



A place where families and businesses thrive.

City Council Regular Meeting Minutes **Monday, November 28, 2016**
7:00 p.m., Community Auditorium

***Minutes are unofficial until approved by Council.
Council approved minutes as presented December 12, 2016.***

1. CALLED TO ORDER AND ROLL CALL:

Mayor Peter Truax called the regular City Council meeting to order at 7:03 p.m. and led the Pledge of Allegiance.

Mayor Truax introduced and welcomed newly-elected Councilors Timothy Rippe and Matthew Vandehey, who filled Councilor Richard Kidd and Councilor Victoria Lowe's seats on Council, and congratulated Councilor Elena Uhing who was re-elected, noting they were sworn-in at the Swearing-In Ceremony held prior to the Council meeting. Mayor Truax gave commendation to Richard Kidd for his years of distinguished service on Council, noting Kidd served as Forest Grove's 42nd Mayor from 1993-1994 and 44th Mayor from 1998-2009 and Councilor from 1988-1992, 1995-1998 and 2012-2016. Mayor Truax gave commendation to Victoria Lowe for her distinguished service on Council, noting Lowe served as Councilor from 2001-2002 and 2004-2016.

ROLL CALL: COUNCIL PRESENT: Thomas Johnston, Council President; Timothy Rippe (newly-elected, four-year term expiring November 2020); Ronald Thompson; Elena Uhing (re-elected, four-year term expiring November 2020); Matthew Vandehey (newly-elected, four-year term expiring November 2020); Malynda Wenzl; and Mayor Peter Truax.

STAFF PRESENT: Jesse VanderZanden, City Manager; Ashley Driscoll, City Attorney; Paul Downey, Administrative Services Director; George Cress, Light and Power Director; Jon Holan, Community Development Director; Brenda Camilli, Human Resources Manager; Jeff King, Economic Development Manager; J. F. Schutz, Police Chief (in the audience); Michael Kinkade, Fire Chief (in the audience); Rich Blackmun, Project Manager (in the audience); and Anna Ruggles, City Recorder.

2. CITIZEN COMMUNICATIONS:

Devon Smith, Forest Grove, addressed Council requesting to consider declaring Forest Grove as a "sanctuary" city, to which Mayor Truax thanked Smith for her comments.

David Smith, Forest Grove, addressed Council requesting to consider declaring Forest Grove as a "sanctuary" city, to which Mayor Truax thanked Smith for his comments.

Robin Lindsley, Forest Grove, addressed Council encouraging attendance at the winter Farmers' Market, noting the winter market is held at the Forest Grove Elks Lodge.

3. CONSENT AGENDA:

Items under the Consent Agenda are considered routine and are adopted with a single motion, without separate discussion. Council members who wish to remove an item from the Consent Agenda may do so prior to the motion to approve the item(s). Any item(s) removed from the Consent Agenda will be discussed and acted upon following the approval of the remaining Consent Agenda item(s).

- A. Approve City Council Regular Meeting Minutes of November 14, 2016.
- B. Accept Library Commission Meeting Minutes of September 20, 2016.
- C. Accept Resignation on Public Safety Advisory Commission (Timothy Rippe, At-large, Term Expiring December 31, 2017).
- D. Endorse Change of Ownership Liquor License Application (Full On-Premises Sales) for Yellow Llama, 2036 Main Street, Suite B (Applicant: Sabores, Kellie Lemings).

MOTION: Councilor Uhing moved, seconded by Councilor Wenzl, to approve the Consent Agenda as presented. **MOTION CARRIED 7-0 by voice vote.**

4. ADDITIONS/DELETIONS: None.

5. PRESENTATIONS:

5. A. Metro Quarterly Exchange Update

Kathryn Harrington, Metro Councilor District 4, presented a PowerPoint presentation highlighting District 4 Quarterly Exchange Report. Harrington reported on Metro's Nature in Neighborhoods grants; Chehalem Ridge Nature Park; Transportation Funding; Regional Transportation Plan; TOD Investments; Regional Snapshot; Equitable Housing; Equity in greater Portland; Urban Growth Management; and Fun at Metro Venues. Harrington distributed various program-related handouts, which were referenced in the PowerPoint presentation. In conclusion of the above-noted presentation, Harrington addressed various Council inquiries pertaining to TOD investments, Indigenous Peoples and equitable housing and development.

