

**LEBANON CITY COUNCIL**  
**MINUTES**  
**August 12, 2020**

**Council Present** Councilor President Jason Bolen, Robert Furlow, Rebecca Grizzle, Wayne Rieskamp, Karin Stauder and Michelle Steinhebel

**Staff Present** City Attorney Tré Kennedy, Interim City Manager/Engineering Director Ron Whitlatch, City Recorder Kim Scheafer, Police Chief Frank Stevenson, Finance Director Matt Apken, Community Development Director Kelly Hart and Human Resources Director Angela Solesbee

**CALL TO ORDER** Council President Bolen called the electronic meeting to order at 6:00 p.m. using Zoom web conferencing due to the COVID-19 pandemic.

**ROLL CALL** Mayor Aziz was absent. All Councilors were present.

**CONSENT CALENDAR** *Councilor Rieskamp moved, Councilor Grizzle seconded, to approve the Consent Calendar as presented. The motion passed unanimously.*

<b>AGENDA</b>	Lebanon City Council Agenda – August 12, 2020
<b>BOARD MINUTES</b>	Planning Commission – April 30 & May 7, 2020 and June 17 & 24, 2020
<b>COUNCIL MINUTES</b>	July 8, 2020 Regular Session
<b>EASEMENT</b>	New Sewer Main Extension (S. 2 <sup>nd</sup> & W. Ash Streets)
<b>LIQUOR LICENSE</b>	Mugs Coffee House – New Full On & Off Premises Application

**INTRODUCTION/PROCLAMATIONS**

Interim City Manager/Engineering Services Director Whitlatch introduced proposed Interim City Manager Nancy Brewer who shared some of her background.

Council President Bolen read the proclamations declaring September to be both Senior Center Month and Preparedness Month and September 11 to be Patriot Day.

**PUBLIC COMMENTS**

There were no Council comments regarding Jennifer Puccio's letter [included in the Council packet] supporting the development of Colonia Paz I. She also shared possible solutions to housing disparities in Lebanon.

City Recorder Scheafer said that she did not receive any additional public comments.

**REGULAR SESSION**

*The Lebanon City Council recessed and convened as the Urban Renewal Agency.*

**1) Approval of a Resolution Authorizing a Minor Amendment to the Northwest Lebanon Urban Renewal District's Boundary**

Community Development Director Hart provided background and requested that the Agency approve the resolution enacting a minor amendment to reduce the Northwest Lebanon Urban Renewal District's boundary, which is

currently on track to exceed the maximum indebtedness unless modifications are made. The Plan creates a single development tax increment finance zone to reimburse the developer for infrastructure required to facilitate development and implements the economic development agreement for the property. If Council approves the Mill Race Urban Renewal Plan, the Agency needs to adopt a concurrent amendment to the Northwest Lebanon Urban Renewal Plan to remove this property from that urban renewal area. All considerations tonight would not result in increases in taxes or the utility billing structure.

Consultant Elaine Howard explained that this amendment does not go into effect until the ordinance creating the new Mill Race Urban Renewal Plan becomes effective.

Councilor Stauder said that some constituents are concerned that funds will benefit the private development. Hart explained that the Mill Race Plan would create a new urban renewal area to provide its own funding source to pay for the public improvements associated with those identified in the City's Transportation System Plan and the overall facilities plan. The development includes expansion of public streets and public infrastructure which the developer is building for the City. Any reimbursement associated with the public improvements would be generated out of property tax increases from the development; it is not generated out of the City's General Fund or a separate funding source. Funds would not go towards the private development.

