

City of Falls City  
City Council Regular Meeting Minutes  
September 14, 2017 6:00 PM  
Meeting Location: 320 N Main Street, Falls City, Oregon 97344

**Council Present:** Lori Jean Sickles, Jennifer Drill Tony Meier, Cliff Lauder, Dennis Sickles, Charlie Flynn

**Staff Present:** JoHanna Birr, City Clerk

Mayor Ungricht called the meeting to order at 6:03 pm.

**1) Roll Call**

Clerk Birr took roll call. Charlie Flynn arrived at 6:44 pm. Lori Jean Sickles arrived at 7:15 pm.

**2) Pledge of Allegiance**

Mayor Ungricht led the pledge.

**3) Motion to adopt the entire Agenda**

A motion was made by Councilor Meier and seconded by Councilor D. Sickles to adopt the entire agenda. Motion carried 4-0-0. Ayes: Jennifer Drill, Tony Meier, Cliff Lauder, Dennis Sickles

**4) Consent Agenda**

A motion was made by Councilor D. Sickles and seconded by Councilor Meier to adopt the Consent Agenda with The addition of handouts; S&P Local Government Report- Draft (Exhibit A), Dani Haviland Parks and Recreation Committee application (Exhibit B), and Recorder Interview Scoring (Exhibit C). Motion carried 4-0-0. Ayes: Jennifer Drill, Tony Meier, Cliff Lauder, Dennis Sickles

**5) Public Comments**

Rose Bajorins, resident of Falls City complimented Council and Mayor Ungricht as the best she has experienced here. Ms. Bajorins brought a code enforcement issue to Council's attention. She would like to sell a property lot, but she stated a portion of the adjacent property is used as a dumping area. Without naming the alleged violator's name, she expressed that prominent city leader should be held to a higher standard and set an example.

Mayor Ungricht sympathized with Ms. Bajorins, however he made it clear the city cannot target or discriminate individuals.

Councilor Drill felt Ms. Bajorins concerns were not being address and felt the issue should be discussed further.

Mayor Ungricht explained that code enforcement is a complaint driven system set in place by previous Council. Unless written complaints are filed and a code enforcement person is hired, nothing can be done. Mayor Ungricht has had some success in speaking with individuals about correcting violations in the past. He added that the newly hired code enforcement employee withdrew his position due to family medical issues.

**6) New Business**

**A. Second reading of Ordinance 548-2017 and consider Adoption LA 17-01**

A motion was made by Councilor D. Sickles and seconded by Councilor Lauder that the City Council of the City of Falls City read the Ordinance 548-2017 for the **Second Time** by title only. "ORDINANCE 548-2017 AN

ORDINANCE ADOPTING A LEGISLATIVE TEXT AMENDMENT TO THE FALLS CITY ZONING AND DEVELOPMENT ORDINANCE SECTIONS 1.202.02, 2.210, 3.102, 3.103, 3.105.E, 3.105G.2, 3.105.H.3-5, 3.106.A, 3.106.B, 3.106.H, 3.208, and 3.210.01.B. FILE NO. LA 17-01 Motion carried 4-0-0. Ayes: Jennifer Drill, Tony Meier, Cliff Lauder, Dennis Sickles

A motion was made by Councilor Meier and seconded by Councilor D. Sickles that the City Council of the City of Falls City adopt Ordinance 548-2017, AN ORDINANCE ADOPTING A LEGISLATIVE TEXT AMENDMENT TO THE FALLS CITY ZONING AND DEVELOPMENT ORDINANCE SECTIONS 1.202.02, 2.210, 3.102, 3.103, 3.105.E, 3.105G.2, 3.105.H.3-5, 3.106.A, 3.106.B, 3.106.H, 3.208, and 3.210.01.B. FILE NO. LA 17-01 Motion carried 4-0-0. Ayes: Jennifer Drill, Tony Meier, Cliff Lauder, Dennis Sickles

**B. Library Information**

The School Board has been discussing the possibility of creating a teaching position for Andy Rommel, the Wagner Library Director. It is their hopes to retain him with his certifications to maintain state compliance for the library. Mayor Ungricht encouraged Council to consider the mandatory requirements and time frame to close the library. Action must be taken considering the financial budget. A motion to proceed with the closing of the library was made, seconded and eventually tabled during the August 2017 Council meeting.

Councilor Drill wanted to verify actions between Council and the School Board. Councilor Drill was concerned there was not sufficient communication and documentation between the City and School.

Councilor D. Sickles confirmed that the School Board was in agreement with beginning the closing process and it was discussed during a meeting at the recent retreat he attended. He stated it would be in the meeting's written minutes. He also confirmed Council did not agree to put it on the ballot.

