
City of Falls City
City Council Regular Meeting Minutes
Monday June 08, 2020 6:00 PM
Meeting Location: 320 N Main Street, Falls City, Oregon 97344

Council Present: Jennifer Drill, Tony Meier, Cliff Lauder, Dennis Sickles, T.J. Bailey

Staff Present: Mac Corthell, City Manager; William Sullivan, Community Development & Outreach Coordinator; Jamie Ward, City Clerk

1. Call to Order and Roll Call

Mayor Gordon called the meeting to order at 6:00PM. Clerk Ward took roll call. Councilor Lori Jean Sickles arrived at 6:01PM

2. Pledge of Allegiance

Mayor Gordon led the pledge.

3. Motion to adopt the entire Agenda

A motion was made by Councilor T. Meier and seconded by Councilor L. Sickles to adopt the agenda with interpret the Budget quorum guidelines stated in the city ordinance for the purpose of passing the budget. Motion carried 6-0-0-0. Ayes: Lori Jean Sickles, Tony Meier, Cliff Lauder, Dennis Sickles, T.J. Bailey

Mayor Gordon explained that the Falls City Ordinance as written calls for seven (7) members of the public and seven (7) members of council to make a budget committee, the ordinance states that there needs to be eight (8) members present to make a quorum. This last budget committee meeting only had seven (7) of its twelve total members present at the budget committee meeting.

Corthell explained that ordinance should be irrupted as if there is a full committee equaling the fourteen (14) members and since we currently only have twelve committee members and do not have a full committee, we need to follow state guidelines stating we need one (1) more than half to be considered a quorum. Corthell feels that the budget committee met the criteria. Corthell also stated that this ordinance needs to be reviewed by our city attorney and amended to match state rules and allow for this to not stall passing the budget in the future.

After council discussion majority of the council decided that for the purpose of passing this years budget the rule of majority would be interrupted and council would approve the budget committees recommendation of passing the 2020-2021 fiscal year budget with only seven members present.

A motion was made by Councilor D. Sickles and seconded by Councilor L. Sickles to interpret the quorum guidelines stated in the city ordinance for the purpose of passing this year's budget and review this in the future. Motion carried 6-0-0-0. Ayes: Lori Jean Sickles, Tony Meier, Cliff Lauder, Dennis Sickles, T.J. Bailey

4. Announcements, Appointments and Appreciations

- a. Corthell explained that council will hold a special council meeting June 22, 2020 to discuss the sewer rate study and possible sewer rate increase. There will be a presentation given by Steve Donovan from Donovan Enterprises and Steve requested that councilors read up on the PowerPoint presentation he provided before that meeting so councilors can come prepared with questions.

Corthell added that if councilors had residents asking questions regarding the increase to suggest that those questions get emailed into city staff prior to that meeting so they can be forwarded on to Mr. Donovan and answered properly.

- b. The monthly newsletter has been revamped and will be posted in council packets as well as utility bills to ensure that councilors are up to date with the on goings of the city in case residents asked them any questions.

5. Community & Government Organizations

- a. City Manager Corthell added that this was the first Public Works report written by the new Public Works Lead Jon Creekmore and pointed out the different formatting.
- b. Falls City Volunteer Fire Department
None
- c. Polk County Sheriff's Report
None

6. Reports

a. Council

- Lori Jean Sickles
None

- Jennifer Drill

Councilor Drill wanted to bring up the Community Center Kitchen needing repairs. Stating that a cabinet has fallen, and the kitchen could use some sprucing up. She would also like to see the outside windows get cleaned.

Mayor Gordon stated that we could put that on a future agenda and get those issues addressed.

Councilor Drill stated that the Fire Department has been responding to more calls than in previous years and that there are not as many volunteers to answer during the day. Mrs. Drill was curious to know what the policy was for city employees was to respond if they are volunteers on the Fire Department.

