

**MEETING OF THE
WOOD VILLAGE CITY COUNCIL
January 26, 2017
MINUTES**

PRESENT: Mayor Tim Clark, Council President Scott Harden, Councilors Patricia Smith, Bruce Nissen, and Mark Clark. City Attorney Jeff Condit, City Manager Bill Peterson, Finance Director Peggy Minter, Public Works Director Scott Sloan, and interested parties.

ABSENT: None.

**MAYOR TIM CLARK CALLED THE MEETING TO ORDER AT 6:00 PM.
CITIZEN COMMENTS (NON-AGENDA ITEMS)**

There were none.

PRESENTATION: 2015-16 AUDIT

Tonya Moffitt from Merina and Company presented the audit. Moffitt stated that the audit for fiscal year ending June, 2016 has been completed with a clean opinion and no findings. Moffitt explained that all requested records were produced quickly, and the audit team was provided with full access to the documents. Moffitt stated that in addition to the financial records, they also check purchasing contracts, bid awards, and publishing records to ensure that the City is complying with state procurement laws. Moffitt stated that those activities are in full compliance as well.

Moffitt explained that the financial statements are comparable to last year, and there were no changes that made them incomparable. Moffitt stated that there were some regulation and reporting changes such as GASB 64 regarding PERS. Moffitt explained that the changes had the effect of having PERS go from an asset to a net liability. Moffitt stated that the City will be able to meet the requirements, and that is the only major change from the past two years. Peterson stated that the GASB 68 had a swing of about \$500,000 for the City, but it will not have a dramatic operational impact. Moffitt explained that the important aspect is that the City is able to make its required payments.

Smith asked about the PERS shortfall. Moffitt stated that based on the amount of potential retirees, the actuary stated that there is not enough money in the system to fund all the benefits. Moffitt stated that is why it is listed as a net liability. Moffitt explained that it is a state level issue. Peterson stated that it has affected all PERS eligible entities.

Moffitt stated that her contact information is in the report, and is happy to answer any questions that may come up through the year. Moffitt stated that a potential future change is regarding property tax abatements, and they will work with the county to get that information. Harden asked the reason for the change. Moffitt stated that the idea is to publish the foregone taxes for the public to view. Moffitt stated that it is being done now as a note disclosure.

Peterson stated that the financial statements that evaluate the utilities both show losses. Peterson explained that is because of depreciation, but the City does not directly fund depreciation. Peterson stated that the City uses a combination of SDC's for capacity, and user rates. Moffitt stated that is a common approach.

Moffitt stated that she has no reason to doubt that the City will receive another CAFR award.

The Council thanked Moffitt for the report, and Minter for the effort on City finances.

RESOLUTION 1-2017: UNDERWRITER/PLACEMENT AGENT ENGAGEMENT LETTER - URBAN RENEWAL FINANCING

Peterson presented the resolution and stated that this is regarding contracting with a professional financial advisor to help organize the long-term debt of the Urban Renewal Agency. Peterson stated that historically he has brought on financial advisors and bond counsel early in the process so ensure that smaller loans can be integrated into one large bond issuance.

Peterson stated that he has worked with Carol Samuels, the Managing Director of Piper Jaffray & Co. on ten different bond issues over the past 20 years. Peterson explained that due to changes in Federal law, she cannot be the City's financial advisor, but she can offer professional guidance through the use of an engagement letter. Peterson stated that this will essentially be consulting services, with the guarantee that the City or Agency will place the bonds through them. That is how they will get paid.

Peterson stated that there are potential downsides, and they are outlined in the engagement letter which is included in the packet. Peterson explained that Samuels is one of the top people in the industry, and there are only a few people who do this kind of work. Peterson stated that the recommendation is to approve the resolution which would authorize the engagement letter. Peterson explained that alternatives include issuing an RFP for a financial advisor, and those services would cost a few hundred dollars an hour. Peterson stated that under the engagement letter, we would not pay for services until we issue the bonds.

