

**CITY OF MILWAUKIE
CITY COUNCIL WORK SESSION
APRIL 29, 1997**

Mayor Lomnicki called the work session to order at 7:30 p.m. in the Public Safety Building Community Meeting Room.

Present were Councilmembers Schreiber, Tomei, Kappa and Trotter.

Also present: City Manager Dan Bartlett; Assistant to the City Manager Charlene Richards; City Attorney Pam Beery; Police Chief Brent Collier; Fire Chief Randy Bruegman; and Interim Public Works Director Mike Swanson.

Urban Services

Bartlett reviewed the SB 122 process and issues that would be discussed in the July 1997 negotiations. SB 122 assumes everything will be annexed by a city, and urban service agreements would be developed. Existing coordination agreements for services such as planning, sewer, fire, parks, and water will have standing. He noted SB 122 does not address libraries and law enforcement.

Mayor Lomnicki said, while SB 122 is supposed to be an annexation mechanism for cities, it actually protects special district. He asked if the city, as the governing body, would have control of the services provided within its boundaries. **Bartlett** said it must be mutual. For example, within its boundaries, Milwaukie would have to reach agreements with entities including Clackamas County, Clackamas River Water, Clackamas Service District #1, Clackamas Fire District #1, Metro, DLCD, and the cities of Gladstone and Happy Valley.

Councilmember Kappa asked if the merger of Happy Valley and Gladstone was still a scenario. **Bartlett** said that merger was still an option.

Bartlett discussed jurisdictional boundaries and the two-city model. Gladstone favors combining with Happy Valley because of its lower tax base and the industrial land between the two cities. Milwaukie may look at moving south, probably to Oak Grove Blvd. **Bartlett** referred to the Three Cities Agreement and indicated he felt both Milwaukie and Happy Valley took the document seriously and established growth boundaries.

Councilmember Schreiber commented if Gladstone and Happy Valley combined, the City of Milwaukie would be land-locked.

Bartlett discussed long-term planning and service provision. **Councilmember Schreiber** felt there would be more trust in a stand alone planning group than a county planning service.

Bartlett reviewed the services:

- Fire services -- each city will have to determine what is in its best interest. In order to annex into larger areas, it makes sense to contract with the existing fire department.
- Parks -- Milwaukie has an existing agreement with the North Clackamas Parks and Recreation District (NCPRD).
- Water -- Clackamas River Water Board members are open to entering into an agreement. It will offer shares of its filtration plant and come to an agreement with South Fork which has already built an intake facility. He felt the City of Milwaukie had a good relationship with the water entities.
- Roads -- joint planning will be done on a major road network, but will not allow the County to develop a monolithic road maintenance structure. The cities will contract with Clackamas County if necessary.
- Sewer -- Oak Lodge Sanitary is an authority and has not been willing to compromise with the group. A movement toward a 190 entity made up of the five cities is taking shape. He discussed the bonding element and backing for general obligation bonds. **Councilmember Tomei** asked how this would impact Kellogg and Site K. **Bartlett** said Clackamas Utilities Director Read talked about a two-way pipe that would allow either an outflow for Site K or a way to get the flow from east of the freeway to the Tri-Cities site where there is additional land. The Tri-Cities group is looking at it seriously due to the expansion Metro has added through the urban reserve process. Members of the Oak Lodge Sanitary District and Kent Squires have met with Commissioner Kennemer who supports forming an authority.
- Surface water -- The North Clackamas Watershed Commission has taken appropriate action with a plan to provide storm drainage. **Councilmember Kappa** asked the relationship of surface and drinking water since one impacts the other. **Bartlett** said these would be considered for both incorporated and unincorporated areas in the planning consortium.

Bartlett said, in order for the City of Milwaukie to annex the area in its urban growth boundary and the Oak Lodge area, agreements would be necessary with Oak Lodge Fire, Water, and Sanitary; Clackamas County, Service District #1, and Fire District #1; and Clackamas River Water. Metro would have to concur.

Beery discussed Metro's ability to concur but probably not veto.

Councilmember Schreiber commented on the feasibility of annexing a part of Portland to make a boundary adjustment.

Councilmember Kappa asked the economic value of the proposal and how the City would pay for services. **Bartlett** said the City would have to go through an economic analysis before carrying out an urban service provider annexation. There are certain unsewered areas of low value and high service needs. Council policy states the City will incur some initial losses for future gains.

Councilmember Kappa asked if there was a strategy developed in the earlier urban services study. **Bartlett** discussed actions the City took in the past 40 years versus its current improved relationships with special districts and other entities in the area.

Councilmember Schreiber felt Oak Lodge residents understood the need to combine with an existing entity.

