

GLADSTONE REGULAR CITY COUNCIL MEETING MINUTES of November 10, 2014

Meeting was called to order. No time stamp provided.

ROLL CALL:

The following city officials answered roll call: Councilor Nelson, Councilor Mersereau, Councilor Martinez, Councilor Sieckmann, Councilor Reisner, and Mayor Byers

ABSENT:

Councilor Busch

STAFF:

Shane Abma, City Attorney; Jolene Morishita, Assistant City Administrator; Pete Boyce, City Administrator; Stan Monte, Fire Chief; Scott Tabor, Public Works Supervisor; Jeff Jolley, Police Lieutenant; and Irene Green, Library Director

BUSINESS FROM THE AUDIENCE:

None

CONSENT AGENDA:

Consent Agenda items:

1. Approval of September 9, 2014, September 23, 2014, and October 24, 2014 Minutes
2. Accept List of City Projects
3. Payment of October 2014 Claims

Councilor Reisner requested Item 1 be removed from the Consent Agenda. Councilor Sieckmann requested that Item 2 be removed.

Mayor Byers entertained a motion to accept Item 3 of the Consent Agenda. Councilor Nelson made the motion. Councilor Sieckmann seconded. Motion passed unanimously.

1. Approval of September 9, 2014, September 23, 2014, and October 24, 2014 Minutes
Councilor Reisner had errors to be addressed. First error on 1-8, sixth paragraph down "City Administrator Boyce stated that the engineer that they hired to do the application decided that he could schedule us in at this time, so they are looking for another engineer..." He added that City Administrator had said they could not so that is why they were looking for a second one.

On page 1-9, paragraph starts out with "Public Works Supervisor Tabor..." but by the end of the paragraph he had been promoted to City Administrator.

Councilor Sieckmann pointed out page 1-13, second to the last line "anyone that is on light shift or day shift..." That should be "night shift."

2. Accept List of City Projects

Councilor Sieckmann pointed out that there are some goal completion dates missing. He knows that some of it is work in progress, but he would like to see a goal date, even if it is not met, just so we know what we are shooting for.

He said we had a couple of things that have completion dates of November 2014 – the first two on the list. He wanted to know if we are getting close. Will we make it by the end of the month? City Administrator Boyce responded that the first one is on the agenda for the night – discussion to amend the budget for an increase to the parks. He believes that the Library Credit Cards item is very close to completion. City Attorney Abma confirmed that it was close. He said that he would be happy to follow up on it, but he believes they are very close.

Mayor Byers entertained a motion to approve Items 1 and 2 of the Consent Agenda. Councilor Nelson made the motion. Councilor Reisner seconded. The motion passed unanimously.

CORRESPONDENCE:

4. Letter from Oregon Accreditation Alliance

Mayor Byers explained that the letter was discussing the Accreditation of Law Enforcement Agencies.

REGULAR AGENDA:

5. Accept Water and Stormwater Master Plan Reports/Rate Studies

City Administrator Boyce explained that Brown and Caldwell was here again to talk about what changes they are planning on implementing to the plan from the last City Council Meeting. He also wanted to address any questions that the City Councilors may have. He turned the floor over to Krista, of Caldwell and Brown.

She said that they also have answers to question that they received ahead of time, too. In general, they found errors in the document – a couple of typos and an extra digit in the Capital Cost Summary. One of the things they found was when they were describing the number of CIPs that were addressing water quality, it was not matching the actual number that we had. We addressed those in the slides last time, but those are a couple of changes, clean-up items, that they are going to be making.

One of the questions that we had at the last Council Meeting was why the contingency costs were so different between the Stormwater and Water CIP projects because they had a 40% contingency for Capital Projects for Water and 30% for Stormwater. She explained that contingencies for Stormwater and Water normally range from 10% to 50% of Capital Expenses. They are typically somewhat subjective and are assigned by the Cost Estimator based on their experience estimating cost for CIPs. That is all based on what they know about the system in terms of underlying utilities and geo-technical issues. For the water, it was higher because of that entire AC (Asbestos Concrete) Pipe that is in place, so it is more complicated when we do the replacement of those. A lot of the CIPs

included the replacement of the Asbestos Concrete Pipe. There are additional regulations about how that pipe is replaced. If it is just left in the ground, maybe the costs will be lower, but if it needs to be taken out, there are some regulations regarding the disposal because of the asbestos in the pipe. Also, just in general, the contingencies for Water run just a little bit higher than Stormwater because it is a little more complex to install. Stormwater does not have to be clean; it is a gravity system, so it is not under pressure. Basically, it is a little bit of a subjective thing and is based on the Cost Estimator's experience. She thinks the Asbestos Concrete pipe is the reason that the water is a little bit higher because it is water and not storm. She said that they plan to change the text in Section 7.3 of the plan to provide a little clarification as to just why those are different.

Another question that they got was about the text that says the permit requires us to develop a Master Plan, and identify CIPs in the Master Plan; the question was, "Does it also require us to implement those CIPs?" It is a little bit gray. The language in the permit that requires us to develop a Master Plan is right here (referring to the slide projection), and it talks about identifying Stormwater Controls to reduce the discharge of pollutants, and it may focus on the identification of Capital Improvement Projects for Stormwater quality. It does not say that you have to implement them. She said that she wants to caveat that because there was another section of the permit that is related to retrofitting the system. The Master Plan was due Jan 1, 2014. This (referring to the slide) is due July 1, 2015, and it is basically that you have to do a strategy to retrofit your storm system to address water quality. Given that they knew that was coming, that was incorporated into the Master Plan so that you won't have to do that again. That is Section 4 of the Master Plan – specifically the retrofits. Some of the CIPs in the Master Plan meet this requirement, and those do require some schedule for implementation.

