share a fiber network.

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

The City and Clackamas County have found many areas of mutual benefit in sharing data network resources that could also benefit the school district and other local government entities. This IGA would govern the relationship of the parties, and would be allowed pursuant to proposed Ordinance No. 765, scheduled for second reading on January 5. WC 3.560 provides that if a franchise agreement is used, any franchise fee would offset any privilege tax due to the City so there is not a double collection. If Ordinance No. 765 is passed on second reading, the Ordinance will allow execution of this IGA as an acceptable alternative to the traditional franchise agreement, allowing for an agreed upon different classification of consideration than a straight fee percentage on gross revenues. This IGA provides consideration of mutual promises and conditions that are intended to benefit both governmental entities, including cost and facility sharing. City staff believes this IGA is nondiscriminatory and that it is in the best interest of the City for the two governmental bodies to join forces to provided needed fiber connections within Wilsonville to certain educational, medical, and governmental entities.

The proposed amendment to the Code is intended to recognize that other government entities are a different classification from private entities that are based primarily on gross revenues from users they serve, and the circumstances of government entity use can provide for advancing the public interest through the use of the City's right-of-ways based upon alternative consideration to the percentage franchise fee, privilege tax on gross revenues, or per line charge for simply passing through the City.

Motion: Councilor Lehan moved to approve Resolution No. 2508. Councilor Starr seconded the motion.

Vote: Motion carried 5-0.

C. **Resolution No. 2509**
A Resolution Adopting Bridge Memorandum of Understanding.

The Willamette Study Program ("WWSP") is a cooperative project to produce and transmit finished drinking water from the Willamette River Water Treatment Plant ("WRWTP") to Tualatin Valley Water District (TVWD) and Hillsboro and such other municipalities as may elect to participate in the program. As owner in the WRWTP and the City's rights of ways, the City of Wilsonville has a stake in further development of the plant and in any transmission in or over city rights of ways. Wilsonville has been participating in the joint discussions concerning the WWSP and is participating currently in a joint master planning effort for the plant as the City will need to have the plant expanded for its own needs in the near term.

The MOU calls for continued cooperation by the parties to develop mutually acceptable future agreements or memorandum of understandings related to the ownership, finance, design and construction of water system facilities including the lower and potential future upper water treatment plants and the governance, use, operation, maintenance, repair, and replacement of those facilities (collectively referred to as the Future Agreements). The MOU provides through the exhibits timelines for reaching document goals and for the cost sharing of the facilitator to aid the parties in reaching a governance model by the end of 2016 to present to the respective participating governing bodies at that time.

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

Staff recommends the continued participation by the City in the ongoing discussions; that given the complexities and different entities involved, the facilitator has proven very helpful and the City's share of the facilitator's cost over the next two years is reasonable; and that with the withdrawal provision and non-binding provision as to future agreements, the MOU should be approved.

Given the potential impacts, the complexity of the Project, the importance of the City understanding the rationale supporting future agreements in order to make the best decision as to whether to join in or not, and the relative small costs to pay for the facilitator and be a part of the on-going discussions, it did not seem prudent to abandon the City's participation at this time.

Motion: Councilor Starr moved to approve Resolution No. 2509. Councilor Lehan seconded the motion.

Vote: Motion carried 5-0.

CITY MANAGER'S BUSINESS

Mr. Cosgrove distributed the agenda for the upcoming Council Retreat and noted the status of Council Goals will be discussed there and no report would be presented this evening.

LEGAL BUSINESS – No report was given.

Motion to continue meeting past 10:00 p.m. to address the URA meeting.

Motion: Councilor Starr moved to continue the Council meeting past 10:00 p.m. Councilor Lehan seconded the motion.

Vote: Motion carried 5-0.

ADJOURN

Mayor Knapp adjourned the meeting at 10:03 p.m.

Respectfully submitted,

Sandra C. King, MMC, City Recorder

ATTEST:

Tim Knapp, Mayor

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

Addendum to January 5, 2015 City Council meeting minutes.

Councilor Scott Starr's Comments after being Sworn-In for a second term.

"Thank you for re-electing me and showing confidence in my ability to represent the citizens of this wonderful city. I am thankful for the opportunity to humbly serve and assist you while staying consistent with the spirit of the mission of our city Council. That mission is to continue to protect and enhance Wilsonville's livability by providing quality service, to ensure a safe, attractive, economically vital community while preserving our natural environment and heritage. Your confidence authorizes me to question, agree with or reject, create or recreate, when it comes to how the city will grow, deal with other municipalities, spend your money, and generally carry out your will.

As I start my second and last term, as a city Councilor I'd like to briefly touch on a few decisions that brought me to this point, what I've learned along the way and a quick vision for the future.

