

**MINUTES**  
**MILWAUKIE CITY COUNCIL STUDY SESSION**  
**NOVEMBER 27, 2012**

**Council President Chaimov** called the study session to order at 5:08 p.m. in the City Hall Conference Room.

**Council Present:** Councilors Dave Hedges, Joe Loomis, and Mike Miller; Mayor Ferguson arrived at 5:11 p.m.

**Staff Present:** City Manager Bill Monahan, Assistant to the City Manager Teri Bankhead, Finance Director Casey Camors, Operations Director Gary Parkin, and City Recorder Pat DuVal

**Media:** Victoria Edwards, *The Oregonian*

**Milwaukie Historical Museum**

**Ms. Bankhead** provided an update on the Milwaukie Historical Museum, property, and house. The Museum, located at 3737 SE Adams St, and the Milwaukie Historical Society remained active. The purpose of this meeting was to provide background information and initiate a conversation with the Historical Society Board members regarding the lease that is due to expire in 2014 and future operations of the Museum.

**Mr. Monahan** added the City received a letter from Board members Enid Briggs and Adele Wilder regarding the Museum's operations and how the City might be involved in a supportive and positive manner.

**Adele Wilder**, Milwaukie Historical Society, spoke about the Society's interest in carrying on the Museum to serve those who wished to research the history of the community. It was currently open on Saturday afternoons and by appointment. She indicated the Society would like someone to take over the house and operations with the current members, all over 80 years of age, continuing in a volunteer capacity only. The Society was looking for options to carry the Museum into the future.

**Councilor Loomis** appreciated the Society for keeping the Museum alive without having a curator, and he supported anything that could be done to lighten the burden.

**Councilor Miller** also wanted to support the Museum and thought perhaps someone from the Library could help. He suggested partnering with the School District and possibly use the Hector Campbell Elementary School building. Perhaps Clackamas County tourism funds might be available.

A member of the audience suggested seeking grants.

**Mayor Ferguson** thought perhaps there was an opportunity for a shared facility in the future and that someone in the community would be willing to help write a grant.

**Council President Chaimov** agreed there should be an effort to keep the historical element active and accessible to the public to accommodate the historic and educational value for a greater number of users. He offered to contact Clackamas Community College.

**Councilor Loomis** understood the Society wanted more help and suggested talking with the Neighborhood District Associations (NDA) about helping keep it alive by using the facility.

**Mayor Ferguson** noted two action items: Ms. Camors would look at the budget to see if there were funds for a curator and seek assistance from the Design and Landmarks Committee in preparing a grant for tourism funds.

**Mr. Monahan** would add the Museum lease to an April or May agenda for a discussion.

### LED Lighting Program

**Mr. Parkin** and **Ms. Bankhead** reviewed the proposal for changing over City streetlights to a more energy efficient type of lighting. Mr. Parkin outlined the options Portland General electric (PGE) provided for light emitting diode (LED) lighting and how those might fit into the City budget and Council goals. He discussed the benefits of LED lighting and reviewed the tariff which was approved by the Oregon Public Utility Commission (PUC) this fall. PGE would begin the fixture conversion in 2013. Milwaukie has approximately 1,800 Option A fixtures, 174 Option B poles, and 16 Option C streetlights maintained by the Oregon Department of Transportation (ODOT) along Hwy 224. He reviewed the savings to the City with the conversion. He noted this would relieve the obligation on the street fund and result in those savings being applied to street-related projects. Mr. Parkin added that PGE would also like to do a pilot project on controllers that would control the intensity of the lights. He would ask that PGE contact NDAs about the pilot project proposal.

**Mr. Monahan** discussed the distinctive acorn poles in the downtown area.

**Mayor Ferguson** was interested in Option A with PGE owning the street lighting asset. He discussed changing out the downtown lights quickly in order to promote that area as sustainable.

**Council President Chaimov** encouraged the City Council to move forward sooner than later on a decision on the conversion.

**Ms. Bankhead** understood Mr. Gamba had a different idea which was for the City to front all the costs and own and maintain the poles and fixtures resulting in savings at the end.

It was agreed to bring this matter forward to City Council at its next meeting.