During Mayor Ungricht's correspondences with the State Librarian, he has Cc'd Andy Rommel as well as the school administration.

The previous tabled motion was considered for Council vot

A motion was made by Councilor Meier and seconded by Councilor Lauder that the City Council of the City of Falls City close the Wagner Public Library as of June 30, 2018. Motion carried 4-0-0. Ayes: Jennifer Drill, Tony Meier, Cliff Lauder, Dennis Sickles

**C. Municipal Code Replacement Pages for Planning Commission**

Pages were not included in handouts. This item was postponed until the next meeting.

**D. Water Bond Update**

A few changes were made to the draft including principal employment and police service due to inaccuracy. Falls City received a credit score rating of AA-, the highest of all cities applying for refinancing. Comparatively, the federal government has a rating of AA. Mayor Ungricht informed Council the bond market was up and it should go to market early next week. He added that an estimated \$128,000 would be saved over the life of the loan. Payments were kept the same and would cut a few years off the life of the loan. All in all, Mayor Ungricht felt the report was a good representation of the city. (Exhibit A)

**E. Committee Appointment**

Amy Bliss and Dani Haviland, both of Falls City have applied for the Parks and Recreation Committee. One position is vacant; however the Committee is reviewing Committee Member absences. (Exhibit B)

Councilor Drill requested Council to accept her resignation from the Parks and Recreation Committee. She stated the meeting time of 11:00 am did not work out for her any longer.

Councilor Drill inquired to the vacancies on the Planning Commission. Mayor Ungricht explained that commission lies dormant until it has enough members to hold a quorum. This is why Council has been acting in place of the Planning Commission. He went on to elaborate on the differences between committees and commissions such as official training requirements, state regulations etc.

A motion was made by Councilor Lauder and seconded by Councilor Meier to grant consent to appoint Amy Bliss and Dani Haviland to the Parks and Recreation Committee. Motion carried 4-0-0. Ayes: Jennifer Drill, Tony Meier, Cliff Lauder, Dennis Sickles

## **7) Correspondence, Comments and Ex-Officio Reports**

### **A. Mayors Report**

Business Oregon feels the city would qualify for extra points on compliance issues for the water grant. It will go before the CBDG, Business Oregon and League of Oregon Cities; they will grade the application and present the award. The applications are due by December 31. Mayor Ungricht said that Falls City is the only one to ask for an intake at this time.

Joshua Thornton was hired several months ago as a Code Enforcement Officer. He had to resign this position due to family medical issues. Mayor Ungricht apologized for the failed attempt at fulfilling this much needed department.

The IGA with Polk County Sheriff's Office is drafted and will go before their attorney. The Sheriff's Office cannot enforce City Code without the IGA.

Options may include Council directing staff to refocus from land use. Mayor Ungricht pointed out that staff has saved the city and residents approximately \$10,000.00 by doing most of the work in office instead of funneling all inquiries through COG.

Mayor Ungricht is also asking people locally if they would be interested. He's met with the judge and court clerk and that the judge is very fair. He has budgeted 8 hours per week.

Councilor Drill referred to Ms. Bajorins' public comment. She asked Council their feelings on certain people being held to a higher standard due to prominence. Mayor Ungricht reiterated that the City cannot target people and that Council made the decision for a complaint driven system. He sympathized again with Ms. Bajorins, but added there is no mechanism in place to act. Councilor Meier agreed that everyone must be treated equally.

Councilor Drill saw both sides of the issue and feels Council needs to come up with something to rectify the situation. Councilor Lauder said Council should partake in the issue not make a decision and then lay it on the city's limited staff. He added that Mayor Ungricht can only do so much.

Councilor Drill and Councilor Lauder volunteered to help with Code Enforcement cases. Ms. Bajorins also volunteered to work on Code Enforcement.

City Recorder scoring (Exhibit C)- Megan George declined the position due to another job offer. Cody De Camp will be hired as a clerk with a 90-day probationary period. After this period, based on performance he will be contracted into the exempt position of City Recorder. Mr. De Camp is financially astute and a quick learner.

Southwest Polk Rural Fire Department negotiations are at an impasse. It is widely felt that Chief Hertel is manipulating negotiations with misinformation regarding Falls City Fire Department and compliance. Mayor Ungricht is willing to have an outside assessment done to provide proof of compliance. He also feels it is unfortunate to end a contract relationship after 80 years pointing out Insurance Services Office (ISO) ratings will go from an impressive level four (4) to an eight (8).

Mayor Ungricht will give notice at the end of the month if the current contract is not extended or an improved version of the recently proposed agreement is not reached.