There was a question about something that was just an error that got held over from the draft. It still said that staffing analysis and funding evaluation had not been completed yet. That was just an oversight that those did not get removed. Those will be updated to reflect that those have been completed.

There was a question about the LIDAR data; the LIDAR is like the topographic information that we get by flying over the area. They purchased that data in 2012 when they were working on the plan, and at that time was the most recent data at the time. There was a portion of your city that was from 2004, and another that was from 2007 – a little bit of a combination. That is very typical of Master Plans, and having this LIDAR data, which is more recent type of data, is so much more refined and sophisticated than what we used to have for open channel systems. It is super expensive to go out and get a bunch of cross sections when you want to model your open channel systems. To go out and survey all of those cross sections is very difficult, so this LIDAR data which is taken from an aerial flight shows you the terrain. While some of that does change over the years with erosion, and things like that, it is far better than some of the data we have used in the past, which is just taking photographs and estimating a trapezoidal channel. That is why we used that data and wasn't planning to make any changes to that in the plan. She also stated that three days of field work was done to verify the assumptions, at Rinearson

Creek, the wetlands along Portland Avenue, and some pipes where there were some questions along Oatfield Road.

She said that when they designed the Water Quality Capital Projects in the Stormwater Master Plan, they described that they sized them for a water quality design storm, and that is what is required, and that is basically a one inch storm that represents 80% of the runoff. It says you have to design your treatment facilities at that level, and the question was "What does treatment really mean here?" The permit does not specify treatment from the standpoint that you have to get your pollutants down to a certain concentration. Treatment is required based on available technologies that are used, so when they require treatment, they are requiring you to use a certain kind of practice that is standard. They prioritize those; they first want you to use low impact development or green infrastructure, some planters – things that will infiltrate the water into the ground. They want you to prioritize that. If you can't do that; if your soils are bad or you don't have room, detention, retention, or swells are sort of the second level, and as a last resort, using sort of structural device that are in manholes or vaults to filter pollutants. For treatment, they are telling you to go out and use the best treatment technology that you can for storm water.

There was a question, and it was actually what caused one of the delays on their project, was the billing accounts were identified using the City Reference ID Numbers, and they got those ID numbers and were hoping to get the water usage in reference to those ID numbers and calibrate that with the model so that they can put the water demands into the model. It turned out that there are multiple account numbers. The reference number is associated with a property and there can be multiple accounts on that property. It could be several businesses or an apartment complex so that it has several people that are being billed for usage on that one property. They had to go back and get those individual account numbers unique to each person that is getting billed to get the right amount of usage for the model.

There was a question about a PRV (Pressure Reducing Valve) in the Water Master Plan in the system that was not located – it could not be found. The inventory that was conducted by Sisul, subcontractor who did all of the mapping and inventory, was confined to the right-of-way because that is typically where the system and PRVs would be located. There was not a scope off of the right-of-way and onto private property because that takes a lot more in terms of getting permission and access. Some of that was done on the storm water side because we really needed to find some things. That is something that will definitely need to be done – those PRVs are important, they need to be inspected probably every couple of months, especially if they are in poor condition. They could have leaking going on, so it important to find that and figure out if we need a public easement, if the PRV needs to be replaced, or moved into the right-of-way. She said that they had a CIP in the plan to address this – it was the Landon PRV CIP in the back of the document. The costs were included – she thinks the cost of that CIP was estimated at \$110K – it was hard to estimate, since we do not know the condition of the PRV. They assumed moving it.

Councilor Nelson said that since we do not know where the PRVs are located, so it has been a long time since they have been inspected, we can probably anticipate some repairs. Krista concurred, and then explained that the function of the PRV was to reduce the water pressure when coming from a high zone to a low zone. When they modeled the system, they modeled it on what it should be doing and it can have a big impact on what is happening. Councilor Nelson asked the question that we should have those in our system. Krista confirmed it. She said that was all the questions she had, then said that John was there to answer any financial questions for anything related to the rate.

City Administrator Boyce said that after the last meeting that Councilor Sieckmann had observed that the items in the Master Plan were in 2013 dollars, but the items in the Rate Study were in 2015 dollars. He asked if there was a way to reconcile the differences. Krista said that she did not recall that question, so maybe they could talk about it off line. John, in the background, said that he did recall that one, and that for the financial analysis it was pretty straight forward, that they wanted to give the answers in current dollars. It would be vital for every action that you take financially. So we anticipated everything from 2013 to 2015 so that any rate action you take would be effective for 2015. From that sense, the disconnect makes some sense, so we took the dollars that you gave us and escalated them for the year that they anticipated using them. Krista said that it was typical to have things out of sync like this because they did finish the Stormwater Master Plan a year ahead of the Water Master Plan. Whenever you are doing rates, you escalate them from whatever estimates you are given.