Corthell answered stating that he has had conversations with it with Mr. Creekmore and has left it up to Creekmore's discretion. If Mr. Creekmore

feels that he can get his work done and answer calls he is welcome to do so as long as he knows it is off city time.

Councilor Drill added that the Fire Department is in desperate need of volunteers so if anyone knows of anyone to please forward the message on.

- Tony Meier
None
- Cliff Lauder
None
- Dennis Sickles
None
- T.J Bailey
None

b. Mayor
None

c. William Sullivan stated that the city was awarded funding for the pocket park so Falls City thrives will get busy planning those details. Sullivan went on to read his staff report (see exhibit A) regarding the renovation process of the old clinic.

d. City Manager opened by apologizing for missing the eight (8) person requirement and that he hopes everything will move forward without any other problems. Corthell went over CBDG wastewater project is moving forward but was informed of a few hurdles environmentally that he feels council should know about. We are needing to do an endangered species and a cultural resources survey. All of those could lead to more mediation in the future leading to higher project costs, and other possibilities. The city is still looking at wrapping up the environmental phase of the design by November, but it is possible that it could get extended out till January. Unfortunately, there is not another extension we can apply for at this stage but Corthell stated that our grant administrator understands what the city is up against and that there is some squish room if it does extend to January. Corthell will let council know when he knows more. Corthell also stated that the city is going out for an amendment to the original grant contract that can be admiratively increased up to twenty percent. We have already did one modification for forty thousand which leaves twenty some thousand that can be used for the wetland mediation if there is no wetland touching the current design, if there is we will need to adjust the land or purchase a new piece of property. Corthell stated he is still confident in the completion of this project. Both Arthur our grant administrator from Business Oregon and our engineer are also confident and until he sees hesitation from either one of those two guys, he will remain that way.

Corthell stated that when we do the cultural study survey and they find an arrowhead we will need to come up with a mitigation plan and have that ready

before continuing forward. The problem is that all the grant administrators have a difference rules and timelines when it comes to submitting those plans so we will need to come up with the best possibilities for all.

7. Consent Agenda

A motion made by Councilor D. Sickles and Seconded by Councilor T. Meier to adopt the consent agenda. Motion carried 6-0-0-0. Ayes: Lori Jean Sickles, Jennifer Drill, Tony Meier, Cliff Lauder, Dennis Sickles, T.J. Bailey

8. Public Comments

Mayor Gordon brought up the two letters submitted. The first was from Oregon Governor Kate Brown regarding Phase II reopening stating council can take a look at that at their leisure.

The second was by Falls City resident Kurt Frink commenting on how much work has been done in the upper cemetery and how nice it looks.

9. Budget Hearing

Mayor Gordon read Public Hearing rules on the Budget.

“This public hearing is an opportunity for any member of the public to make comments and/or requests regarding the approved budget for fiscal year 2020-2021, beginning July 1, 2020. The Budget Document has been available for review at City Hall, and on the City’s webpage since April 24, 2020”.

- a. Public Hearing on the Budget
Hearing Opened at: 6:46 PM

No Public Comments

Hearing Closed at: 6:47 PM

- b. Mayor Gordon read the rules on Public Hearing on Revenue Sharing.
“This public hearing is an opportunity for any member of the public to comment on or make requests regarding how State Revenue Sharing Funds will be spent in the 2020-2021 fiscal year beginning July 1, 2020. State Revenue Sharing funds are a share of certain revenues of the State Oregon that shall be apportioned among and distributed to the cities of this state for general purposes”.

Hearing Opened at: 6:47 PM

No Public Comments

Hearing Closed at: 6:48 PM

City Manager explained Resolution 12-2020 and stated that this was the same staff report presented to the Budget committee and there were not any changes made to the budget.