Mayor Ungricht asked for Council guidance on permitting Marijuana businesses, stating Falls City does not restrict marijuana related businesses within the city. Currently the marijuana tax portion of 75% is dispensed to cities as long as they do not outright restrict licensing. The City of Dallas for example restricted and is getting no taxes. Falls City will be receiving an allotment but not of the remaining 25% because we have no issued licenses.

Mayor Ungricht cannot envision a dispensary operating in Falls City due to location and other factors, however a processing operation would be possible in Commercial/ Industrial (CI) zoning. Those areas include Bowman's and possibly the old city dumpsite. If a business license were submitted for a CI zoned property, it would be processed under our current Code as permissible use of that zoning. The land use would not go before Council unless the code mandates it. Furthermore, a business license application could not be rejected by Council without fair and just cause as with any business license application.

Councilor Drill wanted to know the timeframe for restriction. If the issue were put on the November ballot it would be restricted until November pending voter outcome. Council previously chose not to put restrictions on the ballot due to measure 91 passing with 58% in favor of voter turnout legalizing recreational use of marijuana. Council opted to follow HB3400.

Councilors D. Sickles respects other's prerogatives but feels a good example should be set. The majority of Council agreed to stay at status quo. Councilor Drill is opposed to this type of business.

## **8) Council Announcements**

Councilor Drill was concerned about dog feces in the parking strip in front of the High School. Mayor Ungricht suggested she volunteer for Code Enforcement and would send her a copy of Code. She was receptive to the suggestion.

Another item of concern was an RV parked behind the storage sheds at Green Haven RV Park owned by Dick Bowman and operated by Mike Bowman, his son. Councilor Drill observed that it is occupied but standing alone without hookups to septic or water.

Councilor D. Sickles said it may be necessary to adjust Council meeting time to 7:00 due to his Sports Director position at the school. He will let Council know if it begins to conflict. He will also try and arrange for Art Houghtaling to cover for him during home games.

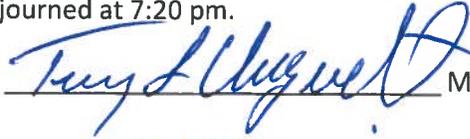
### **Sheriff's Report**

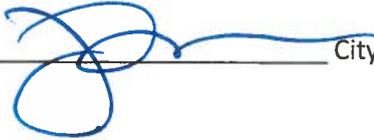
Sheriff Garton was unable to attend the meeting.

**Library Report**

**9) Adjourn**

The meeting adjourned at 7:20 pm.

  
\_\_\_\_\_  
Mayor Terry Ungricht

Attested:   
\_\_\_\_\_  
City Clerk JoHanna Birr



Application for Committees

City of Falls City

299 Mill Street, Falls City, Oregon 97344

Instructions: Fill out both sides of form and submit to City Hall.

Personal Information

Name: Dan. Haviland
Street Address: [Redacted]
Mailing Address: same
City/State/Zip Code: Falls City OR 97344
Home Phone: [Redacted]
Work Phone: [Redacted]
E-Mail Address: [Redacted]

Employment

Years of Residence in Falls City: 2 1/2
Place of Employment: retired
Occupation:
Educational Background: Some college

Prior Civic Activities: School activities, writing opportunities for middle school through high school

Committee Interests

Please check all of the following Committees that interest you:

- Board of Parks and Recreation
Board of Public Works
Board of Planning and Development
Board of Economic Development
Board of Cultural Affairs

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\*Please continue to reverse side of form for completion.

Special Skills or Qualifications

Summarize any special training, skills or experience you may have pertinent to the Committees to which you are applying.

Public speaking, research, writing experience  
Sales & purchasing

Motivation

Discuss your motivation for serving on this Committee.

I want to see Parks & recreation areas taken care of for both short & long term. My home is in an estate for my granddaughters & I want her to have parks in the future.  
(Also have business licence here)

Special Notes

Please be advised that members of the City Council and Planning Commission are required to file an annual **Statement of Economic Interest** with the State of Oregon.

Responsibility and Signature

By submitting this application, I affirm that the facts set forth in it are true and complete. I understand that if I am accepted as a volunteer, any false statements, omissions, or other misrepresentations made by me on this application may result in my immediate dismissal.

Name (printed) Dani Haviland  
Signature [Redacted]  
Date 9-13-17

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Thank you for completing this application form and for your interest in volunteering with us.

DRAFT

## S&P Local Government Report

S&P Global Ratings assigned its confidential 'AA-' issuer credit rating (ICR) to Falls City, Ore as part of the series 2017 Oregon Cities Pooled bonds. The outlook is stable.