Councilor Mersereau said that the report said 2013; He heard at the last meeting that it was 2016, and he heard Krista say tonight 2015. He wants to know what dollars they are in, 2015 or 2013. John said that this was year 2016. Krista interjected that 2016 dollars start in 2015. John stated that we are right now in fiscal year 2015, but that he assumed a 2016 fiscal year in a 2015 calendar year implementation. Councilor Mersereau clarified that the dollars are in 2015 year. John confirmed it. Krista said that the dollars in the Master Plans were 2013 dollars, but when they gave them to John, he escalated them to fiscal year 2016 dollars. Councilor Mersereau asked what the CIPs were figured on - 2013 for the Stormwater Master Plan. John said that they were 2016 dollars. Councilor Mersereau said they were 2016 for the Rate Study, but wanted to know what they were for the Master Plans. He stated that the Stormwater Master Plan was for 2013. Krista added that the rate study for the Water Master Plan was for 2014, because that is when they completed the plan. That was the most current costs they had when they did the plan.

Councilor Reisner observed that the Water Master Plan had a list of problems or issues, and wanted to know if they were in any particular order of importance. Krista said that in the text they were not. In the table in the back of that section, they did prioritize somewhat, and she thinks that they prioritized on whether the CIP was a fire demand issue and if it had AC pipe replacement included in that because those are typically getting toward the ends of their life.

Councilor Mersereau said that they noted that there was \$820K for up to 30 years to replace the asbestos pipe, but in his mind it was not noted in the CIP; it was just a

comment in the report noted that it was \$820K per year. He knows that the Flow Rate Report did show that cost in there for the total. But when people look at the CIP Report, they don't really see the \$820K; the \$24.6M, so where you've got it in the \$13M range. Krista said that they looked at the CIPs as more of a one-time project, and we saw that more as an annual line item in your CIP, and if that is not clear, they can add different categories to the final CIP table to show that, if that makes it clear that it is an annual line item in your CIP. Councilor Mersereau said he did not know about anybody else there, but when you are showing the public the facts, \$24.6M is quite a bit. When their rates go up, they need to understand that, even though it is in the study. He said that in the Rate Study, he thinks that overall, if something can be done, it would be nice. Krista added that to present that better, they could add it in more of a table format at the end so that it is clear it is part of what the rate is. She said that they can make that change. We can make it in the Executive Summary as well. Councilor Sieckmann said that he thinks it will help for clarity and transparency, because you see \$820K, but it is really \$24M. He thinks that from our side of it, what is somebody trying to hide? He thinks it is really important that the big number is really there. She said that they can reformat that.

Councilor Sieckmann asked if all of the mapping that Brown and Caldwell is intending on doing is done, so any additional mapping will need to be done by the city. Krista said that is where they are at. They had done all of the mapping of what was in the right-of-way, and even beyond in some cases - from a contractual standpoint, "Yes."

Councilor Sieckmann said he had a question that he was not sure she had received, but that he and City Administrator Boyce had discussed. Mayor Byers asked last month for what part of this were unfunded Federal mandates that we have to do. He wanted to know if staff or Brown and Caldwell had come up with anything on that. She said that this was a kind of tricky one. We have three things here. We have flood control, and that is not an unfunded mandate, it is what you want to do to keep your city from flooding. So nobody is coming down to tell you that you have to protect your city from a 50 year flood event. It is a policy decision that you make as a city - at what level you want to protect your city from flooding. Most cities tend to land in the same spot - a ten-year storm, whatever it is.

She said that the Water Quality piece may be considered more on the unfunded mandate side. You have a permit for your storm system, and you have to address the water quality from your system. You do not have the ability to have policy discussions about that, but the permit has a clause in it that you are supposed to do that to the maximum extent practicable, so there is a little bit of leeway because they are not coming down and telling you that you have to do X, Y, Z. It is a tricky one, but you have to show that you are making progress toward reducing your pollutants loads over time, because our water quality standards are not being met. That portion, doing the Water Quality Capital Projects, would be the unfunded mandate part.

From the Water Master Plan standpoint, that is a service that you are providing for your city. Even most of the criteria that we used to evaluate most of the city are sort of policy decisions - how much emergency storage. There are some requirements about fire flow demand and what the fire pressure should be, so they did use those criteria. She guesses

that is a regulation that is forcing your system to provide a certain level of service. Councilor Sieckmann said it sounds like the majority of the unfunded mandates are the portion of our storm water. Krista injected Water Quality then confirmed what he had said.

City Administrator Boyce said that he had tried to put a number to that just trying to go through the Capital Improvement Plan, and there were some where it was just a mixed objective – both flooding and water quality. Making his estimates on the storm water side, it came to about \$1.4M for water quality. Krista concurred that it was a relatively small portion of the CIP as a chunk. They tried to incorporate water quality into the flood control projects as much as possible; you are already digging up the streets, let's do it there. That \$1.4M probably includes some of the money... City Administrator Boyce said that there were a couple of projects that talked about both, so basically, he split them in half, so it is a ballpark figure.

Councilor Nelson said that he would like to make a motion that we accept the reports as complete. Councilor Martinez seconded the motion.

Councilor Sieckmann asked City Administrator Boyce if he had any comments on it because the Councilor knew that he had been through it several times. City Administrator Boyce said that he was pretty happy with the quality of the report. Like the Council had discussed at the last meeting, the next steps are to conduct some public hearings, get public comment, elicit feedback, and have City Council make some policy decisions about how we implement and what we implement. He did acknowledge that there was a citizen present that might want to ask question, so he asked Mayor Byers if he wanted to entertain that now or hold it for future meetings. Mayor Byers said to deal with the motion, then if there were questions and people were here, that is fine. He said that it wasn't included in the motion, and it didn't need to be, but the staff recommendation is that City Council approve the reports as complete, and authorize staff to solicit public comment at a future public meeting, so that was the schedule that had been proposed. We received these reports and the City Staff has not given the Council an analysis of them yet, so that is the direction that we've been heading. Mayor Byers said let's address the motion first.