5. B. Forest Grove Senior and Community Center Community Development Block Grant (CDBG) Project Update

King and Downey presented a PowerPoint presentation overview pertaining to the status of the Washington County Community Development Block Grant (CDBG) of \$325,000 that was awarded to the City for the Forest Grove Senior and Community Center kitchen improvement project (expansion and upgrade and new kitchen

equipment and appliances). King reported the City received approval to release a Request for Proposal (RFP) for design; however, no proposals were received due to shortage of architects for smaller projects and project delays occurring regionally. King advised as a result, Washington County is allowing municipalities to solicit architects directly without having to issue a new RFP and is willing to extend timelines if necessary to complete projects. King gave an overview of the Senior Center's kitchen improvement project timeline, noting staff expects awarding a bid and executing a construction contract in March-May, 2017. In conclusion of the above-noted presentation, King and Downey addressed various Council concerns pertaining to the Senior Center's operational impact and canceling events and programs, such as Meals on Wheels, to which Downey and King advised staff will move as quickly as possible to complete the bid process and project timelines. King noted interested architects will be asked to apply and be interviewed by a selection panel consisting of city staff and senior center officials.

5. C. Recreational Marijuana Sales Tax Collection

Downey and Driscoll presented a PowerPoint presentation overview pertaining to the passage of Ballot Measure 34-249 (Ordinance No. 2016-15), approved by voters (7351, 74.90% to 2464, 25.10%) at the General Election held on November 8, 2016, noting the ordinance authorizes the City to impose a three percent (3%) local tax on sale of recreational marijuana items by marijuana retailers. Downey advised the ordinance approved by the voters also directs the City to take necessary actions to implement the local tax, noting the State of Oregon Department of Revenue (DOR) has an existing program in place for collecting the State's 17% tax. Downey advised most cities are looking to enter into an intergovernmental agreement (IGA) with DOR to collect its local marijuana tax, which is the most efficient and effective provision of services. Downey referenced the "model" Marijuana Tax Collection Agreement, Attachment A, noting the agreement provides a significant level of administrative-related services by DOR, including, but not limited to, collecting the local tax and assessing penalties and interest and taking actions necessary to collect unpaid taxes and providing quarterly and annual reports. Downey advised the agreement provides for four percent (4%) of local tax revenues be withheld by DOR for administrative-related services, estimated \$1,460 to \$1,620 based on projected revenue of \$36,500 to \$40,500 annually. Downey added once a year, DOR will figure their actual costs and fees described in the agreement to calculate each local government's share of costs. Downey advised staff is recommending Council consider authorizing the City to enter into an IGA with DOR at the Council meeting of December 12, 2016, noting the agreement must be submitted by January 15, 2017, in order for DOR to collect the first quarter of 2017. In addition, Driscoll advised the City Attorney supports the IGA, noting DOR can supervise, administer and collect the local tax at lesser costs to the City, as well as ensuring that confidential information is protected. In conclusion of the above-noted presentation, Downey and Driscoll addressed various Council concerns and inquiries pertaining to liabilities for unlawful disclosure of confidential information;

terms of the agreement and 90 days written termination notice; and amendments to the “boilerplate” agreement, noting with only two licensed retailers in Forest Grove, the “model” Marijuana Tax Collection Agreement provided by the DOR most likely cannot be amended for a specific entity. Driscoll advised this is an optional agreement that cities may choose to enter into with DOR if electing to have the DOR collect and enforce their local marijuana tax, noting the agreement clearly states DOR will only recover costs to administer the local marijuana tax. In addition, Council President Johnston pointed out the option of DOR administering the local tax was sought by the League of Oregon Cities during 2016 session for efficiency, and to address concerns relating to public safety.