**Mayor Ferguson** adjourned the study session at 6:24 p.m.

Respectfully submitted,

  
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 Pat DuVal, Recorder

# STUDY SESSION

# AGENDA

## MILWAUKIE CITY COUNCIL STUDY SESSION

NOVEMBER 27, 2012

### MILWAUKIE CITY HALL

Conference Room  
10722 SE Main Street

A light dinner will be served

### ***STUDY SESSION – 5:00 p.m.***

#### Discussion Items:

	<u>Time</u>	<u>Topic</u>	<u>Presenter</u>	<u>Page</u>
1.	5:00 p.m.	Milwaukie Historical Museum	Teri Bankhead	1
2.	5:30 p.m.	LED Lighting Program	Gary Parkin	4
3.	6:00 p.m.	Adjourn		

### Information

Executive Session: The Milwaukie City Council may meet in executive session pursuant to ORS 192.660(2). All discussions are confidential and those present may disclose nothing from the Session. Representatives of the news media are allowed to attend Executive Sessions as provided by ORS 192.660(3) but must not disclose any information discussed. No Executive Session may be held for the purpose of taking any final action or making any final decision. Executive Sessions are closed to the public.

### Public Notice

- The Council may vote in work session on non-legislative issues.
- The time listed for each discussion item is approximate. The actual time at which each item is considered may change due to the length of time devoted to the one previous to it.
- The Council requests that all pagers and cell phones be either set on silent mode or turned off during the meeting.
- The City of Milwaukie is committed to providing equal access to information and public meetings per the Americans with Disabilities Act (ADA). If you need special accommodations, please call 503.786.7502 or email [ocr@ci.milwaukie.or.us](mailto:ocr@ci.milwaukie.or.us) at least 48 hours prior to the meeting.

**Memorandum**

**To:** Mayor Ferguson and Councilors

**From:** Teri Bankhead, Assistant to the City Manager

**CC:** Bill Monahan, City Manager

**Date:** November 27, 2012 Study Session

**Re:** Milwaukie Historical Museum

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**Milwaukie Historical Society and Museum**

The Milwaukie Historical Museum is owned and operated by the Milwaukie Historical Society, a non-profit organization that began in 1936. The Museum resides at 3737 SE Adams Street and sits on city-owned property. The building that houses the Museum was donated to the Society by United Grocers and relocated to the current site in 1974 from 6527 SE Lake Rd. The home was built in 1865 and was originally the George Wise family farmhouse.

From 1973 to 2003 the Museum was run by two well-known and dedicated Directors. Christa McDonald served from 1973-1994 and Madaline Bohl from 1994-2003. Both women have since passed away and the Society and Museum for the most part have been operated by two sisters since 2003, Enid Briggs and Adele Wilder. The volunteer base has dwindled over the years and the Museum hours are now limited to four hours each Saturday.

**Agreement Between City and Society**

In 1975, the City Council and Planning Commission permitted locating the United Grocer house onto the Adams parcel through a conditional use permit to operate as a museum. A lease was signed between the Society and the City for 20 years with the option to renew for another 20 years. In 1995, the lease was brought forth to the City Council for renewal, and was subsequently renewed for an additional 20 years in April 1996 after a takings clause was added and the termination period was reduced to the end of three year periods versus five. The Society had requested a 99 year lease for one dollar per year, however, Council approved the 20 year renewal. The lease is current as of this time until April 16, 2016 with a provision that it may be terminated by six month's written notice by either party to the other at the end of each three-year period. That last period in the 20 year term would fall to a two year period starting April 16, 2014.

The Society does not pay the City for the lease and the Society is responsible for maintaining fire and liability insurance on the building and activities on the premises. If the City decides to sell the property upon which the Museum is located before the lease expires, the Museum has first right of refusal to purchase the property. Upon termination of the lease, the building becomes the property of the City.

City staff is not familiar with the state of the building or if there are necessary repairs or deferred maintenance. As the next renewal approaches, the City might consider requesting permission from the Society to do an inspection of the building so as to prepare for ownership if or when the lease expires.

The Clackamas County Assessor's Office reports that the assessment of the tax lot includes both the property and the house and that the "city owns the whole thing, period." The museum is considered an incidental use of the City, and therefore, the Society is not required to have an exemption on file with their office for their non-profit status.

