

**CITY OF WILSONVILLE**  
**CITY COUNCIL MEETING MINUTES**

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A regular meeting of the Wilsonville City Council was held at the Wilsonville City Hall beginning at 6:00 p.m. on Monday, June 4, 2012. Mayor Knapp called the meeting to order at 6:14 p.m., followed by roll call and the Pledge of Allegiance.

The following City Council members were present:

Mayor Knapp  
Council President Núñez  
Councilor Hurst  
Councilor Goddard - excused  
Councilor Starr

Staff present included:

Bryan Cosgrove, City Manager  
Jeanna Troha, Assistant City Manager  
Mike Kohlhoff, City Attorney  
Gary Wallis, Finance Director  
Cathy Rodocker, Assistant Finance Director  
Sandra King, City Recorder  
Mark Ottenad, Public Affairs Director  
Dan Knoll, Public Affairs Coordinator  
Delora Kerber, Public Works Director  
Steve Adams, Interim City Engineer  
Dan Pauly, Assistant Planner  
Andrea Villagrana, HR Director  
Jen Massa Smith, Options Program Manager  
Steve Allen, Operations Manager  
Stephan Lashbrook, Transit Director

**Motion:** Council President Núñez moved to reposition Public Hearing Items “F” Ordinance No. 704 and “G” Resolution No. 2360 to the beginning of the Public Hearings and approve the order of the agenda. Councilor Hurst seconded the motion.

**Vote:** Motion carried 4-0.

### **MAYOR’S BUSINESS**

Mayor Knapp noted the date of the next City Council meeting and reported on the meetings he attended on behalf of the City.

Mayor Knapp noted this was the last Council meeting for Council Steve Hurst who resigned effective June 5, 2012. He highlighted Councilor Hurst’s volunteer activities and participation on City boards since 2005 which include serving on the Parks and Recreation Board, the Planning Commission, the Budget Committee, and election to the City Council in 2008. In addition he was involved with the Aurora Airport Planning Group and served as co-chair of the Economic Development Advisory Committee.

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Councilor Hurst stated this would be the last summer his children would be home and he wanted to spend time with them before the leave the nest. He mentioned many of the individuals he worked closely with since joining Council in 2009, and what these people meant to him over that time.

Councilors expressed their admiration of and appreciation to Councilor Hurst, and believed he had left a legacy on the Council.

**CITIZEN INPUT & COMMUNITY ANNOUNCEMENTS**

This is an opportunity for visitors to address the City Council on items *not* on the agenda. It is also the time to address items that are on the agenda but not scheduled for a public hearing. Staff and the City Council will make every effort to respond to questions raised during citizens input before tonight's meeting ends or as quickly as possible thereafter. Please limit your comments to three minutes.

Theonie Gilmore Executive Director of the Wilsonville Arts and Culture Council indicated the 13<sup>th</sup> Annual Festival of the Arts was very successful, and had grown to 6,000 attendees for both days.

**COUNCILOR COMMENTS, LIAISON REPORTS & MEETING ANNOUNCEMENTS**

Council President Núñez – Chamber Leadership and Library Board liaison had no report to make. She announced the Murase Plaza and Town Center Park water features would open June 15, 2012.

Councilor Hurst – Parks and Recreation Board and Planning Commission liaison stated the Planning Commission hosted their second public open house on the Transportation Systems Plan which will address the City's transportation needs through 2035. At their next meeting the Commission would discuss enhanced communication with the City Council.

Councilor Starr – Development Review Boards and Wilsonville Community Seniors Inc. invited the public to take part in the bike tour which will explore Boeckman Creek. Councilor Starr recommended waiting until after the November general election to fill the vacant seat left by Councilor Hurst's resignation, and suggested appointing the clear winner at that time.

**CONSENT AGENDA**

A. **Resolution No. 2363**

A Resolution Of The City Of Wilsonville Authorizing The City Manager To Execute A Contract With Veolia Water North America-West, LLC For The Operation And Maintenance Of The Willamette River Water Treatment Plant.

Mr. Kohlhoff read the titles of the Consent Agenda items into the record.

**Motion:** Councilor Hurst moved to approve the Consent Agenda. Council President Nunez seconded the motion.

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**Vote:** Motion carried 4-0.