6. RESOLUTION NO. 2016-66 AUTHORIZING CITY MANAGER TO EXECUTE A LABOR AGREEMENT BETWEEN CITY OF FOREST GROVE AND INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS (IBEW), LOCAL UNION NO. 125, EFFECTIVE JULY 1, 2016 AND EXPIRING JUNE 30, 2020

Staff Report:

Camilli presented the above-proposed resolution requesting authorization to execute a Labor Agreement between the City and International Brotherhood of Electrical Workers (IBEW), Local Union No. 125, effective July 1, 2016, through June 30, 2020. Camilli reported staff met with IBEW eight times during the past five months and negotiated the labor agreement, noting language modifications to the agreement include the following:

Cost-of-living adjustments (COLA) for all Bargaining Unit Positions:

- 1.50% effective July 1, 2016
- 1.00% effective January 1, 2017
- 1.50% effective July 1, 2017
- 1.00% effective January 1, 2018
- 2.50% effective July 1, 2018
- 3.00% effective July 1, 2019

Health and Welfare: The following changes were agreed with reference to the health insurance premium sharing structure:

1. Effective January 1, 2017, the medical and dental plan caps will be separated out as follows: The City’s cap will be set at 90% of the premium for either medical plan plus 90% of the Dental II (Delta Dental) dental premium;
2. Effective January 1, 2018, the Union’s medical insurance plan options will change from the Regence BC Plan V-E to the Regence BC Copay Plan B; and from Kaiser Copay Plan A to Kaiser Copay Plan B. The City will increase premium contributions from 90% to 95% of the Regence BC medical plan premium and remain at 90% of the Kaiser medical plan premium; and the City’s premium contribution for dental will be set at 95% of the full cost of the Dental II (Delta Dental) Plan;

3. The parties agreed upon language addressing the bargaining process that would take place if the ACA Cadillac Plan Tax threshold is exceeded effective January 1, 2020.

VEBA: Effective January 1, 2017, the City will equalize City contributions to the employees' VEBA accounts (there was previously a difference based on the medical plan selected); Effective January 1, 2018, when medical plans change, the City's contribution to employees' VEBA accounts will increase by health insurance enrollment (one party, two party, three more) by \$40.00, \$80.00 and \$120.00 per year respectively.

Term: Extends the term of the labor agreement for four years, effective July 1, 2016, to June 30, 2020.

In addition, Camilli reported the costs to implement the agreement are within the parameters set by Council and most of the funds have been identified in the budget for Fiscal Year 2016-17. If budget adjustment is needed, an adjustment will be made at the end of Fiscal Year 2016-17. Future increases are within the projected cost increases that were used to project future rate increases as part of the rate study that was completed in December 2014. In conclusion of the above-noted staff report, Camilli advised staff is recommending Council adopt the proposed resolution approving the IBEW labor agreement, attached as Exhibit A.

Before proceeding with Council discussion, Mayor Truax asked for a motion to adopt Resolution No. 2016-66.

VanderZanden read Resolution No. 2016-66 by title.

MOTION: Councilor Wenzl moved, seconded by Council President Johnston, to approve Resolution No. 2016-66 Authorizing City Manager to Execute a Labor Agreement between City of Forest Grove and International Brotherhood Of Electrical Workers (IBEW), Local Union No. 125, Effective July 1, 2016 and Expiring June 30, 2020.

Council Discussion:

Council commended L&P personnel for their commendable service to the public. Hearing no questions from the Council, Mayor Truax asked for a roll call vote on the above motion.

ROLL CALL VOTE: AYES: Councilors Johnston, Rippe, Thompson, Uhing, Vandehey, Wenzl, and Mayor Truax. NOES: None. MOTION CARRIED 7-0.

7. CITY COUNCIL COMMUNICATIONS:

Council President Johnston reported attending the Chamber Luncheon and Chamber board meeting. In addition, Johnston reported on other matters of interest and

upcoming meetings and events he was planning to attend.

Thompson reported Community Forestry Commission did not have a quorum at its last meeting. Thompson reported on a Consumer Report publication pertaining to senior transportation. In addition, Thompson reported on other matters of interest and upcoming meetings and events he was planning to attend.

Rippe reported attending New Councilor Orientation and thanked staff for taking time to conduct city department tours.

Uhing reported on Economic Development Commission-related activities. Uhing referenced an e-mail sent from a concern citizen pertaining to Gales Creek Terrace site flooding. In addition, Uhing reported on other matters of interest and upcoming meetings and events she was planning to attend.

