

**LEBANON CITY COUNCIL
MINUTES
October 12, 2016**

Council Present: Council President Bob Elliott, Jason Bolen, Floyd Fisher, Robert Furlow and Rebecca Grizzle

Staff Present: City Attorney Tré Kennedy, City Manager Gary Marks, City Clerk Linda Kaser, Police Lieutenant Scott Bressler, Community Development Director Walt Wendolowski, Engineering Services Director Ron Whitlatch and Finance Director Dean Baugh

CALL TO ORDER: Council President Elliott called the Regular Session of the Lebanon City Council to order at 6:00 p.m. in the Santiam Travel Station Board Room.

ROLL CALL: The City Clerk called roll with Mayor Aziz (excused) and Councilor Rieskamp (unexcused) being absent.

APPROVAL OF CITY COUNCIL MINUTES

Councilor Bolen moved, Councilor Grizzle seconded, to approve the September 14, 2016 Regular Session Minutes as presented. The motion passed unanimously.

CONSENT CALENDAR

AGENDA: City of Lebanon Council Agenda – October 12, 2016
BOARD MINUTES: Planning Commission – August 17, 2016

Councilor Grizzle moved, Councilor Bolen seconded, to approve the Consent Calendar as presented. The motion passed unanimously.

READINGS OF PROCLAMATIONS

Council President Elliott proclaimed:

- November 1, 2016 as **Extra Mile Day**
- October 9-15, 2016 as **Fire Prevention Week** and presented the proclamation to Councilor Bolen, representative of the Lebanon Fire Department.

PRESENTATION – Annual Risk Report for FY 2015/16

Finance Director Baugh introduced Steve Uerlings, of Barker-Uerlings Insurance, who distributed and briefly reviewed the City of Lebanon's Risk Management Report. He pointed out a correction on the Schedule of Property and Liability Insurance Coverage/Premium History – Excess Crime (Page 1): the limit should read \$250,000 and not \$100,000.

Tort Liability – There is a reserve for a law enforcement claim (primarily the defense cost) this year.

Auto Liability – A number of different incidents in 2015-16 resulted in over \$31,000 of losses and reserves. These

were primarily by the Police, Public Works, and the Transit departments.

Auto Physical Damage – For the five-year period, the City averages about seven claims per year at \$9,000 per claim.

Workers' Compensation – After moving to SAIF, premiums have gone down from \$175,000 to about \$98,000 due to safety/return-to-work programs and no time-loss days in 2015-16. The experience mod is now under 1.0, which is about average. The City will also receive dividends of about 25% of the 2014-2015 premium. Public Works is the biggest offender in the Workers' Comp area. For the Police Department, there was a back strain during an arrest (\$40,000) and a stress claim (\$15,000). The 2011 Public Works claim (shoulder strain for \$160,000) will soon be rolling off. The City has been able to manage high claims the last couple of years so the trend is looking good.

City Manager Marks announced that the City recently received the CIS Gold Award. Lebanon is the largest city in the state with no recorded injuries. He attributes this to the very active Safety Committee and emphasis on workplace safety.

PUBLIC COMMENTS

Tom Cordier, 2240 NW Park Terrace, Albany, spoke to Council last month regarding his plight with CenturyLink. He thanked City Attorney Kennedy for following up but the last he heard was that Mr. Posner is not returning Kennedy's phone calls. He understands the City may not be able to force CenturyLink to do anything, but he finds it unusual that the City would enter into a franchise agreement that protected itself but not its citizens.

Kennedy indicated that Mr. Posner said that this is not his decision to make and that there are issues related to the site's previous private development. Kennedy explained that through the franchise agreement, the City has certain powers and rights when CenturyLink is using public rights-of way. There is little or no authority when it comes to private development so his recommendation is that the City not get in the middle of this situation.

Mr. Cordier requested financial help from the City for CenturyLink's unfair practice of featherbedding since their requirement for advance payment of \$3,500 is not in his budget.

Responding to Councilor Bolen's comment that the lot was purchased and the home designed knowing the location of the pedestal, Mr. Cordier explained that he could not have flipped the design of the house because of building code requirements. Responding to Councilor Bolen's question as to why he purchased the lot, Mr. Cordier stated that he mistakenly thought it was not a big deal to move the pedestal. Councilor Bolen stated that the Council does not impose business practices on private industries. He empathizes with Mr. Cordier but it is a due diligence error and he would not support any funding.

Councilor Grizzle stated that she briefly responded to Mr. Cordier's email and forwarded it to Kennedy. She agreed with Councilor Bolen that the City stepping into the middle of private business arrangements would set a precedent. She sympathizes but she does not believe a franchise agreement is designed to protect in that manner from every business practice, whether right or wrong. She asked whether a variance could be issued. Mr. Cordier confirmed that a variance for the sidewalk was received. He thanked the Council for their time.

There were no further citizen comments.

PUBLIC HEARING

1) Annexation – Oregon Department of Veterans' Affairs

Council President Elliott opened the public hearing at 6:35 p.m.