Mayor Byers called for a vote. The motion to accept the reports as complete passed unanimously.

Councilor Martinez said that she thinks it is more important that if we are going to have public comment, we do it all at the same time so that everybody hears it. This way, whatever they say tonight would not be available unless they wanted to read the minutes of the meeting to those people who are coming when we are scheduling public comment. It might make more sense to do it that way. Councilor Sieckmann said that his concern was that if there was something that they missed, that they may have considered incomplete in the report, we might not have accepted it if we had missed something. Mayor Byers pointed out that the Staff Review is the next step that they have proposed on this. Councilor Mersereau asked that if we are going to have public testimony, can we put

it in the newsletter. Mayor Byers answered yes, and said it would be well publicized. A short discussion ensued.

6. Public Works Update – Barclay/Howell Street, 2014 Paving and Cross Park ADA Access Ramp:

Public Works Supervisor Tabor told the Council that all those projects, with the exception of Cross Parks ADA, are completed at this time. He believes that they are just finishing up the financial ends with Clackamas County for the remainder of the payments for that. He said that he was pleased with how Barclay and Howell came out. After the torrential rains that we've had, he said that he went out there purposefully to make sure that drainage was good and everything is functioning properly. On that – it is working well. There were some questions about the paving on East Hereford Street; we went and verified that those are well within the state standards. He said that they are working on that. He said that he has to explain that the reason for how that did that was to merely remove the scab and put a Band-Aid on it for ten years – he said that was the cleanest way that he could state that. It was that all those layers were delaminating on that, so we had to grind it down, and some of the grinding went down right into the rock that was right underneath it, or gravel. There is very little sub-grade to those streets, so it was very difficult to keep those grades. He said that he has watched those streets during torrential downpours; the drainage is working. That is good news. Unfortunately, we have had someone replace a portion of their sewer line in the middle of the street. We did very well on that.

He said that when they dug up West Arlington Street that they found a portion that was not in good quality and that was the reason for it failing. They did make sure to put down the proper geo-tech material and put the proper aggregate in that area, and that should work very well on that patch. Oatfield road was a tremendously difficult project with the amount of times that we had to go up and grind out, dig up and repair different spots throughout that road that were failing. He feels that they were successful in that they got rid of those spots and we can get some more life expectancy out of that road until we come to a major rebuild of that street itself. We are looking good on that. Considering the size and scope and area of those repairs, we received very few complaints. The one complaint that he did get, he made sure that the contractor understood that there were some complaints about the flagging and he made sure that they got on those right away, to make sure that the flaggers were respectful to our citizens and that there was clarity in the direction that they were supposed to go; after that it smoothed out very well. Councilor Nelson commented on the flaggers as having been great to work with on the project, since he lives near the area. Public Works Supervisor commented that it was a strenuous task in that you have to work with traffic from several side streets, through traffic with trucks doing their jobs and trying to get in there. It can be confusing and tempers can be lost; granted there were very few and he believes that they did very well. Councilor Nelson said that the biggest problem they had was with school kids coming up there on Glen Echo. The backup there was about 5 blocks long, and the flaggers were holding them back. Public Works Supervisor Tabor said that considering where they had to be, it was not taking a whole section and repaving it, but was in small sections but they got what they accomplished, they did the crack sealing to seal off the water and he thinks

they were successful in extending the life of that road. That is a very heavily trafficked road.

Public Works Supervisor referred the Council to their packets and explained that with the ADA ramp at Cross Park, he did give an extension and that was to make sure that once the concrete was poured for the pathway, we did get proper measurements for the iron railings required for the ADA specs on that project. Hopefully, he would know by the 15th whether or not he (the contactor) will make that deadline, and we will reevaluate that and keep you posted as to whether or not there are going to be delays, and if they are going to be acceptable or not. He turned it over for questions.

Councilor Sieckmann acknowledged that the final billings are not all in yet, but does it appear that this is going to be on budget. Public Works Supervisor Tabor said that they were very close to budget.

Councilor Reisner was curious to know if Sisul Engineering is on permanent contract with the city. Public Works Supervisor Tabor said that they did not have them on retainer, but they use them quite extensively. City Administrator Boyce commented that administration had been talking about that very fact, in that we are getting to the point now to where we probably need to put general engineering services out for bid because there are quite a few projects where they turn to Sisul Engineering just because they are close, but looking at the amount of dollars that are involved now, we probably need to go out to bid. Councilor Reisner said that their name had come up in the last presentation and...Public Works Supervisor said that Sisul had been contracted by Brown and Caldwell for that project. In addition he said that quality for work that they have done on major projects that were planned by Sisul Engineering, they have done very well. He said that he was very pleased to say that on the projects that they have worked on with them they don't have ponding; we don't have areas where there are huge amounts of water ponding up where there shouldn't be. He said that they are very good and that he agrees with the administrator that at some point of time, we should look at some form of retainage for an engineer; he finds it very easy to go in and get some things clarified using Sisul Engineering. City Administrator reiterated that we do need to put it up for bid. Councilor Nelson said that if we had other competitors; we could get a better price out of it, maybe other than just have one that handles all of our engineering... Public Works Supervisor Tabor said that engineering was key when you are looking at big projects like this; poor engineering shows itself and he can point to different projects around town. Councilor Nelson said that there were other good engineers out there, and he was sure... Public Works Supervisor said that one of the things that Council might want to look at in the long term, because of his shortness of tenure there, that his replacement should be of someone as a public works director with engineering skills that can be utilized within the city and not have to go out unless it is a specific type of large project. That is where he relies on going to the engineering firm because he wants to make sure it is done right. Councilor Sieckmann said that this could be a whole new agenda item for another time. Councilor Reisner said that he just want sure that we stay within the rules and laws...Public Works Supervisor said per project, yes. City Administrator Boyce said that we have to look at it in the aggregate also.

