

A regular meeting of the Astoria Common Council was held at the above place at the hour of 7:05 p.m.

Councilors Present: LaMear, Herzig, Warr, Mellin, Mayor Van Dusen

Councilors Excused: None

Staff Present: Police Chief Curzon, Finance Director Carlson, Fire Chief Ames, Community Development Director Estes, Library Director Tucker, and Public Works Director Cook. The meeting is recorded and will be transcribed by ABC Transcription Services, Inc.

City Council proceeded to Item 4: Changes to the Agenda.

REPORTS OF COUNCILORS:

Reports of Councilors were given immediately following Item 6(h): Pacific Power Blue Sky Grant Offer.

Item 3(a): Councilor Herzig No reports.

Item 3(b): Councilor Mellin reported that the Ghadar Party Centennial Celebration, held in Astoria in October 2013, was featured in the January 2014 edition of the *Oregon Historical Quarterly*. She said she would leave a copy in City Manager Benoit's office for anyone to read.

Mayor Van Dusen stated the event was a huge success. He suggested City Manager Benoit give a financial update of the event at the next City Council meeting. Many Indians have returned to Astoria since the celebration to learn about the city. The event will benefit the community for years to come.

Item 3(c): Councilor LaMear reported that she attended a meeting with the Ford Family Foundation regarding grant opportunities for the development of the remainder of Heritage Square. The Foundation was supportive and she hopes to receive a grant from them to help complete Heritage Square.

Item 3(d): Councilor Warr No reports.

Item 3(e): Mayor Van Dusen No reports.

City Council proceeded to Item 5: Consent Calendar.

CHANGES TO AGENDA:

This Item was addressed immediately following Roll Call.

Mayor Van Dusen requested Item 6(a): Acceptance of Astoria Public Library Renovation Study and the Astoria Public Library Board's Recommendation be addressed immediately, then Item 6(h): Pacific Power Blue Sky Grant Offer, with the rest of the City Council meeting to be continued according to the Agenda. City Council agreed.

City Council proceeded to Item 6(a): Acceptance of Astoria Public Library Renovation Study and the Astoria Public Library Board's Recommendation.

CONSENT CALENDAR:

This item was addressed immediately following Item 3: Reports of Councilors.

The following items were presented on the Consent Calendar:

5(a) City Council Minutes of 12/2/13

5(b) City Council Minutes of 12/16/13

5(c) Request to Purchase Copy Machine for the Police Department (Police)

5(d) Irving Avenue and 18th/19th Street Clearing – 19th Street and Irving Avenue Bridge Replacement Project (Public Works)

Councilor Herzig requested Item 5(c): Request to Purchase Copy Machine for the Police Department be removed for further discussion.

City Council Action: Motion made by Councilor Warr, seconded by Councilor LaMear, to approve Items 5(a), (b), and (d) of the Consent Calendar. Motion carried unanimously. Ayes: Councilors LaMear, Warr, Herzig, Mellin and Mayor Van Dusen; Nays: None.

Item 5(c): Request to Purchase Copy Machine for the Police Department (Police)

Councilor Herzig questioned the requested \$13,225.95 to purchase a new color copy machine, adding that perhaps the decimal had been misplaced, \$13,000 seems too high. His online research showed the highest priced copy machine at \$3,000. He did find a \$20,000 gold-plated copy machine that was made for a special anniversary. He would need to see the features of the machine to understand why the City needed to spend so much money for a copy machine. Director Estes explained that in this case, when Staff accepted bids on this project, a certain set of parameters needed to be addressed. The City received one bid from Abeco. For a business level machine, this copy machine will have the ability to accommodate the amount of copies the police department needs. He understood extensive copying must be done for trials. Director Carlson said this would be the second copier the City has purchased in the last year. The City spent about \$9,000 on the last copy machine, which was only a black and white copier. The color copy machines the City looked at during that time were in the same price range as this machine. The City chose to purchase the black and white copier because color was not as important at that time and for that department. The type of copier requested can cost \$20,000 to \$25,000.