### **Points Worth Noting**

The property was purchased in 1967 by the City from the Bertman family, along with the neighboring property on which the Bertman House still exists (formerly referred to as the Fire Administration building). The City's intent was to curve out the corner of Railroad Avenue and 37<sup>th</sup>. Later it was expected that Railroad Avenue would be the path for light rail to the Clackamas Town Center and the Adams St./Museum property would possibly be required for right-of-way. The Bertman house initially served as the Fire Administration building and later housed the Parks District. New Century Players Theater currently leases the house from the City. Past minutes and a memo from City Manager Dan Bartlett dated May 9, 1995 indicated he planned to propose moving the Parks Administration from the Bertman House to the former Police Station and allow the Historical Society to lease the Bertman House, however, the Society's move never transpired.

In 1982 the City's well #7 was drilled on the property of the Bertman House. Having this water source and pump on the property poses additional challenges to leasing and/or selling any portion of that tax lot. Don Simenson, the Water Quality Coordinator, reports that the activity on the adjacent properties around the well, including 3737 SE Adams, can adversely affect the well. The water pumped from the well is from about 200 feet below ground surface. Don reports there are currently no restrictive easements on the lots as the City owns both, however, if the City were to consider selling or partitioning any part of these lots, the City would want to record such an easement with the County per the relevant OAR.

### **Society's Request**

Staff spoke with Adele Wilder, Milwaukie Historical Society President, on November 8, 2012. She indicated the Society would like someone to take over the house and museum operations in its entirety with the Society members continuing in a volunteer capacity only. They have spoken with the Clackamas County Historical Society and asked if they would consider taking it over, but at that time they were not interested. However, the County Historical Society did state they would take the newspapers from the basement of the museum, which would clear out some room. As of this date, that has not occurred. A curator would be required to accept, document and place items, and Mrs. Wilder feels cleaning out areas, moving items around and refreshing the displays would be helpful.

### **Future of the Museum**

If the Society decides to discontinue ownership and operation of the Museum, it becomes the property of the City and Council will need to determine how to proceed going forward. Within the next few years the museum building becomes either the responsibility of the City or the Society, or a partnership that has yet to be devised. There is no commitment that the City assume any responsibility for maintaining or operating the museum should the Society cease to function.

Discussion points on options:

Renew the lease with the current Society, considering a shorter lease. This would allow the Society to hold a membership drive to get more people involved that could maintain museum operations.

The City could decide to partner with the Society, with the Society retaining all or partial ownership of the building and responsibility for the museum operation. Partnering could occur in a multitude of ways, including but not limited to:

- Direct City funding for capital improvements and/or operation.
- Increase volunteer base through city sponsored events and broader marketing externally and internally amongst City volunteers.
- Conduct City-sponsored fundraising and sponsorship drives. (i.e. Fundraising with name recognition such as the Library bricks on the fountain, or sponsorship with signage and press.)
- Provide City staff assistance with grant writing.
- City staff could work with state and federal offices to request assistance with funding or preservation (i.e. SHPO, Oregon Heritage Commission, Oregon Cultural Trust.)
- Council and/or staff members could volunteer xx amount of hours each month, similar to the Farmer's Market community booth.

The City could opt to own and operate the museum entirely. This would require dedication of staff and financial resources. Recent discussions of Council included establishment of a city-wide historical preservation program. The museum would seem to fit into this arena. However, such a program is yet defined and impact on resources undetermined.

Under City ownership, Council could consider putting out an RFP for a third party to run the museum. This was the arrangement between the City of Oregon City and the End of the Oregon Trail Museum. Benefits and risks of this method should be researched extensively.

The City could opt to keep the museum operational and move the house to another location.

The City could opt to close the museum and utilize the house for other purposes or sell and move the house off of the property.

At the November 13<sup>th</sup> DLC meeting, committee members determined they would like to focus energy on the historic preservation of the museum, with some members expressing interest in volunteering or perhaps becoming members of the Society. This discussion has not formulated into a plan as of this date.

### **Summary**

As the Society and museum have been a part of Milwaukie's community and history for many years, engaging Society Board members as well as encouraging residents to weigh in on the future of the museum would seem critical. A decision would need to be made by early 2014.

