

**CITY OF MILWAUKIE
CITY COUNCIL MEETING
APRIL 5, 2005**

CALL TO ORDER

Mayor Bernard called the 1955th meeting of the Milwaukie City Council to order at 7:00 p.m. in the City Hall Council Chambers. The following Councilors were present:

Council President Deborah Barnes	Joe Loomis
Carlotta Collette	Susan Stone

Staff present:

Mike Swanson, City Manager	JoAnn Herrigel, Community Services Director
Stewart Taylor, Finance Director	John Gessner, Planning Director

PLEDGE OF ALLEGIANCE

PROCLAMATIONS, COMMENDATIONS, SPECIAL REPORTS, AND AWARDS

Paralyzed Veterans of American Awareness Week

Mayor Bernard read a proclamation naming the week of April 10 – 16, 2005 as *Paralyzed Veterans of America Awareness Week*.

CONSENT AGENDA

It was moved by Councilor Barnes and seconded by Councilor Collette to approve the Consent Agenda that consisted of the following:

- A. City Council Minutes of March 1 and 15, 2005;
- B. OLCC Applicant for River Road House, 11921 SE 22nd Avenue, Change of Ownership; and
- C. Resolution No. 16-2005: A Resolution of the City Council of the City of Milwaukie, Oregon, authorizing the City of Milwaukie to apply for a Local Government Grant from the Oregon Parks and Recreation Department for the development of Lewelling Community Park and authorizing the City Manager to sign the application.

Motion passed unanimously. [5:0]

AUDIENCE PARTICIPATION

None.

PUBLIC HEARING**Waste Collection Franchise Extension**

Mayor Bernard called the public hearing to order at 7:08 p.m. The purpose of the hearing was to consider public comment on the proposed franchise extensions for the 7 garbage haulers for a six-month period.

Staff Report: **Ms. Herrigel** stated the proposed resolution would extend the current franchises for the seven garbage haulers for a six-month period ending on October 31, 2005. Staff had been meeting regularly with the hauler representatives since summer 2003, and, with the exception of the administrative rules, most of the work was done. If the City Council agreed, then the parties would work over the next six months to prepare a complete package for consideration and adoption.

Correspondence: None.

Public Comment: None.

Questions of Council: **Councilor Barnes** referred to correspondence from Brian Heiberg, Heiberg Garbage and Recycling. Mr. Heiberg indicated that since Milwaukie was not allowing him to do business in the City he wanted to know why he had to pay business registration tax to Milwaukie.

Ms. Herrigel said Heiberg stated he was not allowed to do business in Milwaukie because he was not a franchised hauler. However, Mr. Heiberg did operate an office in Milwaukie.

Mr. Swanson said the definition of doing business was very broad, and he believed it did include operating an office in the City although Mr. Heiberg was not a franchised hauler. He would respond to Mr. Heiberg's questions.

Mayor Bernard asked how one became a franchised hauler.

Ms. Herrigel said if a franchisee decided to sell his company or not provide service in the City any more, then an area would be open, and other haulers could make proposals.

Mayor Bernard understood every hauler in Milwaukie at some point entered into an agreement to provide service to a designated area. He asked if that was in the City Charter.

Ms. Herrigel replied there was a state law that allowed municipalities to franchise rather than do their own collections. The current haulers, including Waste Management, have been in place for over 20 years. The City of Portland was the only area in the region that did not franchise its commercial collection. In return for the City's allowing the haulers to collect in specific areas, the haulers paid a fee that went into the general fund and supported part of her salary. The franchise agreements have not been renegotiated for 10-years. Every year she reviewed the rates with the Council based on the hauler's realizing an adequate return on revenue. The franchise agreement determined the length and method of collection.

Mayor Bernard assumed the letter from Mr. Heiberg might have something to do with the fact that the City was talking about franchises. This person had never provided service in Milwaukie but wanted to do so. Was that possible?

Ms. Herrigel would refer to the agreements to ensure she was speaking correctly. If a need were identified because one of the existing franchised haulers went out of business or because the City determined the hauler was not providing adequate service, then the City had the right to offer that area to existing franchise haulers or find someone else. Neither of these scenarios had taken place.

Councilor Barnes asked if the City could change haulers if someone came in with a lower price.

Ms. Herrigel replied the rates for all customers in the City were the same, and that was how the franchise system worked. These were called uniform rates. She would discuss franchising and negotiations with the City Council.

Mayor Bernard closed the public hearing portion of the testimony at 7:14 p.m.

It was moved by **Councilor Barnes** and seconded by **Councilor Collette** adopt the resolution extending the current franchises of the seven franchised garbage haulers for a six-month period. Motion passed unanimously. [5:0]

RESOLUTION NO. 17-2005:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE EXTENDING THE CURRENT FRANCHISES OF THE SEVEN FRANCHISED GARBAGE HAULERS FOR A SIX MONTH PERIOD.

OTHER BUSINESS

Councilor Barnes discussed the upcoming Clackamas Cities Dinner hosted by Milwaukie in April. The group agreed that Ms. Herrigel should do her Oregon Solutions presentation.

Councilor Barnes wanted to move forward with the Youth Commission. Recruiting start. After school activities, sports education. She and Councilor Collette would work on the wording and committee to look at the concerns of youth and increase involvement in youth.

Councilor Loomis supported the idea and requested a work session on the topic.

Councilor Stone wanted to have background on what other communities were doing.

Councilor Barnes would contact the League of Oregon cities. Most of the work would be on the Committee and herself.

Councilor Collette talked to several people about an Arts or Culture Committee, and she would work on that. She noted the recent business survey suggested developing a vibrant art community, and a Committee would help start something.

Mayor Bernard recommended Councilor Collette contact Carl Jacob.

Mayor Bernard announced that the Budget Committee would meet immediately following adjournment of the regular session.

It was moved by Councilor Barnes and seconded by Councilor Collette to adjourn the meeting. Motion passed unanimously. [5:0]

Mayor Bernard adjourned the regular session at 7:24 p.m.

Pat DuVal

Pat DuVal, Recorder

AGENDA

MILWAUKIE CITY COUNCIL APRIL 5, 2005

MILWAUKIE CITY HALL
10722 SE Main Street

1955TH MEETING

REGULAR SESSION – 7:00 p.m.

I. CALL TO ORDER
Pledge of Allegiance

2. PROCLAMATIONS, COMMENDATIONS, SPECIAL REPORTS, AND AWARDS

Paralyzed Veterans of America Awareness Week Proclamation

3. CONSENT AGENDA *(These items are considered to be routine, and therefore, will not be allotted Council discussion time on the agenda. The items may be passed by the Council in one blanket motion. Any Council member may remove an item from the "Consent" portion of the agenda for discussion or questions by requesting such action prior to consideration of that portion of the agenda.)*

- A. City Council Minutes of March 1 & 15, 2005**
- B. OLCC Application for River Road House 11921 SE 22nd Avenue, Change of Ownership**
- C. Resolution to Apply for Local Government Grant for Lewelling Community Park**

4. AUDIENCE PARTICIPATION *(The Mayor will call for statements from citizens regarding issues relating to the City. It is the intention that this portion of the agenda shall be limited to items of City business which are properly the object of Council consideration. Persons wishing to speak shall be allowed to do so only after registering on the comment card provided. The Council may limit the time allowed for presentation.)*

5. PUBLIC HEARING *(Public Comment will be allowed on items appearing on this portion of the agenda following a brief staff report presenting the item and action requested. The Mayor may limit testimony.)*

Waste Collection Franchise Extension – Resolution (JoAnn Herrigel)

6. OTHER BUSINESS *(These items will be presented individually by staff or other appropriate individuals. A synopsis of each item together with a brief statement of the action being requested shall be made by those appearing on behalf of an agenda item.)*

None.

7. INFORMATION

Center/Community Advisory Board Minutes, February 11, 2005

8. ADJOURNMENT

Public Information

- Executive Session: The Milwaukie City Council may go into Executive Session immediately following adjournment at pursuant to ORS 192.660.

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.

- For assistance/service per the Americans with Disabilities Act (ADA), please dial TDD 503.786.7555
- The Council requests that all pagers and cell phones be either set on silent mode or turned off during the meeting.

PROCLAMATION

WHEREAS, Residing in the boundaries of Milwaukie, Oregon, many of our neighbors have served as members of the armed Forces, and in doing so honored our community with exemplary dedication; and

WHEREAS, It is important that we recognize the sacrifices made by our community's veterans who are paralyzed.

NOW, THEREFORE, be it resolved that I, James Bernard, Mayor of the City of Milwaukie, Oregon, do hereby proclaim the week of April 10th – 16th, 2005

Paralyzed Veterans of America Awareness Week

In the City of Milwaukie and ask all our citizens to join us in its observance to honor our paralyzed veterans because they personify the highest ideals of service to country, sacrifice of self and perseverance in overcoming adversity.

James Bernard, Mayor

ATTEST:

Pat DuVal, City Recorder

MINUTES

MILWAUKIE CITY COUNCIL GOAL SETTING WORK SESSION

MARCH 1, 2005

Mayor Bernard reconvened the work session at 8:00 p.m. in the City Hall Conference Room to discuss the Council Communications Agreement and Goal Setting.

Council Present: Councilors Barnes, Collette, Loomis, and Stone.

Staff Present: City Manager Mike Swanson and Planning Director John Gessner.

Economic Development Committee Update

Mayor Bernard provided a PowerPoint presentation that covered economic development efforts in Milwaukie. Downtown revitalization was one of the most successful economic development strategies in the country. For every \$1 dollar invested in a Main Street program, \$38 was returned on an average. The goal was to enhance the environment for local businesses to operate, grow, and expand and to position Milwaukie as a great place to live, work, and play.

The Economic Development Committee was creating a comprehensive marketing package and personally visiting with current and prospective businesses to introduce them to the community. The effort was to build relationships and to establish Milwaukie as a top prospect for companies wishing to relocate. The percentage of households earning greater than \$75,000 annually was projected to increase by 10% over the next five years. Over the past four years, per capita and household incomes have grown at about 2.6% annually. Demand for local retail services was increasing.

Mayor Bernard reviewed the creation of economic development initiative and creating a brand for Milwaukie. It was not as simple as he thought it would be when he became Mayor to run the City like a business and cut costs. Milwaukie needed to pursue jobs and development to create a stronger tax base that provided quality of life benefits.

Milwaukie was looking at goals to help diversify its employment base and enhance opportunities. The North Main Village project was a public/private partnership that Mayor Bernard felt was going to be a huge success. Milwaukie was able to be more entrepreneurial and respond to market needs. He urged expanding the base to keep taxes as low as possible for all Milwaukie property owners. Everyone benefited by revitalization, and property owners benefited through stable and higher rents. Financial institutions benefited by expanding their business and residential customer bases and by improving the public image and good will. Merchants could expand their customer base with less financial risks.