Councilor Herzig asked for specific details on the copy machine. His online search was not limited and included the most expensive, color and wireless copiers. He was concerned that the City only received one bid and was unsure the City was requesting bids properly. There have been several times when the City has requested bids and only received one. He asked for more information on the bidding process. He wanted specific details on the copy machine because copiers used for publishing were around \$3,000 according to his online search. He stated he would not vote to approve the purchase until the features of the machine are provided. Chief Curzon said the Police Department should have replaced their copier three months ago and he was confident that the price of the machine was consistent with the values of the City. The City attempts to purchase locally and Abeco is the only local vendor that provides copiers. Staff could purchase a copier in Portland, but travel expenses would be incurred for maintenance of the machine. The price is consistent with the quality that the Police Department needs to provide service to the community. The District Attorney's Office and various attorneys ask for a number of copies.

Director Estes noted this discussion could continue at the next City Council meeting.

Mayor Van Dusen suggested the decision be delayed until after the details of the machine were forwarded to City Council so that Councilor Herzig is comfortable with the issue.

Councilor Warr disagreed, but said the issue is not worth a fight. He explained that his wife worked for many years for a law firm in Astoria that spent almost \$20,000 on a commercial grade copy machine about seven years ago. If Councilor Herzig wanted to delay the decision, he would not object.

Councilor Mellin believed Staff did their research and trusted the Police Department's choice. She saw no reason to delay the decision, adding she did not know what else the City would find.

Councilor LaMear noted from the memo that the cost of printing in color on the new copy machine would average eight cents per page. Lazerquick charges much more than eight cents per page. The proposed machine will provide a significant cost savings and when adding that savings to the number of years the machine should last, the cost of the machine decreases considerably. The new machine offers patrol units the ability to send their paperwork directly to the copier while in the field, which decreases the amount of time officers must spend in the office printing reports. This is also a cost savings. The Police Department needs a color printer and she believes it made sense to move ahead with this issue.

Mayor Van Dusen said he had no problem with the cost and quality of the machine and understood that the Police Department needs the copier. However, if he did not understand the cost and wanted more information about an item on the Consent Calendar, he would vote to delay the decision until he felt comfortable. He supports delaying the decision to the next City Council meeting, so Councilor Herzig can gather more information to feel more comfortable.

City Council Action: Motion made by Mayor Van Dusen, seconded by Councilor Herzig, to postpone action on Item 5(c) Request to Purchase Copy Machine for the Police Department until January 21, 2014. Motion carried unanimously. Ayes: Councilors LaMear, Warr, Herzig, Mellin and Mayor Van Dusen; Nays: None.

City Council proceeded to Item 6(b): Continuation of Public Hearing for the Sale of Excess City Property Located at the 600 Block of Exchange Street, Lot 6, Block 40, McClure's.

REGULAR AGENDA ITEMS

Item 6(a): Acceptance of Astoria Public Library Renovation Study Report, Parts One and Two, and the Astoria Public Library Board's Recommendation (Library)

In 2007, the Astoria Public Library Advisory Board completed the Astoria Public Library Strategic Plan, which was adopted by City Council at their May 21, 2007 meeting. On May 6, 2013, City Council adopted their 2013-2014 goals, which included "Continue with Development of Plans for Renovation of the Astoria Library". A contract with Ruth Metz Associates (RMA) to complete a programming study to guide the renovation was approved by City Council on June 3, 2013. The RMA team consisted of Ruth Metz, Kathryn Pope of Page and Morris, Troy Ainsworth of FFA Architects and Interiors, and Lucien Kress of Kress Consulting.

The purpose of the Astoria Public Library Renovation Study Report was to determine if the Astoria community wanted a 21st century library and if so, would a 21st century library fit into the existing library building footprint. The scope included a needs assessment, technology assessment, cost estimate, and building program. Multiple process were initiated to seek extensive public input as to what features the citizens of Astoria would desire in a renovated library, to assess the current footprint and to create a rough estimate of the potential costs. The Library Advisory Board actively participated in the gathering of public input. Development of the report, which was structured to gain as much public input as possible, resulted in more than 800 citizens being queried. The final draft of the study, completed in October 2013, has been made available to the public in multiple formats and is now being forwarded to the City Council for final consideration. At their November 26, 2013 meeting, the Astoria Library Advisory Board recommended that the Astoria Public Library Study Report, Parts One and Two, be accepted. They further recommend the following statement:

