

CITY OF SUTHERLIN
Regular City Council Meeting
Sutherlin Civic Auditorium
Monday, June 22, 2015 – 7:00pm

COUNCIL MEMBERS:

Tom Boggs, Frank Egbert, Wayne Luzier, Karen Meier, Forrest Stone, Wes Anderson
MAYOR: Todd McKnight

CITY STAFF: City Manager, Jerry Gillham
City Recorder/HR Manager, Debbie Hamilton
Deputy City Recorder, Diane Harris
Finance Director, Dan Wilson
CD Director, Vicki Luther
PW Operations, Aaron Swan
PW Utilities, Brian Elliott
Chief of Police, Kirk Sanfilippo
Interim Fire Chief, Rich LaBelle
City Attorney, Chad Jacobs

Audience: Holly Boggs, Lisa Hawley, Keith Cubic, Bertha Egbert, Pam & Denny Cameron, Scott Richardson, Tami Trowbridge, Anthony Harris, J. Lindeen Brown, Brian Burke Sr., Beth & Jim Houseman, Brian Burke Jr., Greg Marlar

Meeting called to order by Mayor McKnight at 7:00pm.

Flag Salute

Roll Call: All present

Introduction of Media: None present

PUBLIC COMMENT (agenda items only)

- None

PRESENTATIONS/PROCLAMATIONS

- **Chamber of Commerce/Visitor Center**

Chamber of Commerce President, Tami Trowbridge, presented budget report ending May 31, 2015.

Updates:

- Pre-Flag Day Open House – Media covered the successful event. The Flag Monuments will be placed in their permanent locations this week. Two businesses have committed to a sponsorship
- Sutherlin Street Fair event will take place July 10 during Graffiti weekend
- Presented new street signs for Central Avenue; the signs are larger and provide direction and block numbers. Cost for new signs is approximately \$2,800 and will be split between City and Chamber
- New Visitor Center sign is now in place at Triangle Park just under the Lions sign
- New sign will be placed at Exit 135 stating “2 miles to downtown”

City Manager, Jerry Gillham, extended an acknowledgment to Councilor Egbert, who started the flag concept for Sutherlin, expressing it was a great idea.

Questions:

- Where will the six completed flag monuments be placed? *One in front of the Library, City Hall, Red Rock Trail footbridge at Umpqua St, and three monuments will be located in Central Park.*

COUNCIL BUSINESS

- None

CONSENT AGENDA

- **June 8, 2015 Minutes – Regular Meeting**

MOTION made by Councilor Luzier to approve Consent Agenda as presented; second by Councilor Stone.

Discussion: None

In Favor: Councilors Anderson, Luzier, Stone, Egbert, Boggs, Meier and Mayor McKnight

Opposed: None

Motion carried unanimously.

ACTION ITEMS/GENERAL BUSINESS

- **Resolution 2015.10 – Budget Adjustment**

Staff Report – Finance Director, Dan Wilson, provided budget adjustment summary for General Fund's legal costs, Dial-a-Ride and Public Works Operations Fund.

- What Dial-a-Ride expenses were not anticipated? *An additional position was required due to increase in calls at Call Center which dispatches for the entire county. Ridership is reviewed quarterly by Chief Sanfilippo and Douglas Rides Manager, Dennis Pinheiro. This determines staff needed to man the Call Center and amount of grant reimbursement.*
- Were there additional expenses besides the COLA (cost-of-living adjustment) increase in the Public Works budget? *Yes, unanticipated overtime and health insurance related expenses.*

MOTION made by Councilor Luzier to approve Resolution 2015.10 Budget Adjustment as presented; second by Councilor Boggs.

Discussion: City Attorney expenses have more than doubled since 2012-13. *Had two union agreements at the same time, Fire negotiations, and several litigious personnel actions. Attorney consultations were required at an elevated level. With the acknowledgement that City Manager's contract is not tied to employees' salaries, can now participate in future negotiations. Therefore, we will only need consulting services from attorneys when needed.*

In Favor: Councilors Anderson, Luzier, Stone, Egbert, Boggs, Meier and Mayor McKnight

Opposed: None

Motion carried unanimously.

- **Overlay Bid Award**

Staff Report – Community Development Director, Vicki Luther, summarized bid award process. Both Branton Street, from W. Central Avenue to W. Sixth Avenue and Umatilla Street, from E. Central to E. Fourth Avenue will be included in the project. Knife River was low bidder at \$164,867. Currently have \$133,000 budgeted for overlays and \$59,000 budgeted for sidewalk improvements. Sidewalk improvement bid is for \$41,140.69 and overlay \$123,726.51.