## Memorandum

**To:** Bill Monahan, City Manager

**From:** Gary Parkin, Public Works Operations Director

**Date:** November 19, 2012

**Re:** Street Light conversion to LED

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About a year ago, staff met with PGE to discuss the issues with the conversion of existing street lighting to light-emitting diode (LED) lights. PGE identified at that meeting that several trial locations in the Portland area had verified the ability of the LED lights to provide good lighting of streets that was preferred by most people over the currently used high-pressure sodium (HPS) lights. PGE also noted the following benefits of the LED lights:

- LEDs are more energy-efficient, requiring less electricity
- Their projected life is more than four times longer than current streetlight lamps, requiring fewer trips to replace them
- LED light components are recyclable. Current streetlights have several components that are not recyclable and include unsustainable substances, such as mercury
- The LED fixtures PGE is considering are dark-sky friendly

At the time of the meeting PGE was in the process of determining what the tariff (charge) would be for the LED fixture. They anticipated that the tariff would be established the following year (2012) and hoped that the tariff would at least be even with the current HPS fixture tariff because, although the LED fixtures use much less electricity, the initial cost is higher, mainly reflecting the expense of new technology.

PGE recently met with City staff and shared the new tariff (schedule 95) for LED fixtures. The Public Utilities Commission (PUC) recently approved the tariff. PGE shared an estimate of the potential fiscal impact to the City and provided two choices for the City's conversion to LED street lights:

Choice #1 – Convert to LED using Option A, shifting ownership of Option B lights to Option A

- Lights: PGE would handle conversion, take on capital costs and maintain fixtures. With sufficient notice, conversion can be completed in 2013-2014.
- Poles: Customers can sell their poles to PGE, who would maintain poles and lights. These customers would receive a check or bill credit, per below. OR, customers can continue to own their poles and be responsible for maintaining and replacing them. PGE would own and maintain the lights. These customers would remain on their existing pole charge rate.

Choice #2: Convert to LED using Option C, where the City owns and maintains all fixtures

- City converts to LEDs using City funding. The City would be required to maintain their poles and lights.

A cost estimate for the first choice is straight forward, a matter of comparing the current tariff, schedule 91, with the new tariff, schedule 95.

Conversion of the Option A Fixtures:

Current cost per year is \$211,437. The LED tariff would be \$145,250, a savings of \$66,188

Conversion of the Option B Fixtures:

Current cost per year is \$14,100. The LED tariff would be \$13,653, a savings of \$447

The total annual savings with the conversion is estimated at \$66,635.

Conversion of the City's Option B fixtures (owned by the City) would also include a credit of about \$55,855 that would be paid to the City over 5 years.

The cost of the second choice, with the City owning and maintaining the street lights is more difficult to determine and an estimate was not provided by PGE. The cost would include a high initial cost to purchase the street lights and then ongoing maintenance costs to pay for either contracting a private firm or creating the capacity to perform the maintenance within the City. If this choice is desired, a more extensive analysis will be needed.

Milwaukie is one of the first cities in the area to engage with PGE on the LED conversion. Staff plans to continue working with PGE on the conversion process and beginning the conversion process within this fiscal year if the first choice is determined to be the City's choice.

# PGE developing plan to **convert local streetlights to LED**

In June 2012, PGE plans to file a tariff with the Oregon Public Utility Commission that would pave the way for converting current high-pressure sodium streetlights to light-emitting diode (LED) streetlights. By converting to LEDs, local governments and PGE can take advantage of a newer technology that is more sustainable, cost-effective and provides better quality light.

Currently, streetlights are either owned by PGE or owned by the city or county where they are located. If the tariff is approved, PGE plans to convert most of the cobra-head style streetlights it owns to LEDs by the end of 2014. Cities and counties that own their streetlights could choose if and when to convert, either on their own or in partnership with PGE.

## **How this impacts cities and counties**

In communities where PGE owns the streetlights, most would be switched to LED streetlights. Under the proposed tariff, these cities and counties are expected to see a reduction in their streetlight bill once LEDs are installed.\*

Cities and counties that own their streetlights would have some choices going forward. They could choose not to convert to LEDs. If they did want to switch, they would have two options under PGE's proposal.