Professional and service businesses favored locations near governments, banks, and post offices. Local governments increased their tax bases to create a sustainable community and protected property values and infrastructure developments. Community partner such as the Rotary and Chamber helped improve the quality of life and gained new membership potential. Businesses outside the district benefited by increased visitor traffic and improved municipal services throughout the community. With the improved quality of life, recruiting and retaining employees was much easier. Schools increased youth involvement, and development helped provide jobs that retained Milwaukie youth in the community.

From 1994, the value in Milwaukie went from \$907 million to \$1.266 billion. That was an improvement, but there was a long way to go. In order to be sustainable, the City had to increase its value by \$.25 billion. He thought the City could do that and estimated about \$50 million in reinvestment in the community in the next couple of years. He discussed leveraging private/public partnerships.

Milwaukie's Economic Development Advisory Committee was very active. The community's strengths included affordable housing, great schools, and a high quality of life. Economic revitalization was the key to success and sustainability in Milwaukie. He showed drawings for future renovations to the McLoughlin Building.

Mayor Bernard suggested refining this presentation and taking it out to the neighborhoods, community organizations, and businesses to encourage reinvestment in the City to help preserve Milwaukie's services. He noted the Planning Commission was very talented and recommended getting input from that advisory board and others.

Council Communication Agreement and Priorities

Councilor Collette asked that Mr. Swanson introduce the topic and clarify the process.

Mayor Bernard saw a lot of personal goals on the various lists, and he suggested that Mr. Swanson discuss his goals.

Councilor Stone commented that initially when the Council discussed goal setting she understood they were for the community. She understood from various comments that the Council was looking at both. Some of the established goals needed to be revisited to make sure they were still viable and that the Council was still on-target with them. She also understood personal goals would be discussed.

Councilor Barnes understood that after Mr. Swanson provided the list of City goals, then it was up to the Council as policy makers to identify those goals upon which members were willing to spend personal time and to support on a personal level. When she prepared her list of goals, those were the things she knew she would do this year. Her goals included the four major groups, and with everyone else's input, she found things on the list that she was willing to work on too. Councilor Stone's background was in traffic safety, and that was her area of

expertise. Others had background with youth activities. She discussed going through the process to determine where skills over-lapped and where there could be help. None of the things on the list were intended to put more on staff.

Councilor Stone noted that code enforcement issues were near and dear to her heart. She would definitely work with staff on that because staff needed to be involved in some of the things.

Councilor Collette agreed many items were staff issues such as the Transportation System Plan (TSP). How and whether the Council needed to get involved was not clear. Economic development was a key issue for the Council.

Mayor Bernard thought that was where the Council could go to the Planning Commission.

Mr. Swanson asked how one Council member could do that. This was a Council and not five individuals pursuing individual agendas. The power was as a Council.

Councilor Barnes said that was why the Council was discussing the list in order to make decisions on the most important issues and what it was willing to do as a team.

Mr. Swanson heard a lot about individual things. It was fine to say that no more work would be put on staff, but he had been in enough places to know that when one elected person got off on one issue, there was only one thing that resulted. Staff went in that direction. Councils were bodies of people and not loosely knit individuals who set direction. The worst position for a staff person to be in was to have Councilperson saying, "This is the direction I think we should go." The ship did not move in one direction if it had five tugboats pushing it in multiple directions. The tugboats had to all push in one direction, or the ship was going to go nowhere. It would just continue to spin and spin. The issue he dreaded for 30 years was getting into battles with elected bodies about who ought to be doing what. A lot of city managers say a certain line should not be crossed. To avoid that, he stated earlier that he wanted an organization where everyone talked to everybody. Some staff people had been in peer systems where if they were ever caught talking to a council member, the city manager would come down on them. That was happening in Milwaukie in some cases. He did not think what the Council had before were goals. They were a lot of projects that the Council wanted the staff to do. Those became the focus, and staff went out and did it. However, there was no statement of overall priorities and direction.

Mr. Swanson thought it was fairly simple. One was to preserve the viability of the organization as a city. A couple of meetings ago, he handed out information on where the budget was going. In five to ten years the general fund would provide for one service, and that was not a city. Every year, Milwaukie tried to save the Library as a viable institution. When that became an after thought, that was not a city. The goal was to preserve the viability of the City and provide general services because that was what a city was all about. A lot of other things flowed

from that. Milwaukie had the challenge. \$.25 billion in new investment was 25 North Main Villages. It could be done, but it was a huge undertaking.

The second goal was to increase the value of the City. In a way that related to the first goal because if the value were increased, then revenues would be higher. He did not believe it was about jobs. He thought it was about protecting people's investments. One's single biggest investment was his home. When the City did not grow and increase the investment, he did not believe the City was doing much to protect the homeowners' investments. If the downtown became viable, then Milwaukie was an address.

The third was to protect livability. That was hard for him because people used it to veto many things. It was just one more phrase in the balancing of interests. There were times when livability lost out to value and survivability or preservation of the city. Those were the key to what was going on at this place and time. When the developer dug dirt on North Main Village, the City needed to be ready to move on at least creating the next possibility. It was about synergy and capturing the momentum. Oregon Solutions and the riverfront design were underway. The City was pursuing annexation and would probably have some information on the Town Center. Tax increment financing (TIF) made it more difficult, and it appeared that Milwaukie would have to go after more than the Town Center. The Clackamas County Commissioners would consider wastewater treatment options in June, and the City would have to begin playing the political game. Financing for Lake Road was being pursued as well as relocating the transit center and bringing light rail to Milwaukie. That would be a budget issue this year because Milwaukie was being asked to participate in the Draft Environmental Impact Statement (DEIS), which was \$2.3 million. He knew he would have problems if he recommended a smaller library budget followed by a request to contribute to the light rail environmental impact statement. He discussed a long-term financial plan. Street lighting was in the wrong fund right now. There was \$350,000 in the budget that would not go to streets. Maybe street lighting should be in the general fund, but he could not put it there. All of those flowed from the goals, which were fairly simple and straightforward. The value of the City needed to increase to make sure Milwaukie was here in 30 years. It was a matter of providing local solutions to local problems by locally elected people. He discussed the officer of the year award and what a difficult choice it had been among all of the officers in the Milwaukie Police Department. He had the privilege of working at the Johnson Creek Building, and he had never worked with a better group of people in planning, engineering, and operations areas. He heard from the librarians occasionally. Milwaukie was very unique. There were 119 people working for Milwaukie who were accomplishing many things. They would continue to do so because they believed the goals could be accomplished and that they could have an impact.

Mr. Swanson did not want to complicate things and wanted to keep it as simple as possible. The issues were complex.

Mayor Bernard said all of those things could happen if the downtown started to grow. Darkhorse and other property owners would have to make a decision. If

the person next-door got \$15/square foot, then the person did not have a choice if he wanted to lease his property.

Mr. Swanson met with Mike Richardson about a year ago and had intentionally not contacted him since. He thought Richardson should see a result from the City. He was interested in the City, and when Milwaukie produced, he would be there.

Mayor Bernard commented that a lot of people were waiting. People would not have a choice when the neighbor was getting \$15 - \$18 a square foot, and they were still getting \$10. Right now people were satisfied with their rent and got their checks. Most of the downtown property owners did not live in the community, so there needed to be financial incentive to do things differently.

Councilor Loomis added it came out in the Saturday Meeting that Milwaukie is not depressed enough. Downtown property owners were still making a living. They knew the value of their property and where it was located. That was why Milwaukie was stagnating. People were trying to get more for their property than it was worth, and it was not penciling out yet. It was getting to that point. It paid for Gramor to buy 16 houses to develop.

Mayor Bernard added when someone got \$10/square foot for rent and then got \$15 - \$20 when the community grew, they would want to spend the money to reinvest to increase their revenues. That was how Milwaukie would get developed.

Councilor Loomis said it had to do with Milwaukie's location and when redevelopment became economically feasible.

Councilor Collette thought the key was for Council to look at how it wanted the community to change and to look strategically at where the next North Main project would be. She wanted to get back to looking at the goals and what the Council wanted to accomplish. She thought Councilor Barnes' work on pulling all the items together got Council half way there. She did not feel the need to put a yellow dot next to any of the steps. In many cases there were increments of the larger goal. There were some that did not fit together as well as others. She felt the Council was at the stage where it could look at Mr. Swanson's big list and the Council's list to determine the priorities. She thought it was useful for the Council to identify areas upon which the members were willing to put in extra time. She might be interested in the TSP; however, that did not mean she would be calling Mr. Shirey all the time. It meant that she would be a go-to person at the Council level. She felt that was the kind of commitment to which the Council was referring. She agreed that the Council had to be careful about putting personal agendas out to staff and asking for special projects. The Council would be the people staff went to for help or to take an issue to Salem. In that sense, she did want to hear how people on Council saw the priorities and in what areas they would make the commitment. This was a huge agenda, and everything was critical. It would probably be done over the next five years but not in the next year. The Council could get started on them. If people were excited about it, then the Council should go for it.

Mayor Bernard suggested putting some things together for the Planning Commission to discuss related to code changes. He was concerned about building an assisted living center on Lake Road that did not fit with the community. Lake Oswego had restrictions, but Milwaukie did not. It also bothered him that churches could build on industrial lands that were there to support the job base.

Councilor Collette commented that those were details and suggested moving back to look at the big goals and not what assignments the City Council wanted to give the Planning Commission. Out of this discussion she imagined a list of five to seven big goals that everyone agreed upon. After this meeting, there might be a list of things the City Council wanted the Planning Commission and staff to look at, but she did not recommend doing that tonight. She thought the job was to set the big picture goals and maybe spend some time communicating via e-mail. Councilor Stone mentioned a lot of things such as code enforcement issues and buildings that did not fit. She recommended work on a citywide residential design code.

Councilor Loomis asked who would do that. Would the Council write up a code change?

Mayor Bernard thought the Planning Commission could do the research, and staff would write the code.

Mr. Swanson explained the City Council was the only body that could amend the code.

Mayor Bernard felt everyone agreed on riverfront redevelopment. Economic development and reinvestment needed to be encouraged in Milwaukie. Regarding annexation, Milwaukie either needed to do it or not.

Councilor Barnes thought that was too cut and dried. The City needed a marketing plan and talk to those residents.

Mayor Bernard commented that annexation might not work out financially. He understood the study was to determine how to work out the issues, and it was not about the dollars at this time.

Councilor Collette understood at this stage, the goal would be to study, or explore, or analyze annexation, make the information available, and make the decision on whether to move forward or not. The goal was to understand the situation.

Mayor Bernard thought the City needed to commit to following the process through.

Mr. Swanson commented that was what the City was doing now.

Mayor Bernard said the City needed to commit to doing it if it looked good for all parties. Then it could go out to the voters and market it.

Mr. Swanson stated that the numbers on the Town Center were reliable. In the past week, he gave the consultant direction to look further north. If Milwaukie

was serious about annexing the Town Center, it was not financially feasible without going north at 82nd Avenue and looking at the commercial areas. He would have more information at a future meeting on the ugly numbers. In the whole TIF, the value was frozen at \$36 million. The assessed value was \$421 million. Milwaukie would levy its tax against the frozen value, and the TIF still had 13 more years to run.