Kennedy described public hearing procedures. There were no objections from the audience to the notice that was sent out in this case or to the jurisdiction of this body to hear and consider this case.

Councilor Bolen declared ex parte contact being involved with Development Review Team as a member of the Fire Department. There were no other declarations of ex parte contact, conflict or bias by any member of the Council.

Community Development Director Wendolowski presented the Planning Commission's recommendation to annex approximately 3.93 acres of land (east side of Hansard Avenue, approximately midway between Reeves Parkway and the railroad right-of-way) and to amend the City's planning maps establishing the Mixed Use Comprehensive Plan designation and the Mixed Use zone on the newly annexed property. There is no concurrent development at this time. Notices to affected agencies were sent out; DLCD's compliance questions the Oregon Administrative Rules were successfully addressed.

The property lies within the City's urban growth boundary. Land within City limits is located to the west and to the east of this site. Necessary services are located in Hansard Avenue and can readily service this property. There are no issues with regard to development of the site for urban uses. Regarding the plan and zone map amendments, the City has a significant surplus of industrial and mixed use zone properties, so there is no appreciable impact regarding the zone change. Industrial options are not lost through the zone change. The ODVA anticipates additional employment opportunities at the site – ones that can only occur in a timely manner if the zone change is in place. Staff's analysis indicates the proposal complies with all applicable Comprehensive Plan policies, as well as the Statewide planning goals.

Hearing no questions from the Council, Mayor asked for applicant's testimony.

The applicant's representative Lyle Hutchens, DEVCO Engineering, introduced John Osborn, ODVA Facility and Construction Manager. Mr. Osborn explained that they plan to add 120 spaces to relieve the parking problem. This proposal also leaves possible later opportunity to bring in other services or to build a small commercial laundry facility to help with some issues they are currently having.

Councilor Grizzle agreed that parking is much needed. Mr. Osborn added that they immediately knew they made the right decision about siting the Veterans' Home in Lebanon because of the City's volunteerism.

Hearing no other comments in favor of or in opposition to the application, Council President Elliott closed the public hearing at 6:50 p.m.

Kennedy read the title of ORDINANCE BILL NO. 2016-15, ORDINANCE NO. 2884. **Councilor Grizzle moved, Councilor Bolen seconded, to APPROVE ORDINANCE BILL NO. 2016-15, ORDINANCE NO. 2884, A BILL FOR AN ORDINANCE ANNEXING AND ZONING PROPERTY FOLLOWING CONSENT FILED WITH THE CITY COUNCIL BY LANDOWNERS IN SAID AREA PURSUANT TO ORS 222.120 AND ORS 222.170 AND FOR A COMPREHENSIVE PLAN AND ZONE MAP AMENDMENT TO ESTABLISH THE MIXED USE ZONE; PLANNING FILE 16-08-48; OREGON DEPARTMENT OF VETERANS' AFFAIRS. The motion passed unanimously.**

REGULAR SESSION

[Council President Elliott temporarily adjourned as the Lebanon City Council and convened as the Urban Renewal Agency Board]

2) Amendments to the Cheadle Lake Urban Renewal District

Wendolowski presented staff's recommendation to begin the amendment process by forwarding the Cheadle Lake Plan first substantial amendment to the Planning Commission for their review of conformance to the Comprehensive Plan, to Linn County for their review and vote, and to the Council for their hearing and vote. One basic change is a boundary adjustment to expand the District by 47 acres of almost entirely industrial-zone land. It would include the Champion Mill site, the new water treatment plant site, and some property in between. The amendment also updates the project list and incorporates Strategic Plan projects, including the community gardens. Projects will also be prioritized to address funding issues. The amendment also extends the District's life to 2036. These changes will not increase maximum indebtedness.

There was a vote of confidence from the Council.

[Council President Elliott adjourned as the Urban Renewal Agency Board and reconvened as the Lebanon City Council]

3) Approve Water Treatment Plant CM/GC Contract

Engineering Services Director Whitlatch requested approval of the new water treatment plant project construction manager/general contractor contract. Slayden Constructors, Inc. scored the highest of the three qualified proposals received. The contract was approved by Kennedy as well as Slayden's legal counsel. He briefly went over the contract highlights, which are included in his memo.

He confirmed for Council President Elliott that staff feels comfortable with Slayden Constructors, Inc.

City Manager Marks pointed out that even though the contract was not included in the packet, due to its size, it was posted on the City website.

Councilor Furlow asked if there is a maximum contract amount. Whitlatch explained the process to get to a guaranteed maximum price. Staff set an aggressive goal of between \$22 million and \$23 million.

Council President Elliott asked if the project will have to be cut significantly. Whitlatch confirmed that it will have to be cut substantially. The original design was geared towards the greatest ease of operation and the least amount of impact to annual operations. Some of those features will have to be given up, along with other ancillary things, but the plant will produce clean, safe drinking water for years.

Councilor Furlow moved, Councilor Bolen seconded, to APPROVE THE CONSTRUCTION MANAGER/GENERAL CONTRACTOR SERVICES CONTRACT WITH SLAYDEN CONSTRUCTORS, INC. FOR THE NEW WATER TREATMENT PLANT. The motion passed unanimously.