A motion made by Councilor T. Bailey and Seconded by Councilor L. Sickles to move that the City Council of Falls City adopt Resolution 12-2020, A RESOLUTION ADOPTING THE BUDGET, MAKING APPROPRIATIONS, LEVYING TAXES, AND ELECTING TO RECEIVE STATE REVENUES FOR FISCAL YEAR 2020-2021. Motion carried 6-0-0-0. Ayes: Lori Jean Sickles, Jennifer Drill, Tony Meier, Cliff Lauder, Dennis Sickles, T.J. Bailey

10. New Business

- a. City Manager Corthell read his staff report explaining that this year at the yearly insurance meeting he was informed of a major uptake in cyber-attacks and this upgrade would completely cover the city in the case of a data breach, which could be incredibly expensive if we do not have the extra liability coverage but in order to do that, we need to adopt a cyber security policy.

A motion made by Councilor C. Lauder and Seconded by Councilor T. Meier to move that the City Council of Falls City adopt Resolution 13-2020, A RESOLUTION ADOPTING THE CITY OF FALLS CITY CYBERSECURITY POLICY. Motion carried 6-0-0-0. Ayes: Lori Jean Sickles, Jennifer Drill, Tony Meier, Cliff Lauder, Dennis Sickles, T.J. Bailey

- b. Corthell read the staff report explaining Falls City 2021 Special City Allotment Grant explaining that the city is awarded state lottery funds for improving and/or maintaining city streets. The maximum award is one hundred thousand dollars (\$100,000.00). The city plans to use those funds to add a pedestrian island at N. Main and Mitchell/Bridge streets. Corthell explained that our Community and Outreach coordinator William Sullivan is in the process of drafting an application for the Safe Routes to School Grant and this grant fund would be used to fund the Falls City Greenway project. The city engineer has provided a rough estimate of eight hundred thousand dollars (\$800,000.00) The SRTS grant has a match requirement that will be approximately one hundred thousand dollars (\$100,000.00). This small city allotment grant SCAG would be used to help with development of the island and would qualify at least in part as my funds for the safe routes to schools SRTS.

A motion made by Councilor L. Sickles and Seconded by Councilor T. Bailey to move that the City Council of Falls City adopt Resolution 14-2020, A RESOLUTION AUTHORIZING THE CITY MANAGER TO APPLY FOR AND ACCEPT AWARD OF THE 2021 SPCEIAL ALLOTMENT GRANT TO FUND IMPROVEMENT OF NORTH MAIN STREET AT THE INTERSECTION WITH BRIDGE AND MITCHELL STREETS. Motion carried 6-0-0-0. Ayes: Lori Jean Sickles, Jennifer Drill, Tony Meier, Cliff Lauder, Dennis Sickles, T.J. Bailey

- c. City Manager Corthell read his staff report (see exhibit B) explaining the finding and need to correct the application of utility reserve fee.

After council discussion city council chose to table Resolution 15-2020 until the July 13, 2020 Meeting so they can hear from Steve Donovan.

A motion made by Councilor T. Bailey and Seconded by Councilor L. Sickles to move that the City Council of Falls City TABLE Resolution 15-2020, A RESOLUTION ENSURING UTILITY

RESERVE FUND COMPLIANCE WITH LOCAL BUDGET LAW AND CURING INEQUITY AMONGST UTILITY USERS. Motion carried 5-1-0-0. Ayes: Lori Jean Sickles, Tony Meier, Cliff Lauder, Dennis Sickles, T.J. Bailey. Nays: Jennifer Drill.

- d. City staff is asking for a one-time deviation from the prohibition on events through the month of June 2020. The Spring Clean and City-Wide Garage Sale Events would be held the weekend of June 27, 2020.

A motion made by Councilor D. Sickles and Seconded by Councilor T. Bailey to move that the City Council of Falls City authorize both the Annual Spring Clean and City-Wide Garage Sale to take place on the Weekend of June 27, 2020. A one-time deviation from Resolution 09-2020 Canceling all events through July 01, 2020. Motion carried 6-0-0-0. Ayes: Lori Jean Sickles, Jennifer Drill, Tony Meier, Cliff Lauder, Dennis Sickles, T.J. Bailey.