Councilor Collette commented that urban renewal districts were a topic in Salem, and the Town Center was the poster child for a district's extending far beyond its useful life.

Mr. Swanson said the moment it looked like the Town Center was on the chopping block, Portland, Metro, and TriMet would be right there because \$36 million was being siphoned off for light rail. Hopefully, Milwaukie could provide a level of service by going to the Town Center and north.

Councilor Stone had a strong desire that the Council goals reflect the community goals as well as the mission statement. She did not want to work on so many things that none of them would be done well. Mr. Swanson's goals were all long range, and she suggested looking at some shorter-range goals that would make a difference to the citizens of Milwaukie. Economic development was great, but she also thought reinvesting in the neighborhoods would make Milwaukie turn around. Look at the codes to prevent things like foster care homes going in neighborhoods and consider ways to increase property ownership with people living in their homes rather than renting them. Councilor Stone suggested offering incentives for people who fixed up their homes. The climate needed to encourage reinvestment not only by businesses but also by homeowners. She thought stronger codes would involve the planning department and code enforcement in the neighborhoods. If someone came to look in Milwaukie and came through the neighborhoods, they would see grocery carts on 32nd Avenue. That was a gateway street, and there were parts of that neighborhood that did not look good. People looked at that area and had doubts.

Mayor Bernard said that all came from building value, and a few years ago the citizens said they wanted investment in the downtown. That area was the key to building community identity. Right now, the downtown was bleeding out. There was Dieringer's, and development was happening all over. Things were improving, and that was because attitudes had changed. People were getting on board and getting excited. New houses were being built throughout the community.

Councilor Stone said that environment needed to be created, and people needed incentives. She would like the Council to consider looking to some code amendments so land values increase.

Councilor Loomis understood the Milwaukie real estate market had the highest increase in the Metro area and continued rise. People were investing, and this was a valuable area.

Mayor Bernard added the increase was about 116%.

Councilor Loomis thought people were discovering Milwaukie. In Milwaukie, the value for the dollar was greater, and property values were going up.

Mayor Bernard said it had to do with a change in attitude in Milwaukie, and people were energized. Milwaukie was doing something with its riverfront. It was partnering with a private investor.

Councilor Loomis referred to the earlier statement about Mike Richardson at Darkhorse. He was waiting for something, and so were all the citizens. The Riverfront Board had been in existence in some form for over 25 years, and people say why bother? When the City got something done and got moving, it would all add up.

Councilor Collette believed it was about creating momentum. The PowerPoint presentation would be useful when going out to various groups – it was boosterism. It was fundamentally an “I ♥ Milwaukie” bumper sticker. She did recommend empowering the Design and Landmarks Committee to develop residential building design guidelines. There was code having to do with flag lots and manufactured housing codes, but that was fairly piecemeal. If Milwaukie were looking at the goals of the other commissions, then she would like to see the residential design guidelines. She thought the DLC did a great job on the downtown design guidelines, and the issues raised by Councilor Stone would be great for that Committee.

Councilor Barnes suggested a youth commission that involved people interested in moving forward with youth activities and youth concerns. She was not asking staff. There were a lot of people who wanted to work with youth and advance those issues. A lot of it had to do with making connections. A lot of people were leaving Portland because the schools in North Clackamas have proven time and time again that they were much better. That was another calling card that brought people into Milwaukie. The schools were looking for ways to do senior projects and getting students involved. There were youth in Milwaukie who wanted to do senior projects and to get involved with internships and community service projects. It was not difficult; it just needed to be coordinated. She and Councilor Loomis would work on that.

Councilor Collette suggested forming a Cultural Committee that went with the Downtown Plan, the Milwaukie High School Arts Charter School, Darkhorse, and the theatre Company. She thought people would be pleased to serve on a Committee to look at integrating the design plans and cultural opportunities that were beginning to happen in the City. All of those kinds of things could both build on volunteerism and further goals for those other segments that were not being actively dealt with. She would work on that committee.

Councilor Stone asked Councilor Collette if she sensed community interest. She suggested putting an item in *The Pilot* and surveying people’s interests. People could respond on-line or over a designated phone line.

Councilor Barnes suggested working with the School District’s Key Communicator list.

Councilor Collette suggested that the cultural group could coordinate the various concerts throughout the City.

Mayor Bernard thought Celebrate Milwaukie, Inc. would be happy to help fund that effort through donations. People did not know that existed. Mr. Swanson had great goals and these were projects that the City Council was interested in doing. He urged that these efforts not rely on staff.

Councilor Barnes did not see this as being staff. It was Councilor Loomis going to Milwaukie High School with the site Council. It was phone calls about the Community Theatre group.

Councilor Collette liked Mr. Swanson's list. Although she might word them differently, those were clearly priorities for the Council to consider. The Fire District annexation would be known by May, so she would not put it on her list of big goals. North Main Village construction did not need to be same level of goal that she would set. Downtown redevelopment and the next project would be one of her goals. Economic development had to be a big goal. The completion of the Riverfront Park design was a major citywide goal, and two Councilors were already engaged in that. She would seriously pursue annexation to determine if it was feasible. Any development plan for the downtown would be a real loss if redevelopment of the treatment plant were not included.

Councilor Loomis commented that not one Milwaukie Council member testified at the Clearwater Project hearing and urged that the Council to do those types of things better. It was not good enough just to say there was a study, and that it would happen. It took hard work to make things happen, and he did not know when some Councilors would get the free time. Something needed to be done on the riverfront this year with at least a consensus on the design.

Councilor Stone thought the McLoughlin Boulevard project would be a catalyst. People would see something happening, and it should be advertised. Milwaukie needed to figure out what kind of people it wanted to come in. The downtown needed a grocery store. The Council needed to figure out what its vision was for the town.

Mayor Bernard said a lot of that had to do with the developer. Businesses appreciated the Mayor and Council showing up for meetings. The Council should work on getting what people wanted for this community. He would like a downtown systems development charge (SDC) on new development for arts or cultural programs.

The group agreed to clean up the list.

Mr. Swanson said if this information were given to the Planning Commission, then it could make recommendations on how to proceed. The Chair was expert in those issues because he had been dealing with them for a long time. The Planning Commission had great membership and would probably love to tackle the list. He thought the Planning Commission could put some kind of order to the list and develop it into a manageable work program.

Councilor Stone liked Mr. Swanson's idea of having a philosophy of where the Council wanted to go and use that as a basis for developing the goals. She thought the Council should look at its mission statement to make sure it was reflected in terms of property and sense of place, history and future that defined Milwaukie and distinguished it from other areas. She believed the Council was trying to do that.

Mr. Swanson thought it would be easy for the Planning Commission to call out those items within its area of expertise for which it would take responsibility.

Councilor Barnes asked when the two new advisory boards could be set up.

Mr. Swanson said the first thing to do was to identify the charge and purpose.

Councilors Barnes and Collette would do the research. The group would forward some issues to the Riverfront Board.

Councilor Loomis agreed to contact the casinos.

Mayor Bernard adjourned the work session at 9:10 p.m.

Pat DuVal, Recorder

MINUTES

MILWAUKIE CITY COUNCIL WORK SESSION MARCH 15, 2005

Mayor Bernard called the work session to order at 5:27 p.m. in the City Hall Council Chambers.

Council Present: Councilors Barnes, Collette, Loomis, and Stone.

Staff Present: City Manager Mike Swanson, Planning Director John Gessner, Community Services Director JoAnn Herrigel, Program Coordinator Jason Wachs, and Finance Director Stewart Taylor.

Clackamas River Water Update

Mr. Swanson said for a number of years there was a threat of a creation of a water authority, but the idea died a quiet death about six months ago. Clackamas County resurrected it a couple of months ago and set the boundaries with Clackamas River Water (CRW) as the authority. For the purposes of a city, the creation of an authority prevented the automatic absorption of that portion of a district upon annexation into a city. Milwaukie had a current agreement with CRW with a paragraph relating to annexation that provided upon annexation by the City of territory currently part of CRW, that the City would continue to bill, and the parties would discuss who could provide the best service. The automatic provisions of state law would not be used. The authority reversed, in a sense, what would happen.

Mr. Swanson and Mr. Firestone met with the CRW executive director and attorney to discuss the agreement. If CRW did become an authority, then there would have to be some sort of agreement. He reviewed the proposed memorandum of understanding drafted by Mr. Firestone. He believed this was a reasonable approach. CRW's concern mostly had to do with annexations from the other side of the District. Milwaukie and the District have had a good relationship over the years.

It was the consensus of Council to direct staff to discuss the proposed memo of understanding with CRW.

Milwaukie Projects Update

Ms. Herrigel reported that the Oregon Solutions group held its first meeting on February 18. There were representatives from state agencies, non-profit organizations, and the private sector. She saw a lot of enthusiasm around the table. She provided Council with the presentation she prepared for the initial Oregon Solutions meeting.

Milwaukie was incorporated in 1903, and Milwaukie celebrated its Centennial in 2003 with some of the activities held on the riverfront. A lot of people had never

been to the waterfront or had not been there for a long time and found it to be a very attractive spot with a lot of potential.

Lot Whitcomb who came to the Northwest from Illinois in mid-1800 founded the City. He named the town after Milwaukee, Wisconsin, which was a Native American word for “gathering of the waters.” The river was important to him, and it was important to us today.

Milwaukie had seven very active neighborhood associations and a population that stood ready to volunteer in planting trees, building fences, or helping with City events. Residents did not see barriers to getting things done even in the face of not having adequate funding.

Ms. Herrigel provided background on the Riverfront Plan. In 1999 – 2000, the City engaged its residents in a public input process to develop a Downtown and Riverfront Plan. Crandall Arambula was selected as the project consultants. Although it was not the first such effort in Milwaukie, it was the first effort that was successful in adopting the Plan into the Comprehensive Plan to guide development in the downtown area. The public area requirements guided development in the downtown specifically and addressed zoning requirements. The Riverfront Plan was less detailed at this point. In discussing the riverfront, Ms. Herrigel was specifically addressing the area between Johnson and Kellogg Creeks or roughly between Harrison and Washington Streets. In the Downtown Plan, the riverfront was basically an open space with paths, picnic tables, and benches. There was no boat ramp in this Plan, and she would address that later because there were people in Milwaukie who believed there should be a boat ramp in the City.

Since 1996, Milwaukie spent about \$2.5 million purchasing property between the two creeks and approximately \$100,000 to demolish several buildings. The two remaining buildings, the Antique Mall and Vic’s Tavern, would come down as part of the McLoughlin Boulevard Project in late spring or early summer. By the summer of 2005, Milwaukie would own all of the property between the creeks. That was a major milestone for Milwaukie.