**PUBLIC HEARING**

F. **Ordinance No. 704** - First reading

An Ordinance Of The City Of Wilsonville Amending The Planning And Land Development Ordinance (Wilsonville's Development Code) Sections 4.001, 4.030-4.031 And 4.156 And Dividing Section 4.156 Into Sections 4.156.01 Through 4.156.11 To Update The City's Sign Regulations And The Purpose And Objectives Of Such Regulations.

G. **Resolution No. 2369**

A Resolution Of The City Of Wilsonville Adopting An Updated Fee Schedule For Sign Related Planning Review Fees, Amending "Exhibit A" Of Resolution 2050.

Mr. Kohlhoff read the titles of Ordinance No. 704 and Resolution No. 2369 into the record, the ordinance on first reading. The public hearing for Ordinance No. 704 and Resolution 2369 may be done at the same time, however, the motions and votes will be separate.

Mayor Knapp opened the public hearing on Ordinance No. 704 and Resolution No. 2369 at 6:50 p.m. and read the public hearing format.

Dan Pauly, Associate Planning, presented the staff report. The sign code update reflects a collaborative effort between the Chamber of Commerce, the business community, City Staff and other stakeholders who reviewed the sign code and identified a number of ways to improve it.

Mr. Pauly highlighted the ten major changes:

1. Increase the authority of staff to review sign applications that have historically been routine and non-controversial. This includes administrative review of some changes to master sign plans. This change will reduce time and cost to applicants while maintaining community standards.
2. Clarify waiver criteria and reduce the need for waivers.
3. Establish clear sign measurement methods, adding needed clarity and consistency.
4. Remove the majority of special regulations for Town Center to provide additional simplicity and constancy throughout the City.
5. Separate the allowance for building signs and free standing signs.
6. Base building sign allowance on the facade of individual tenant spaces.
7. Base the number of signs and sign area allowed on an inventory and analysis of existing signs in the City. This will establish clear and objective standards that reflect current sign development seen throughout town.
8. Clarify the allowance for 'semi static digital signs'.
9. Update regulations for temporary special event signs to be consistent with other regulations adopted by the City, including Ordinance No. 657 which addressed content neutrality and Ordinance 701 which dealt with large community events.
10. Establish clear brightness standards.

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Mr. Pauly addressed the concerns raised.

- Certain criteria for administrative review of changes to an existing master sign plan resulted in insufficient flexibility. The language that raised the concern says, “requires that the request is compatible with the pattern of signage established in the sign plan in terms of location and placement on buildings, proportionality to fascia and building façade, architectural design and materials used.” The key word is “compatible” which was used deliberately rather than “consistent” or “the same” meaning that the request does not need to have the same placement, rather it means compatible in order to maintain the integrity of the master sign plan. For example, for a reconfigured tenant space the sign can be moved left, right, or centered above the tenant’s space; but moving the sign up or down would be discouraged since that would create an inconsistency in the overall look of the building.
- The next concern was lighting not being considered a sign. The largest effect of this change is reducing the number of waivers that are requested to accommodate stripes and light bands. The recommend language is consistent with staff’s research of, and the majority of, the DRB decisions regarding these types of features, including approval and denials historically.
- Lastly the objective that signs be readable from the adjacent right-of-way rather than further away and the concern that this would discourage wayfinding. This objective is content neutral and applies to on-site identification signs as well as off-site directional signs. For example, the city of Wilsonville entry monument signs at the I-5 interchange are designed to be readable and visible from adjacent right-of-way, though they are actually providing wayfinding for other locations in the city. This objective speaks to the design of the sign being of a scale that is locally visible rather than visible from a long ways away.

Councilor Starr thanked the Staff and Planning Commission for their work on the changes to the sign code. The Councilor voiced a concern about banners and generic signs that may be in front of local business, and suggested staff redefine that language.

Mayor Knapp expressed his interest in the use of decorative banners in commercial districts, which he has observed in commercial areas (e.g. Cannon Beach, Sisters). These places allow decorative banners in commercial areas which create visual interest, and can change with the season. Staff stated their concerns about delineating what is advertising and what is decorative is difficult and enforcement of banners that become advertising can become a burden. He thought allowing decorative banners should be included in the ordinance.

Council President Núñez agreed with the Mayor’s comments about including decorative banners and wanted to know why decorative banners were prohibitive.