- They could convert to LED streetlights using their own funding;
- They could sell their poles to PGE, which would then convert those streetlights to LEDs.

\*The cost impact of these choices would vary, depending on a number of factors. PGE would be happy to meet with any municipality to discuss the available options and how they might affect a specific city or county's streetlight bill.

## **Benefits of LED streetlights: sustainable, cost-effective, higher quality**

Cities and counties with LED streetlights would be reducing their carbon footprint in several ways.

- LEDs are more energy-efficient, requiring less electricity.
- Their projected life is more than four times longer than current streetlight lamps, requiring fewer trips to replace them.
- LED light components are recyclable. Current streetlights have several components that are not recyclable and include unsustainable substances, such as mercury.

Cities and counties that convert to LEDs typically see a significant reduction in their energy use, based on experiences in other states.



## **Contact us**

For more information about PGE's proposed LED Streetlight tariff, contact Deane Funk in PGE's Government Affairs office:

503-464-8565 or  
deane.funk@pgn.com



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## streetlight LED conversion plan

LEDs provide better quality light and improved visibility.

- The LED fixtures PGE is considering are dark-sky friendly.

### Details on PGE’s proposed LED streetlighting tariff

The proposed tariff would simplify streetlighting options currently available. Under the proposed tariff:

- PGE would continue to provide the electricity for all streetlights.
- Streetlights could continue to be owned by PGE or by local governments.
- Cities and counties would need to maintain streetlights they own, or contract for this service.

The current tariff would remain an option for cities and counties that choose not to convert their streetlights to LEDs.

### Current streetlighting tariff

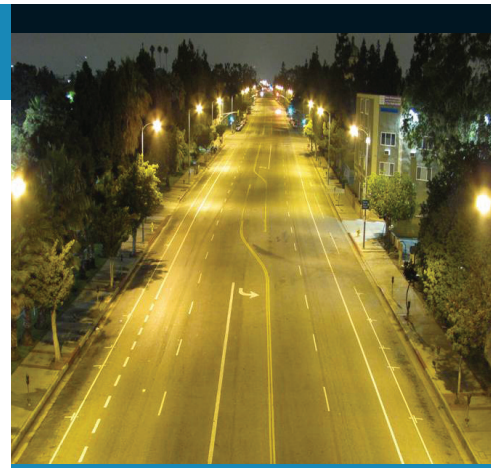
	Option A	Option B	Option C
Lights owned by:	PGE	Customer	Customer
Maintained by:	PGE	PGE	Customer
Energized by:	PGE	PGE	PGE

### Proposed LED streetlighting tariff

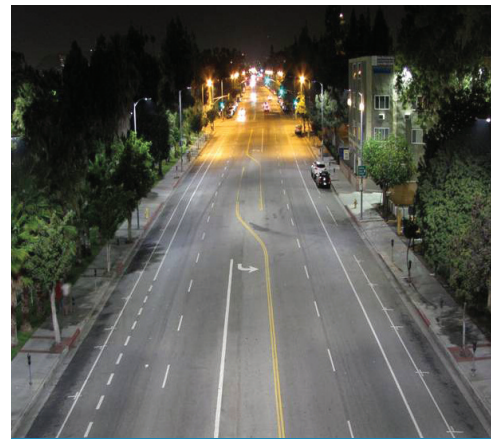
	Option A	Option C
Lights owned by:	PGE	Customer
Maintained by:	PGE	Customer
Energized by:	PGE	PGE

### LED streetlight choices

PGE is considering offering the two types of LEDs pictured below. In addition, we are researching options for decorative fixtures.