The bonds are secured by each cities' full faith and credit as security for each financing agreement made separately from four borrowers: Lakeside, Ione, Falls City, and Rogue River. The financing payments shall be payable from the general, non-restricted revenues of each City, including taxes levied within the restrictions of Sections 11 and 11b, Article XI of the Constitution, and is not subject to appropriation. Each city is not required to pay any portion of another government's financing agreement. The bonds are being issued to refund existing loans to the borrowers with the United States Department of Agriculture and the Oregon Infrastructure Authority.

The rating reflects our view of the city's:

- Weak economy, with projected per capita effective buying income at 73.1% and market value per capita of \$53,441, though that is advantageously gaining from access to a broad and diverse metropolitan statistical area (MSA);
- Adequate management, with "standard" financial policies and practices under our Financial Management Assessment methodology;
- Very strong budgetary performance, with operating surpluses in the general fund and at the total governmental fund level in fiscal 2016;
- Very strong budgetary flexibility, with an available cash reserve in fiscal 2016 of 85% of operating expenditures but that is low on a nominal basis at \$234,000;
- Very strong liquidity, with total government available cash at 3.9x total governmental fund expenditures and 145.8x governmental debt service, and access to external liquidity we consider strong;
- Very strong debt and contingent liability position, with debt service carrying charges at 2.7% of expenditures and net direct debt that is 19.0% of total governmental fund revenue, as well as low overall net debt at less than 3% of market value; and
- Strong institutional framework score.

### Weak economy

We consider Falls City's economy weak. The city, with an estimated population of 950, is located in Polk County in the Salem, OR MSA, which we consider to be broad and diverse. The city has a projected per capita effective buying income of 73.1% of the national level and per capita market value of \$53,441. Overall, the city's market value grew by 11.0% over the past year to \$50.8 million in 2017. The county unemployment rate was 5.1% in 2016.

Falls City is roughly 25 miles west of Salem in Polk County in western Oregon. Incorporated in 1891, the city provides a full range of municipal services including police services, fire protection, parks, streets, utility infrastructure, cemeteries, and general administrative services. In addition, the city

operates a sanitary sewer system. The majority of the top ten taxpayers are in the lumber industry or are individual owners owning multiple properties.

#### Adequate management

We view the city's management as adequate, with "standard" financial policies and practices under our Financial Management Assessment methodology, indicating the finance department maintains adequate policies in some but not all key areas. Our assessment of the city's policies and practices reflects its realistic and well-grounded revenue and expenditure assumptions, which have historically been conservative. The city provides annual updates of budget performance to city council, and has a willingness to generate supplemental budgets within the year to amend appropriations. The city does not maintain a rolling long-term capital plan, but has a comprehensive capital plan last updated in July 2013. The city is planning to update the plan this year. In addition, the city maintains a wastewater facility plan and street improvement plan. With investment management, the city reports to the council on the performance and composition of its investments annually. We understand the city does not have a formal long-term financial plan, a comprehensive debt management policy, or a reserve policy.

#### Very strong budgetary performance

The city has consistently maintained a strong financial position, supported by significant operational surpluses in fiscal 2016 and 2017. The city had operating surpluses of 27% of expenditures in the general fund and of 23.3% across all governmental funds in fiscal 2016. In the past few years, the city has focused on economic development such as improved services and road infrastructure, including utilizing a grant for a park expansion. The city has budgeted for balanced operations in fiscal 2018, which include payroll increases and new hires. According to management, the city's budgeting process is conservative, with the city historically outperforming its budgets. Oregon requires its local governments to submit balanced budgets, which include fund balances and interfund transfers. We expect the city to continue to actively manage its operations to maintain financial stability and budgetary performance to remain at very strong levels.

The city recently received a grant for the Mitchell Street Dutch Creek Culvert Replacement Project, with the Federal Emergency Management Administration (FEMA) paying 75% of the cost and the Oregon Infrastructure Finance Authority (OIFA) covers 25%. The bridge will benefit the city and county, be managed by the county, and will be fully paid by FEMA and OIFA.

#### Very strong budgetary flexibility

Falls City's budgetary flexibility is very strong, in our view, with an available cash reserve in fiscal 2016 of 85% of operating expenditures. We expect the available cash reserve to remain above 30% of expenditures for the current and next fiscal years, which we view as a positive credit factor. However, despite being high as a percentage of expenditures, the city's reserves are low on a nominal basis at \$234,000, which we view as vulnerably low and a negative credit factor. Negatively affecting budgetary flexibility, in our view, is Falls City's use of cash accounting, which reduces clarity about the amount of funds that are truly available. Inline with the balanced 2018 budget, we expect available fund balance to remain at very strong levels in the medium term.