Mr. Pauly responded the sign code prohibits things that move in the wind, however; Staff could support decorative banners as part of a master sign plan in a pedestrian oriented development. He explained decorative banners were not temporary signs, but were permanent changeable signs that are up year round and changed for the seasons. Another staff concern is differentiating between a decorative seasonal banner that goes well with the architecture and the building is

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designed to accommodate it, versus a bright orange or yellow banner to attract attention and may detract from the architectural design of a building.

Mr. Kohlhoff explained from a historical point of view the multiple banners used at car lots was voted on by the citizens. What the Mayor was describing was different from the car lot banners. Mr. Kohlhoff asked for time to work with staff to come back with language addressing decorative banners on second reading.

The Mayor invited public testimony.

Ben Altman 29515 SW Serenity Way, Wilsonville. As chairman of the Planning Commission this code revision is a collaborative response between the Chamber of Commerce and the City and affected community to improve customer service. The revision began with the Chamber receiving complaints about the sign code from its members and the Chamber taking that on as a customer service issue for its membership, coming up with ideas and bringing those ideas to the City. The final product is a code that is an enhancement over the existing code, it improves the review process, gives staff more authority to made decisions that result in shortened approval time lines while maintaining the integrity of the original code in terms of the design standards and quality of signs previously approved by the DRB. Mr. Altman saw opportunity for further work on the banner issue; the original ban was for the triangle flags seen in car lots; however tasteful and well-designed use of banners can be effective, and may be used to differentiate areas of town. He thought the Planning Commission would be willing to work on the matter and bring back recommendations to the Council.

Monica Keenan 9160 SW Fourth Street, Wilsonville, supported the revisions to the sign code. As a member of the DRB, having the code revised and clarified and made more citizen and business friendly was a big assistance to the community. Less waivers and consent agenda items would be helpful to move approvals through with staff, rather than having to bring these to the DRB. Having better guidelines to assist the DRB when it comes to Master Sign Plans and signage will be a great help and the change that would reduce the imbalance of signage that has occurred in the past on large developments where signage would be allocated first come first served. Regarding decorative banners she had seen them used to advertise special community events and thought the rotation for seasonal events is a good community builder.

Wendy Buck, 31445 SW Olympic Drive, Wilsonville. Ms. Buck represented the Wilsonville Chamber of Commerce who supported the changes to the sign code which protected the aesthetics of Wilsonville while supporting businesses and helping them to identify themselves. The project demonstrated what can be done when the City and Chamber work together collaboratively. Ms. Buck stated the Chamber felt the changes will make the sign code more business friendly and they looked forward to working with the City to develop wayfinding signs.

Theonie Gilmore, 24242 SW Gage Road, Wilsonville, appreciated the comments about decorative banners. She requested allowing a banner to span Wilsonville Road advertising community and special events. Ms. Gilmore asked that the City work with ODOT to allow directional signs to aid in locating the annual Festival of the Arts in Town Center Park.

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Eric Postma thanked the Planning Commission, City Staff, and the members of the Chamber who worked on the project. Mr. Postma spoke on behalf of the Planning Commission and as a former member of the DRB. He listed a number of items that were important to include in the sign code:

- Maintain the current aesthetic standards while showing businesses Wilsonville is a business friendly environment.
- Businesses should be able to advertise what they are actually selling.
- Code language should be predictable and not open to interpretation.
- Have objective standards rather than subjective standards is important. The DRB was frequently frustrated to see subjective standards such as “aesthetically pleasing” signs and “attractive” and “functional”

Mr. Postma agreed with revisiting the subject of banners but work with what we have, and make sure if we are going to open the door for other opportunities such as banners that we do so in a careful manner so that we maintain the established standards for design applications.

Glenna Harris 29585 SW Park Place Wilsonville, owner of Whipper Snippers, appreciated the changes to the sign code. She stated customers cannot locate her business because they cannot see her sign and she spends additional resources to make sure people can find her business. Ms. Harris thought the new sign code was more business friendly and if these changes had been in place at the time she applied for her business sign the result would have been different.

Mike Kohlhoff noted an email message had been received from Jerry Jones of Wilsonville Toyota in support of the changes to the sign code.

Mayor Knapp invited comment on Resolution 2369, hearing none he closed the public hearing on Ordinance No. 704 and Resolution No. 2369 at 7:27 p.m.