7. Budget Amendment Update:

City Administrator Boyce addressed Mayor Byers and the Council and said that a while back City Council had directed Staff to look into increasing expenditures in the Parks budget equal to an amount received from the Lake Oswego/Tigard Water Project for temporary construction easements. Looking into the logistics of how to make that happen, we found that because the majority of the revenue was received prior to July 1st, the beginning of this fiscal year, about 90% of it was received last fiscal year. We are not able to amend this year's budget because it is revenue that we had already received; it is still sitting in the General Fund. If it had come in after July 1st, we could have done a supplemental budget. Since it came in before July 1st, we are not able to do that. It is part of the cash balance of the General Fund right now. We are getting ready to gear up for the process for next fiscal year. What he is suggesting is that we remember that going forward into this budget process, increase Park Expenditures for the amount indicated. It will be a matter of timing when those funds can be expended. That is how he suggested moving forward at this time.

Councilor Reisner said that between now and the end of the year, the Parks Board decides that they would like to spend some or all of that money on a play structure or multiple projects, that money would be available there to do that. Is that correct? If the Park Board suggested to spend it in this fiscal year, Council would have an option where it could do a line item transfer from contingency – we have about \$300K of contingency in the General Fund, so you could use some of that money to recover that cost. What we would not be able to do is just increase the expenditures in the Park Budget at this time without having to do a line item transfer. That is another way to go about it. If Council is comfortable in using the contingency that we have set aside and appropriated, it could be done with a line item transfer. That is another option. Because Council was not specific about what that money should be spent on other than parks, get a recommendation from the Parks and Recreation Committee to get recommendations from them to know how to proceed, and then come back to Council. Councilor Nelson said or to find out what they need it for. City Administrator Boyce said that they will be talking to them about the budget in general shortly. We will find out what priorities they have and what they recommend, and try to work some of those recommendations into the budget.

Councilor Sieckmann said that we have a great deal of parks in our city; we should probably be looking at a Parks Master Plan as well. Councilor Reisner said or dust off the current one we have. Councilor Mersereau said another thing that he and City Administrator Boyce had talked about was the possibility of having a reminder regarding that, of which the project list could be a place to put that. City Administrator Boyce said that he would place it on the projects list so it is out there and we can look at milestones and get in there to complete that. Councilor Reisner said that he and City Administrator Boyce had talked a couple of weeks ago and had discussed about getting the budget together in January. He was wondering if City Administrator Boyce had looked into that yet. City Administrator Boyce said that he did not have a date as of yet. He said that he was already looking at having a work session for that fourth Tuesday in January to have a discussion on Code Enforcements. He suggested that they do the midterm budget review

on a different date. At City Councils' suggestions about what will work for them, he will send an email out; maybe propose two or three dates when the City Council and the rest of Budget Committee. We need to do it sometime in January.

8. Discussion Regarding Library Ballot Measure

City Administrator Boyce said that as probably everyone is aware, the ballot measure regarding the construction of the new library has passed. There are some next steps that we need to jump into right away. One is completing IGAs with Clackamas County and the Library District regarding the new financial contribution that Clackamas County is going to make, and make sure those provisions are drawn out. Secondly, Council had also had a request that we attempt to negotiate a guaranty that the Library District funding would continue to flow until debt service is retired. That IGA is more of an uphill battle in that we will need to amend the first the IGA that set up the district and amend the distribution formula for the tax revenues received by the Library District. To do that, he believes that two thirds of the cities and entities involved with the library service would have to agree with that. That is something that we need to jump on right away and complete as soon as possible. The first IGA that he mentioned regarding the County financial responsibility should be fairly quick to get done. The other one, because there are more entities involved, will take a little more time.

The second thing that he suggested that we get on right away is looking at acquiring property to site the facility. The ballot measure stated that the facility would be placed in the Portland Avenue area, so that will be the general area of our search. It will be a priority to identify property as soon as possible. We know the County Election Building could be in play. We need to decide if that is a piece of property the City wants to acquire or does it not fit into our plans. It is his understanding that it could be up for sale very soon. If we want to get in on that, we need to make some decisions fairly quickly.

Councilor Martinez asked if we knew what the size of that property was. Mayor Byers said that it was essentially 100 x 100 feet. Councilor Nelson asked if they have previously been talking about acquiring the property just north of that. City Administrator Boyce said that anywhere we acquire property along Portland Avenue; we will have to acquire multiple pieces of property for the facility. Councilor Nelson said that if they go north, all we have to do is buy land and not a structure, unless we took the dance studio, but we wouldn't really need that. City Administrator Boyce said that he did not want to get into too much detail about location because there are negotiations that will have to take place. We will advise Council, most likely in executive session, of the specifics of how we want to proceed.