City Attorney Kennedy read the title of RESOLUTION NO. 2020-17. ***Councilor Rieskamp moved, Councilor Steinhebel seconded, to APPROVE RESOLUTION NO. 2020-17, A RESOLUTION OF THE LEBANON URBAN RENEWAL AGENCY AUTHORIZING A MINOR AMENDMENT TO THE NORTHWEST LEBANON URBAN RENEWAL DISTRICT'S BOUNDARY. The motion passed with 5 yeas and 1 nay (Furlow).***

*The Lebanon Urban Renewal Agency adjourned and reconvened as the Lebanon City Council.*

## **PUBLIC HEARINGS**

### **2) Approval of an Ordinance Making Certain Determinations and Findings Relating to and Approving the Mill Race Urban Renewal Plan and Directing that Notice of Approval be Published**

Ms. Howard reviewed background and components of the Mill Race Urban Renewal Plan, which consists of 51.45 acres and is estimated to last eight years. The specifics mirror the economic development agreement that the City entered into with the developer in 2017. The maximum indebtedness of the Plan is \$9,652,364 and will be reimbursed to cover administrative expenses and to reimburse developer infrastructure improvements. Notice to the taxing districts included the full potential impact for both the amount anticipated (about \$3 million) and the capacity (about \$9.6 million), which enables the City to fulfill the economic agreement. There are no impacts through the creation of this new urban renewal area to property tax payers; the impacts are on taxing jurisdictions.

Linn County expressed their confidence by voluntarily passing a motion in support of the Plan's adoption. They asked the City to consider future traffic impacts. All required processes and notifications were followed.

*Council President Bolen opened the Public Hearing at 6:30 p.m.* City Attorney Kennedy reviewed public hearing quasi-judicial procedures. There were no declarations of ex parte contact or conflicts of interest by any Council member.

Hart said that written public comments were included in the packet. She played two voicemail messages that were in opposition to the proposal. She added that the City included clarification on some of the public comments and concerns. Staff communicated clearly with nearly 30-plus individuals and had informed them that it would not impact their property taxes or utility bills.

*Council President Bolen closed the Public Hearing at 6:36 p.m.* Kennedy read the title of ORDINANCE BILL NO. 2020-10, ORDINANCE NO. 2950. ***Councilor Furlow moved, Councilor Steinhebel seconded, to APPROVE***

**ORDINANCE BILL NO. 2020-10, ORDINANCE 2950, A BILL FOR AN ORDINANCE MAKING CERTAIN DETERMINATIONS AND FINDINGS RELATING TO AND APPROVING THE MILL RACE URBAN RENEWAL PLAN AND DIRECTING THAT NOTICE OF APPROVAL BE PUBLISHED. The motion passed unanimously.**

**3) Amending Fees and Charges for City Services and Repealing Exhibit A "Fee Schedule" of Resolution No. 2019-22**

*Council President Bolen opened the Public Hearing at 6:37 p.m.* Finance Director Apken stated that there were few changes this year, with the exception of Community Development. He confirmed for Councilor Stauder that the City compares its fees to comparable-sized cities.

Scheafer stated that no comments were received. *Council President Bolen closed the Public Hearing at 6:39 p.m.* Kennedy read the title of RESOLUTION NO. 2020-08. ***Councilor Grizzle moved, Councilor Steinhebel seconded, to APPROVE RESOLUTION NO. 2020-08, A RESOLUTION AMENDING FEES AND CHARGES FOR CITY SERVICES AND REPEALING EXHIBIT A "FEE SCHEDULE" OF RESOLUTION NO. 2019-22. The motion passed unanimously.***

**REGULAR SESSION (continued)**

**4) Utility Billing Due to COVID-19**

Apken stated that to help citizens during the pandemic, the City had stopped doing lock-offs and issuing penalties for nonpayment of water and sewer service since March. Staff is requesting Council direction about whether to resume lock-offs or penalties since there is a growing number of past due accounts.

Throughout the discussion, Apken shared information about the past due accounts. Many of the accounts are residential, as opposed to commercial. As of today, of the 355 past due accounts, 222 are only one month behind. Sixty-three are either two or three months past due. Of those, 29 are owners and 34 are renters. There are 70 accounts that are four or more months past due. Of those, 27 are owners and 43 are renters. For those with bills over \$1,000, it may take years to catch up. Some cities are restarting their lock-offs and late fees and others are continuing to suspend lock-offs. Regarding impact on the City's finances, there is about \$73,000 in past due accounts; the City bills \$944,000 monthly.