**Motion:** Councilor Hurst moved to approve Ordinance No. 704 on first reading. Councilor Starr seconded the motion.

Councilor Hurst stated he would vote in favor of Ordinance No. 704 in its current form as adopted by the Planning Commission. He thought the ordinance should be considered as a ‘foundation’ document that can be put into effect immediately to aid business owners, but that can also be revisited as needed. He did not want to forestall implementation to deal with the decorative banner matter. The Councilor thought the ordinance was an example of how the City and business community could work together to address an issue.

Councilor Starr supported the testimony presented, and he was pleased the ordinance while maintaining standards, is also faster, cheaper and more predictable for the business community.

Mayor Knapp listed two concerns, the first is the decorative banners, and the other is a question of whether an existing sign can be moved a little bit under a master sign plan. The Mayor described a situation where a request to move a sign from flush right to centered on the entry door was not allowed because of the signs location indicated in the master sign plan. He thought this type of request should be addressed under the Administrative-1 approval process.

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Referring to page 14 of 45 in the redlined version of Ordinance No. 704, under (.04)C Minor Adjustments Mayor Knapp suggested adding the following language under an Admin 1, **“Minor changes to location of a sign on a given building frontage under a master sign plan allowing the larger of ten feet or fifty percent of the sign length.”**

**Amendment:** Mayor Knapp moved to amend the motion to approve by adding this item to the minor adjustment list under 4.156.02(.04) C Minor adjustments.

Mr. Kohlhoff said if the Council directed staff could bring new language back to Council for second reading of the ordinance.

Council President Núñez seconded the motion.

Mayor Knapp agreed to allow staff to see if better wording could be brought back on second reading.

Mr. Kohlhoff clarified the amendment is read, “subject to staff reviewing and coming back with any wordsmithing staff deemed appropriate for the Council’s consideration.”

**Vote On Amendment:** Passes 4-0.

Mayor Knapp would like to see staff find a way to allow decorative banners. He though decorative banners should be allowed without a permit if they were the 3x5 foot manufactured banners. Larger banners would fall under the Admin-1 process.

Mr. Kohlhoff asked for time to work with the chamber as they may have some good ideas, have the Planning Commission comment, then staff can return with proposed language for Council consideration.

Mr. Cosgrove thought there were several issues that need to be looked at: wayfinding signs, temporary banners, seasonal banners, commercial versus non-commercial speech and community events should be looked at collectively with staff returning with recommendations.

Mayor Knapp supported addressing wayfinding signs due to the concerns he hears in the community for better signage to commercial locations, neighborhoods, parks and events.

In his experience with wayfinding signs Mr. Cosgrove stated it was not a quick or easy process, there may be ODOT or county issues that need to be addressed.

Councilor Starr called for the question.

**Vote On The Main Motion With Amendment:** Motion carried 4-0.

**Resolution No. 2369**

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A Resolution Of The City Of Wilsonville Adopting An Updated Fee Schedule For Sign Related Planning Review Fees, Amending “Exhibit A” Of Resolution 2050.

**Motion:** Councilor Hurst moved to approve Resolutions 2369. Council President Nunez seconded the motion.

**Vote:** Motion carried 4-0.

Councilor Starr suggested City and Chamber talk about how to get this information to the business community.

**ADOPTION OF THE BUDGET**

**A. Resolution No. 2364**

A Resolution Of The City Of Wilsonville Adopting The Budget, Making Appropriations, Declaring The Ad Valorem Tax Levy, And Classifying The Levy As Provided By ORS 310.060(2) For Fiscal Year 2012-13.

**B. Resolution No. 2365**

A Resolution Declaring The City’s Eligibility To Receive State Shared Revenues.

**C. Resolution No. 2366**

A Resolution Declaring The City’s Election To Receive State Revenues.

Mr. Kohlhoff read the titles of Resolutions 2364, 2365, and 2366 into the record noting the three resolutions may be taken together in one public hearing; however the motions needed to be separate.

Mayor Knapp opened the public hearing at 7:46 p.m. and read the hearing format.

Gary Wallis, Finance Director, presented the staff report. The Council needs to conduct two public hearings in conjunction with the adoption of the budget. The first is on the receipt and use of State Shred Revenues. The City is eligible to receive State Shared Revenues if it provides at least four of the seven services. The City provides six of the seven, with fire service being the one exception. State revenues that are expended via programs in the General Fund include: alcoholic beverage tax, cigarette tax, 9-1-1 emergency telecommunication tax, and State shared revenues. These help pay for programs such as police, parks maintenance, library, youth/adult/senior programs, planning, and a portion of policy and administration. The City also receives state shared gas tax which pays for road operations.