Councilor Martinez asked about the size of the building that we are considering for the library. City Administrator said it was about a 13,000 to 16,000 square foot facility. Councilor Martinez observed that it probably would not fit on a 10,000 square foot lot. Councilor Nelson said that was what he was saying earlier about having to get additional property – unless we went up two stories.

Councilor Sieckmann asked if, without being property specific, could City Administrator Boyce say what he thought the Portland Avenue area is. City Administrator Boyce said that if the Councilor was asking what his personal interpretation of this was, he would say one block on either side of Portland Avenue. We did also identify in the ballot measure that it would be between the high school and the Clackamas River. He said that he thinks the wants of the community and the advisory committee was to have it as close, if not on, Portland Avenue as possible. Councilor Nelson added that it was centrally located and a location that had good accessibility.

Councilor Sieckmann said that he had questions on this. In your proposal you are asking for some needs analysis. Haven't we already spent enough money on needs analysis? We know that we are going to be restricted to size, he said that he has quite a bit of confidence in our city staff, the library director in knowing that we have a building this big, figuring out how to do something with it without spending another \$7000 to tell us we need another library. Councilor Martinez said that if he read the sentence, it doesn't say anything about the library; it says a needs analysis to determine if it is beneficial to construct the City Hall with the library. So is that not the question here?

City Administrator Boyce said that they had completed a space needs analysis on City Hall and the police department. The reason for that statement in the proposal was to get a better estimate basically of where the opportunities are to share space: restrooms, utility rooms, break rooms, common areas like that. Multipurpose programs in the city Council Chambers, what not. He said he had a discussion with Councilor Sieckmann earlier in the day, and if council is more comfortable with an estimate that doesn't take into account some of those areas where space could be saved, technically you'd be using a more conservative number because the square footage that they were estimating in all likelihood would be reduced once that design exercise takes place. So if City Council is comfortable understanding that the initial square footage estimates that we have to estimate costs will most likely go down. He could not say how much they would go down without that exercise. We could proceed forward without engaging the consultant on that.

Councilor Mersereau said that he agreed with Councilor Sieckmann at this point. Everything is still up in the air. We have talked about City Hall being merged with the library, but there are other possibilities that could happen also, but until we know what those are, and in fact know what properties are out there, he thinks spending that money is a little bit early at this point. Before he designed the library once, we've got some thoughts about City Hall. If it will save us a bunch of time, then great, but he doesn't think that is the case. City Administrator Boyce said that really the benefit would be that you would have a better understanding of what space could be shared, but again, that can happen later in the process.

Councilor Sieckmann said that he would think that the architects could help with that. We are going to have to hire architects to design the building anyway. He thinks working with City Hall staff and library staff, they could probably lay out a pretty good plan with a professional architect.

The other thing that we haven't talked about is depending on how the available property information comes back. He thinks it would also help on costs and sizing if we could incorporate the police department in on this as well if the property was available. He thinks that is something that we should consider because we are going to have to have a new police department by 2022, he believes, if that is the date. Councilor stated that that was a Federal mandate.

Councilor Martinez asked if we have any estimation at all about the size of City Hall and the police department. City Administrator Boyce said that they did a space needs analysis and he believes it came to 17,000 to 18,000 square feet, but that was for both. That was incorporating the evidence function which is now at public works, which is about 2,000 square feet. So we do know that, and we can make some general estimates.

Councilor Nelson said that he knows that the police department wants to stay with the fire department since they work together on a lot of different issues. To move them away from the fire department would be a kind of disadvantage to them, but if that is what we have to do. He said that he would prefer to see those two entities together however we do it. Councilor Sieckmann said that there were numerous fire departments and police departments that are separated. Councilor Nelson said that he knows that, but they are together now, and they work well together, why not keep them that way if we can? Councilor Sieckmann said that one of the things he was looking at is that property costs are probably less than construction costs. You can probably build one building cheaper than you can build two. Councilor Nelson said that if you build a library and then build a police department, and then a City Hall, you've got to have a heck of a lot of parking available for all of them, plus you have to have secured parking for the police department. Councilor Sieckmann pointed out that it was what he was saying, depending upon the property analysis that we get back about what is available. If there is nothing available, then there is no reason to even look at it. If there is property available, then we might want to take a look at it; we might want to talk to staff to get their thoughts on it. He stated that that was all of the questions that he had on it.

Mayor Byers said that the one thing that staff was looking for them to do tonight was for City Council to authorize staff to complete the IGA with Clackamas County. He entertained a motion to that effect.

Councilor Sieckmann made the motion. Councilor Reisner seconded. The motion passed unanimously.

9. Discussion of City Hall – Police Station Proposal

City Administrator Boyce said that a lot of the information that the Mayor and Councilor had seen before, Council had asked him to come up with a proposal regarding City Hall and the police station. We addressed it before we knew the results of the election; we talked about bringing it back after we knew the results. Again, a part of that proposal was to combine the library with City Hall. We also see what we just discussed about have a consultant do a needs analysis. He thinks consensus is that we do not want to do that now. His proposal still stands and he is open for suggestions like Councilor Sieckmann

suggested if we want to look at an option where we try to do all of the facilities under one roof. Again, we will be using a rough ballpark figures based on the estimates that we currently have. We won't be sourcing a consultant to refine those numbers.

