

MINUTES

MILWAUKIE CITY COUNCIL WORK SESSION DECEMBER 7, 2010

Mayor Ferguson called the work session to order at 5:37 p.m. in the City Hall Conference Room.

Council Present: Council President Greg Chaimov and Councilors Deborah Barnes, Joe Loomis, and Susan Stone. Councilors-elect Dave Hedges and Mike Miller

Budget Review Board Present: David Aschenbrenner, Leslie Schockner, and Gabe Storm

Staff Present: City Manager Bill Monahan, Deputy City Recorder Juli Howard, Interim Finance Director Andy Parks, Community Development and Public Works Director Kenny Asher

Joint Session with Budget Review Board to Review Fiscal Policies

Mr. Parks introduced the Budget Review Board members. Over the past several months he had been working on the policies and reviewing responsibilities. They drafted a work plan and want to get feedback from Council. He added that the fund structure was an evolving discussion which Mr. Monahan would address.

Mr. Aschenbrenner said they spent several meetings going through policy and thought this document was a good starting point. He wanted to answer any questions and get feedback. He reviewed the highlights which included getting the capital improvement plan (CIP) ahead of the budget. He still encouraged public comment during the process.

Ms. Schockner has had questions about process and structure every year. The adoption of policies will be in the best interest of the City. It was a framework under which they could operate regardless of staff turnover. She had quite a few questions and pushed for policies specific to the budget. It would automate and make it easier for volunteers, Council, and staff. They were modeled after GFOA which was a plus, and used policies that many cities have used but were modified to a small city. She recommended adopting formal policies and said it was a big step forward.

Councilor Barnes asked what was meant by initiate periodic service levels and programs.

Mr. Aschenbrenner responded that it was a high overview of looking at different departments to determine if we are meeting budget goals. He said as an example, if approved, they would meet first with the library. They had already met with the library twice to get an understanding their different departments and what they do and find out how as a Budget Committee we can help them get to where they want to be, and make sure we are on the same track.

Ms. Schockner added it was an opportunity that offered to look at one operation in the context of comparisons with other cities. It wasn't intended to be an annual review of every department, but an opportunity for the Budget Committee to do some intensive work with some departments.

CITY COUNCIL WORK SESSION – DECEMBER 7, 2010

MINUTES

Page 1 of 7

Mr. Parks added this was not a concept that staff or the Budget Review Board came up; it was directive from Council Resolution 24-2001. He wasn't sure why it hadn't been followed, but thought at that time the Budget Committee felt that it was a rubber stamp that came in at the end of the process. This Board had the potential to have a lot of knowledge and expertise and can provide some assistance back to the Council. How do you engage the committee on an annual basis and keep them engaged, and they came back with the process outlined in the resolution. It was not meant to be intrusive, but it was in partnership and would help them to better understand and be better educated. That would ultimately help the Council and the community better understand what is going on and was helpful for transparency and accountability.

Councilor Barnes was concerned with micro managing.

Mr. Aschenbrenner replied they don't want to do that and was not the direction they would go.

Councilor Barnes asked how the budget group and council reached consensus, and how does the group decide what is important to the community. If this was approved it would be a challenge, and it would take a bigger time commitment. We have to ask the community what their priorities are and that would be difficult.

Mr. Miller agreed at some point we would have to go to the citizens and ask them. The people that Council hears from are pro or against. We need to ask citizen which projects are important to have a basis for a decision.

Mr. Aschenbrenner thought a survey was good, but it should be done periodically and not every year. On a yearly basis we hear from citizens and staff. Surveys were a good idea for big topics, but he said we need to rely on staff, volunteer board members and council on what they have heard to determine the priorities.

Ms. Schockner said it should be clear the budget process calls for having a list of priorities, but doesn't call for the budget committee to be doing that. She thought it was opportunity for an education process that could be implemented through NDA's and other entities to inform people on what the City does and have some measures of the work that we do so people can relate to and understand. So that those measures could become part of the budget process from year to year. When she worked for the City of San Antonio they began using GFOA policies, and went through an elaborate exercise that listed all services that were provided.