"The work done by Metz and Associates was outstanding; it captured the sense of the city and revealed that the community wants a modern, up-to-date library as an essential part of Astoria. The Board believes that the recommended 18,122 square footage requirement is appropriate. To accommodate more square footage and be more efficient, the lateral option of expanding to the east into the space currently occupied by the Waldorf building is the best option. The Board understands that implementing the entire plan at once is cost prohibitive and recommends the work be completed in phases. The first phase could be the demolition and reconstruction of the Waldorf space. The new children's center and meeting space could be included in this phase, which would be a demonstration project for what the library can become. As renovations continue, the children's center and meeting space may be moved, but these two functions are critical. In response to the community's request for more natural light in the library, the Board will stress to planners and architects that the renovated library should be filled with light. Ideally, the first phase would include installing glass panels in the north wall. By focusing on the lateral option and adding more light, an attractive fundraising plan can be created to raise funds relatively quickly. No fundraising structure currently exists, but the Board will work hard to put one in place. The Board expects the initial phasing to serve as a springboard for the renovation of the entire library. The Board stresses that the existing building is obsolescent; the systems are no longer functioning properly, the building is not ADA compliant, and does not serve the needs of the community. Even though the Board recommends a phased approach, ultimately, the Board recommends that the entire project should be brought to full completion."

Following a joint work session held at 6:00 p.m. on January 6, 2014, it is recommended that the City Council accept the Astoria Public Library Renovation Study Report, Parts One and Two, and the Astoria Public Library Advisory Board's Recommendation and direct Staff to continue working with the Library Advisory Board to further the renovation process.

City Council Action: Motion made by Councilor LaMear, seconded by Councilor Herzig to accept the Astoria Public Library Renovation Study Report, Parts One and Two, and the Astoria Public Library Advisory Board's Recommendation and direct Staff to continue working with the Library Advisory Board to further the renovation process. Motion carried unanimously. Ayes: Councilors LaMear, Warr, Herzig, Mellin and Mayor Van Dusen; Nays: None.

City Council proceeded to Item 6(h): Pacific Power Blue Sky Grant Offer.

Item 6(b): Continuation of Public Hearing for the Sale of Excess City Property Located at the 600 Block of Exchange Street, Lot 6, Block 40, McClure's (Public Works)

This item was addressed immediately following Item 5: Consent Calendar.

At its December 16, 2013 meeting, the City Council requested that the public hearing regarding the sale of excess City property located at the 600 Block of Exchange Street, Lot 6, Block 40, McClure's be continued to the January 6, 2014 City Council meeting. The purpose of the continuance was to allow two adjacent property owners, Roger Dorband/Patricia Barnes and the Clatsop County Historical Society, the opportunity to meet and consider the possibility of sharing the lot. The neighbors have met and have come to an agreement. It is recommended that the City Council conduct the public hearing and consider acceptance of the offer of \$6,500. Should the Council approve the sale, a deed would be issued jointly to the parties. Subsequently, the parties will divide the properties to suit their needs.

Director Estes declared that he is on the Board of Directors of the Clatsop County Historical Society, one of the parties making an offer on this property. While he has not participated with that Board on the sale of this property, he would also recuse himself from participating on this item. He confirmed he had recused himself in discussions with the Historical Society as well.

Mayor Van Dusen reopened the public hearing at 7:41 p.m. and called for a presentation by the Applicants.

Mac Burns, Executive Director, Clatsop County Historical Society, 960 Franklin Avenue, Astoria, appreciated that City Council postponed this hearing, which gave the Historical Society and the other two adjacent property owners the opportunity to discuss the sale. The parties came to an agreement to jointly purchase the property, and then have Staff divide the property. The Historical Society is interested in half of the property, while the two adjacent property owners are interested in the other half. This agreement is a win for all of the parties involved. He confirmed that Roger Dorband and his wife are the only other people interested in purchasing the property.

Mayor Van Dusen called for public comment on the proposed sale of subject city-owned property. Hearing none, he closed the public hearing at 7:42 p.m. and called for Council deliberation.

Councilor Mellin noted it is so nice to have compatible people sharing property and making agreements together.

City Council Action: Motion made by Councilor Mellin, seconded by Councilor LaMear to approve the sale of the property located at the 600 Block of Exchange Street, Lot 6, Block 40, McClure's to Roger Dorband, Patricia Barnes, and the Clatsop County Historical Society for \$6,500. Motion carried 4 to 1. Ayes: Councilors LaMear, Warr, Mellin and Mayor Van Dusen; Nays: Councilor Herzig.