Whitlatch added that any guaranteed maximum price amendment will come back for Council approval. The amount being discussed tonight is \$196,975 for services.

4) Amendment to the Safe Drinking Water Revolving Loan Fund

Whitlatch requested Council approval of an ordinance to enter into a contract with the Oregon Infrastructure Authority (IFA) to accept an additional \$3 million from the Safe Drinking Water Revolving Loan Fund (SDWRLF) for the new water treatment plant – \$2.75 million at 1% interest with \$250,000.00 in forgivable principal. This brings the total SDWRLF to \$13 million, which will be combined with the State's Special Public Works Fund Loan of \$10 million. This is the largest award IFA has given to any city and it includes over \$1 million in forgivable principal.

Quick calculations comparing a 4.25% interest rate and both loan interest rates show that the City will save between \$9 million and \$10 million over the life of the loan; this equates to about \$300,000 per year.

At this point, it looks as though the debt service (of about \$100,000 annually) for the additional loan can be covered without a rate increase by using the Water Capital Program, if the guaranteed maximum price can be kept in the \$23 million to \$25 million range.

Councilor Grizzle expressed appreciation that the City is able to take advantage of low interest rates because many cities are not as far along in this process. She hopes the ratepayers will appreciate this someday.

Councilor Furlow commended staff for developing the kind of package that saves Lebanon taxpayers money and provides a quality project.

Kennedy read the title of ORDINANCE BILL NO. 2016-16, ORDINANCE NO. 2885. ***Councilor Furlow moved, Councilor Bolen seconded, to APPROVE ORDINANCE BILL NO. 2016-16, ORDINANCE NO. 2885, A BILL FOR AN ORDINANCE AMENDING ORDINANCE BILL NO. 2015-11, ORDINANCE 2867 AUTHORIZING A LOAN FROM THE SAFE DRINKING WATER REVOLVING LOAN FUND BY ENTERING INTO A FINANCING CONTRACT WITH THE OREGON INFRASTRUCTURE FINANCE AUTHORITY. The motion passed unanimously.***

5) Supplemental Budget (including Dial-a-Bus Grant)

Finance Director Baugh presented staff's request for a supplemental budget amendment. He spoke about the changes, as noted in his memo.

Councilor Furlow asked whether the Senior Center Dial-A-Bus will be an addition or a replacement. Marks stated that he believes it will be an additional bus.

Kennedy read the title of RESOLUTION NO. 2016-35. ***Councilor Grizzle moved, Councilor Bolen seconded, to APPROVE RESOLUTION NO. 2016-35, A RESOLUTION AUTHORIZING A SUPPLEMENTAL BUDGET AMENDMENT TO THE CITY OF LEBANON 2016-17 BUDGET. The motion passed unanimously.***

6) City Manager's Report – Marks provided updates:

Summit on Homelessness – This free event will be held at the Boulder Falls Inn on Thursday, October 27th from 6:00-8:00 p.m. This is not to recruit help but rather to become better educated about effective ways to deal with this issue. Eighty percent of Dr. Marbut's fees are being paid for by private and commercial parties. His philosophy is to help a transition occur in the lives of the homeless.

Through the Vision process, homelessness was identified as one of the topics the community wants addressed. The Strategic Plan calls for coordinating efforts of existing social services agencies to eliminate duplication of services and identifying services that could be enabling.

Council President Elliott shared that he invited Albany Mayor Konopa to the event. Marks stated that everyone is welcome but results of the assessment will be specific to Lebanon.

ITEMS FROM COUNCIL

Councilor Furlow mentioned that several people complimented the City for taking an active part in and supporting the Blue Zones Project. Some in outlying communities are also encouraging the City's participation and are looking forward to being a part of that satellite network.

Councilor Bolen commented that he has found a lot of misconception about the City's monetary requirements but, in fact, the City will be supporting, and not funding, the project.

Councilor Bolen commended Kennedy and the Police Department because he has noticed that panhandling is slowly disappearing since the City passed those related ordinances.

Councilor Bolen asked for an update on the snowbird utility billing matter. Marks stated that work is progressing; it will be brought back to Council as soon as there is something to present.

Councilor Fisher reported on a large crack in the old library building that has been getting wider and moving a lot in the last few months. He mentioned it to Williams a few months ago but has not heard anything. Marks thanked him and stated that staff would follow up on this.

PUBLIC COMMENTS – *There were none.*

ITEMS FROM PRESS – *There were none.*

NEXT SCHEDULED COUNCIL MEETING(S)

- November 9, 2016 (6 p.m.) Regular Session
- December 14, 2016 (6 p.m.) Regular Session

ADJOURNMENT

Council President Elliott adjourned the meeting at 7:22 p.m.

[Minutes prepared by Linda Kaser & Donna Trippett]

Minutes Approved by the Lebanon City Council on this 9th day of November 2016.



Paul R. Aziz, Mayor

Bob Elliott, Council President

ATTESTED:



Linda Kaser, City Clerk