First was my desire for city government to be a customer service organization for the residents and the commercial residents of this town. We made hiring a new city manager, he is now sitting to my left, a priority and it is gratifying to hear citizens and businesses tell me how responsible the city is to their needs. We've come a very long way with businesses again wanting to locate and invest in our city. This was not the case four years ago with many businesses. Businesses are now getting faster decisions that are objective and predictable without subjective after thought conditions that once plagued the process. Because we cut our budget three and a half years ago we have been able to keep city services at consistent levels and not cut staff which is very different than many of our neighboring cities. And even though sometimes it hurts to cut back on budgets, I'm very proud of the fact that city services and no staff lost their jobs because of our foresight.

We completed major projects such as the sewage treatment plant and the transit center – the transit center came in about half the cost of what was originally projected – so I'm happy with that too. I've been privileged to lead task forces for economic development, urban renewal, and the possibility of a community center. Concerning urban renewal, I realize this can be a controversial topic; I believe that the city has taken great strides to better involve the public via a committed task force with members and public input sessions, and insuring we are now spending these dollars with strategic purposes that demands a return on investment in a limited time frame.

Earlier I said, "a last term" in the role of Councilor, because I believe that the longer one is in a particular elected position the more they naturally evolve from "one of us" to "one of them". "Us" would be we the people, and by "them" I'm referring to the body and bureaucracy of government. To be precise I'm not specifically referring to employees of the City of Wilsonville, I'm talking about the body and government which includes elected officials, city staff as a whole, years of many new rules and regulation baggage, well paid consultants, and others who touch or influence the process of government. I just think that as new Councilors come on it is great to have fresh input and direct from the public so once you get too close to something sometimes it's hard to really see it and so that would be a personal view of mine. I'm not encouraging any of you not to re-run by any chance.

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

Some of the things that I have learned along the way: The body of government itself is a beast that generally wants to be fed constantly and will push back hard on change and fiscal discipline, but leaders stand up and push back. People need to be more involved in their government and demand a higher standard, and I'd like to commend this Council because I think this Council delivers a high standard and that's not necessarily the case with many cities, counties, or states, or for that matter fed.

The world of government is unfortunately 80% grey and 20% black and white, not the reverse, which is what I thought it was when I came in, so I had a lot of learning my first go round. Elected officials can just show up and vote, or lead with the visions, strategy, and consistency and then vote. It's not good enough, in my opinion, just to show up and turn in your vote and let it go at that.

Again, this Council is very good at leadership and I appreciate everything that they do for this city. Like any other company or organization good qualified, professional people produce good results. Our city staff is good, qualified, and professional and produces very good results. Like any organization, or even yourself, if you don't invest in it, it will deteriorate. We've got to be mindful to always invest in our city if we want to see the kind of growth and desirability on the other end.

And finally, city government is the lowest level in the government food chain. This means that we get to comply with many, and many times pay for, the brilliance and stupidity of every other entity that rests above us, so a hard learning.

My vision for what the next four years might look like as far as what I'm working on. For my new term it aligns with the main points on the city survey plus a few other important topics. Growth, we must grow in a measured, strategic way, that doesn't compromise our soul as a rural, suburban community. We must continue with safety, great schools, and state of the art infrastructure. We should not compromise on purposefully designed neighborhoods that are well supported by streets, bike, and walking trails that support community that we all live in. we don't compromise on that. I'm not looking to support average sized lots, with average sized houses, at average prices. We don't do average because if we do that's what we get, is average. I want to support the next Morey's Landings, Rivergreen, Meadows, and Park at Merrifield type neighborhoods as we develop Frog Pond.

Speaking of housing, our ratios of single family housing to multi-family housing are grossly out of balance in my opinion. We're a rural suburban city furthest away from the urban Portland hub; this should translate into the lowest ratios of multi-family housing, not the highest. Over the last four years I've read the community surveys and heard your comments and I will continue to support getting our ratios back in balance for our residents because that's what they're demanding.

Also I'd like to make sure that we provide opportunity for our citizens to get a chance to finally vote on a community center. It's been kicked around a long time. Whether or not it goes up or down is not the issue, the issue is we need to get it to the people because they've been demanding it for a long time.

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

And finally, with the Mayor I'd like to help negotiate a make sense deal for another water treatment plant to support the water needs for the south and west cities in our metro area. We need to put in place robust industrial designs also for commercial developments and Coffee Creek and Basalt Creek.

I've just shared a great deal of information and activity. The incredible news is that our city is in a great position to continue moving in an extremely positive direction, there are plenty of cities that really envy us. We are blessed with our geographic location and we've accomplished many impressive outcomes over the last four years. I am excited to work with the Council, the staff, the volunteer boards, our citizens, and other municipalities to keep Wilsonville's momentum, specialness, and opportunity intact and thriving. Now let's get to work."