Before (High Pressure Sodium)

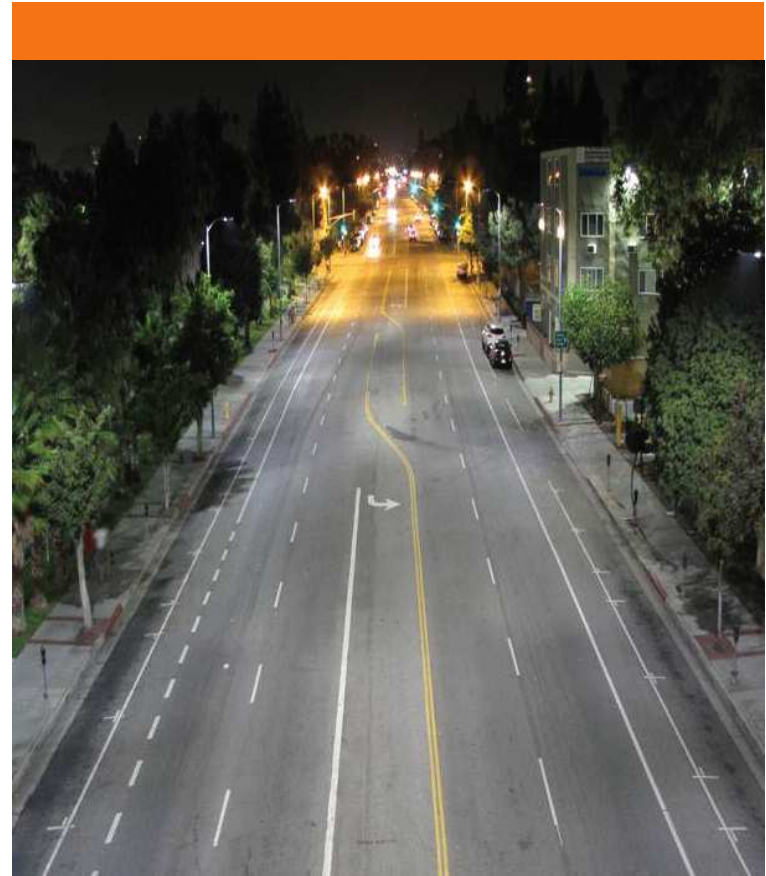


After (LED)

Photos above show Hoover Street in Los Angeles before and after LED streetlights were installed. Photos courtesy of City of Los Angeles Bureau of Street Lighting.

# LED Tariff & Conversion

City of Milwaukie



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# Overview

- In 2012, PGE plans to file a tariff with the Oregon Public Utility Commission enabling customers to convert to light-emitting diode (LED) street lights
- The new tariff (Schedule 95) enables customers and PGE to take advantage of newer technology that is:
  - more sustainable,
  - cost-effective, and
  - provides better light quality
- Schedule 95 provides two options for customers. Since Option B will not be available, those customers will need to become either A or C customers if they want LED streetlights.

	Option A	Option C
Owned by	PGE	Customer
Maintained by	PGE	Customer
Energized by	PGE	PGE

# Overview

## Conversion

- If tariff is approved, PGE would begin converting Option A HPS fixtures to LED fixtures in 2013
- Option A conversion limited to cobra-head fixtures below 300 watts (decorative and high-wattage lights still not cost-effective)
- Option C conversion can be done at any wattage or style

## Schedule for Option A fixture conversion

- 2013: 10,000 fixtures
- 2014: 15,000+ fixtures

## Technology: Beta LEDway and LEOTEK LED fixtures

- Projected Life: 100,000+ hours
- Dark-sky friendly
- Color temperature 4000K - 4300K (moonlight)
- Paired with 25-year expected life photo control