Bartlett said the City would continue what it has been doing with Clackamas and Oak Lodge Fire Districts. City Council needs to express its opinions in the next 60 days. He discussed Milwaukie's being the retail water provider with Clackamas River Water as the wholesaler. Residents of unincorporated areas would pay the same water user fees as those living in the cities.

Councilmember Kappa pointed out Happy Valley is not a water provider.

Mayor Lomnicki asked for a clarification of Milwaukie's strength if its water supply did not have any impact. **Bartlett** said Milwaukie's position of strength was in cooperation. It is a potential purchaser and ally of Clackamas River Water.

Swanson said Clackamas River Water has undergone a philosophical shift and sees success in a regional cooperative effort. It perceives Milwaukie as an important player.

Bartlett explained the City's groundwater is contaminated, and DEQ tests at the Stanley site indicate our wells spread the contamination. Milwaukie is very weak in the area of water and has only groundwater rights. **Councilmember Kappa** asked him to clarify the connection with all the other services. **Bartlett** said this would be a full-blown fifty-year wholesale/retail agreement, and he discussed RPAG's role.

Councilmember Trotter asked Councilmember Schreiber to comment on her attendance at the SB 122 meetings. **Councilmember Schreiber** indicated she was usually an observer. The final product needs to be carefully detailed, and she expressed her discomfort with a County planning body. It is important to have a document and statements outlining Milwaukie's role in the plan.

Councilmember Kappa and **Councilmember Tomei** agreed they did not want another entity planning for the City.

Mayor Lomnicki said the County will be responsible for planning outside the Metro Urban Growth Boundary, and the cities would provide that service within their boundaries. **Bartlett** discussed the feasibility of an urban planning committee.

Councilmember Trotter felt there was too much decentralization at this time, and planning is something over which the City still has control. **Mayor Lomnicki** pointed out there was a big difference between rural and urban planning.

Bartlett discussed the County's position with its Planning Department and what would happen to current personnel. **Councilmember Schreiber** said County Administrator Rhodes seems to understand what needs to be done. **Bartlett** expressed concerns about continuing with the consultant.

Councilmember Schreiber asked for clarification on contracting for fire services. Did it mean fire suppression, EMS, or what? **Bartlett** said as far as the City is concerned, it will contract for the services it needs. If it can work on a broader base by contracting, then that is what will be done.

Councilmember Kappa wanted to discuss the cities' traditional role of providing fire services. **Bartlett** said many cities in the Portland metro area have merged with districts to provide more services. The answers will come in the strategic fire plan.

Councilmember Schreiber commented that the Oak Lodge Fire District has not gotten much negative feedback on its decision to merge with District #1. **Bartlett** discussed a recent fire at Kellogg Lake Apartments with two trucks responding.

Mayor Lomnicki said contracting rather than merging still offers the ability to pull back and control. The City could get concessions under a contract that it could not in a merger.

Councilmember Schreiber, using the Parks District model, pointed out entities can work together but still maintain their identities.

Mayor Lomnicki said, with Clackamas and Oak Lodge Fire Districts merging, Milwaukie would be dealing with one entity if the City extended its boundary further south.

Bartlett said Clackamas and Oak Lodge Fire Districts are working on a strategic plan. Milwaukie has worked on one with Clackamas that follows the 190 outline.

Councilmember Schreiber asked if all Councilors were comfortable fitting Milwaukie's fire plan with Clackamas and Oak Lodge. The Councilors felt they would have to see the plan.

Bartlett discussed the potential cost savings in the area of equipment. The City shop is becoming a regional maintenance facility.

Mayor Lomnicki said, in the long-term, cities are supposed to be the governing bodies. He discussed administrative responsibilities and long-term relationships. **Councilmember Schreiber** said there needs to be a plan as boundary shifts are being considered. **Bartlett** referred to the 2040 Functional Plan and the need for periodic reviews.

Councilmember Trotter said there is already a differentiation between urban and rural services, and, as urbanization moves outward, these things will change.

Mayor Lomnicki commented on the concerns that urban areas were subsidizing the rural. **Bartlett** said most Fire District governing body members live in the urban area, and **Bruegman** added each station has paid staff with some volunteers.

Bartlett continued his review of services:

- Parks -- There is language in the IGA stating the City can negotiate for takeover. Currently, the NCPRD provides a tax base for parks, recreation, and senior services, and there is no fighting over funding. **Councilmember Trotter** asked when the Parks and Recreation Board (PARB) would complete its parks needs study. **Richards** responded the PARB should complete its study at its next meeting.
- Water -- The City of Milwaukie will have a retail role as annexations take place. The Clackamas River Water Board wants reassurance its capital asset filtration plant will not be taken out from under it.