Councilor Steinhebel said that it should be taken into consideration that at some point, at the state or federal level, there may be a ruling that utilities cannot be turned off for nonpayment. Until the state of emergency is over, it also may be not be in the best interest of the City's vulnerable population to restrict clean water. She agrees with trying to work with those past due, but she is not in favor of doing shutoffs during a healthcare crisis.

Councilor Stauder stated that she feels the same way but does not want to make assumptions about why there is nonpayment. She asked how many customers were in arrears prior to COVID. Apken said that as of last month, 44 accounts had a history of being locked off. Of the 133 accounts past due more than two months, only 14 of those have never been locked off.

Councilor Grizzle also felt the same, but she felt that some sort of effort had to be made. The City needs to move forward with doing something because it would be remiss in allowing this to continue.

Council President Bolen stated that he understands people are hurting right now but the City has a responsibility to provide a service and to bill for that service. Based on these figures, the City may be close to or is already being taken advantage of. There are responsibilities to being a citizen, state of emergency or not. The City should work with those who make contact with a plan. For those who ignore the calls and bills and do not make an effort to contact the City, he does not think the City should just look the other way because of the state of emergency. If it gets overturned at the federal or state level, the City can deal with that as it comes.

Councilor Furlow asked how many customers reached out explaining their situation. Apken said that some, but not the majority, have set up payment plans. Councilor Furlow agreed with Councilor Steinhebel because of the importance of hand washing. He also sees the predicament that people are getting into so he thinks the City should communicate with customers this month, stating that the City needs to hear from them by a certain date or their water will be shut off. A discussion about their circumstances and payment plans can be made at that time.

Councilor Rieskamp agreed with Councilors Furlow and Steinhebel.

Responding to Council President Bolen's question, Apken said that normally the entire outstanding balance plus a \$50 fee must be paid to resume service. Whitlatch confirmed for Councilor Stauder that it is possible to forgive the fee during the pandemic for those who do not have a history of shut offs. The required amount to resume service can be made on a case by case basis.

Apken shared that CARES Act funds may be able to help with electric utilities which would not directly benefit the City, but it would benefit citizens. Staff is looking at other options to help those individuals past due on water bills as well.

***Council consensus was to communicate (via letters and phone calls) with those past due that they need to contact the City to set up a payment plan. This topic will be revisited at the September City Council meeting as to when to resume lock-offs.***

**5) Authorizing the Issuance and Negotiated Sale of a Full Faith and Credit Financing Agreement and Notes to Refinance Outstanding Obligations of the City; Designating an Authorized Representative, Financial Advisor and Special Counsel; and Related Matters**

Apken requested approval of a resolution allowing for refinancing of the 2010 Wastewater Revenue bonds. PFM Financial Advisors LLC believes that the City can save about 10% (about \$300,000) over the next 11 years. The resolution will give him or Whitlatch authority to work with the financial advisors and sign the refunding documents.

Kennedy read the title of RESOLUTION NO. 2020-18. ***Councilor Stauder moved, Councilor Grizzle seconded, to APPROVE RESOLUTION NO. 2020-18, A RESOLUTION AUTHORIZING THE ISSUANCE AND NEGOTIATED SALE OF A FULL FAITH AND CREDIT FINANCING AGREEMENT AND NOTES TO REFINANCE OUTSTANDING OBLIGATIONS OF THE CITY; DESIGNATING AN AUTHORIZED REPRESENTATIVE, FINANCIAL ADVISOR, AND SPECIAL COUNSEL; AND RELATED MATTERS. The motion passed unanimously.***

**6) Recommendation to Award – Sherman Street Waterline Replacement Project**

Whitlatch described what the Sherman Street Waterline Replacement Project will entail. Thirteen bids were received; four were rejected. He recommended awarding the project to Pacific Excavation, Inc. who had the lowest bid at \$273,295.00.

***Councilor Grizzle moved, Councilor Steinhebel seconded, to AWARD THE SHERMAN STREET WATERLINE REPLACEMENT PROJECT TO PACIFIC EXCAVATION, INC. FOR \$273,295.00. The motion passed unanimously.***

**7) Approval to Advertise Project for Bids – Gill's Landing Boat Dock Replacement**

Whitlatch requested that Council pass a motion authorizing staff to advertise the Gill's Landing Boat Dock Replacement Project for bids. The project will be about \$110,000. The City was successful in receiving a portion of the funding (\$94,000-\$98,000) from the Federal Emergency Management Agency. The balance will be taken out of the Parks Maintenance fund. The project will go to bid in the fall or spring.