Ms. Herrigel discussed the eight projects taking place. These were:

- Three Bridges Project
- North Main Village
- McLoughlin Boulevard Improvement Project
- ODOT Preservation Project
- Trolley Trail
- Kellogg Treatment Plant Decommissioning
- Transit Center
- Kellogg Lake

The North Main Village project was a public/private project between the City, which owned the property, and KemperCo, the developer. The project included six mixed-use buildings with 33 townhouses, 64 rental units, and 9,396 square feet retail space on the ground floor. This was the first project to be granted

transit oriented development (TOD) funds for bus transit rather than rail transit. Project construction should begin in May or June of 2005 and completed by June 2006. As part of that project, several blocks will receive the new street treatments called for in the Downtown Plan.

The Trolley Trail was a multi-use trail that followed the Portland Traction line from Jefferson Street to the City of Gladstone. The North Clackamas Parks and Recreation District (NCPRD) managed the project. The Trail would be 12-feet wide and generally asphalt with some concrete sections. There were two phases to the project -- final design and construction. Phase 1 would be 70% of the final engineering and construction of the first segment that ran from Jefferson Street to Courtney. Metropolitan Transportation Improvement Projects (MTIP) funding in the amount of \$1.4 million was secured for Phase 1. Phase 2 would complete the remaining 30% of the engineering and construct the final segment from Courtney to Gladstone. Phase 2 would cost about \$2.5 million and would likely begin in 2007 – 2008 at the earliest. She understood from the District that that phase of the project was cut from this round of MTIP funding.

The Three Bridges project spanned three major divides in the Springwater Trail at the Union Pacific Railroad, McLoughlin Boulevard, and Johnson Creek. This was a \$4.7 million project. Milwaukie would have a signature bridge that would serve as a landmark into the City rather than the Acropolis. The bridges were being constructed offsite, and she anticipated that clearing would begin late spring 2005. There would be some traffic closure on McLoughlin Boulevard during the evening hours.

Ms. Herrigel discussed the importance of the two trails to the riverfront. It tied the Trolley Trail from Jefferson Street to Gladstone. One could then go on street to meet the Three Bridges Project. One could go north to Umatilla Street in Portland, connect to the Eastside Esplanade, and go all the way to downtown Portland. Milwaukie's riverfront would be a very central location. There was a proposal for MTIP funding to look at a pedestrian/bike crossing over the Willamette River from Lake Oswego to Clackamas County that would connect with the Trolley Trail.

She reviewed the McLoughlin Boulevard Improvement Project that would improve safety and pedestrian access as well as beauty that section of the street in Milwaukie. She believed the project would draw a person's attention to the downtown and riverfront. The two buildings that obscured the view would be gone, and there would be bike lanes on both sides. There would be pedestrian crossings at Harrison, Jefferson, and Monroe, which were fully signalized intersections. The crosswalks would be a brick motif with trees on both sides of the boulevard. There would be a median strip at Monroe, and part of the project would include the beginning of a promenade at Monroe. The bricks from Vic's would be used as an entryway into the park. The total project cost was \$4.1 million, and construction was scheduled to begin late summer 2005. Construction would take about one year.

Ms. Herrigel discussed the ODOT preservation project, which was an enhancement project for McLoughlin Boulevard that would go south from Kellogg Lake to Naef Road. It was a two-mile strip that would be widened with bike lanes and sidewalks. This construction would not begin until 2007. This project would fund the redesign of the intersections at 22nd Avenue and River Road. The project cost was about \$5.2 million in state and federal highway funds.

Ms. Herrigel pointed out the bridge that went over Kellogg Creek where it entered the Willamette River. It was the restriction point between the McLoughlin Boulevard and the ODOT preservation project. It was not only a barrier to fish between the creek and river but also to pedestrians and bicyclists as they went north/south on McLoughlin Boulevard. Although people were considering its modification, there was nothing on the books saying it would be removed, widened, or enhanced in any way. She recommended keeping that project in mind for the future.

The Corps of Engineers worked with the City of Milwaukie on a feasibility study to enhance fish passage from the Willamette River to Kellogg Creek. There was currently a dam at the mouth with a fish ladder. Kellogg Lake itself was shallow and warm and was not conducive to fish habitat. The Section 206 funds, which the Corps had been using, were cut in 2004. The data had been collected, but there was no money to evaluate it. With Mr. Swanson's assistance, Congressman Blumenauer was able to get a 2005 earmark in the federal budget. It would cost about \$200,000 to evaluate the data already collected and put the options on paper for public review.

The Kellogg Treatment Plant was operated by Clackamas County Service District #1. In 2003, the three service districts in the County launched the wastewater treatment options study. Of the five options identified by the report, those districts supported the Clear Water Project that proposed decommissioning the Kellogg Plant and one other facility with consolidation at an expanded TriCity Plant in Oregon City. Those involved with the project felt the Clear Water Project best addressed growth, the aging infrastructure, environmental regulations in the future, and took advantage of financing and technical improvements now and into the future. This opened up the riverfront in Milwaukie, which was a very beautiful and natural section of the Willamette. After about three months of public involvement, the County Commissioners would consider an implementation plan in May 2005.

Ms. Herrigel discussed the Transit Center Relocation at Kellogg Lake. The Planning Commission and City Council recently forwarded a recommendation to TriMet and Metro to evaluate the relocation of the bus transit center to a site near Kellogg Lake. Currently, the bus mall was around City Hall. The Kellogg site needed further environmental assessment before anything could happen. She understood the environmental assessment could begin in 2005, but she did not anticipate any construction prior to 2006.

In summary, these eight projects meant about \$37.9 million in investment in Milwaukie between now and 2008. She provided each Council member with

project timelines and costs related to public investment in the riverfront/downtown area. By 2006, she expected to have an inkling of what would happen with the Kellogg Treatment Plant, Kellogg Dam, and the Transit Center. These were all reasons she and the Riverfront Board supported the Oregon Solutions Project as the next logical step. She discussed having Governor Kulongoski take the first swing when the two remaining McLoughlin Boulevard buildings were demolished.

The Riverfront Board was developing concepts for the public, and each member brought in their ideas to compare with the others. Common to all were stadium seating, natural areas near Johnson and Kellogg Creeks, and multi-use facilities such as half-court basketball and play structures. Dave Green, Mike Stacey, and Gill Williams took all of the plans to identify those commonalities. Mr. Williams, at his own expense, would prepare concepts from those ideas and bring them to the City Council prior to taking them to the public. She hoped for a final concept in September or October and then advertise for a final design consultant near the end of 2005.

There were two big points where the City needed funding. One was for the final design consultant, and the second was summer 2006 when construction would begin. Oregon Solutions brought state agencies with grant funds, private sector interests with the money, and the non-profits to the table to assemble the needed funding.

The group discussed putting this presentation on cable access. **Councilor Loomis** discussed the Oregon Solutions meeting and how impressed he was with the process and those who attended.

Volunteer Recognition Event

Mr. Wachs discussed the proposed event on April 19 during the City Council work session. His intent was to focus on those members of the Neighborhood Association leadership and appointed advisory boards and commissions. He estimated the cost would be about \$300.

Councilor Collette offered to develop a booklet or brochure that could also be on the website. It would be nice to give those who were interested in volunteering and to include in the economic development package. She volunteered to go to each meeting and take photographs of the groups.

Mayor Bernard adjourned the work session at 6:40 p.m.

Pat DuVal, Recorder

**CITY OF MILWAUKIE
CITY COUNCIL MEETING
MARCH 15, 2005**

CALL TO ORDER

Mayor Bernard called the 1954th meeting of the Milwaukie City Council to order at 7:00 p.m. in the City Hall Council Chambers. The following Councilors were present:

Council President Deborah Barnes	Joe Loomis
Carlotta Collette	Susan Stone

Staff present:

Mike Swanson, City Manager	Paul Shirey, Engineering Director
Dom Colletta, City Attorney	John Gessner, Planning Director
Stewart Taylor, Finance Director	

PLEDGE OF ALLEGIANCE

PROCLAMATIONS, COMMENDATIONS, SPECIAL REPORTS, AND AWARDS

Clackamas Fire District #1 Capt. Tony Vilhauer reported on the March 14 fire at 2516 SE Harrison Street. The fire went to three alarms, and there were about 70 firefighters at the scene. It took an hour to fully contain and control the fire. After interviewing multiple residents, the cause was as yet unknown. In major loss fires, it was extremely difficult to determine not only the point of origin but also the exact cause. Nine units were involved, and four of those were destroyed. Displaced residents were aided by the Red Cross. There were no civilian injuries, but one firefighter was injured as a result of a partial roof collapse. A sprinkler system would have put the fire out or contained it before major property loss occurred.

Councilor Barnes urged the public to send donations to the Red Cross for those families displaced by the fire.

Milwaukie High School Student of the Month

The City Council recognized Milwaukie High School Senior Kari Streicher as a wonderful example of a student who participated fully in her high school program and used her experience to prepare for college and a career. Ms. Streicher was an advanced Health Services student at the Schellenberg Center and had been on several medical rotations in the community including the Portland Pediatric

Clinic and Providence Milwaukie Hospital. She also volunteered countless hours as she prepared for a career in nursing.

Principal Aeylin Summers was very proud of Ms. Streicher and noted she was hoping to attend Concordia in the fall. She wished the Milwaukie High School Dance Team the best of luck at State.

CONSENT AGENDA

It was moved by Councilor Barnes and seconded by Councilor Collette to approve the Consent Agenda that consisted of the following:

- A. City Council Minutes of February 12 and 15 and March 1, 2005;
- B. Resolution No. 11-2005: A Resolution Transferring Appropriations Authority;
- C. Resolution No. 12-2005: A Resolution of the City Council of the City of Milwaukie, Oregon, for the purposes of budgeting for design, engineering, and construction of sidewalk and streetscape improvements; and
- D. Resolution No. 13-2005: A resolution of the City Council of the City of Milwaukie, Oregon, for the purposes of budgeting for project grants.

Motion passed unanimously. [5:0]

AUDIENCE PARTICIPATION

Roger Cornell read a letter to the City Council and City Manager into the record on behalf of the Historic Milwaukie Neighborhood District Association.

“On behalf of the Historic Milwaukie Neighborhood, I would like to thank Engineering Director Paul Shirey for his efforts to address the traffic issues in our neighborhood. After years of public testimony, City resolutions, Council directives, traffic studies, and paid consultants, work is finally beginning.

As part of the adopted Downtown and Riverfront Development Plan, City Council directed staff to develop a Downtown Parking and Traffic Management Plan to address the traffic impacts to the Historic Milwaukie neighborhood. Budget was allocated, consultants were hired, and a working group developed the Downtown Parking and Traffic Management Plan. This Plan has sat in draft form for a year until recently when Paul Shirey committed to get it adopted and implement mitigation measures.

Paul discovered an adopted 1997 Municipal Code that prohibits cut through truck traffic on Monroe and Lake Road and has notified the community as well as posting signage on the impacted streets. He recently met with the Historic Milwaukie Neighborhood and is in the process of developing a team to explore traffic calming measures. Budget has been approved and a number of options are under discussion for immediate implementation.

Again, thank you Paul for your willingness and commitment to address the livability issues in our neighborhood.”