He also wanted to indicate that the numbers that we do have for construction estimate for City Hall and the Police Station are property specific. One of the estimates looks at building it right at this current spot; the other looks at the Webster property. His assumption moving forward is that they would prefer it on Portland Avenue or the Portland Avenue area. That is where he is going to move. What we will need to do is come to some consensus as to what option we want to look at and he didn't know if the Council needed more information about what land is available on Portland Avenue, or what may become available before they make that decision. He said that he would encourage us to two or three options to do the analysis; there are a million different ways we could do this, but we are going to need to focus our efforts on two, maybe three options.

Councilor Sieckmann wanted to know if we waited for some sort of property availability, that we just approved you go and find, would it put City Administrator Boyce too far behind time wise. He said that he would really like to see that information before Council told him to move forward, and then find out something different and it was wasted time. City Administrator Boyce said that they were going to move full speed ahead on the property search because that was integral and they have some potential property coming up for sale with the County Elections Building. He said that they will be able to get some preliminary information for the Council, but as far as negotiating specific deals, it all depends. It could take a little while to have that happen; it depends on the willingness of the property owners to sell, and we need to find properties that are adjacent to each other.

Councilor Sieckmann asked how that would affect this proposal if we do delay it until then. City Administrator Boyce said that he did not think it is going to have a large effect. If we are going to move forward with such a project as this, our charter now requires that we go to a vote. He would want to consider the May election as a date we would try to hit, as far as getting ballot approval if City Council decides this is what we need to do to move forward. This means that several months before that, we will need to have a plan in place: ballot language and what not. We will need to do public outreach on this project also. He said that he was not sure if the City Council was satisfied with the advisory committee that they set up for the library project. We could do another such committee if the Council would like. We should give them several months for them to complete their work.

Mayor Byers said that to work backward from the May election that work would need to be done in March. City Administrator confirmed it, and then said that time is of the essence, which is why we need to get a feel for what property is available on Portland Avenue as soon as possible.

Councilor Nelson said that there was some comment a couple of months ago that the structure where Napoleon's was – it is a different company name now – that they were

moving from that location so that property would possibly be available; it would be almost a full block. City Administrator Boyce said that was a possibility. The recommended staff action was to see if City Council was comfortable accepting the proposal and to authorize Staff to hire the consultant. We talked about not needing the consultant at this time. But what he would still recommend that we do is maybe set up a calendar as far as what we think needs to happen when to make a decision. He said that he had also listed some options in the Staff Note: Option 1 was to replace the roof and repair the building envelope for a price range of \$600K. Option 2 is to bring the entire building up to code; we got an estimate for that at \$2.9M. Option 3 is new construction. He thinks we will soon need to decide if we want to invest in this building or if we want to construct new. If we decide to construct new, there could be a couple of options: everything under one roof, city hall and police station by itself, or the hybrid of the city hall/library together and the police station on the current location as he is proposing now.

Councilor Nelson said that he does not know how they can keep the current building; it is going to have to be earthquake proofed and that means that they are going to have to tear the inside out of it. It has a roof that is leaking, it has water in the walls, you have a foundation that is cracked; there are so many negatives concerning this structure that to take it and repair it to bring it up to today's code, it would cost three times what it is worth. After that, you still may not be there – you still have an old building.

Councilor Sieckmann said that he would agree with Councilor Nelson; Option 3, new construction, is our best bet. We are going to need to do something similar to the library ballot measure and educate the voters on why it is needed and how this is in their best interest as a citizen of the city. His opinion is that this is the direction that we need to head. Councilor Nelsons added that if you present it to the voters, it is a safety factor for the people that work in this building, both health wise and safety wise. This is not the best building in which to work in case there is a major disaster. Councilor Reisner added or to visit – he was with Councilor Nelson. Councilor Mersereau said that he also supports new construction.

City Administrator said that just as a reminder that in the staff analysis it talked about city and urban renewal resources that may be available at this point. We have over \$800K dollars in state revenue sharing funds that the city has been saving over time. Those can be used for any general government purpose. The Urban Renewal Fund right now has a cash balance of about \$4M which, if it is located in the urban renewal district, could be used for the project. So there are some resources that the City has on hand to limit the amount of money we would have to borrow. Again, there is always the subject about competing projects, but there are some resources there that we can use. For the next meeting, he will put some estimates together for an all in one facility, library, city hall, and police station; the numbers on city hall combined with the police station being rebuilt here; and financial scenarios with both. Parallel with that they will be embarking on the property search and as soon as they have information to relay back to City Council as to what property is available, we will do that.

Councilor Reisner asked if that would also include a timeline. City Administrator said yes, that he had talked about putting a calendar together with decision dates and actions that we will have to take in order to meet that May election. Councilor said he thinks we need to sit down and have more meetings to discuss this and work these things out; we don't meet very often, except for Council meetings. He said he thinks we need some more work sessions to hammer this out so that we are on the same track – going the same direction and an extra couple of meetings isn't going to hurt anybody. Mayor Byers asked if he meant in addition to the adjourned meetings, because we have had adjourned meetings in all but one month for the past six months. He asked if Councilor Nelson wanted something in addition to the adjourned meetings. Councilor Nelson answered yes. Mayor Byers said okay. Councilor Nelson said that we are getting to a point where we need to do that. Mayor Byers said that there were other roles for adjourned meetings as well.