Peterson stated that he would like this agreement in place for both the City and the Urban Renewal Agency, so both boards are engaged with the activities of the agency. Peterson asked if there were any questions.

Mark Clark asked why we are going through this process, or considering borrowing money. Peterson stated that the agency will be involved in many upcoming projects. Some of them will be smaller, but some will be quite large. Peterson explained that the total of the upcoming projects is around \$1.5 million, but that is not enough to take out a bond. Peterson stated that as additional projects come forward it would be beneficial to wrap up all the loans into a single bond. Peterson explained that having someone on board now will help ensure that we structure the debts in a way that can be rolled into a bond in the future. Condit stated that the IRS classifies bonds in several ways, and having advice early on will ensure that the bonds can be issued. Condit explained that it takes a specialty advisor to handle these types of items.

Harden asked how the firm makes money on the bond issuance. Peterson stated that there are bond issuance fees that we will have to pay the firm. Harden asked how competitive the fees are compared to other firms. Peterson stated that he cannot attest to the fee structure compared to other firms. Condit stated that he has worked with different firms, and their fees are similar. Condit stated that the main issue is about the firm's expertise. Peterson stated that the right firm can save hundreds of thousands of dollars a year in interest.

Mark Clark asked how the City will be able to pay the bond. Peterson stated that bonds will not be issued until there are viable urban renewal projects. The bonds will be paid with the tax increment financing of those projects over time, and the agency is authorized to issue debt up to \$11 million.

Smith asked if this is a normal way to operate for financial advice. Peterson explained that it is a standard form agreement, and other firms do this in a similar manner. Smith asked if there is any idea on the future potential costs. Peterson stated that normal charges and fees are around 10-15% of the bond value. Condit stated that in order to issue a bond, an entity has to have a bond counsel, an underwriter, and a financial advisor.

Mark Clark asked if we know the City's bond rating. Peterson stated that we do not, and it will go against the Urban Renewal Agency, which is small and narrow. Peterson explained that it will not be well rated, and we will probably have to self-insure the bond.

Upon motion by Smith, seconded by Nissen and passing 5-0, Resolution 1-2017 authorizing the City Manager to sign an engagement letter with Piper Jaffray for financial services was approved.

RESOLUTION 2-2017: 2016 SYSTEM DEVELOPMENT CHARGES REPORT

Minter presented the resolution and stated that this is a required annual report. Minter explained that it covers the City's SDC funds, the revenues, and expenses. Minter stated that the Water Fund has a balance of about \$30,000, but the Sewer Fund SDC's have been spent on the Halsey sewer line. Minter explained that the funds will be in good shape with the proposed upcoming developments.

Upon motion by Nissen, seconded by Smith and passing 5-0, Resolution 2-2017 accepting the 2016 System Development Charge report was approved.

RESOLUTION 4-2017 AWARDING THE WOOD VILLAGE GREEN WATERLINE AND FIRE HYDRANT PROJECT

Sloan presented the resolution and stated that this is for the waterline construction at Wood Village Green. Sloan stated that the bid was \$234,000, which was about \$10,000 less than the engineer's estimate. Sloan explained that this will complete the full looped waterline, with the addition of three fire hydrants in Wood Village Green. Smith asked when the project will begin. Sloan stated that the contractor is ready to begin as soon as there is a notice to proceed.

Smith asked if the residents of the park have been notified. Sloan explained that the property owner has been involved with the process, and there will be time to notify the residents. Sloan stated that he has been assured that there will be barricades and caution tape all around the construction site. Peterson stated that we will hold a community meeting with translators to provide information to those residents.

Harden stated that we should mention how there will be increased fire protection for some residents, but not for the entire facility. Smith stated that could scare the residents that are not fully covered. Harden stated that could force the owner to complete the project. Sloan stated that he feels the owner will complete the project as long as it can be done for a reasonable cost. Peterson stated that the primary purpose of this project is to loop a dead-end line. The addition of three fire hydrants is a secondary benefit.

