

**MILWAUKIE CITY COUNCIL
WORK SESSION
MARCH 19, 2001**

The work session came to order at 5:45 p.m. in the City Hall Conference Room.

City Council present: Council President King and Councilors Lancaster, Marshall, and Newman.

Citizens Utility Advisory Board (CUAB): Charles Bird, Betty Chandler, Alan Fletcher, and Bob Hatz.

Consultants: Randall McCourt, DKS Associates, and Ed Cebron, Financial Consulting Solutions Group, Inc.

City staff: City Manager Pro Tem Swanson; Assistant City Manager Bennett; Planning Director Rouyer; Associate Planner Gessner; Interim City Engineer Baker; Civil Engineer Roeger; and Associate Engineer Barnett.

Advisory Board Interviews

Council interviewed Paul Klein and Brent Carter for positions on the Design and Landmarks Commission.

Open Public Forum

Ed Zumwalt explained he becomes involved in issues for the community's sake and asked that Council support his applications for regional transportation groups.

Zumwalt does not believe the proposed transit center belongs in Milwaukie, and Tri-Met representative Phil Selinger implied it would be obsolete in just a few years. He was concerned about traffic congestion and negative impacts to local businesses resulting from the proposed Main Street stops. People would have opposed the project four years ago if they had known about the negative impacts to the Masonic Lodge and Ledding Library. Apparently some big politicians worked hard to get funding for the transit center, but the Safeway site is already too small. He asked if the funding would disappear if the transit center were moved to another site.

Bennett said the approvals on that project are site specific.

Zumwalt said light rail is imminent, and there needs to be a stop in Milwaukie in order to get the money. He expressed his concern about Library parking. The transit oriented development site should be made into a community gathering place if the city really wants to revitalize its downtown.

Transportation System Plan Implementation

Gessner said the goal of the project is to develop a method to implement Milwaukie's 1997 Transportation System Plan (TSP). The most important element is for the Council to adopt code which can be applied at the time of new development. Second, the City wants to ensure developers pay for needed mitigation. Third, staff recommends creating a city transportation design manual that includes day-to-day street improvement standards. Finally, staff will update municipal codes to comply with recent Regional Transportation Plan (RTP) and State Planning Goal 12 -- Transportation Planning Rule changes. The transportation design standards are in the TSP, but the implementing codes still need to be written. He anticipated the code amendments would go before the City Council on August 21.

Councilor Lancaster understood the manual would guide the City's decisions; however, he was concerned about changes to statewide regulations.

Gessner said those areas for which there is a concern with legal challenges will be incorporated into the municipal code.

Rouyer added the city attorney is taking Measure 7 vulnerability into account.

Council President King asked if the code would be written to make the developer accountable for future traffic impacts.

Gessner replied the science of traffic engineering is reliable. In the sequence of events, existing conditions will be identified, probable trips generated by the development will be estimated, and the affect of new traffic is assessed. Mitigation recommendations are then made which could potentially be conditions of approval.

Rouyer added the traffic impact analysis would require the developer to predict future impact. In some instances, the developer may be asked to reassess the impacts after one year to validate earlier estimates.

Gessner discussed the Dolan v. City of Tigard case. The major goal of Milwaukie's project is to seek mitigation for nothing more than what the development might generate.

Council President King was concerned about street widths and tree protection.

Gessner hoped the guidelines would offer some flexibility when conflicts arose.

The group asked the status of the Street Funding Ad Hoc Committee, and **Bennett** said, due to staff changes, the Committee has not been launched.

Volume Based Sewer Rate

Baker introduced Citizens Utility Advisory Board (CUAB) members Bob Hatz, Alan Fletcher, Charles Bird, and Betty Chandler who had worked with consultant Ed Cebron to develop the sewer rate recommendation.

Cebron outlined the policy questions. Should Milwaukie stay with its fixed rate or change to a volume-based rate? How is volume defined? What customer impacts are acceptable? How will the City deal with exceptions? If the City does change methodology, how will it be implemented?

At the direction of Council, the CUAB evaluated changing the current flat rate per dwelling unit to one based on volume. Commercial customers are already billed on volume. It was determined early on to base the volume on the winter average. The Board recommended November through March, so the average is not skewed by summertime types of uses, such as irrigation, that do not go through the treatment process. The Board also considered mitigating high and low volume user charges, maintaining stable revenues during the rate transition, funding the associated administrative costs, and dealing with exceptions such as part-year residents. The rate structure will have to fairly reflect the cost-of-service as well as being clear and explainable to customers.

Cebron reviewed the winter average chart for single family residences and noted the mean is about 15 ccf. The current charge is \$36 for roughly 16 ccf of water. He pointed out the 10% extremes with either very high or very low usage. One billing option is a minimum usage if a customer is out of town during the rate setting period. This option would help stabilize the revenue and address the fixed costs paid to Clackamas County for plant maintenance and assumed wastewater treatment volume. These are the City's greatest expenses. The Council may also consider a reduction to high-end residential users.

Councilor Lancaster asked if some of Milwaukie's plant capacity could be leased to someone else.

Cebron said, in certain aspects, Milwaukie is oversubscribed, so there may be an opportunity to reduce expenses.

The CUAB recommends a three-year, phased rate change starting in 2001 with a fixed charge of \$29 and \$0.58 per ccf. This method would have a moderating effect during the transition and assure revenue stability. In 2002, the fixed rate would be \$22 and \$1.16 per ccf, and, in 2003, \$15 fixed and \$1.74 per ccf. This structure would apply to both single and multi-family residences.

Fletcher explained the phased rate approach would ensure funding stability and give the City Council an opportunity to review and evaluate the methodology annually.

Swanson discussed the City's low income utility rate application program based on County income guidelines.

Councilor Newman asked if the Board had discussed a cap.

Cebbron said the desire for proportionality was greater. A cap would have a noticeable impact on lower volume users to make up for revenue shortfalls.

The group discussed the cost of upgrading the Springbrook billing system, accurately measuring how much wastewater goes through the treatment plant, and the length of time left on the agreement with Clackamas County Service District #1.

Councilor Marshall explained the study was prompted by the desire to mitigate for single-person households.

Cebbron said the rate structure would move toward that result over the recommended three-year period. Essentially, each customer will have his/her own fixed charge. He discussed the importance of having a conservation program to help high volume hardship cases. Funding the recommended .5 FTE customer service representative is a budget matter.

Councilor Newman had concerns about customers with a zero winter average versus those who may be at home for short periods of time and show a very low average.

Councilor Marshall felt this would be addressed by the fixed cost per dwelling unit.

Swanson was concerned about the administrative costs associated with having to explain too many exceptions to customers.

Councilor Newman had some concerns about making some activities for the high end users cost prohibitive.

Cebbron said the top users are generally large households, people with pools or hot tubs, use medical appliances, or have leaking pipes.

The group agreed to include a 3% increase into the rate structure as previously recommended.

Councilor Lancaster wanted the Service District agreement reviewed.

Council President King wanted to ensure conservation education.

The group discussed how to inform the public of the change and give customers an estimate of anticipated rates.

Washington Street House

Council President King, Councilor Lancaster, and Councilor Marshall supported the letter drafted by the Design and Landmarks Commission to the School District regarding the Marinos house on Washington Street. Councilor Newman excused himself from the decision.

Board and Commission Appointments

Council President King proposed several advisory board appointments she intended to make at the upcoming regular session.

Adjournment

It was moved by Councilor Marshall and seconded by Councilor Newman to adjourn the meeting. Motion passed unanimously.

The work session ended at 7:55 p.m.

Pat DuVal, Recorder