*Councilor Rieskamp moved, Councilor Furlow seconded, to APPROVE AUTHORIZING CITY STAFF TO ADVERTISE THE GILL'S LANDING BOAT DOCK REPLACEMENT PROJECT FOR BIDS. . The motion passed unanimously.*

**8) City Manager's Report** – Whitlatch provided updates:

- Staff is continuing to look at different granting opportunities (CARES Act, CDBG funds) to assist small businesses and residents with utilities costs.
- Human Resources Director Solesbee developed a new salary schedule for exempt staff. There is currently minimum, mid and maximum levels but no mechanism for moving through current pay scales. New evaluation forms had been developed. To get exempt staff in the correct pay scale and range, a budget amendment of about \$60,000 will likely be brought back sometime this year but the cost will be spread over all City funds so there is no hit and it is well within budget.

Solesbee explained that industry standard and best practice is to use a step schedule, similar to what the unions use. This aligns with the pay equity law passed in 2019 and allows the City a more structured approach with a fair and competitive wage and helps with retention. There have been no evaluations or probably pay increases for non-union staff in quite some time. The compensation evaluation was based on comparable-sized cities, the City's budget, and overall FTE. She compared positions to develop a pay scale similar and within market. Overall, non-union staff were about 14% below market with most 20% below market. This new step schedule will get employees to within +/- 5% of market, which is a good first step in a three to five-year process of fine tuning the schedule and employees' pay. The next step is to evaluate each employee and place them within the step schedule.

Council President Bolen expressed his appreciation to Solesbee and stated that being fair to City employees is one of the most important things the Council can do to keep quality employees. Councilor Grizzle also thanked Solesbee for the tedious work. Councilor Furlow agreed and said that this should be revisited regularly so it does not happen again.

Councilor Stauder asked for clarification that only exempt employees were not getting annual evaluations. Solesbee said that all employees were lacking. A new evaluation form was created. By May 2021, all staff should have had an evaluation in the previous year. She confirmed that employees should have an evaluation every year.

**ITEMS FROM COUNCIL**

Councilor Stauder said that she had to leave the Executive Session early last week and had not voted when they went into open session. She wanted her constituents to know that she had stated her support for the decision that the Council was going to take before she left the Executive Session.

**PUBLIC/PRESS COMMENTS** – Kelly Kenoyer, *Lebanon Local Newspaper*, asked for clarification on who was present.

**NEXT SCHEDULED COUNCIL MEETING(S)** – September 9, 2020 (6:00 p.m.) Regular Session.

*The Council recessed the open session and convened into Executive Session at 7:33 p.m.*

**EXECUTIVE SESSION** – *Per ORS 192.660(2)(a) To consider the employment of a public officer, employee, staff member or individual agent.*

**RECONVENE REGULAR SESSION** – *The Council reconvened into open session at 7:38 p.m.*

9) Approval of Employment Contract for Interim City Manager

Whitlatch stated that Nancy Brewer agreed to a starting salary of \$140,000.00. Ms. Brewer said that she is very excited to be joining the City.

*Councilor Stauder moved, Councilor Rieskamp seconded, to AUTHORIZE THE MAYOR TO SIGN AN EMPLOYMENT AGREEMENT AS PROPOSED ON BEHALF OF THE CITY WITH NANCY BREWER AS INTERIM CITY MANAGER AT A SALARY OF \$140,000.00. The motion passed unanimously.*

**ADJOURNMENT** – Council President Bolen adjourned the meeting at 7:40 p.m.

*[Minutes prepared by Donna Trippett]*

Minutes Approved by the Lebanon City Council on this 9<sup>th</sup> day of September 2020.

Paul R. Aziz, Mayor   
Jason Bolen, Council President

ATTESTED:

Kim Scheafer, MMC, City Recorder