Continuing Mr. Wallis commented the budget was made available to the public in mid-April and presented to the Budget Committee in late April and Early May. The Committee received public testimony. Staff responded to public testimony and questions raised by the Committee. The process concluded with the Committee approving the budget that is before the Council for consideration.

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Mr. Wallis provided the budget highlights:

- Total resources for next year were estimated to be \$135,946,711. More than half of that amount is cash that will be carryover from June 30 to July 1. A significant portion of that is the unspent portion of the \$39 million sewer bonds.
- The budget assumes some user rate increases – sewer and stormwater were previously approved by Council resolutions, water is estimated at 3 percent in November, but a study will be conducted after the Master Plan is presented. All other significant fees remain unchanged including Property Taxes at \$2.5206 rate per \$1,000 of assessed value.
- Operating costs (personnel plus supplies plus equipment), those costs that provide the services the community needs total \$32,058,814. That is up \$635,193 from the current adopted budget. Most of that increase is attributed to water treatment services increase which is funded by the city of Sherwood, in addition there are bus replacements which are funded by grants or dedicated reserves. The largest capital project is \$19 million for next year's work on the sewer plant upgrade. The next largest capital project is the new SMART/Fleet operations center at \$2 million.

Resolution No. 2364 reflects the budget as approved by the Budget Committee. It refers to a total budget of \$135,946,711. However, it sets appropriations at a lower amount - \$130,636,726. Appropriations provide an upper limit on what the City expenses can be next year. The unappropriated difference \$5,309,985, represents the City's fiscal management policy practice of setting aside amounts to be carried over to the ensuing fiscal year. Essentially the City is banking this amount as a minimum to be available next year.

Following public testimony, the Council may increase or decrease the budget. Any increases must be balanced with a similar sized decrease or new revenue. The law limits how much can be increased to \$5,000 or 10 percent of a funds approved level. Similarly, decreases must either reduce a revenue, move appropriations into contingency or into un-appropriated balance.

Mayor Knapp invited public testimony

Theonie Gilmore distributed her comments to the Council in writing. Her letter has been included in the record. Ms. Gilmore was disappointed no funding was included in this year's budget for arts and culture programs in Wilsonville.

Mayor Knapp recalled the Arts and Culture organization had been a recipient of the City's grants programs and encouraged her to talk with Community Services to understand where her program would fit into the grant process.

Mr. Cosgrove suggested that Ms. Gilmore attend the Budget Committee meetings to make her budget request.

Tony Holt, 7670 SW Village Green Circle, commented the Budget Committee consists of the five City Council members and five citizen members, of which he is one. He stated the budget recommended by the City Manager for FY2012-13 is a status quo budget essentially the same as this year and a prudent one. After studying it and asking probing questions and after much discussion the Budget Committee unanimously approved the proposed budget without change. It

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also agreed to meet later this year to spend more time looking at how to stabilize the general fund in the longer term as well as urban renewal and the City's financial policies. Mr. Holt noted the budget was unanimously adopted; however Council Goddard left the Budget Committee meeting prior to the vote and was not able to be there for the vote. With the Budget Committee passing the proposed budget by a 9-0 unanimous vote it seemed to Mr. Holt it would question the justification for citizen participation in the Budget Committee if Council were to now open up the approved budget and argue for reductions, unless the City's financial position had changed dramatically since that budget was approved on May 3. Mr. Holt was of the opinion cutting the budget a half or three-quarters of one percent would be more of a public relations exercise than a meaningful financial one for the City, particularly at a time when there has been record development in the City and City Staff has remained at the same level for several years. As Mr. Cosgrove stated in the budget meetings, personnel costs are down, but any further reductions in operating costs will start to impact services and programs and citizens will begin to notice. Given that earlier unanimous vote Mr. Holt urged Council to approve the budget unanimously.

The public hearing was closed at 8:03 p.m.

**Motion:** Councilor Hurst moved to approve Resolutions 2364. Council President Núñez seconded the motion.

Councilor Hurst thanked the citizen members of the Budget Committee and those who testified. He would like to see the Budget Committee meet soon to discuss the general fund.