Councilor Barnes said we need to get a better cross section of people than those that attend meetings. We also need to get input from staff to find out what they have been hearing.

Mr. Aschenbrenner said these policies will take time to implement. They are goals to reach and policies that they want to see.

Councilor Stone said it was difficult to find out how to rank projects and what citizens prioritize. She thought getting input from the NDA's was a good way to get a pulse on what is going on. Getting a better connection between the council and the NDA leadership would be helpful to prioritize. She liked that it was an objective process with criteria. She would like to know if there would be a benefit analysis done with each project. On a policy level, Council is elected to wisely spend tax payer dollars. She thought the process would work well with the Budget Review Board. She wondered about the evaluation piece and the time frame.

Mr. Aschenbrenner responded that each board and commission is supposed to prepare a work plan each year and present it to Council. Some departments would have 2 done in a year and others maybe only have 1 for a year because of the size of the department. There would be discussion for their plan depending on the size of department. That would be a discussion between council and the city attorney. The city manager played a key role in that discussion

Councilor Stone wanted to add the word competency to the purpose statement so it would read, "The City of Milwaukie is committed to responsible fiscal management through financial competency, integrity, prudent stewardship of public assets, planning, accountability and full disclosure." She hoped everyone was agreeable as she thought that was needed. She also questioned a section in the expenditure control policies where Council approval is required when a budget category exceeds \$50,000. She understood it to be \$25,000.

Mr. Parks replied that the spending limit is \$25,000 and had to go to Council for approval. This policy change added an additional level of internal control and management within their approved department budget. He added that it would be a rare occurrence that this happened. This policy gave clear direction and more authority to move money within line items.

Councilor Stone responded that \$50,000 was a lot and that is why she questioned it.

Mr. Aschenbrenner said this policy would apply to items that were already approved within the budget. It gave management a way of moving funds within their budget between line items without going to Council. It would give the City Manager the authority to do that.

Mr. Parks added it was a different level of accountability, and required a need for the City Manager to be aware.

Mr. Monahan said it requires department heads to work within their budget.

Councilor Stone questioned the CIP investment policies changes. Changes to the CIP required City Manager or City Council approval. Why doesn't it require both?

Mr. Parks replied that from time to time there are projects that need to get taken care of quickly. His perspective was the Council hired the City Manager to make decisions and he would contact council. It gave the City Manager some latitude.

Mr. Monahan added that it would be for emergency projects. It would not be to modify the CIP list.

Councilor Stone asked if all 5 criteria had to be met to consider debt financing for capital projects and equipment.

Mr. Parks replied they didn't think they all had to be met. They should be considered by someone requesting the use of debt financing, and they should be able to report back on each of the elements.

Mr. Aschenbrenner said these are the things that Council may ask about.

Councilor Stone commented on the Economic Development Funding Policies on page 10 of the staff report. She felt it is important to know what citizens want and sometimes they have to be asked in the form of a vote. She proposed adding an item, "D. A benefit supported by tax paying citizens through a vote." The benefit had to be that the development doesn't negatively impact livability.

Councilor Barnes asked how livability is determined.

CITY COUNCIL WORK SESSION – DECEMBER 7, 2010

MINUTES

Page 3 of 7

Councilor Stone said we had struggled with that definition for years, but to her it was livability or an added value to their neighborhood. Any funding policy that could take away monetary resources from the City, such as Urban Renewal, should go to a public vote. She was concerned that there wasn't anything included that talked about a Policy decision that could have negative effects on resources.

Mr. Aschenbrenner replied that is something that he though Council would address in their goal setting sessions.

Councilor Barnes assumed the Council would make a decision.

Councilor Stone said this is a policy and she didn't know if that could be included in the document.

Mr. Monahan said this section is not geared toward urban renewal. Urban renewal was an anticipation of economic development. He thought that was a discussion that council could take when a project arises.