Beta LEDway

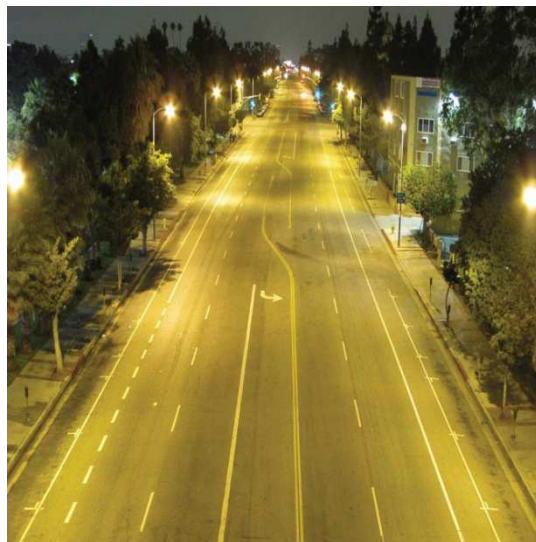


LEOTEK

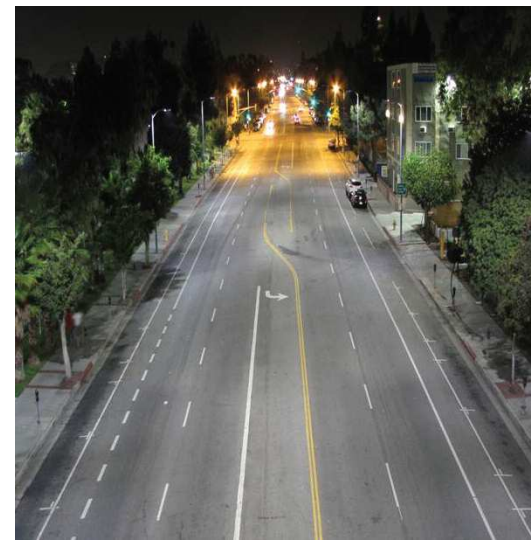
# LED Conversion: Option A customers

**Option A fixtures will be converted to LEDs. No action required from the customer. PGE handles conversion, capital costs and maintains fixtures.**

Annual \$s	Sch. 91	Sch. 95	(Savings)
Option A Fixtures	\$211,437	\$145,250	(\$66,188)



**Before LED**



**After LED**

8/30/2012

Note: Figures are estimated based on proposed tariff pricing and wattage conversion from HPS to LED lights. Actuals may vary based on field conditions, customer light level selection, and other factors. Tariff pricing estimates may change pending the outcome of PGE's tariff filing and the timing of conversion.



# LED Conversion: Option B customers

## Choice #1 Convert from Option B → Option A

- **Lights: PGE would handle conversion, take on capital costs and maintain fixtures. With sufficient notice, conversion can be completed in 2013-2014.**

Annual \$s	Sch. 91	Sch. 95	(Savings)/Cost
Option A Fixtures	\$211,437	\$145,250	(\$66,188)
Option B Fixtures	\$14,100	\$13,653	(\$447)
Total	\$225,537	\$158,902	(\$66,635)

- **Poles: Customers can sell their poles to PGE, who would maintain poles and lights. These customers would receive a check or bill credit, per below.**

Check or Bill Credit	New Pole Charge (annual)	Pole Charge Offset
\$55,855	\$11,151	5 Years

**OR, customers can continue to own their poles and be responsible for maintaining and replacing them. PGE would own and maintain the lights. These customers would remain on their existing pole charge rate.**

8/30/2012

Note: Figures are estimated based on proposed tariff pricing and wattage conversion from HPS to LED lights. Actuals may vary based on field conditions, customer light level selection, and other factors. Tariff pricing estimates may change pending the outcome of PGE's tariff filing and the timing of conversion.



# LED Conversion: Option B customers

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## Choice #2: Convert from Option B → Option C

- Customers can convert to LEDs using their own funding. These customers would be required to maintain their poles and lights.

# Considerations in evaluating options

**Factors to consider in deciding whether to own and maintain fixtures and poles include:**

- **Forecasting and budgeting for end-of-life replacement costs (poles and fixtures)**
- **Risks associated with assumed life of fixture and photo control**
- **Labor – PGE passes through costs, no markup**
- **Construction/Maintenance needs, including:**
  - Road widening (fixture transfer from old pole to new)
  - Bad order (failing) poles
  - Pole replacement /repair when car or truck hits pole
  - Locating and repairing circuits/underground faults
  - Material failures
  - Vandalism
- **Inventory management/warehousing**



# Considerations in evaluating options

## Other factors/costs include:

- **Lighting project management**
  - Lighting design
  - Managing installation of fixtures
- **Back-office duties**
  - NJUNS coordination (joint use communications) for pole 'make ready' and transfers
  - Outage call handling
  - Customer service (shield requests, etc.)
  - GIS mapping
  - Asset management systems
  - Work management systems
  - Inventory management systems
- **Economies of scale**



## In conclusion

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**PGE prides itself on our street lighting expertise.**

**We would appreciate the opportunity to discuss your options with you.**

**Janet Ebright  
Manager, Street Lighting  
(503) 672-5659**

**Annette Mattson  
Government Affairs  
(503) 464-2400**