PUBLIC HEARING

Stormwater Master Plan Adoption

Mayor Bernard called the public hearing to order at 7:12 p.m. The purpose of the hearing was to consider public comment on the proposed stormwater program and associated stormwater rates.

Staff Report: **Mr. Shirey** explained the Stormwater Master Plan and rate resolutions could be acted upon separately. The last Stormwater Master Plan was completed in 1997, and it provided the projections for the future in terms of how much the utility needed to spend to keep up with infrastructure investment. The stormwater utility was created about 10 years ago, and the infrastructure was a work in progress. The proposed Plan looked at completing that infrastructure to keep streets and properties flood free. Milwaukie was required to comply with the Clean Water Act and Safe Drinking Water Act, which added costs. At this time, the presentation would focus on the consultant's work and the recommendations.

Krista Reininga, URS Corporation. Ms. Reininga said the last Plan was done in 1997 by Clackamas County, and it only covered the part of Milwaukie that was in the Kellogg Creek Basin. In looking at it closely, there was a lot of guesswork in some areas, which made it a very rough study. The Capital Improvement Projects (CIP) that developed over time were based on problems observed by field personnel, so the projects were reactive. The physical information for Milwaukie's storm system was not available in 1997, but the City was currently working on gathering that data and storing it in a geographical information system (GIS).

The new Plan used hydrologic/hydraulic models to simulate flows in the pipe system using rainfall, land use, and future build-out conditions to determine where flooding problems might occur. Fifteen-inch diameter pipes and greater were modeled, but the Plan did not consider stream systems. It was focused on the piped drainage system and any open channels that acted as a pipe drainage system. GIS information was used as well as some survey work to fill in the gaps. They also looked at water quality and some habitat issues because the Endangered Species Act (ESA) affected Milwaukie. There was a task to conduct a stream survey of Spring Creek because it was wholly in Milwaukie, and change could be affected there. There was a school along the system, so it would be a great public education opportunity. URS did not look at ESA issues on Johnson or Kellogg Creeks because those were parts of larger watersheds. The results were considered under the terms of National Pollution Discharge Elimination System (NPDES), total maximum daily loads (TMDL), and Underground Injection Control Program (UIC) requirements all of which related to water quality.

Ms. Reininga pointed out the major drainage areas: Johnson Creek, Kellogg Creek, Willamette River, and the subsurface which was 188 drywells and 25 miles of storm pipes. The model was run for 10-, 25-, 50- and 100-year storms.

She addressed water quality requirements. The NPDES permits were required for the municipal stormwater system. It covered many things including public education, maintenance, and erosion control, and capital projects were one subset of the program. They wanted the City to look at its retrofits in terms of opportunities for addressing water quality impacts. Some of the requirements were becoming more stringent based on a recent lawsuit.

The next regulation had to do with TMDL. If data was collected from a stream that indicated water quality standards were violated, then it was put on a list at the Department of Environmental Quality (DEQ). DEQ would have to eventually develop a TMDL for it. Ms. Reininga discussed phosphorus levels and allocations among parties discharging phosphorus into a body of water. Milwaukie did not have TMDLs, but both Johnson Creek and the Willamette River were on the verge. Kellogg Creek was already on the TMDL list. Potentially, Milwaukie would be required to have capital projects that would address loads to those creeks as well.

The UIC program required best management practices to treat water before it went into the ground. The UIC requirements applied to a rather large area of Milwaukie that discharged into the ground through sumps. Those monitoring requirements were somewhat stringent with specific discharge rules including proximity to drinking water.

The ESA was the greater unknown because there were no specific requirements; however, an entity was liable if a species were harmed through water quality. There were endangered species in the Willamette River.

Flood control projects were developed for flooding issues, and they looked for opportunities to address water quality in conjunction with flood control projects. Ms. Reininga considered the flood control locations in respect to where the City would get the most for its money in terms of water quality. They looked at the most downstream portions of the system to treat the largest drainage areas. The result was 15 CIPs proposed at a total cost of about \$10.7 million. Eight of those projects were almost strictly for flood control; however, with every project, there was an opportunity to look at water quality. One could think about handling increased flows in swale-like channels in a parkway. The Master Plan stated that water quality would be considered during the design phases of those projects.

Two of the CIPs were identified just to handle the flows resulting from the decommissioning of dry wells as specified by UIC rules. Two projects were for flood control and located at the downstream ends of outfalls. Those looked like good opportunities for water quality treatment devices such as underground structural controls to filter the water before it went into the receiving water. Two of the flood control projects were adjacent to parks or open fields where there could be a surface facility to provide aesthetics and enhance habitat. They also put in additional funding to act as a safety net for two additional water quality projects to address TMDL allocations. Two of the 15 projects were not confirmed with observations in the field, and modeling indicated the flooding problems were

not significant. Maintenance would be watching those during future storms to determine whether or not those projects were needed.

The CIPs were prioritized for implementation. The top projects addressed UIC requirements because it appeared the drywells would have to be decommissioned in 10 years. The second tier projects were those where flooding problems had been observed.

Correspondence: None.

Public Comment: None.

Questions of Council: **Councilor Collette** discussed the first priority projects and the Brookside project and asked if there was a way to retrofit the stormwater pipe in with this summer's sidewalk project on 42nd Avenue.

Mr. Shirey replied that there was.

Councilor Stone asked how that factored in doing the work to improve the stormwater drainage, and was it more economical to do it in conjunction with the sidewalk project?

Mr. Shirey said a little would be saved because if the stormwater project were done on its own, then the trench would have to be paved. In this case, resurfacing was being paid for by the street project, so it did help.

Councilor Stone read through the material and the Stormwater Master Plan and understood those things needed to be done. She asked if the City was looking at it in terms of future stormwater management practices or was this it?

Mr. Shirey said the City would take advantage of research or actual implementation of stormwater management techniques that were not so structural. It was difficult to manage stormwater and flooding in the retrofit situation that Milwaukie was facing. He thought there were opportunities for innovative approaches such as building streets without curbs. This was called the green street approach and incorporated swales to enhance water quality. The challenge of the green street treatment was the substantial amount of right-of-way needed to build the street, sidewalk, and a swale wide enough to collect and manage the stormwater. It was already a challenge to meet street standards when doing retrofit projects in established areas. That was not to say the City would not do those things, but this Plan was focused on the pipe system to meet stormwater requirements. Future innovations should be considered, and some of the CIPs may be replaced. He did not know if it would be less costly.

Councilor Collette suggested it might be more sustainable over time and require less maintenance.

Councilor Stone liked the idea of looking at something more sustainable over time if it was doable within the constraints of the right-of-way.

Mayor Bernard commented that the North Main Village Development had a green stormwater treatment facility funded by Metro.

Councilor Collette understood that by adopting the Master Plan the City would not be locked into those 15 projects if it found better, cheaper, and more innovative ways to address those priorities.

Mr. Shirey said, if the Council directed staff to look at doing the projects more sustainably than simply putting a pipe in the ground, then staff would report on the opportunities and their associated costs. The department may not have time to do that on the Brookside project and others that were at the top of the list. The Master Plan did provide a roadmap to the coming years but did not necessarily lock the City into a solution.

Mayor Bernard understood the Master Plan would be reviewed in five years. He closed the public hearing portion of the testimony at 7:35 p.m.

It was moved by Councilor Stone and seconded by Councilor Collette to adopt the resolution adopting the Milwaukie Stormwater Master Plan. Motion passed unanimously. [5:0]

RESOLUTION NO. 14-2005:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, ADOPTING A STORMWATER MASTER PLAN.

Stormwater Rate Adoption

Mayor Bernard called the stormwater rate hearing to order at 7:40 p.m. The purpose of the hearing was to consider public comment on the proposed stormwater rates.

Staff Report: **Mr. Shirey** introduced John Ghilarducci, Financial Consulting Solutions Group (FCSG), Associate Engineer Brenda Schleining, and Operations Supervisor Jack Perry. He and Mr. Perry received many phone calls, and he did not like imposing additional costs on those already challenged with rising costs in almost every facet of their lives. However, the City was at a point at which it had to comply with the requirements or taking the risk of not complying. He brought an expert to discuss those risks later in the presentation. Milwaukie needed to spend capital dollars to take drywells out of commission and replace them with pipes, and that was expensive. The City needed to inspect and clean the existing drywells on a more consistent basis, and that required a new two-person team in the stormwater operations group. There were both capital and operating costs involved. Mr. Shirey indicated he was open to suggestions and alternatives.

At this time, staff recommended a rate increase that would allow the City to pay for the capital and operating requirements. It changed the rate for a single-family home from \$6 per month to \$15 per month over a five-year period. The Council indicated in a work session last fall that it supported the pay-as-you-go method that loaded the cost more on the front end. That was a policy decision, and that was staff's recommendation.

Mr. Ghilarducci discussed the background, key assumptions, and the results of the study. The task plan included looking at both stormwater rates and stormwater system development charges (SDC). There were certain core principles in all rate studies. The utility had to be self-sufficient with the rates and charges being based on the cost of providing utility service and was the basic means for recovering costs. There was also a clear distinction between operating needs and capital requirements and how those were funded. If existing resources were not enough to meet the operating, capital, and policy needs, then there were only two options. Those options were to either increase rates or reduce costs. When one looked at the needs from rates, three things were considered: capital costs, operating costs, and policy requirements, which together equaled the full cost of service.

For operating costs, the available resources were rates and miscellaneous fees. For capital costs, there were stormwater rates, SDCs, debt proceeds, grants, and developer contributions. The current rate in Milwaukie per equivalent service unit (ESU) was \$6. One ESU was equivalent to 2,706 square feet of impervious surface area. All single-family residences were charged for one ESU. Others were charged a number of ESUs based upon the measured impervious surface area. The current SDC was \$473 per ESU and was paid at the time of development. SDCs were a means for growth to pay for its share of capital facilities. Milwaukie's budget SDC revenue was \$14,000, so it was not a very significant funding source.

Mr. Ghilarducci reviewed the current status of the utility. It showed an operating deficiency of about \$40,000 before any capital construction needs were addressed. Those projects were \$1.7 million. There was some SDC revenue; however, it fell far short of capital construction needs. The numbers clearly indicated the need for a rate increase.

Key assumptions were the addition of two FTE for a total of about \$150,000 including fringe benefits in FY 2005 – 2006. Those employees would begin to address maintenance requirements and specifically the UICs. Operation and maintenance costs were added in the last year of project construction. Customer growth was projected at slightly more than 1% annually.

Mr. Ghilarducci discussed four revenue requirement scenarios that had to do with the speed at which the City addressed the needed capital improvements. Two considered 12-year project construction schedules. One was based on no debt and the second with debt issued. The other two schedules were 21-years with no debt and with debt. The 12-year scenario was about \$1 million in projects annually, and the 21-year scenario was about \$500,000. At this time, staff could handle one major project annually at the \$500,000 level. He reviewed the rates related to those four scenarios. One of the benefits of debt was that the repayment of those capital costs was spread over a 20-year period. The increases would be smoother; however, they would be in place for a much longer period of time. Then, presumably, the rates would go back down. The proposed scenario was 21-years with no debt and would require an increase to \$9.13 in 2005 – 2006 with steady increases up to \$15.05 in 2009 – 2010. The fourth

scenario, 21-years with debt, kept the rates under \$10 to 2009 – 2010. He reviewed a graph and the project costs in certain years.