Council President Núñez echoed the comments of Councilor Hurst. She thanked the Finance Department Staff for their work on preparing the budget. Council President Núñez supported the budget but wanted to note as the City moves into the future the necessity to consider the economy as well as what is happening with the City's budget. She was pleased to note the City was in good financial condition.

Councilor Starr agreed with Council President Núñez. He had concerns about the overall revenues coming into the City, and the need to monitor what is going on with the general fund. He supported convening the Budget Committee in the third quarter to insure the City's budget is on track, and if changes were needed that they be made. In addition Councilor Starr wanted to see:

- SMART bringing in more revenue
- No increases in FTE – keep the number static or reduced even if new Economic Development roles were created
- Review the consultants hired by the City and evaluate if those relationships need to be retained, foregone, or whether the City should shop for a better value.

Councilor Starr was of the opinion the status quo budget was not 'flat' since it went up from last year and thought the City could have absorbed the \$600,000 increase. He indicated the Council was frugal and wanted to be good stewards of the City's money. If there were ways to save money over the coming year, he believed the City Manger would take the opportunity to do so.

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Mayor Knapp thanked the Budget Committee citizen members. He pointed out the City Manager needs the latitude to do the job he was hired to do, and he was confident those decisions would be made in an appropriate way. The Mayor was concerned if the City did not take advantage of opportunities they would be selling the City short and it was necessary to continue to pursue what made Wilsonville a special place. Retaining staff capacity and funding to pursue things that are good for the community in the long run was important. There is a record of decisions that created a strong, highly regarded community and he wanted to maintain that. The Mayor was hopeful Wilsonville will continue to be a community with growing resources noting the record construction that occurred last year and growing demand this year. He was optimistic the City was on a favorable track wanted to continue on that track and build a strong community. He supported discussing the five year strategic outlook in the fall.

**Vote:** Motion carried 4-0.

**Resolution No. 2365**

A Resolution Declaring The City's Eligibility To Receive State Shared Revenues.

**Motion:** Councilor Hurst moved to approve Resolutions 2365. Councilor Starr seconded the motion.

**Vote:** Motion carried 4-0.

**Resolution No. 2366**

A Resolution Declaring The City's Election To Receive State Revenues.

**Motion:** Councilor Hurst moved to approve Resolutions 2366. Councilor Nunez seconded the motion.

**Vote:** Motion carried 4-0.

D. **Resolution No. 2367**

A Resolution Of The City Of Wilsonville Approving The Award Of A Sole Source Contract For Road Construction To Polygon at Villebois II LLC.

Mr. Kohlhoff read the title of Resolution 2367 into the record and provided the background for the resolution.

Steve Adams, Interim City Engineer prepared the following staff report. Resolution No. 2367 would approve a sole source contract with Polygon at Villebois II, L.L.C. for the completion of construction of Grahams Ferry Road Improvements, including the City's share, with Polygon using NEI as its contractor.

Pursuant to Contract Addendum No. 2 entered into by the City and Polygon on September 8, 2011 the City has agreed to advance funds for both its share and Polygon's share of the

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remaining construction costs for Grahams Ferry Road. Polygon shall reimburse the City for its share of construction costs via a per-lot surcharge, or any remaining balance by lump sum no later than July 1, 2014. Total estimated cost is \$533,028.93 to be paid in advance from Street System Development Charges and Polygon reimbursing \$379,578.68 to the City by July 1, 2014.

In both the 2011/12 Adopted Budget and the 2012/13 Proposed Budget the City has identified CIP's 4139 (\$387,600) and 7032 (\$28,500) to fund improvements to Grahams Ferry Road through SDC's. Remaining balance of costs shall be advanced to Polygon with repayment made to the City.

Villebois development agreements placed responsibility of construction of Grahams Ferry Road on the master developer, Villebois LLC. Construction of the roadway started in 2009, but was never completed due to the economic downturn. City staff worked with both Villebois LLC and Polygon in 2011 and entered into Contract Addendum No. 2 as a way to complete construction of the roadway in conjunction with constructing Villebois SAP South PDP 5.

Mayor Knapp opened the public hearing at 8:26 p.m. and read the hearing format for the record. He invited public testimony, hearing nothing; the hearing was closed at 8:28 p.m.

**Motion:** Councilor Hurst moved to approve Resolutions 2367. Councilor Starr seconded the motion.

**Vote:** Motion carried 4-0.

E. **Resolution No. 2368**

A Resolution Authorizing A Supplemental Budget Adjustment For Fiscal Year 2011-12.