Councilor Loomis asked what a good rate of return was on a survey, he though 30% was good. He was concerned about the micro-managing part. He asked how much time this would take, and how much staff time would be required.

Mr. Aschenbrenner said that was a good question and they were going to meet once a month at the most or every other month. Most was information provided and then they meet with the liaison to ask questions. They were looking for feedback from departments. It was a matter another set of eyes to look at where they are going.

Councilor Loomis thought the City Council knew the Library issues. He commended the Budget Review Board on their effort and trying to make improvements.

Mr. Aschenbrenner said that learning department goals helped them understand better how they may need to help them meet their goals.

Mr. Storm said over time they want to go to every department to get more detail of each department to help with future decisions. He didn't have a clear picture of how their department budgets are working. He was viewing it as another set of eyes.

Mr. Aschenbrenner said it would help them get more information and possibly get comparisons from other jurisdictions. He gave an example, library staffing. They learned there are issues when there are 2 floors involved that required more staffing than other one level libraries. That is something they wouldn't have been aware of if they hadn't met with the library.

Ms. Schockner said it was an opportunity to look at all services in comparison to others in like fields. Using 5 year projections, done simply has a fiscal exercise, would be a benefit and they could take the time and look in the future for services. She added there are resources in the metro area that could help, and didn't just include getting reports from staff. They could look at data and get a broad picture to benefit the City.

Councilor Loomis commented that it seemed over reaching for a Budget Committee.

Mr. Monahan thought it just gave us another resource and set of eyes to see what the opportunities are to better present information about successes and needs of the departments, and what opportunities should be pursued in the

future. Getting more people that can understand each and every program is forward thinking and delivering great programs. The more people that understand the better.

Ms. Schockner saw this processes in doing reviews as part of a cycle of prioritizing because in the end of the process there will be a report that summarize what departments are doing in comparison to other cities. That would be something Council could use, as a collection of feedback, when they are talking to citizens. A simple document that lays out what dollars are buying and that could be the source of a collection of feedback.

Councilor Barnes said part of the council job was to understand what each department does. There was a fine line and she didn't feel comfortable because it could become political. She didn't want to see contradictory reports. Council talks to staff on a regular basis to hear what they need and why they need it. She appreciated they wanted to help and it could turn into something that she doesn't want. She didn't want it to be political.

Mr. Aschenbrenner asked what Councilor Barnes wanted the work plan to look like. They took the language from the resolution. He asked if the resolution needed to be changed so they could come up with a new work plan.

Councilor Barnes replied that she didn't know about the resolution. This was a change and we need to make sure we are transparent. She was concerned about over reaching or getting political.

Mr. Aschenbrenner said the policies are different from work plan.

Councilor Barnes said the policies are based on work plan.

Councilor Stone said the work plan was something that came from Council. She didn't see this periodic review into funds as being intrusive; she looks at it as another set of eyes. She doesn't have time to go to staff and discuss their budgets. She thought the Budget Committee getting that information and reporting back to Council wasn't a bad idea, and liked it. She had a question about reserve amounts for individual funds. The policy was for a 25% or three month reserve for the water, wastewater and stormwater funds. She wanted to know why it was for three months and not six.

Mr. Parks said those funds had so much volatility with that activity. Three months gave time to implement a plan.

Mayor Ferguson especially liked the draft budget calendar and thought that would be very useful. He had been frustrated at not completely understanding the cycle and it seemed to change every year. He liked most of the policies recommended. He appreciated they review what they were instructed to do by resolution. He thought the Budget Review Board should look at funds, but as a Council they need to review the charges of each board and commission, so they could identify needs their respective departments to determine goals.

Progress Report on the Downtown Milwaukie Light Rail Station Building

Mr. Asher introduced George Signori from Ankrom Moisan Architects who over the last year helped to develop a light rail station. He reviewed the project history including the MOU umbrella agreement with TriMet. The design had evolved and they were responding to community feedback that wanted an old fashioned looking train station. It seemed like a good idea, but it was difficult.