While the Council was not being asked to make any changes to the SDCs, Mr. Ghilarducci provided information based on projected capital needs. The amount per ESU was estimated to be \$1,177, and the current SDC was \$473 per ESU. He provided a chart comparing SDCs and rates with other cities in the region.

Councilor Collette asked what happened after 2010 in the 21-year rate calculations.

Mr. Ghilarducci said in the no debt scenario, rates stayed at the \$15 level. In the debt scenario, the City would have to continue to issue debt as it addressed new projects, and rate increases would continue to increase gradually over time.

Councilor Collette understood then that it was assumed that these 15 projects were all that needed to be done over the next 21 years.

Councilor Barnes asked the current average bill for stormwater for Milwaukie residents.

Mr. Ghilarducci replied that the stormwater fee was \$6 per month for single-family residences.

Councilor Barnes said the bills were for two months.

Mr. Shirey explained the City sent bills every two months, so people found it confusing.

Councilor Barnes asked why some people were charged more than others in Milwaukie. Some people had more than \$12 on their monthly bills for stormwater, and it was not sewer or water. Two people told her they had higher rates. For the records, everyone had the same amount charged to them for stormwater for residential service. She thought there was some confusion over sewer, stormwater, and sewer. Frankly, most people got a bill for two months, and they saw the set amount. There was a panic feeling that there would be another \$30 on their bills. Will the City come back and ask more for water? How far did this go? Something needed to be done to help people understand the breakdown. What the Council was discussing tonight had to do with stormwater and did not have to do with sewer service. She asked for an explanation for sewer versus storm.

Mr. Shirey planned to create a brochure that explained what would happen starting July 1. He noted that the City was also in its second year for increases in water and wastewater. He would explain in common terms what people were paying for. Obviously, for water, it was turning on the tap. For wastewater, it was what went down the drain or when someone flushed the toilet. For stormwater, it was rainwater moving from a person's house or yard to the street. Some people have argued that they did not have a stormwater drain in front of their house, so why were they paying this. It was for the common good to keep the streets flood-free. Streets with curbs collected water that had to go somewhere. To the extent one drove a car or used the street system, one was

paying for that overall community benefit. He thought the brochure would help answer those questions. The challenge was that there was a different way to meter the cost. For water, there was a meter that said how many units were consumed. With wastewater, there was no meter, so a volume-based system was implemented. With stormwater, the common unit was the ESU, which was the same for everyone.

Councilor Barnes referred to the comparative monthly rates. Under that scenario, in two years Milwaukie would be at \$9.13, which was right under Portland. By 2006 – 2007, Milwaukie would be at \$11.75. By the end of the scenario, the rate would be \$15.05. Why was Milwaukie so much higher than everyone else?

Mr. Ghilarducci did not believe Milwaukie was actually that much higher. It was actually a function of the timing of this list. If one looked at the Puget Sound area, on a list like this there were six or seven communities already well over \$10 per month. He thought it would only be a year or two before one saw these rates going up similar to Milwaukie's projections. He thought Milwaukie was a little ahead of some of the cities in addressing its needs.

Mayor Bernard noted that Wilsonville was a growing community that did not have wells or could make adjustments for new environmental demands coming down from the federal government. If one looked at the entire list, it was true of all of them.

Mr. Shirey added Milwaukie only started building its system about 10 years ago, so the City was in that intensive capital expenditure side. In areas with new development, SDC charges were helping defray the costs.

Councilor Loomis commented that one did not know under what scenario these cities established their rates.

Councilor Collette agreed it was possible that some of these were debt financed, so the rates appeared lower. Milwaukie was saying it was going to buy a house by paying cash and did not wish to debt finance. That did put a heavier burden on the current ratepayers to come up with the funding. Was the City not creating a bigger problem by paving more streets and widening them to include bike paths and curbs? Would impermeable surfaces not, in fact, compound the problem?

Mr. Shirey explained that every street with a curb was a water collection device, so the water needed to be managed. It was an interesting philosophical question. There were standards adopted for streets that perhaps had unintended consequence of stormwater. Now the stormwater had to be treated to meet a relatively high standard of cleanliness. This was a subject of a lot of debate, and there was a shift in thinking about building streets with curbs. People were looking at green street approaches. On the other hand, curbs represent safety. There was the land intensive nature of a green street, and the City would have to grapple with those issues.

Councilor Collette referred to Exhibit A and the 50% low-income discount. She asked how that would be set.

Mr. Swanson believed it was tied to the family income as defined by the federal government and adjusted annually.

Councilor Collette hoped when complaints did come in that the low-income process was explained. This was a serious rate increase and would affect many households. Exhibit A also addressed on-site mitigation reduction factors and credits for removing downspouts. She asked if there were currently commercial/industrial credits.

Mr. Shirey replied that there were. It was his intent to amend the code to include a downspout disconnect program similar to Portland. The individual would still have to pay a discounted stormwater fee. Typically commercial/industrial customers had enough land to install devices that reduced the contribution to the system, so they received a credit. Single-family homes generally did not have enough land to manage runoff, so everyone had to pay. He agreed those who contributed less by disconnecting their downspouts should receive a credit.

Councilor Stone referred to the wide range of SDCs in the chart Mr. Ghilarducci provided. She asked how long Milwaukie's had been at \$473 and was it feasible to think about increasing that amount to gain some revenue to offset capital improvements.

Mayor Bernard noted that Milwaukie got \$14,000 from stormwater SDCs, so the increase would have to be quite large.

Mr. Ghilarducci explained growth in Milwaukie was not substantial, and SDCs would not be a major source to address capital project funding needs.

Councilor Stone asked if there were grants to help fund some of the CIPs.

Mr. Ghilarducci did not assume any grant or special loan funding into the analysis. Those were competitive, and the City might or might not be successful in its applications. He would always recommend that the City pursue grants.

Mayor Bernard understood the City received grants for Johnson Creek Boulevard.

Mr. Shirey said that was correct, but it was part of a street project. He understood there was a special public works fund at the state that had money available to communities for this purpose. He confirmed that the City would pursue grants.

Councilor Stone referred to the fee schedule and debt. She asked if the 12 and 21 years were for construction.

Mr. Ghilarducci said that was correct. That was the number of years it would take to construct the entire list.

Councilor Stone understood that staff could handle one major project per year at the \$500,000 level.

Mr. Shirey explained that the City had the internal capacity to handle about \$2 million in projects annually, which was \$500,000 for each utility. To do more than that, the department would have to increase staff or hire more consultants.

Councilor Stone understood there were 15 projects on the list.

Mr. Shirey said the list was made up of 15 projects that were broken down into manageable segments.

Councilor Stone thought that even with two FTEs that it would be difficult to get everything done.

Mr. Shirey explained operations and maintenance were separate. The two FTE were added to the stormwater crew to do the inspections and cleaning required for the UICs.

Councilor Stone understood additional staff was needed to get this going. Completed projects would be many years down the road, and she asked why the rates were so high. She asked if it was feasible to take a pay-as-you-go approach.

Mr. Shirey explained the City had a track record of being able to do a certain amount of capital projects in one year. So he figured it would take 21 years to do \$10 million in projects.

Mr. Swanson referred to the question about the low-income utility program. Milwaukie Municipal Code Section 13.20.060 required that the City Council establish by resolution the minimum income level, which was tied to a federal standard that changed annually. The actual income level right now was \$23,750 for one person living alone, and \$27,150 for more than one person living in a residence.

Councilor Loomis asked for a breakdown on the 21-year with debt scenario.

Mr. Ghilarducci said instead of a rate increase to fully fund the \$500,000 annually for projects, the City would issue debt. The rates would be increased gradually to pay that debt service. The City would be paying for 20 years for everything that was financed. The curve would go up for that full 21 years, and as the City started to pay things off, the curve would go down. In the no-debt scenario, the City would reach a certain level at which it was generating the cash it needed to fund \$500,000 in projects annually. At the end of 21 years the rates would drop back down assuming there were no further projects.

Councilor Loomis understood that the projects were the same, but the difference was in the funding method.

Mr. Ghilarducci replied that construction schedule was the same.

Councilor Collette asked how much the debt would cost versus paying cash.

Mr. Ghilarducci assumed the terms, but he had not added up the payments. He assumed 20-year debt at 6% or less. The coverage was 1.25, which was important consideration in terms of revenue bonds. He would provide information on the total payments.

Councilor Stone asked if the City Council had to adopt fees pending additional information from the consultant on debt financing.

Mr. Shirey recommended that the City Council take action so that new rates could go into effect on July 1.

Amy Connors, HDR Corp., provided regulatory background information. Ms Connors dealt with regulatory compliance issues for about 8 years and worked with the City on addressing the DEQ regulations. The Safe Drinking Water Act was enacted in 1974. In 1984, the Environmental Protection Agency (EPA) gave the Department of Environmental Quality (DEQ) primacy to enact the Safe Drinking Water Act in the State of Oregon. At that time, there were provisions that related to injection wells or UICs. In 1994, the Sierra Club sued the EPA for the inadequacies of these protections. Out of that came the regulations related to the UICs. DEQ then revised the Oregon statutes related to protection of drinking water sources. Those rules were completed in 2001. Out of those 2001 OARs came requirements related to the management, monitoring, and inspection of these dry wells.

She discussed municipal systems. These were drywells that were in areas that had less than 1,000 average daily trips and those with more than 1,000 trips. For those areas with 1,000 or above, there were requirements for the operations and cleaning. Those were monthly visual inspections, cleaning every six months, and monitoring of the drywells at least two times in the first year and annually thereafter. About 56 of the City's 188 drywells were located in those traffic areas. The associated cleaning and monitoring requirements were all part of that. DEQ could choose to take enforcement actions if the conditions were not met. Additionally, there were also requirements that allowed for rule authorization. As opposed to going for permits for all of these facilities, drywells may not be allowed within a two year time of travel of drinking water wells. The 15 wells that were proposed for decommissioning were within that time of travel.

The Safe Drinking Water Act had a provision for third party lawsuits, and class action suits have been enacted on behalf of individuals suing municipalities under that provision. Typically, EPA and DEQ have been sued for failure to implement the programs. That often resulted in consent decrees from the courts that required the program revisions and enforcement. DEQ enforcement actions were varied. It looked at the alleged violations, the history, degree of negligence, and economic benefit to the party for noncompliance. Review of enforcement actions have resulted in fines from \$250 to \$9,000 per incident. An incident in this case would be a discharge to a drywell or failure to clean under the provisions.