Mr. Kohlhoff read the title of Resolution 2368 into the record.

Mayor Knapp opened the public hearing at 8:29 p.m. reading the public hearing format into the record.

The staff report was presented by Cathy Rodocker, Assistant Finance Director. Oregon Local Budget Law allows the Council to amend the adopted budget for an occurrence or condition that was not known at the time the adopted budget was prepared. The following supplemental budget primarily amends the FY 2011-12 budget for numerous capital improvement projects.

City Council adopted the Fiscal Year 2011-12 budget June 6, 2011. Since that time, several unanticipated projects and expenses have come to staff's attention and require additional authorization to proceed.

The attached supplemental budget adjustment requests an additional \$4,565,782 in non-reoccurring expenditures for the Fiscal Year 2011-12 budget. \$57,000 of the expenditure

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requests are for personal services and material and services budget categories. The remaining requests are for capital improvement projects expenditures and capital outlay purchases.

The following explains the major dollar requests.

- **Waste Water Treatment Plant Rehabilitation-\$3,052,000**  
Funded with existing bond proceeds, the requested expenditures are needed to match the budget to the estimated cash flow analysis provided by CH2MHill contract.
- **Miscellaneous Capital Projects-\$558,950**  
An additional 12 projects include requests totaling \$558,950. The requests range from project management fees for the Water and Stormwater master plans to SDC credit reimbursements for street and water projects.
- **I-5 Interchange Change Order-\$240,158**  
During road construction a broken water pipe was repaired at Parkway and an additional water line was installed on Main Street. Conduit was also installed to meet future requirements for fiber optics, telemetry lines, etc.
- **Transit Fund Capital Outlay-\$225,000**  
Two buses have been ordered by the Transit Fund and are expected to be received by the end of the fiscal year. One bus replaces a fire damaged bus and is partially funded with settlement funds from the insurance company totaling \$47,645. The second bus will be 80 percent grant funded. This request also includes a 100 percent grant funded amenity purchase for SMART Central.

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 Council at a regularly scheduled and noticed meeting after a public hearing is held.

**All Funds – Summary of Adjustments**

<b>Resources:</b>		<b>Expenditures:</b>	
Bond Proceeds	3,052,000	WWTP Plant Rehabilitation	\$ 3,052,000
Interfund transfers	1,201,808	I5 Interchange Change Order Project	240,158
Other governments	100,600	Miscellaneous Capital Projects	558,950
Miscellaneous	47,645	Interfund transfers out for Capital Improvement Projects*	799,108
Restatement of beginning fund balance	163,729	Capital Outlay-Transit Fund	225,000
		One-time Operating Expenses	57,000
		Contingencies	(366,434)
Total Resources	\$ 4,565,782	Total Expenditures	\$ 4,565,782

\*In fund accounting, the cost of a capital project is recorded as an expense in the capital project fund and as an expense in the fund(s) that will be financially responsible for the costs of the project. The expense at the funding level is recorded as an interfund transfer out.

Mayor Knapp invited public comment, there was none and the public hearing was closed at 8:35 p.m.

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**Motion:** Councilor Hurst moved to approve Resolutions 2368. Councilor Starr seconded the motion.

**Vote:** Motion carried 4-0.

**CITY MANAGER'S BUSINESS**

Mr. Cosgrove provided a recap of the immediate Council meeting. Mr. Cosgrove stated he appreciated Councilor Hurst's erudite, balanced and independent approach to being a City Councilor, his wider view of things and disarming sense of humor. The Community Survey draft should be received by June 6, 2012 with a major presentation to Council. Mr. Cosgrove would be meeting with the Planning Commission / CCI to discuss improving the communication as part of the communication plan.

**LEGAL BUSINESS**

Mr. Kohlhoff shared that the building permit for the Arbor Community Building has been issued, and Arbor Homes has agreed to the Arbor Homeowners Association request for a children's pool to be built along with the community pool. Polygon indicated they would cooperate as long as the project was completed by the December completion date.

**ADJOURN**

**Motion:** Councilor Hurst moved to adjourn. Council President Núñez seconded the motion.

**Vote:** Motion carried 4-0.

The Council meeting adjourned at 8:40 p.m.

Respectfully submitted,

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Sandra C. King, MMC, City Recorder

ATTEST:

\_\_\_\_\_  
TIM KNAPP, MAYOR