Questions:

- Will sidewalks be installed along the length of the streets or just “returns” [ADA Ramps] at the intersections? *This will include seven ramps on Branton and one on Umatilla.*
- Who decides which street gets the improvements? *Planning Commission also acts as Transportation Committee. Public Works Operations Superintendent, Aaron Swan, and City Engineer, Adam Heberly, attended Planning Commission meeting. A list of streets qualifying for overlays was presented, Swan's recommendation were accepted.*
- Recommendations appeared to be based on Dyer Partnership's 2010 Street Improvement Plan; will this be updated and tracked on a regular basis? If so, by City Staff or Dyer? *Staff is planning to do the updates and tracking.*
- Project came in under budgeted amount; what is the plan for the unused portion left in funds? Also noticed up to a 15% increase has been allowed for change orders. *Not sure if we will be able to go further on the overlays.* Would we be able to transfer those unused dollars toward Slurry Seal? *Yes.*

MOTION made by Councilor Stone to award contract for overlays in the amount of \$164,867 to Knife River Materials for FY 2015-16; second by Councilor Luzier.

Discussion: None

In Favor: Councilors Anderson, Luzier, Stone, Egbert, Boggs, Meier and Mayor McKnight

Opposed: None

Motion carried unanimously.

- **Slurry Seal Bid Award**

Staff Report – Luther stated three bids were received; low bidder was VSS International for \$36,575, budgeted amount for is \$41,000.

- Why is the notice of intent to award sent out to the low bidder before Council approval?

Councilor Anderson responded to the question stating this process keeps the “ball rolling”. It is not a notice to award but a notice of *intent* to award.

- Would like to see 2010 Street Improvement Plan brought back for an update, Taylor Street needs improvements. Portland is using a new Slurry Seal process that combines rubber with the mixture, sealing the cracks in the streets. Would be worth looking into.

MOTION made by Councilor Luzier to award contract for Slurry Seals in the amount of \$36,575 to VSS International for FY 2015-16; second by Councilor Boggs.

Discussion: None

In Favor: Councilors Anderson, Luzier, Stone, Egbert, Boggs, Meier and Mayor McKnight

Opposed: None

Motion carried unanimously.

- **City Manager’s Salary**

Staff Report – City Recorder/HR Manager, Debbie Hamilton, referred to Staff Report asking Council if they have questions.

- At no time should the head person make less than those he is supervising. Salary range presented for consideration is from \$85,000 to \$95,000; feel this is still a little low. Was considering 7% over highest paid department head.

MOTION made by Councilor Boggs to increase City Manager’s Salary 7% above highest paid department head; second by Councilor Luzier.

Discussion:

- Concerned this would allow City Manager to give department heads a raise when he wants one.

Wage decreases were implemented by last Council Administration for all new hires to control payroll costs. This penalized the City Manager, who does not receive step increases, therefore has to wait until Council decides to increase his wage.

City Manager responded to previous concern that he could start department heads at a top step so he can get a wage increase. This creates a built in possibility of being accused of a conflict of interest.

Discussion continued regarding salary comparisons of outside entities. Cost increases involving City Manager’s current wages and benefits was presented, suggestion was made to add a cap due to increases from benefits.

- Suggest setting the salary at 7% above highest paid, and then creating a step system for City Manager; raises would be based on performance reviews.
- What would the salary amount be with the 7% increase? ***\$91,549.***
- Would like to consider giving City Manager a bonus rather than wage increase. Could be based on amount of money saved in budget.

City Attorney, Chad Jacobs – City Manager is under contract, this change can be made if provisions are made in the contract.

- There is a potential for cost saving for a myriad of things with the City. Growth would increase revenue from additional tax payers. Could foster an environment for companies and developers to start building. When concerned with cost of wage increases vs. tax dollars collected, can either cut to make ends meet or grow. Believe growth is the way to go.

- What is the salary percentage increase needed to be same as highest paid Staff member? ***A 3.3% increase would be even with the highest paid at \$85,560.***
- Would like to know what City Manager would like to see as a wage, what is fair? ***Like the idea of a performance related bonus, salary base of \$87,000 is fair. Would love to have continuing dialogue in terms of a bonus. Counterparts make approximately \$130,000 per year for a city this size and private sector approximately \$146,000 per year.***

Councilor Luzier stated he would withdraw his second if Councilor Boggs would like to restate motion.