Public Testimony

Juli Howard, 9705 SE 37th Avenue. Ms. Howard was shocked when she got the notice of the proposed rate increase. In 2009 – 2010, it was 2-1/2 times what was currently paid today. Tonight she heard a lot of information as to why that needed to happen. She called 10 different municipalities to find out how much they were charging, and those numbers were covered in the presentation. A

couple of cities told her they were not anticipating any increases. Three different municipalities actually offered exemptions or discounts to individuals who had drywells. She owned a home in Milwaukie for a little over 10 years. In 1998, she added 1,200 square feet to her house, and the City required her to sink a drywell to contain runoff. She lived on an unimproved street that would probably never be improved. The limited traffic was one of the reasons they decided to stay and add on to their home. The proposed rates would be a huge burden for a lot of people, and she thought it would be fair to give people with drywells some kind of discount. It cost Ms. Howard about \$900 to install the drywell. When she got the permit for the addition, she asked why stormwater fees had to be paid. She was told it was to drive in the City as Mr. Shirey indicated. She believed she should get some discount for containing her own stormwater. Ms. Howard worked for the City and sometimes filled in at the front desk. There were a lot of complaints about rates, but people did not come to the hearings to testify. Staff would get the aftermath once customers were billed. The City did have a low-income program, but there were people that did not meet the criteria. She thought the \$18 dollars she would be billed in July was a lot of money. The City of Gladstone, for example, did not charge any stormwater fees. She hoped the City Council would consider offering a discount to those with drywells on their properties.

Mayor Bernard closed the public hearing at 8:30 p.m.

Councilor Collette was very concerned about the rate increase. She was not on a fixed income or low income, and it looked like a big deal to her. She could imagine how it might feel for people facing a lot of other bills. She recommended that the City consider debt financing rather than paying cash out of hand. That was the way most cities would operate. She understood the City Council made a decision last fall. She did not wish to vote against the increase because she understood the importance of the work. She hoped the Council would take the time to reinvestigate debt financing.

A member of the audience asked if he could speak. Mr. Colletta recommended re-opening the hearing so all of the public comments could be taken into consideration during Council deliberations.

Mayor Bernard reopened the hearing at 8:32 p.m.

Walter Stark was a 35-year resident. Mr. Stark thought there should be a long-term thing to bring the prices down. Everyone knew in the past few years there were a lot of increases. This money would not be worth as much money down the road as it was now. It was difficult for a retired person to make ends meet. Maybe he did not fall into the low-income category, but he would like to be independent for the rest of his life. It was getting worse every year.

Mayor Bernard closed the public testimony portion of the hearing at 8:34 pm.

Councilor Loomis agreed with Councilor Collette that the Council needed to look at the 21-year with debt scenario. He also agreed with Ms. Howard, and he had talked with other citizens about drywell discounts because the City required

them. He did not wish to increase the rates at all, but he understood the need. He could not support the proposed no-debt scenario, but he could support the 21-year with debt option.

Councilor Stone wanted to see discounts for those who disconnected their downspouts and managed water on their properties. She would like to see the information on the scenario with debt and hold off on making the decision until that time.

Councilor Barnes called Mr. Shirey on a regular basis. She felt every time it came to making this type of decision, she pictured a 75-year old couple sitting at home and hearing that their rates were being raised again. This was the key issue for her. As ex-Councilor Lancaster told her, these things still needed to be fixed. She agreed with Councilor Loomis that this hurt badly for those in the community who were on fixed incomes and older. She did not recall why the decision was made last fall to go with the 21-year no-debt scenario. She did not mind going forward with 21-year debt option. It did not sound like the City had any more time to play with this issue because the Feds were knocking on the door to get these things fixed. It was time to make a decision.

Mayor Bernard agreed. This increase was nothing compared health care costs. He hated to put debt on others, but he had to agree that the 21-year debt scenario looked better. He agreed with Ms. Howard's comments about drywell. He understood she had to install a drywell because she lived on a street that did not have storm drainage.

Councilor Collette assumed that at one time Mr. Swanson looked at the debt option.

Mr. Swanson explained it was presented at a September Council work session. At the time, there was some disagreement but there was a sense that the City should not incur debt. That would be the ideal in an ideal world. With debt, the annual costs could be controlled, and the impact on the ratepayers would be reduced. The total outlay would be more, however. He thought the intentions were good in September. As long as the revenues held steady, he did not see any difficulty.

Councilor Stone asked if this resolution should reflect discounts for drywells and disconnected downspouts.

Mr. Swanson replied that could be adjusted later. There was some time sensitivity, so the Council could enact the resolution and adjust it in a month or so.

Mr. Shirey said the recommendation was for this rate increase to go into effect on July 1. If the Council approved the rate based on the 21-year debt scenario, then that would be the rate in effect. He had a concern about the change in rules for drywells on private property. If they were close to drinking water wells, then they were not legal. He would look into that issue and the downspout disconnect program in Portland.

Mayor Bernard thought Milwaukie should consider those programs as well, but how did one police them.

Mr. Shirey thought perhaps the meter readers could check the downspouts.

Councilor Collette understood that some downspouts could not be disconnected because it would run too much water near the foundations.

Mr. Shirey believed there were specifications, and he would gather more information.

Councilor Loomis understood the direction was for Mr. Shirey to research the issues and provide the Council with information. He thought Portland's issue had to do with the combined system issues.

Councilor Stone thought Councilor Barnes brought up a good point about being out of compliance. The rates would not go into effect until July 1, and she asked if that changed things.

Mr. Shirey said the agencies would look at the City's intent to meet the requirements of the law.

It was moved by Mayor Bernard to adopt new stormwater fees based on the 21-year with debt option.

Mr. Colletta asked if the rates as listed in the schedule were estimates only or if they would suffice for adoption.

Mr. Ghilarducci said those were calculated on the best current information available.

Councilor Collette seconded the motion to adopt new stormwater fees based on the 21-year with debt option. Motion passed unanimously. [5:0]

RESOLUTION NO. 15-2005:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MLWAUKIE, OREGON, ADOPTING NEW STORMWATER FEES AND CHARGES AS PROVIDED BY MILWAUKIE MUNICIPAL CODE CHAPTER 13.14 AND 13.20; CLASSIFYING THE FEES IMPOSED BY THIS RESOLUTION AS NOT SUBJECT TO ARTICLE XI, SECTION 11(B) OF THE OREGON CONSTITUTION, AND REPEALING RESOLUTION NO. 9-2000.

OTHER BUSINESS

Advisory Board Appointments

Mayor Bernard, with the consent of Council, appointed Joan Rowe to the Center/Community Advisory Board, Catherine Brinkman to the Planning Commission, and Julie Wisner to the Public Safety Advisory Committee. He also extended the appointments of David Aschenbrenner, Leslie Schockner, and Mike Miller to the Budget Committee; Molly Hanthorn to the Center/Community Advisory Board; Patty Wisner to the Design and Landmarks Committee; Sherri Dow and Ray Harris to the Park and Recreation Board; and Dick Newman to the

Planning Commission. All of those interested in re-appointment would be interviewed.

Goal 5 Update – Fish and Wildlife Habitat Protection

Jack Hoffman, Metro Policy Advisory Committee (MAPC) Chair and Lake Oswego Councilor and Malu Wilkinson, Metro Planner. Mr. Hoffman said the Metro Council was considering an ordinance that required cities and counties to take certain steps to protect fish and wildlife habitat. MPAC would consider the proposal on March 23 and accept input from the jurisdictions in the Metro region. The Council was scheduled to take action on the ordinance on May 19.

He provided maps and explained the 7-section program. The purpose of the program was to conserve, protect, and restore the continuous ecological streams. Metro was charged by its charter and statute to manage issues of regional concern including the lakes and creeks. Over a 2 to 3 year period, Metro mapped the entire region and identified areas of regional concern. The inventory map identified Class 1 and 2 riparian areas and upland areas. Metro decided to regulate on the critical streams, which for the most part were already regulated by the City's Title 3 ordinance. Milwaukie would probably find by overlaying the Goal 5 and Title 3 maps that it was already regulating 60 – 85%.

Metro identified three types of areas: high habitat and high conservation areas, medium conservation areas, and low conservation areas. Ms. Wilkinson said an area's being in a town center and regional center modified certain elements. Metro sought an economic and environmental balance. Existing backyards were exempted.

Mr. Hoffman said a property owner could do as he wished close to the habitat area as long as a grading or building permit was not required. An addition, for example, could invoke some of the regulations.

Mayor Bernard commented that the Willamette Greenway and other overlays would address many issues.

Mr. Hoffman said there was a mechanism in the proposed Functional Plan so a homeowner could work with the City to verify the map. Jurisdictions may adopt the Metro Model Ordinance and Map or determine if it substantially complied with their Comprehensive Plans and Maps.

Mr. Gessner said the City of Milwaukie reviewed the maps as part of Goal 5, but he had some site-specific concerns. He wanted to look specifically at the process as to how the City or individual property owners could verify and/or amend the map.

Ms. Wilkinson said Metro did not want to say that the entire habitat was not regionally significant; however, the focus of the regulatory component was narrowed. A portion of the Functional Plan would be non-regulatory and encouraged incentives. The Metro Council also committed to putting a bond measure on the November 2006 ballot that would appropriate a local share to focus on the upland areas not covered under the regulations. This was being put forward as portion of a Nature in the Neighborhoods Program. Only a portion of

it focused on the Functional Plan, and the rest of it focused on incentives and changing the way things were developed across the region. She was pleased to hear during the stormwater presentation that the Milwaukie Council was interested in innovative approaches.

Mr. Hoffman added that Metro was sensitive to Measure 37 issues. Cities needed to have the ability to handle or minimize claims or allow a variance process of some kind. Metro did not intend to increase demands on the cities.

Mayor Bernard heard a lot of the concerns about regulations, and he believed this was a much better process.

Mr. Hoffman discussed habitat-friendly development practices such as clustering and reducing setbacks to save the streams.

Ms. Wilkinson discussed the implementation timeline, which was two years from the time the Metro program was acknowledged by DLCD.

Mr. Gessner believed the City would find that most of Title 3 covered quite a few areas subject to the upland habitat section. Staff might be able to do that.

Mr. Hoffman heard comments about staffing issues in many jurisdictions.

Ms. Wilkinson said the Metro Council discussed that issue in a work session and wanted to remind jurisdictions that it had a history of providing extensions. It was also very interested in providing technical assistance. She discussed building upon Title 3 and the efforts to avoid, minimize, and mitigate in those sensitive areas. The proposal was to apply the same Title 3 standard to the high conservation areas, which resulted in laterally expanding the Title 3 area. The medium conservation areas would be minimized and mitigated, and the low conservation areas would be mitigated. The Functional Plan would provide the discretionary framework and create a model code that would comply with the Goal 5 rule.

Mayor Bernard announced that the Council would meet in executive session pursuant to ORS 192.660(2) (f) – exempt public records immediately following adjournment of the regular session.

It was moved by Councilor Barnes and seconded by Councilor Stone to adjourn the meeting. Motion passed unanimously. [5:0]

Mayor Bernard adjourned the regular session at 9:15 p.m.