Vandehey noted he is looking forward to his assignment as a new Council liaison to the city's advisory boards and commissions. In addition, Vandehey encouraged the public to participate in the 2016 Citizens' Survey, noting it is a great avenue to rate the city.

Wenzl commended volunteers who assisted with the Tree Lighting at Forest Grove Senior and Community Center, noting the event was well organized. Wenzl also commended the Fire Department for organizing this year's Light Parade, noting the parade will be held Saturday, December 3, 2016. In addition, Wenzl reported on upcoming meetings and events she was planning to attend.

8. CITY MANAGER'S REPORT:

VanderZanden reported on upcoming meetings and events as noted in the Council calendar and City Manager's Report. VanderZanden reported the City, on behalf of Jeff King's work, was awarded a grant from the Washington County Visitors Association to replace/repair the kiosks downtown. In addition, VanderZanden referenced the City Manager's Report, which was emailed to Council in advance and outlined various upcoming Council-related meetings; upcoming Council-related agenda; updates on department-related activities and projects, including Administrative Services, Parks and Aquatics, Police, Library, Light and Power, Economic Development, Community Development, and Engineering and Public Works; and other upcoming citywide calendar events.

9. MAYOR'S REPORT:

Mayor Truax announced dates of various upcoming activities, events and meetings as noted in the Council Calendar. Mayor Truax reported attending the National League of Cities Conference, which was held in Pittsburgh, PA. Mayor Truax commended Ruggles and Sister Cities Committee for their hard work coordinating the Nyuzen

Student Delegation visit, noting it was an excellent visit. In addition, Mayor Truax reported on various local, regional, Metro, and Washington County-related matters of interest, meetings he attended, upcoming community-related events and upcoming meetings he was planning to attend.

10. ADJOURNMENT:

Mayor Truax adjourned the regular Council meeting at 8:34 p.m. and announced Council would be reconvening in a few minutes into work sessions (B&C interviews and Light and Power rate increase).

Respectfully submitted,



Anna D. Ruggles, CMC, City Recorder



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**City Council Executive Session Minutes
(Labor and Litigation)**

**Monday, November 28, 2016
6:00 p.m., Community Auditorium
Conference Room**

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1. CALLED TO ORDER AND ROLL CALL:

Mayor Peter Truax called the Executive Session to order at 6:04 p.m.

ROLL CALL: COUNCIL PRESENT: Thomas Johnston, Council President; Timothy Rippe; Ronald Thompson; Elena Uhing; Matthew Vandehey; Malynda Wenzl; and Mayor Peter Truax.

STAFF PRESENT: Jesse VanderZanden, City Manager; Ashley Driscoll, City Attorney; Paul Downey, Administrative Services Director; Brenda Camilli, Human Resources Manager; J. F. Schutz, Police Chief (in the audience); and Anna Ruggles, City Recorder.

2. EXECUTIVE SESSION:

The City Council met in Executive Sessions in accordance with:

ORS 192.660(2)(D) to conduct deliberations with person designated by the governing body to carry on labor negotiations.

ORS 192.660(2)(H) to discuss Council's legal rights and duties with regard to current litigation or litigation likely to be filed.

3. ADJOURNMENT

Mayor Truax adjourned the Executive Sessions at 6:35 p.m.

Respectfully submitted,

Anna D. Ruggles, CMC, City Recorder



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**City Council Work Session Minutes
B&C Applicant Interviews**

**Monday, November 28, 2016
8:30 p.m., Conference Room**

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1. ROLL CALL:

Mayor Peter Truax called the Work Session to order at 8:47 p.m.

ROLL CALL: COUNCIL PRESENT: Thomas Johnston, Council President; Timothy Rippe; Ronald Thompson; Elena Uhing; Matthew Vandehey; Malynda Wenzl; and Mayor Peter Truax.

STAFF PRESENT: Jesse VanderZanden, City Manager, and Anna Ruggles, City Recorder.