Councilor Boggs withdrew his motion.

MOTION made by Councilor Boggs to increase City Manager’s Salary to \$87,000; second by Councilor Luzier.

Discussion: None

In Favor: Councilors Luzier, Stone, Egbert, Boggs, and Mayor McKnight

Opposed: Councilors Anderson and Meier

Motion carried.

A proposed option regarding City Manager receiving an admin car was discussed. ***Currently use my own car for City business, if expensed out it would add up to approximately \$250 - \$400 per month. Best alternative would be to provide a car for admin use but principally assign to City Manager. This asset would stay with the City.*** Suggest using the current car, Ford Taurus for same purpose.

Mayor McKnight – Suggest adding this to next agenda, could present options to Council.

- **Wastewater Facility Disinfection System**

Staff Report – Public Works Utilities Superintendent, Brian Elliott, is seeking approval for the installation of Sodium Hypochlorite system. The upgrade is also identified in the Wastewater Facility Plan. Chlorine gas is currently used and is very hazardous. The proposed system would use sodium hypochlorite, a much safer material. Approximate annual savings would be \$20,000. Total cost of system is approximately \$100,000.

- Thought this was budgeted for last year? ***It was budgeted, however, it was put on hold because of the value analysis process, and then again for pre-design selection. [both at Council direction] Existing plumbing will also be used for this system.***

MOTION made by Councilor Luzier to approve installation of the Sodium Hypochlorite Disinfection System as presented; second by Councilor Anderson.

Discussion: None

In Favor: Councilors Anderson, Luzier, Stone, Egbert, Boggs, Meier and Mayor McKnight

Opposed: None

Motion carried unanimously.

- **Flexible Service Maintenance Agreement**

Staff Report – Luther explained current Flexible Service Maintenance Agreement with ODOT will be expiring in September. Swan’s recommendation is to renew the agreement, having it in place in case need arises. This flexible agreement allows each party to agree or not agree to do the service requested, there is no fiscal requirement.

- Is this something Staff wants to do or did ODOT bring this to City for consideration. ***ODOT was the original proposer of the agreement; Swan is supportive of renewing the agreement.***
- Concerned new agreement is proposed for 10-year contract rather than previous for 4-years. Could we make a counter offer to approve the agreement, but for a 5-year term. ***We can propose that change.***
- Concerned with “Employers Liability Insurance with coverage limits of not less than \$500,000” [page 8, No. 12). Feels this minimum should be more.

Jacobs – The reason insurance is in contracts is to make sure the other party can actually pay damages that may occur. Generally when entering into a contract with a private contractor, we want to make

sure they have at least \$2 million in coverage. With the State there would be minimal risk, doesn't think this is a big issue. If this agreement wasn't in place and services were needed, a completely separate IGA (Inter-government Agreement) would have to be created and approved by Council.

Mayor McKnight – This is a better mechanism to use. *Believe the State feels this way also.*

MOTION made by Councilor Luzier to approve 5-year Flexible Service Maintenance Agreement between ODOT and the City of Sutherlin as presented; second by Councilor Anderson.

Discussion: None

In Favor: Councilors Anderson, Luzier, Stone, Egbert, Boggs, Meier and Mayor McKnight

Opposed: None

Motion carried unanimously.

- **Douglas County Planning Services Contract**

Staff Report – Luther explained for several years we have contracted with Portland area Planner, Carole Connell. However, now City is becoming busier with permits and opportunities for growth. The City would like to have a planner available more often when discussing these projects. Propose contracting with Douglas County Planning, starting July 1, 2015, this has been budgeted for FY 2015-16.

City Manager – Every attempt has been made to find these services in the private sector. Have had discussions with Douglas County Planning and Keith Cubic, they are significantly the most qualified to assist the City. Douglas County is already aware of our proposed mixed use zoning, UGB (Urban Growth Boundary) exchange. They have already assisted with the Duke Avenue water-line extension and annexation. Will hopefully be acquiring a grant to master plan lands from south of Duke Avenue to Exit 135, Cubic's staff is already prepared. Believe there isn't any agency or individual more qualified for this service.

- How much was budgeted for this service? *Budgeted \$50,000.* Contract states a \$40,000 minimum. *That is the base fee for the basic, on-going planning services. Extra has been budgeted because of the proposed zoning and UGB exchange.*
- Did I read correctly that if you go above half-time [.5] you have to go to three-quarter [.75] time position?