City Administrator Boyce said that they would base it on the timing of the information produced by Staff and the input received from the property owners on Portland Avenue. Mayor Byers said that he thought Sherry was there and that she may be able to clarify, if the election is next May, an election that does not require a double majority. Sherry replied no from the audience, and referred to odd number years. Mayor Byers said that the first election that we could pass something is in May 2016. Councilor Reisner said that we are not going to be asking for taxes... Councilor Martinez asked if they were planning to build a new building – more than a \$1M dollar police and city hall. Sherry said that you can increase the taxes by including in red writing on the envelope that it would increase your tax. Councilor Reisner said that we are not. Councilor Sieckmann said that it would fall under one, if not two, of the ballot measures. It wouldn't fall under the financing if we don't finance it, but it is still building a public building over \$1M and it would still have to be voted. Councilor Reisner explained that he was talking about the double majority. Sherry said that she had misspoken; that double majority would not be required in an even numbered year, but would in an odd numbered year. Councilor Reisner asked if that was for any measure. Sherry confirmed it Mayor Byers said that there only two elections in an even year in which a double majority is not required. Sherry said that there is an election in March, May, September, and November, and May and November have the best turnout usually. Councilor Sieckmann said that we should shoot for May and see what we can do. Mayor Byers said that the process has got to start. Sherry said that it would have to be complete by about the middle of March for the mail out. Mayor Byers said that was pretty aggressive.

BUSINESS FROM THE COUNCIL

Councilor Nelson said that on the 15th of October they had an Emergency Management Meeting and Terry Pullock from Clackamas County Engineering Management gave an update as far as what the county is doing as far as their emergency management program. He said that last Friday he had gone to the police academy in Salem, and we have a new officer; Officer Lee Gilliam had graduated from the 16 week academy and he is now ready to hit the streets. It was really great to see him down there. Jan Johnson, who is on our Emergency Management Team here had tried

three times in the S-Fab, and in the physical test she didn't make three times in a row, and she went down to Lincoln City and took it down there and passed it and graduated Friday. It was nice to see our officer and Jane graduate.

Councilor Mersereau said that the only thing he had was he would propose to the group that they schedule an annual retreat as close as we can in January, or as early as we can in the year to get things going for next year. Mayor Byers said that they had done that most years. Councilor Mersereau said that was okay, now let's do it again. Councilor Nelson said that they should continue it. Councilor Mersereau said that he didn't think they did it most years but they did do it last year, but it took until March or so for it to happen.

Councilor Sieckmann said he had a couple of things. We have Board appointments coming up and a lot of times City Administrator Boyce comes to City Council wanting to know about request publishing them. He thinks we want to jump on that right away – that we get them published so that maybe we can get people in and get them appointed and get them ready to go to work. Mayor Byers said that it was always in the November Newsletter. Councilor Sieckmann said that he knows a couple of times it didn't make a newsletter because he wanted to bring it Council and say, "Hey, do you want to do this?" City Administrator Boyce said that it was on track this year. Mayor Byers said that the annual one has always been in the newsletter. Councilor Nelson said that maybe we should do it for two months in case they miss it the first time. Councilor Sieckmann said it is almost two months now, because it is 30 days after it is publicized, so the 30 days is after the next meeting. So it is almost two months before we get to see the applications and get to pick somebody. Councilor Nelson said that there are a lot of good people out there that really should have the opportunity if they get the time.

Councilor Sieckmann said that the other thing is that they were talking about the IGA earlier, we've got a number of cities that need to be approached with this. He had talked with City Administrator Boyce earlier and he is going to start the process, but it might help at a later date if some elected officials meet with some of the elected officials of the other cities if need be to make the process a little smoother and a little quicker.

Councilor Reisner wanted to know the status on the policy on bids and purchasing. City Administrator Boyce said that it was still ongoing. They have work to do on that. He said that he asked for some assistance from the CPA we hired to help with the financial transition that we are going through with personnel. She has given him a couple of model plans that she thinks would be close to what Gladstone would need. That is still coming; there is still work we have to do so they are probably still a couple of months out. Councilor Reisner said that the football team had avenged themselves for a loss from about 6 or 7 years ago where we played Sisters in the snow. He announced results of the game, and then announced games that are coming up in the weeks that follow.

Mayor Byers said that he also had the Boards and the Commissions on his list. Speaking of the high school, last Tuesday they had their annual veterans' event which he has gone to for quite a few years, and they do a tremendous job of recognizing veterans; it is a full assembly with the student body. He said that he is always particularly appreciative of the students who are very involved in the event, and he knows that some of it is because they can't have their cell phones

and things like that with them. The choir sings and the band plays and they have a speaker. He said that he would encourage everyone to look at this next year. It is usually publicized in the school newsletter. He said that he was very proud that our school district has that function every year for the student body. There were a couple of WWII veterans there. There are not a whole bunch of those left. He said at his Rotary Club that day, they had a program taking veterans to Washington DC to see the memorial. A few years ago, 10,000 WWII veterans a day were dying, but now that is down to a few hundred a day because so many have already passed away. They said that there were 16 million people that served in the armed forces in WWII and now there are only about a million left. He said that we had lost a lot of great people, and it is always important to him to honor the veterans.

Councilor Nelson said that when he was headed to Hawaii a couple of months ago, probably 30 or 40 of them came in on an airplane, and they had flag bearers with an honor guard. Some were in wheelchairs, some were walking, but there was a huge number of them that were coming home from Washington DC. Councilor Martinez said so it was a flight from whatever flight they call them – some kind of national program. Mayor Byers said that they were Honor Flights.

ADJOURN

Meeting was put into recess and Mayor Byers said that they were going to have an executive session.

Approved by the Mayor this 9 day of December, 2014.

Wade Byers
Mayor

Attest:

[Signature]
Assistant City Administrator