Councilor Herzig explained he voted no because the citizens have said they do not want this process to continue. While he does not object to this individual sale, the citizens have said to please not do this.

Item 6(c): Property Sale Offer – 4900 Block of Birch (Public Works)

The City has received an offer from Mike and Judith Cahill to purchase Lot 1, Block 18 located in the 4900 Block of Birch in Alderbrook. The property is immediately north of the Cahill property located at 4908 Cedar Street and is one of four lots the City has listed for possible sale. The Cahill's offer is \$12,000. It is recommended that the

City Council schedule a public hearing for January 21, 2014 to take public comment on the potential property sale and approve or deny the sale of said property.

Mayor Van Dusen confirmed the hearing needed to be scheduled so the public can be notified that the City is considering the sale of this property.

Mayor Van Dusen called for public comment. Hearing none, he called for the vote.

City Council Action: Motion made by Councilor Warr, seconded by Councilor Mellin to schedule a public hearing on January 21, 2014 on the sale of property located at the 4900 Block of Birch, Lot 1, Block 18, in Alderbrook. Motion carried unanimously. Ayes: Councilors LaMear, Warr, Herzig, Mellin and Mayor Van Dusen; Nays: None.

Item 6(d): Liquor License Application from Iris Sullivan, Margaret Bondurant, and Rachel Douglas dba Blue Scorcher Bakery & Café at 1493 Duane Street, for Change of Ownership for a Limited On-Premises Sales License (Finance)

A liquor license application has been filed by Iris Sullivan, Margaret Bondurant, and Rachel Douglas, doing business as Blue Scorcher Bakery and Café at 1493 Duane Street, Astoria. The application is for a Change of Ownership for a Limited On-Premises Sales License. The appropriate departments have reviewed the application and it is recommended that Council consider approval.

Director Estes stated no objections have been noted by the departments.

Mayor Van Dusen declared that his company sells soft drinks to the Blue Scorcher, but he did not believe he needed to recuse himself.

Councilor Herzig asked for the definition of change of ownership. He did not believe the Blue Scorcher had changed hands. Director Estes understood the Blue Scorcher is a cooperative and has added an individual to the ownership.

City Council Action: Motion made by Councilor LaMear, seconded by Councilor Mellin to approve the Change of Ownership Limited On-Premises Sales Liquor License Application by Iris Sullivan, Margaret Bondurant, and Rachel Douglas, doing business as Blue Scorcher Bakery and Café at 1493 Duane Street. Motion carried unanimously. Ayes: Councilors LaMear, Warr, Herzig, Mellin and Mayor Van Dusen; Nays: None.

Item 6(e): Liquor License Application from Amritpal Sarang, Lovekesh Kumar, and Alpana Kumar dba Super Mart #8 at 1701 Marine Drive, for a Change of Ownership for an Off-Premises Sales with Fuel Pump License (Finance)

A liquor license application has been filed by Amritpal Sarang, Lovekesh Kumar, and Alpana Kumar, doing business as Super Mart #8 at 1701 Marine Drive, Astoria. The application is for a Change of Ownership for an Off-Premises Sales with Fuel Pumps License. The appropriate departments have reviewed the application and it is recommended that Council consider approval.

Director Estes stated no objections were noted by the departments.

Councilor Herzig noted the hours of operation indicate the facility is open 24 hours a day. He asked how this would affect the sale of liquor.

Lovekesh Kumar, Cloverdale, explained that he operates Super Mart #7 and had operated Center Market in Tillamook for eight years. Super Mart #8 will be his second store, which he would like operate 24 hours a day. Beer can be sold from 7:00 a.m. to 2:30 a.m. according to OLCC law. He will follow all of the rules and regulations.

Mayor Van Dusen declared for the record that the company that he and his brother own sell soft drinks to Super Mart #8.

Councilor LaMear complimented the Applicants on the looks of the building, adding it is wonderful to have a new use for the building. Mr. Kumar noted the facility is dirty but will be cleaned.