**2. WORK SESSION: BOARDS, COMMITTEES, AND COMMISSIONS (B&C)
INTERVIEWS**

The following interviewed applicants were interviewed for the following B&C positions:

- ***Solomon Clapshaw, Community Forestry Commission, Student Advisory, Term Expiring December 31, 2017, Parks and Recreation Commission and Public Arts Commission***
- ***Kelsey Trostle, Historic Landmarks Board, Term Expiring December 31, 2020***
- ***Tom Cook, Committee for Citizen Involvement, Term Expiring January 31, 2020, Budget Committee and Planning Commission***
- ***Richard Sandstrom, interviewed October 24, 2016, Public Safety Advisory Commission, At-Large, Term Expiring December 31, 2017 (to fill Timothy Rippe's resignation)***

After Council deliberation, Council collectively made recommendation to make the above-noted appointments as shown in **bold**. Resolutions making formal appointments will be considered at the next regular Council meeting of December 12, 2016.

Council took no formal action nor made any formal decisions during the work session.

3. **ADJOURNMENT**

Mayor Truax adjourned the work session at 8:55 p.m.

Respectfully submitted,



Anna D. Ruggles, CMC, City Recorder

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1. **ROLL CALL:**

Mayor Peter Truax called the Work Session to order at 9:40 p.m.

ROLL CALL: COUNCIL PRESENT: Thomas Johnston, Council President; Timothy Rippe; Ronald Thompson; Elena Uhing; Matthew Vandehey; Malynda Wenzl; and Mayor Peter Truax.

STAFF PRESENT: Jesse VanderZanden, City Manager; Paul Downey, Administrative Services Director; George Cress, Light and Power Director; and Anna Ruggles, City Recorder.

2. **WORK SESSION: LIGHT AND POWER RATE INCREASE**

Downey, Cress and VanderZanden facilitated the work session, noting the purpose of the work session was to seek Council consensus to begin the public notification process prior to scheduling the Public Hearing to be held on January 9 or January 23, 2017, to consider increasing light and power (L&P) electric rates by 4.75 percent (4.75%) effective February 20, 2017, which means customers would see the increase on bills received in April 2017. Downey advised the 4.75% proposed rate increase consists of:

- 4.5% for costs included in the cost-of-service study
- 0.25% to fund increasing retirement costs for L&P

Downey reported the public notification process includes publishing the proposed L&P rate increase on the City's website, December's FYI utility bill stuffer, and in the City's weekly ad in the NewsTimes. In addition, Downey and Cress presented a PowerPoint presentation overview of the 2014 L&P Cost-of-Service Analysis and Rate Study, noting the study found that the City would require electric rate increases at an average of six percent (6%) per year through 2018 in order to continue recovering costs of providing services and maintaining appropriate fund balance for L&P Department. Downey advised electric rates were increased 6% effective January 15, 2015, and 4.5% effective January 16, 2016, noting rates were increased 4.5% instead of the planned 6% in 2016 due to lower than expected costs. In conclusion of the above-noted work session staff report, Downey and Cress advised, as with 2016, the projected 4.75% increase for 2017 is lower than the study's recommended 6% because BPA's power costs are lower than originally projected.

Council Discussion:

Mayor Truax opened the floor and roundtable discussion ensued pertaining to various components based on the cost-of-service analysis and rate study and recommendation to increase electric rates by 4.75% in 2017. Downey, Cress and VanderZanden responded to various concerns, inquiries and scenarios Council presented pertaining to revenue requirements and the need to increase electric rates, noting the factors used to determine the revenue requirements and electric rate increase proposed is due to existing operating costs are not met; Bonneville Power Administration's power costs projected to increase a minimum of 4% over the coming year with a likelihood of increasing even further; and costs of new debt service for substation improvements (\$3.8 million capital project to upgrade and replace three transformers ranging in age from 43 to 53 years). In conclusion of the above-noted Council discussion, Council collectively concurred with staff's recommendation to proceed with the public notification process and asked staff to focus on an educational story/article of the L&P Department's history and ability to maintain relatively low rates and providing excellent customer service and outage management, to which Downey advised staff would provide historical information on the proposed rate increase and update the cost model to see if the proposed rate increase maintains the financial goals established during 2014 Rate Study.

Council took no formal action nor made any formal decisions during the work session.

3. ADJOURNMENT

Mayor Truax adjourned the work session at 9:50 p.m.

Respectfully submitted,



Anna D. Ruggles, CMC, City Recorder