- Roads -- The entities involved are discussing joint planning. **Councilmember Kappa** asked how much input the City of Milwaukie would have on roads decisions. **Swanson** said Clackamas County will probably be making some interesting plays in the next three months. The City will have to be very aware as the financing package comes together at the state level. Entities will have to come to joint agreements if the funding packages are finalized. **Mayor Lomnicki** sensed the cities were very interested in getting their fair share of funds. **Swanson** recommended that the cities continue the pressure in order to maintain a strong position. The County is considering a policy on roads within cities that would make each city responsible for capital improvements and the County responsible for maintenance.
- Sewer -- Oak Lodge Sanitary is suggesting a comprehensive sewer and surface water authority. The other five entities are considering a 190 agreement. **Swanson** commented the new Clackamas County Utilities Director Mike Read was open to working with the entities. **Councilmember Trotter** stated his opinion that an authority was not the way to go and recommended pursuing a 190 agreement. **Bartlett** discussed building a relationship with the Oak Lodge Board and expressed his opinion that there were no significant problems with the five cities involved.
- Surface Water -- **Bartlett** discussed the continuance of the agreement with the Surface Water Commission.
- Library -- Discussion of this issue would be postponed until Measure 50 is determined. The City will take over branch libraries and their funding as annexations take place.
- Law enforcement -- **Bartlett** felt this was probably the service Milwaukie does the best.

Bartlett discussed the timelines. He felt DLCD could be convinced to take the reports completed to date and leave the negotiations to each entity's attorney. The parties understand the outline of a 190 agreement, and he did not feel it necessary to pay for another year of consultant's services.

Councilmember Schreiber felt the elected officials could carry some weight to bringing the issue to closure.

Councilmember Trotter said the process is at a point where it is time to be done with the extraneous comments and generalizations and begin preparing outlines and agreements.

Bartlett said the economic value of the project will come in the planning process.

Councilmember Trotter commented these discussions can now take place face-to-face.

Councilmember Schreiber said another issue being discussed quietly is how to fund planning in preparation for the future. For example, how will planning in Oak Lodge be funded? That issue probably needs to be clarified.

Bartlett said future planning is part of the economic value piece of the strategic plan. There will be an Elected Officials Workshop on May 5 from which boards and councils can develop a formal position. He understood there would be two more public involvement meetings in accordance with DLCD guidelines.

Councilmember Trotter discussed the Kellogg Treatment Plant and the City's riverfront development plans. The Clackamas County Board of Commissioners wants to make its decision on the facilities plan by the end of 1996. The Citizens Advisory Committee is supposed to have a proposal or recommendation prepared by November. He felt this was a window of opportunity to develop a definitive answer about how much money the City wants for riverfront development. The \$16 million is very soft money and may go away if there is no plan for using the funds. There is already about \$20 million dollars for combined visual and odor mitigation. The City has an advisory role on neighborhood and visual mitigation since odor control is a more technical issue.

Bartlett said, from one point of view, it is important not to spend so much money on mitigation that the plant will be there for another fifty years. He recommended investing in odor control while taking a firm stance with the County Commissioners to decommission Kellogg in the next twenty years.

Councilmember Trotter discussed the potential for funding an interpretive center and using the current administration building as a public meeting space. That could be the initial component of the vision for that site. He hoped mitigation money would help fund that sort of project. Read indicated he would provide technical support and put resources into a task force to ensure there are justifiable long- and short-term solutions for the Kellogg Plant.

Councilmember Schreiber encouraged including a utilitarian element in the proposal beyond the beautification aspect.

Councilmember Trotter discussed using the site south of the plant for a boat ramp or other park-related activities if the plant is not expanded.

Councilmember Schreiber said people will not take advantage of the improvements unless the odor issue is resolved. The County needs to make that assurance first.

Councilmember Trotter said Read indicated a willingness to spend whatever it takes to get rid of the odor problem. He felt there was a genuine sincerity about solving the problem.

Councilmember Kappa said he did not want Kellogg expanded and would like to see it gone in the next twenty years.

Mayor Lomnicki said the site needs to be enhanced in such a way that improvements can remain and have value to the community after the plant is decommissioned.

Councilmember Tomei cautioned against putting so much money into the plant that it cannot be removed.

Councilmember Trotter agreed there was a delicate balance. There need to be some enhancements but not to the extent it cannot be amortized out in twenty years.

Bartlett said the city managers of the five affected cities have met to talk about long-term plans, and it is important to include service district governing boards. He added County Commissioner Kennemer supports expanding Kellogg because it is the least expensive alternative.

The group discussed organizing a task group to look at the Kellogg Treatment Plant and future riverfront development. **Councilmember Tomei** recommended there be a representative from the Island Station Neighborhood, and **Councilmember Trotter** suggested the group start meeting before summer.

Mayor Lomnicki adjourned the work session at 9:20 p.m.

Pat DuVal, Recorder