Douglas County Planning Director, Keith Cubic – Douglas County currently provides planning services for Myrtle Creek and Winston. The .5 to .75 position, it is *up to .75*. Half the cost of an experienced planner is \$50,000 salary plus benefits. This program is not an on-call or as needed program, it is staffing. The \$40,000 minimum in the contract is saying if things are slow we are still going to be in the office providing other services. It is very important to start working with city codes, identifying streamline shortcuts, and effectiveness changes can be recommended for Council consideration.

County Commissioners approved this agreement June 10th and it is included in County budget. Contract provides technical and professional services, also offering managerial and support activities that aren't billed to the City. This includes mapping, notices and a lot of the busy work to help the Planners. Managerial doesn't manage the City but manages the program, for instance if City Manager contacts County Staff regarding policy issue or a state-wide planning issue, we will assist him. Contract will start July 1, 2015 and can be terminated with a 60-day written notice by either party. This agreement can be extended for successive years.

Cubic introduced Douglas County Planner, Lisa Hawley, who has been with the County for 25-years, also working as Myrtle Creek and Winston's Planner.

Questions:

- When working on a project that will also affect the County, how do you keep track of those hours? *There is a component of activities that will be County, if we are administering or representing the County in a coordination role, it would not be billed. City Assistance Planner would not be doing that work; it would be another member of County Staff. City Assistance Planner will follow City's chain of command regarding any questions or issues to discuss.*
- Will there be assistance with grants? *Grant writing role is not in the contract, however, if it is a land use issue related to the grant, they could assist with that.*

- How long have you been with the County? ***For 44 years!***

MOTION made by Councilor Luzier to approve Douglas County Planning Services Contract as presented; second by Councilor Boggs.

Discussion: None

In Favor: Councilors Anderson, Luzier, Stone, Egbert, Boggs, Meier and Mayor McKnight

Opposed: None

Motion carried unanimously.

REPORTS

• DEQ Financing Update

Staff Report – Wilson updated Council regarding DEQ loan status. Still in wetlands delineation process, report has been completed by hired contractor and is now being reviewed by Department of State Lands (DSL). This has to be completed before submitting to DEQ.

- How long has DEQ been requiring the 30-day public comment period? ***This is the first we have heard of it.*** Why wasn't our consultant aware of that? ***Had talked to the Deputy Director of DEQ, however, do not know why we weren't told.***
- Doesn't DSL require a 120-day public comment period, will that be an issue? ***From what we understand, at this moment, we're all done. The wetland mitigation, which is the last step, is at DSL; once they sign off it will be sent to DEQ.*** Suggest double checking DSL's requirements.

CITY MANAGER UPDATE

- Will have Executive Session at next Council meeting regarding personnel actions. SDDI (Sutherlin Downtown Development Inc.) will be requesting their fund release.

CITY COUNCIL COMMENTS

Councilor Anderson –

- None

Councilor Luzier –

- None

Councilor Stone –

- Is City still planning new playground equipment for park? ***Still researching grant opportunities.***
- Who is in charge of removing weeds around fenced train at Central Park? ***Will discuss clean up with Swan.***

Councilor Egbert –

- Woolstock recently held event at Central Park, seems like every year when the park/building is reserved there is something that doesn't get done. This last weekend the water was shut off in park section, had to cart water out of the kitchen for dogs to drink. Last year the gate by the tennis courts was locked and group wasn't given a key for access for agility portion of the event. There needs to be some type of coordination for the user groups to be able to have what they really need. ***That information needs to be added to their application when they fill it out.*** Sometimes there is a different person each year filling out the application. They don't know what questions to ask, there needs to be a check-off sheet available. ***There is a check-off list on the parks application form now and has been for a couple of years now.*** Also need to have a contact number available in case something happens or someone is needed. ***That is a good point.***
- Would like to discuss extending driveway around community center, allowing easier access and exit during events.

Bertha Egbert – Added - Have been a member of Blackberry Festival Committee since 1989. Access behind the Community Center is used only when setting up for the event. No one is allowed access after the start because of the booth locations.

It was by Council consensus for Staff to provide a cost estimate for the driveway extension.

- Decision was made by Planning Commission regarding the slurry seal; Council should have received a recommendation or at least a heads-up. Council does not receive any Planning

Commission minutes to know what is going on. ***Planning Commission packets and minutes are always available on the City website.***

Councilor Anderson – Agree it would nice to have a heads-up regarding the overlay/slurry seal bids before it goes to bid.