City Council Action: Motion made by Councilor Warr, seconded by Councilor Mellin to approve the Change of Ownership Off-Premises Sales with Fuel Pumps Liquor License Application by Amritpal Sarang, Lovekesh Kumar, and Alpina Kumar, doing business as Super Mart #8 at 1701 Marine Drive. Motion carried unanimously. Ayes: Councilors LaMear, Warr, Herzig, Mellin and Mayor Van Dusen; Nays: None.

Item 6(f): Resolution Adopting Internal Control Policies (Finance)

Following best practices for financial reporting, Finance Staff has developed a policy for internal control. Internal controls are a set of procedures and practices developed and employed to facilitate safeguarding the City's assets, be they cash or investments, infrastructure, equipment, credit rating, or information. Internal control is important to an organization because this control structure determines how the organization's resources are directed, monitored, and measured. It is recommended that City Council adopt the resolution implementing the Internal Control Policy.

Councilor Herzig understood that no internal control policy currently exists and the City auditor has recommended that such a policy be adopted. This policy will not significantly change practice. The City is trying to be conscientious and adopting this policy has been recommended as a best practice by the City auditor. Director Carlson said yes. This policy documents internal control policies and procedures for the City and provides a process of communicating from the City Council down. He confirmed the policy would not change practice, but would cement the practices in use.

City Council Action: Motion made by Councilor LaMear, seconded by Councilor Mellin to adopt the resolution implementing the Internal Control Policy. Motion carried unanimously. Ayes: Councilors LaMear, Warr, Herzig, Mellin and Mayor Van Dusen; Nays: None.

Item 6(g): City Financing Property Sales (Finance)

At the December 2, 2013 City Council meeting, a citizen wishing to purchase a piece of City property asked the City to consider financing the purchase. After some discussion, the Council directed City Staff to research the issue and bring back a workable solution. Walt Postlewait, Executive Vice President for Craft3, was in the audience at the meeting and approached the City the following day with an offer to assist. Staff is asking City Council to consider approval of the program as outlined in the memo included in the agenda packet, and authorize the Mayor to sign any related program agreement with Craft3.

Director Estes read the details of the program and noted that with the City agreeing to this term, Craft3 would be able to shorten and simplify the lending process by reducing the customary lines on income and collateral requirements. Upon approval by City Council, Staff anticipates two to three weeks would be necessary to set up the program with Craft3.

Councilor Herzig believed that if the City is going to allow individuals to finance the purchase of City-owned properties, individuals should be allowed to find their own financing and not be forced to get financing from one company, as this goes against good free market practices. If a buyer can find better financing terms from another entity, he believed it was wrong for the City to force them to use Craft3. He emphasized that there was no conflict of interest, but the City Manager is on the Board of Craft3, which is an uncomfortably close relationship. Craft3, a non-profit, will be charging interest and making money off the loans. He expressed concern with the relationship between the City and Craft3, who are insisting that potential buyers only deal with Craft3 for this financing. Director Estes clarified that the agreement does not prevent a buyer from choosing their own financing. This program is for buyers who request finance assistance from the City. Councilor Herzig thanked Director Estes for the clarification and stated he was in favor of the program.

City Council Action: Motion made by Councilor Herzig, seconded by Councilor Warr to approve the program outlined in the memo included in the packet and authorize Mayor Van Dusen to sign any related program agreement with Craft3. Motion carried unanimously. Ayes: Councilors LaMear, Warr, Herzig, Mellin and Mayor Van Dusen; Nays: None.

City Council proceeded to Item 7(a): Election of City Council President.

Item 6(h): Pacific Power Blue Sky Grant Offer (Public Works)

This item was addressed immediately following Item 6(a): Acceptance of Astoria Public Library Renovation Study and the Astoria Public Library Board's Recommendation.

On November 25, 2013, Pacific Power awarded a grant in the amount of \$169,000 to the City to assist with construction of the Bear Creek Dam Hydroelectric project. This grant will supplement an \$88,000 grant received from Business Oregon Infrastructure Finance Authority (IFA), and an anticipated grant of \$118,000 from the Energy Trust of Oregon (ETO). In total, grand funds in the amount of \$375,000 will be available to construct the project. Sheila Holden of Pacific Power will be attending the meeting to formally make the award and answer any questions City Council may have. Final design and bid documents are being prepared and should be available by early 2014. It is recommended that the City Council accept the agreement with Pacific Power for the Blue Sky Grand funds in the amount of \$169,000.