Harden asked what percentage of homes will be better protected with the hydrants. Sloan stated that it will cover about a third or more of the park. Mark Clark asked if the easements are in place. Sloan stated that the easements have been drafted, and will be conveyed to the owner prior to the start of the project. Peterson stated that we can have a fire representative at the meeting to discuss fire coverage and prevention measures.

Upon motion by Mark Clark, seconded by Nissen and passing 5-0, Resolution 4-2017 awarding the Wood Village Green Waterline project to Emery & Sons Construction was approved.

DISCUSSION: 29TH ANNUAL EASTER EGG HUNT EVENT

HR/Records Manager Greg Dirks presented the discussion, and stated that the event is scheduled for Saturday, April 15th. This will be the 29th annual event, and the proposed plan is very similar to the past couple of years. Dirks stated that the recommendation is to have 15,000 eggs distributed between the hunt fields. There will be hunts for kids ages 3-4, 5-6, 7-9, and special needs. Based on last year's event, the plan is to reduce the prizes to 22, but have them be larger in value. Dirks stated that there were no complaints regarding the lack of prizes last year.

Dirks stated that there needs to be some direction on how the Easter Bunny arrives at the event. The cost for a helicopter increased to over \$1,000 which has made it cost prohibitive. Last year the bunny arrived in a new SUV, but was not very dramatic. Dirks stated that the Council had discussed having the bunny arrive in a custom cart, and there is a student willing to design something that can be temporarily attached to the City's Gator utility vehicle.

Dirks stated that he will also solicit for Spanish speaking support which has helped create an inclusive event. There will also be requests for reusable shopping bags and support from the MCSO. Dirks stated that \$3,500 was budgeted

for the event, and the estimated costs come in at \$3,400. The majority of expenses are for plastic eggs and candy. Dirks explained that there will be extra eggs and candy for children who did not get anything during the hunt. Dirks presented a site layout, and stated that it is the same as the past few years with the 3-4 year old field divided up into four quadrants. Smith asked if the time between hunts could be reduced to ten minutes instead of fifteen. Dirks stated that can be done. Dirks stated that he has also applied for a Walmart Community Grant to help fund the event.

Upon motion by Smith, seconded by Harden and passing 5-0, the Council approved the 29th annual Easter Egg Hunt as discussed.

DISCUSSION: CITY-GARAGE SALE/CLEANUP EVENTS

Dirks presented the discussion and stated that this will be the second annual garage sale event. Dirks explained that last year the event took place over Memorial Day weekend, but based on feedback it is being proposed for June 16-18th. That matches up with another large garage sale that occurs in Troutdale. Dirks presented the advertising options, and asked how involved the Council would like to be in advertising and promotion. Dirks explained that last year the City put up banners, placed online ads, and provided maps for registered sales. Registered participants also received a lawn sign for their sale.

The Council directed to use the same outreach method. Harden asked if the lawn signs can be placed in areas outside the City to direct people to the community. Dirks stated that is possible as long as it complies with other jurisdiction's codes.

Dirks stated that the following Saturday, June 24th will be the City's cleanup day event. Again, this event is being planned similar to the past few years, except for a separate dumpster for tires. Dirks presented a list of items that will be accepted, and stated that Metro has not released their hazardous waste collection dates, so it is unlikely that we will match up for that event. Dirks stated that there is also increased scrutiny on collected items to ensure that they do not contain asbestos.

Dirks stated that the budget for both events is \$1,000, and there should not be a problem bringing them within budget. Dirks stated that he will recruit for volunteers, and asked if there were any questions.

Upon motion by Mark Clark, seconded by Smith and passing 5-0, the City Garage Sale and Cleanup Events were approved as discussed.