Mayor McKnight – It would be nice to understand the reasoning to why a certain street is picked for the improvement in case Council members are asked.

Councilor Boggs –

- None

Councilor Meier –

- Thought we were going to have a report on the new water rates at this meeting. ***Agreed to provide an update at this Council meeting; that was part of the DEQ financing update. A notice was sent to the Rate Equity Group stating we will bring information to the group once loan amount and interest rate is solidified.*** Why are we waiting for the financing? Thought we had to set the rates before the financing, process to started eighteen months ago. ***Before accelerating this step, need to talk to Bond Counsel's Legal Counselor, Jim Shannon, who advised us to hold off on the rate increase. If he gives the go ahead, will get started on it.*** There is a 14.9% increase scheduled in our budget for wastewater rates, how is that going to be apportioned, we have nothing to refer to. ***We have something put together regarding the rates, and was ready to reconvene with the committee, but need to talk to Shannon before moving forward.***

Councilor Stone – Initially, Finance Advisor, Andy Parks, was concerned about increasing the rate too much and wanted to hold off. ***That is one of the reasons the Bond Counsel wanted us to hold off, there was a certain notice provision in the issuance of those bonds.***

- Would like clarification regarding the cost of Red Rock Trail and mitigation concerns. In November of 2013, ODOT Representative, Scott Adams, told Council an update would be provided when 90% design milestone was reached; we have not heard from him. ***Two budgets ago, all arguing regarding the cost, should have been put to bed when we said the trail would not cost the City more than \$117,000. The latest report states it is only expected to cost the City approximately \$112,000. Regarding the mitigation concerns [discussed during June 8th meeting], Parks Committee recommended taking care of any mitigation after the trail is built.*** This Council was anticipating on making a decision on how the money was spent for the trail, and promised to be brought back to make a decision. ***Council was to be given the ability to decide on how the money was to be spent only if the trail could not be completed under the budgeted amount. Since no alterations were required there was nothing to bring back to Council for decision. There was no promise made regarding a final say-so of the design and lay-out of that trail. That has been established by way of the IGA and ODOT.*** There was a promise in the minutes that Council was going to have a final say. ***That was only if money was not available to finish the trail.***

Mayor McKnight suggested Councilor Meier meet with Staff to discuss these issues at another time.

Councilor Stone – He understands Councilor Meier's concerns regarding ODOT updating us at the 90% design benchmark. As long as the project is under budget am ok with that.

Councilor Meier – One of the homes front windows is located about 12-feet from the trail. ***That is one of the homes could have some legitimate issue to resolve. Agree with Parks Advisory recommendation to wait until the trail is complete, we have already anticipated potential issues.*** Meier shared concerns with people's property being affected. ***Do you want the City to go put up fences?*** No, just don't think you [former admin] can tell people promises, although nothing is in writing but, people affected were convinced they would be taken care of.

Councilor Stone – Normally side setbacks are 5-feet and 10-feet from the back, there are problems when buildings are built too close to the setbacks.

City Manager – These are legitimate points, if Council wants City to spend Park and Public Works funds to build fences as this is being built we can do that.

Several Council members voiced disapproval of building fences before the trail is in. Could potentially have to go back and fix them after the trail is built.

Councilor Meier – Are you going to decrease their property values? *When working on rail to trails program, found out that 82% of the cases those property values went up as result of a trail. Adding, this has been City's right-of-way for over 50-years.*

Councilor Meier – I haven't even heard what the total cost will be. *Luther – Total cost of trail is \$1 million, 36 thousand; cost to City is no more than \$117,000.*

Mayor McKnight –

- Would like to acknowledge Trowbridge and Chamber of Commerce/Visitor Center for successful Pre-flag Day Open House event.
- Attended Woodstock event with family, it was a pleasant event, would like to acknowledge those who put that together.

PUBLIC COMMENT –

- None

ADJOURNMENT –

With no further business meeting adjourned at 8:53pm.

Mayor McKnight announced a five-minute recess prior to Workshop – Ambulance Service.

Approved: *Jerry Gillham*
Jerry Gillham, City Manager

Respectfully submitted,

Diane Harris
Diane Harris, Deputy City Recorder

Todd McKnight
Todd McKnight, Mayor

APPROVED BY CITY COUNCIL, JULY 13, 2015