Sheila Holden, Pacific Power, stated it was Pacific Power's pleasure to provide \$169,000 from their customers that participate in the Blue Sky Fund, which has been in existence for eight years. Every community can participate in reducing its carbon footprint through renewable energy, which can include habitats, wind turbines, and solar panels. This will be the first low head hydro project for Pacific Power. She thanked Staff for taking on this project. Pacific Power is looking forward to the project because Astoria is always at the forefront of setting the example. Astoria will be producing 30 kilowatts of power that it will sell to Pacific Power. She presented a gift of Harry & David's Moose Munch to City Council as a token of Pacific Power's commitment to give Astoria \$169,000 as soon as a signed agreement has been received.

Councilor Mellin asked if the Blue Sky Fund was funded by citizens. Ms. Holden explained the money comes from Pacific Power customers. Communities have participated in challenges to become Blue Sky Communities or Green Power Communities, one of which is Cannon Beach. Each individual customer has the option to buy into the Blue Sky Fund. The funds go toward projects within the Pacific Power service area that benefit the customers and communities that Pacific Power serves. Pacific Power, with its sister utility, Mid-American, are currently the number one and two companies in the country for renewable energy with its wind and solar projects.

Councilor Herzig noted part of the agreement requires the City to allow Pacific Power to service the project for a minimum of 20 years in order to maintain eligibility for funding and incentives. If another utility services the project, the funding must be repaid by the City in full. He confirmed with Ms. Holden that this requirement is only for this specific project. Ms. Holden further explained the property must be purchased by the City and the facility must be placed on City-owned property. In exchange for the grant, the grant agreement is between the City and Pacific Power. Director Cook explained that the City's water supply originates from three different lakes that are filled by creeks 12 miles east of Astoria. These bodies of water filter downhill into filtration equipment at the main dam, where fluoride and chlorine is added to the water. The water then drops about 100 feet as it flows downhill into a 21-inch line that delivers the water to Astoria. A turbine will be installed in this line to capture the energy that is already constantly running down the pipe. This will be free power, as the water must run down the pipe anyway.

Mayor Van Dusen added that almost 100 percent of the infrastructure for the project is already in place.

City Council Action: Motion made by Councilor Mellin, seconded by Councilor Warr to accept the agreement with Pacific Power for the Blue Sky Grand funds in the amount of \$169,000. Motion carried unanimously. Ayes: Councilors LaMear, Warr, Herzig, Mellin and Mayor Van Dusen; Nays: None.

City Council proceeded to Item 3: Reports of Councilors.

NEW BUSINESS & MISCELLANEOUS, PUBLIC COMMENTS

This item was addressed immediately following Item 6(g): City Financing Property Sales.

Item 7(a): Election of City Council President

Councilor Mellin said she enjoyed serving as City Council President in 2013. She led one meeting, met two ship captains, and was in charge of the Ghadar Party Centennial Celebration. She believed her work was done.

City Council Action: Motion made by Councilor Mellin, seconded by Councilor Warr to nominate Councilor LaMear as City Council President for 2014. Motion carried unanimously. Ayes: Councilors LaMear, Warr, Herzig, Mellin and Mayor Van Dusen; Nays: None.

Mayor Van Dusen called for new business from Council.

Councilor Herzig noted the lights at the Garden of Surging Waves are on during both the day and night. He asked if a sensor would be installed to prevent the garden from being lit 24 hours a day. Director Estes answered yes. He explained that contractor was doing some testing earlier in the day to work out the timing of the lights. The sensor should be working within the next few days. The project is now in the punch list phase. Some of the pavers need to be replaced and the contractor is currently analyzing the scope of this work. The contractor has asked that the fence stay up to accommodate the equipment they will bring in to replace the cracked pavers. Director Estes will report to City Council when he gets a timeframe on the removal of the fence.

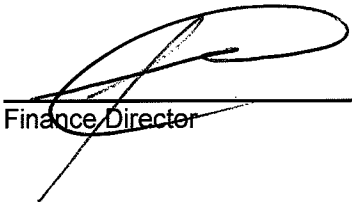
Mayor Van Dusen called for public comment. There was none.

ADJOURNMENT


There being no further business, the meeting was adjourned at 7:54 p.m. to convene the Executive Session.

ATTEST:

APPROVED:



Finance Director



City Manager