PUBLIC WORKS DIRECTOR'S REPORT

Sloan presented the report and stated that a meeting with the property owners along the proposed Wood Village Interceptor Trail was held, but with mixed results. Sloan explained that one of the property owners had concerns regarding homeless camps and vandalism if the trail is constructed. Sloan stated that the other property owner is more enthusiastic about the project, and would fit in to a potential new development that they are considering. Peterson stated that the Morasch family is interested in building housing for their workers on the northern end of their property. Sloan stated that all the trail elements are in place, but it will depend on getting easements from the owners.

Sloan stated that the park is once again CDBG grant eligible. Next year the City will apply for the small grant which is about \$10,000, and that will be used to design a new irrigation system for the park.

Sloan stated that the topography for the Stanley Street reconstruction project is being completed, and other projects include resolving the storm runoff from a property onto 238th Dr. Sloan explained that the property owner has a contractor looking into the options, and the City received a right of way permit from the county to help complete the project. Sloan stated that the plans for Arata Road and Sandy Blvd. are at ODOT for final review. The county staff indicates that both projects will be out for bid by mid-March.

FINANCE DIRECTOR'S REPORT

Minter presented the report and started that the City's finances are on track, but there will be some need for adjustments. Minter stated that the interest rate is at 1.03 percent, which has doubled the interest income. Minter explained that property tax revenues are already at 91%, and the City's account at Wells Fargo is now closed.

Minter stated that the budget calendar is in the packet, and asked that she be contacted if there any dates in conflict.

CITY MANAGER'S REPORT

Peterson stated that the APP is in the packet, and everything is on track and on schedule.

CITY COUNCIL REPORTS

Tim Clark asked about getting new shirts and vests for the Council. Peterson stated that will be accomplished. Tim Clark asked the Council what they thought of having individual Councilor photos, instead of just a photo of the Mayor. Tim Clark stated that it would work well for the new website, as well as on the televised Council meetings. Tim Clark stated that they could also do a group Council photo as well. The Council agreed, and asked for a date that corresponds to a City Council meeting.

Tim Clark stated that he is now serving on JPACT, and that board has a lot more power than MPAC. Peterson stated that Metro and JPACT must agree on all transportation system projects. The Metro Council cannot take action unless JPACT concurs.

Tim Clark stated that EMCTC discussed the Cleveland and Division Street projects for flex fund usage. Tim Clark stated that Metro Councilor Shirley Craddick advocated for the Division Street sidewalks, but Mayor Bemis of Gresham made a great case for the Cleveland project. Tim Clark explained that EMCTC unanimously voted for the Cleveland project, but at JPACT Craddick asked him to advocate for the Division project. Tim Clark stated that the issue was left open, and will be voted on at the next meeting.

Tim Clark stated that EMEA was cancelled, but he did attend a low income taskforce meeting at Metro. Tim Clark explained that this is an informal taskforce to review policy elements, and make recommendations. Tim Clark stated that one of the programs could increase Tri-Met fares in order to reduce ticket prices for low income people.

Harden stated that he attended a listening session with the House majority leader and other state elected representatives. Harden stated that he asked if legislation will be introduced to resolve the bid by qualification requirement. Peterson stated that the League of Oregon Cities is taking on that item. Harden stated that he also asked about restoring recreational immunity, and that is in progress as well.

Harden stated that he attended the Fire User Board meeting last night, and the main topic of discussion was the end of the one-year trial period for the QRV. Harden stated that the QRV was predominantly used to respond to medical calls, but also gave Gresham Fire the ability to patrol and roam in the three-city area. Harden explained that Gresham will be evaluating the program, but does not know if it will be continued. Harden stated that the estimated cost for a 24-hour QRV is about \$1 million a year.

ADJOURN

With no further business coming before the Council, and upon motion by Harden, seconded by Nissen and passing 5-0, the Council adjourned at 8:35pm.

Timothy Clark
Mayor

Date

ATTEST:

Greg Dirks