Mr. Signori was encouraged by the fact that Milwaukie thought about places that they want to create. It was an important site, and the position at the south end of town was a good building site. It would be the first building to greet and last that riders would visit at night. In order to look like a real train station it must be located near the tracks. That set up a public realm and semi-public realm platform. The building helped define the two distinct areas and mediate between them. There was approximately 8-10 feet of vertical space between them. It made sense to include retail use on the public side, examples included a bike shop, café and bike patrol offices opening onto the plaza. The other side, overlooking the platform, would include some creative office space and a bike shelter. This should be a better bike and ride stop, and they wanted to emphasize that. TriMet had an issue with visibility. They responded by creating a building that was active enough and that is where the creative office space came from. Research on usage of this type of space tended to be young, creative types, and their typical hours would ensure it was occupied at all hours of the day. In the initial drawings the station seemed isolated from view and the route didn't feel direct. The next version opened up the building for direct connection, which made sense, but there was an issue with train tower. At one time it was thought it might incorporate a museum and the stair tower might be part of that exhibit but as that program element moved out the tower became a long shot. so that led to the most recent scheme. In that version the tower was replaced with rooftop lantern which during the day allowed light in on the stairs, and at night it could serve as light house or beacon signaling the train is still running.

Councilor Barnes asked if we are settled on bike shop.

Mr. Asher said it was all speculative uses, but we have to know what we are going after.

Councilor Barnes wants this built with something in mind. If they build it, they will come. She wanted to think outside of the box.

Mr. Asher said as we are not building it; we couldn't afford to build. They would market an opportunity and TriMet would do a RFQ. We can tell them what we want in the RFQ, but we have to be cognizant that there will be no onsite parking and the footprint is small. Grocery stores need parking and a bigger footprint. The size tells you what the market is likely to provide. If the Council wants to brainstorm a plan they can put it into the RFQ. They felt that a bike shop was an attractive use and offers an amenity for downtown not currently available. They need to figure out what would pull in a developer in to build.

Councilor Barnes asked if Mr. Campbell had reached out to businesses.

Mr. Asher said that they have, and with Mr. Signori they have talked to developers. If Council wants them to keep going they would put together a marketing piece to see what is out there so by the time they want to put the RFQ out they will know.

Councilor Barnes said we should go out and see who we can get. The economy will hopefully get better, and there will be more opportunities.

Mr. Signori found in studies the building can take a lot of movement and is flexible. It could be modified with a real tenant.

Councilor Stone why is TriMet so sure we need 90 spaces for bikes. What is that based on?

Ms. Mangle had been working on station issues, and 90 spaces was the best estimate by TriMet staff who specialized in bike transit. He brought a lot of knowledge on stations usage in the system. The spaces were not required, but the network in place today would be better in the future. A lot of easy access biking roads lead to the station. It would be an easy 2-3 mile bike ride and would encourage that type of transportation and make it attractive to minimize parking issues.

Councilor Stone wanted to know where the bike parking would be. She thought it was important to protect the bikes. She liked the idea of getting food before getting on the train. A deli, bakery or a sandwich shop would be great. A small grocery. Floor retail allowed for food.

Mr. Signori agreed that some type of coffee shop similar to Starbucks would work.

Councilor Stone would like to see the use of stone or brick because that was what train stations were made of. We only have a chance to do this once.

Mayor Ferguson said it was worth noting that the current park and ride all of the bicycle storage was used every day, and 250 spaces of 327 car spaces were used on a daily basis. He liked the direction this was going. He would like to have a conversation with the school district and Chief Jordan to see if they needed a location for the school resource officer. The school had safety concerns, and if we can tie in access that might be an opportunity to address those issues and break down the barrier.

Mr. Asher said the school district was concerned with bathrooms. They didn't want people coming on campus looking for restrooms. They were able to say they had a solution and the school district liked that very much.

Mayor Ferguson adjourned the work session at 6:58 p.m.



Juli Howard, Deputy City Recorder