### Very strong liquidity

In our opinion, Falls City's liquidity is very strong, with total government available cash at 3.9x total governmental fund expenditures and 145.8x governmental debt service in 2016. In our view, the city has strong access to external liquidity if necessary. The city has \$1.2 million in cash and cash equivalents, with investments held in the local government investment pool. In our view, the city has strong access to external liquidity if necessary, based on our view of its demonstrated access to external financing during the past 20 years in the form of water system revenue bonds. The city has consistently maintained a very strong liquidity position, and we do not anticipate a change in these ratios. Management has confirmed that the city has no alternative financing obligations outstanding, which we find can represent a source of contingent liquidity risk, for general-fund-related debt.

### Very strong debt and contingent liability profile

In our view, Falls City's debt and contingent liability profile is very strong. Total governmental fund debt service is 2.7% of total governmental fund expenditures, and net direct debt is 19.0% of total governmental fund revenue. Overall net debt is low at 1.5% of market value, which is in our view a positive credit factor. Since the city issued the revenue bonds in 2003, the bonds have been paid entirely out of the water fund. The city is required to maintain restricted reserve, currently at \$65,473. The city expects the series 2017 bonds will continue to be paid out of the water fund.

The city's required pension contribution is its actuarially determined contribution, which is calculated at the state level based on an actuary study for Oregon Public Employees Retirement System (PERS), which manages pooled multi-employer plans. Falls City's pension contributions totaled 5.0% of total governmental fund expenditures in 2016. The city made its full annual required pension contribution in 2016. We view the city's reported proportional share funded ratio, which we calculate as the plan fiduciary net position as a percentage of the total pension liability, as good, at 80.5%. We understand higher contribution rates are likely in the future years following an Oregon Supreme Court decision that struck down legislation designed to reduce the statewide PERS liability. The legislature considered follow-up proposals in the recently concluded session but has yet to take action. The city does not offer an other post employment benefits plan.

### Strong institutional framework

The institutional framework score for Oregon municipalities is strong.

### Outlook

The stable outlook reflects our view that the city's consistent, very strong available fund balance and financial position will continue. The outlook further reflects the city's very strong debt profile and stable economic base. We do not anticipate changing the rating in the next two years.

### Upward scenario

We could raise the rating if the city's underlying economy strengthens, while maintaining very strong available fund balances.

Downward scenario

We could lower the rating if the city's debt profile materially weakens or the city experiences structural imbalances, deteriorating its financial flexibility.

**RECORDER INTERVIEW SCORING**  
August 31, 2017

Cody DeCamp														Minus questions	
Question number	1	2	3	4	5	6	7	8	9	10	11	12	2 & 12		
														Total	
Terry Ungricht	9	9	7	4	8	7	7	8	9	8	8	6	90	-15	75
No signature	6		5	7	5	5	6	6	4	8	5		57		57
Cliff Lauder	8		7	10	7	7	8	5	8	7	3		70		70
Lori Sickles	7		7	8	7	9	7	8	9	6	9		77		77
Charlie Flynn	5	8	5	7	7	6	6	4	8	4	6		66	-8	58
Jenn Drill	5		7	8	7	6	7	7	8	8	9		72		72
														<b>Total</b>	<b>409</b>
Megan George															
Jenn Drill	3		6	6	6	6	5	6	7	6	7		58		58
Charlie Flynn	6	7	5	5	7	6	6	6	6	7	8		69	-7	62
Lori Sickles	10		9	9	8	8	7	8	9	7	10		85		85
Cliff Lauder	10		9	10	10	10	9	10	9	10	10		97		97
Tony Meier	8		8	8	8	7	7	8	8	9	10		81		81
Terry Ungricht	9	8	10	8	9	9	10	10	6	9	8	10	106	-18	88
														<b>Total</b>	<b>471</b>

All but one Councilor scored Ms. George as the highest candidate.

**Comments Mr. DeCamp;**

Lacks Experience. Seems willing to learn. Great long term candidate. Idealistic, Committed, Relationship orientated, early arrival.

**Comments Ms. George;**

Most experienced for the job and able to too take on many of the task with least amount of training. Strong multi task. Megan would be my choice because she would be able to contribute the most although she might not stay the longest. Focused, Knows what to look at and for, Goal focused, Professional Public worker.

**Comments General;**

Feels we need to select the most experienced person for benefit to City (Megan).

Questions 2, "Why Falls City and what do you know about Community" and question 12, "Do you have questions for us" were thrown out because only 2 scored #2 and 1 scored #12 .