Pat DuVal, Recorder



To: Mayor Bernard and Milwaukie City Council
Through: Mike Swanson, City Manager
From: Larry R. Kanzler, Chief of Police
Date: March 14, 2005
Subject: **O.L.C.C. Application – River Road House – 11921 S.E. 22nd Avenue**

Action Requested:

It is respectfully requested the Council approve the O.L.C.C. Application To Obtain A Liquor License from River Road House – 11921 S.E. 22nd Avenue.

Background:

We have conducted a background investigation and find no reason to deny the request for liquor license.



To: Mayor and City Council

Through: Mike Swanson, City Manager
JoAnn Herrigel, Community Services Director

From: Jason Wachs, Program Coordinator

Subject: Resolution to apply for Local Government Grant for Lewelling Community Park

Date: March 28, 2005

Action Requested

Approve a resolution authorizing the City of Milwaukie to apply for a local Government grant from the Oregon Parks and Recreation Department for the development of Lewelling Community Park and authorizing the City Manager to sign the application.

Background

The Oregon Parks and Recreation Department offers funding assistance from their Local Government Grant Program every biennium. The program uses lottery dollars to fund land acquisitions, development and rehabilitation projects for park and recreation areas and facilities. This program provides up to 50 percent funding assistance for eligible projects. Eligible projects can receive between \$25,000 and \$250,000. Site purchase costs are eligible as the City's match under this grant program.

Applications for this grant program are due May 15th. A resolution authorizing the application for funds is a requirement of the application process.

In 2001 the final land use actions for Lewelling Community Park were approved by the Planning Commission and City Council. The project is now fully designed and ready to develop as soon as funding is identified.

If received the park's amenities would include two play structures, a wetland area, walking path, a wooden boardwalk, a covered area for picnicking, a horseshoe game area, and a basketball hoop. The grant would also be used to complete all of the necessary landscaping and grading as well as the installation of an irrigation system.

Concurrence

Community Services has reviewed this proposal with Lewelling NDA leadership and the Planning Department. As details of the application are fleshed out, engineering and permitting staff will be asked to review the application as well.

Fiscal Impact

The amount that the City spent on land purchase for this site in March of 1999 will be the 50% match for this project along with some predevelopment costs and volunteer contributions from the neighborhood. No negative fiscal impact is expected.

Work Load Impacts

Community Services staff will develop the application and coordinate the development if the City's application is approved. Lewelling NDA leaders and Park Committee members will continue to play a major role in coordinating the development of this park through volunteer labor and technical assistance. Some time may also be required of public works staff to review plans for site prep and landscape installation.

Alternatives

Do not approve the resolution, prohibiting staff from submitting a grant for this project.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON AUTHORIZING THE CITY OF MILWAUKIE TO APPLY FOR A LOCAL GOVERNMENT GRANT FROM THE OREGON PARKS AND RECREATION DEPARTMENT FOR THE DEVELOPMENT OF LEWELLING COMMUNITY PARK AND AUTHORIZING THE CITY MANAGER TO SIGN THE APPLICATION.

WHEREAS, the Oregon Parks and Recreation Department is accepting applications for the Local Government Grant Program; and

WHEREAS, the City of Milwaukie desires to participate in this grant program to the greatest extent possible as a means of providing needed park and recreation improvements and enhancements; and

WHEREAS, the City Council of the City of Milwaukie has identified neighborhood park improvements at the Lewelling Community Park, 9781 SE Stanley Avenue, as a high priority needed in the City of Milwaukie; and

WHEREAS, development of a neighborhood park at Lewelling Community Park site, 9781 SE Stanley Avenue will include ADA accessible walkways and sitting areas along with development of landscaping, play areas, roadways, wetland features and other elements of the park design plan; and

WHEREAS, the applicant hereby certifies that the matching share of this application is readily available at this time; and

NOW, THEREFORE, BE IT RESOLVED that the City of Milwaukie is authorized to apply for a local government grant from the Oregon Parks and Recreation Department for the development of Lewelling Community Park and the City Manager is authorized to sign the application.

Introduced and adopted by the City Council of the City of Milwaukie, Oregon, this 5th of April, 2005.

This resolution is effective on April 5, 2005.

James Bernard, Mayor

ATTEST:

APPROVED AS TO FORM:
Ramis, Crew, Corrigan & Bachrach, LLP

Pat DuVal, City Recorder

City Attorney



To: Mayor and City Council

Through: Mike Swanson, City Manager

From: JoAnn Herrigel, Community Services Director

Subject: Waste Collection Franchise Extension

Date: March 10, 2005

Action Requested

Approve a resolution extending the current franchises of the seven franchised garbage haulers for a six-month period, ending October 31, 2005.

Background

Staff has been meeting with the representative for the garbage haulers on a regular basis since the summer of 2003 to discuss a new franchise agreement for waste collection services. We have reached agreement on the major issues of the franchise and staff is confident that a final draft will be completed this spring. Unfortunately, an extension to the garbage franchises that Council approved in October of 2004 will expire on April 30, 2005. Staff requests that Council approve another six-month extension so that staff can conclude negotiations with the haulers and develop administrative rules to guide waste management in the City. These final products would be submitted to council for review and approval before October 31, 2006.

Concurrence

The City Attorney, the City Manager and the haulers support the extension of this franchise to allow negotiations to be completed.

Fiscal Impact

No fiscal impact will result from this extension. Existing franchise obligations remain in tact as a result of this action.

Work Load Impacts

No work load impact will result from this action.

Alternatives

- Approve the extension.
- Deny the extension.

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE
EXTENDING THE CURRENT FRANCHISES OF THE SEVEN FRANCHISED
GARBAGE HAULERS FOR A SIX MONTH PERIOD.**

WHEREAS, on May 3, 1994, the City Council adopted resolution No. 11-1994 that authorized the City to grant exclusive franchises to the following seven garbage haulers:

Clackamas Garbage Co. Inc.
Deines Brothers Sanitary Service
Mel Deines Sanitary Service, Inc.
Oak Grove Disposal Co.
Pearl Deines Disposal Co.
Waste Management of Oregon, Inc.
Wichita Sanitary Service; and,

WHEREAS, these are the same companies currently providing service to Milwaukie garbage customers; and

WHEREAS, on October 5, 2004 the City Council extended the garbage franchises for all seven companies for a six month period to provide staff additional time to negotiate the franchises

WHEREAS that extension will lapse on April 30, 2005.

WHEREAS, the City and the garbage haulers will require additional time to conclude franchise negotiations, and therefore provision must be made for an extension of the agreement to govern for a reasonable period following the expiration of the franchise agreement that would allow the completion of the negotiation process and the execution of a new agreement; now, therefore;

THE CITY OF MILWAUKIE DOES RESOLVE AS FOLLOWS:

Section 1. The solid waste franchises awarded under Resolution No. 11-1994 are extended for an additional six months through October 31, 2005, under the terms and conditions, other than the expiration date, set forth in Resolution No. 11-1994.

Section 2. The City Manager is authorized to sign agreements for the City as needed to effectuate the extension granted in Section 1.

Section 3. This resolution is effective immediately upon adoption.

Adopted by City Council on _____.

Signed by the Mayor on _____.

James M. Bernard, Mayor

ATTEST:

APPROVED AS TO FORM
Ramis, Crew, Corrigan & Bachrach LLP

Pat DuVal, City Recorder

City Attorney

**North Clackamas Parks and Recreation District
Milwaukie Center/Community Advisory Board
Minutes of February 11, 2005**

Members present: Kim Buchholz, Joan Staley, Jane Hanno, Katie Rudfelt, Ben Tabler, Jim McCready, Kathi Schroeder, Malinda Iakob, Eleanor Johnson, Chuck Petersen, Sharon Phillips, Joan Rowe, Molly Hanthorn

Member Excused: Carolyn Mills

Guests: None

Staff Present: Joan Young, Cheryl Nally, Marty Hanley, Charles Ciecko

Correspondence: Joan read a letter from the county asking for volunteers for the Focal Point Nutrition Committee. Members of our board were asked to apply if possible.

Call to Order: Chair Kim Buchholz called the meeting to order at 10 am. Jim moved and Jane seconded approval of the minutes as printed. Motion passed.

Action Item: Joy Estes and Molly Hanthorn applied for membership on the C/CAB. Jim moved and Malinda seconded acceptance of both applications. Motion passed.

Special Report: Social Services and Transportation Program: Cheryl and Marty administered a true/false quiz to Board members about the services provided at the Center. Self-checking the test provided each member with an update on current programs. Cheryl noted that there are now two positions in Social Services who serve close to 1,000 clients each year. The challenge for the future is the continuing process of deciding who will be served with limited resources. Also, funders are requiring more information on clients and the record keeping becomes more burdensome. Marty reported that transportation has 3 buses, 4 part time drivers and provides 12,000 rides a year to between 400-500 people. The challenge is staying within the budget to serve clients the best we can. Joan thanked Cheryl and Marty for giving 150% at all times. More and more we are seeing needier clients in large numbers.

Board/Committee Reports

Executive Committee: Did not meet.

NCPRD Board: Eleanor reported Joan Rowe's application had been approved by the Board and forwarded to the City Council. The Board prioritized features for the North Clackamas Park plan. This list will go back to the consultant. The Milwaukie Planning Commission will hear the request for a Community Service Overlay for the project on April 12.

North Clackamas Aquatic Park Task Force: Molly reported on a discussion of the Staff report on areas of opportunity (Facility Enhancement, Partnerships and Sponsorships). These options will be presented at the Public Meeting, March 17, 6:30 pm at the Sunnybrook Center.

Budget Committee: Jim reported more members are needed on the Committee. The first meeting is March 10 at 2 pm. Joan said the staff is now looking at the 1st 6 months revenues and expenditures and have turned in year-end budget projections. Charles said there many be money for our roof and parking lot.

Programs and Services: Cheryl reported a discussion of new programs for Spring – Daddy Daughter Dinner Dance is sold out and programs for young children are doing well. A new program, Community Food Basket, provides food for clients with 200% of poverty level twice a month. There are 3 sites in Clackamas County.

Nutrition & Transportation: Ben reported the committee reviewed budget worksheets and things are better than expected. A new bus is being readied and will be in service in the next few weeks. Nutrition/Transportation endowment fund is administered by the Friends. The Committee has requested a separate budget line showing interest on the endowment. Ben presented a draft of that request which the C/CAB approved on a motion by Joan S., seconded by Eleanor. The new buffet tables are now ready for use and will be phased in. The Eastside Athletic Club is partnering with the Center on some of the Big Band events.

Building Review: Did not meet.

Friends of the Milwaukie Center: Friends are collecting cell phones and ink cartridges to recycle for money. Coming events include the Spaghetti Dinner, Housing Fair and Mystery Dinner/Silent Auction.

Information/Announcements: Quilt raffle tickets are on sale. Tax Aide program has begun.

Agenda Next Meeting: Center Budget, update on North Clackamas Park.

Meeting adjourned at 11:10 am.

m. hanthorn, secretary