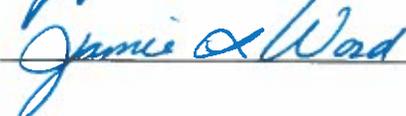
11. Citizen Committees

All Citizen Committee Meetings are cancelled until further notice.

12. Adjourn

A motion made by Councilor J. Drill and Seconded by Councilor L. Sickles moves that the City Council of Falls City Adjourn. Motion carried 6-0-0-0. Ayes: Lori Jean Sickles, Jennifer Drill, Tony Meier, Cliff Lauder, Dennis Sickles, T.J. Bailey

The meeting adjourn time was not called or noted.

Attested:  _____ Mayor, Jeremy Gordon
 _____ City Clerk, Jamie Ward

STAFF REPORT

To: Honorable Mayor and City Council
From: William Sullivan, Community Development & Outreach Coordinator
Subject: Luckiamute Clinic Renovations
Date: June 8, 2020

Background

At the April 13, 2020 meeting, City Council chose the following option to proceed on renovations to the Luckiamute Clinic building at 304 North Main Street:

"Option 1: Plan to use funds from the City's Community Development Revolving Loan Fund (the fund's balance is approximately \$117,000) to cover renovations to the property at 304 North Main Street and pursue grant opportunities to lessen the cost. Falls City Thrives has brainstormed ideas for the property and would like to use the property to create a multi-use space for community health/wellness and small business incubation. Their ideas include yoga or other exercise classes, space for medical practitioners, telemedicine, rentable desk space/co-working, vendor space in living room, a drive-through coffee shop, and job training classes. Grant organizations have been uninterested in funding renovations to a City building, but by partnering with Falls City Thrives and private partners, a public-private partnership project would likely be more interesting to funders. In addition, Falls City Thrives has done some professional development with grant-writing and is prepared to relieve some administrative burden from City Hall staff. This option gives the community the largest say in the property's future."

Renovation work on the front porch and access ramp has begun. Further work will follow with the passage of the next fiscal year's annual budget.

Summary

While the budget process and construction move forward, City Staff wanted to take a moment to provide City Council with some additional numbers showing how investing in renovating the Clinic building will raise its value. Falls City Thrives will assist in working with providers and small business owners who might be interested in space. The City has full confidence in their success, but if the building were ever put up for sale, the property would benefit from a much higher appraisal value.

To demonstrate what the building might be worth after renovations, I have researched updated properties of similar size in Polk County. These figures,

pulled from the Polk County Assessor's Reports and the real estate website Zillow, allow for some comparison.

Street + Outside UGB	Square footage	2020 Trended Real Market Value (RMV)	Selling Price *Includes other structures on the property	Date Sold
304 North Main Street	2,796 ft ²	\$184,220		
Parry Road ⁺	2,676 ft ²	\$277,540	\$595,000*	August 2019
SW Bridlewood Drive, Dallas	2,815 ft ²	\$383,870	\$485,000	December 2019
Bridgeport Road ⁺	2,823 ft ²	\$268,400	\$385,000*	December 2018
Ferns Corner Road ⁺	2,662 ft ²	\$374,490	\$625,000*	December 2019

Street numbers have been removed for the privacy of those homeowners. There are many factors that go into the selling price of a property, but these figures are meant to exhibit how renovations will improve the value of the property. Ultimately, renovating is in the city's best interest and will result in a higher-value asset.

Financial Implications & Path Forward

Renovations to the 304 North Main Street building will cost close to \$100,000.00. Right now, there are no plans to renovate the building at 306 North Main Street (contractors have expressed concerns about whether the structure can be salvaged, as there is likely severe rot under the building) or the carport on the property.

AGENDA REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: CITY MANAGER, MAC CORTHELL
SUBJECT: RESOLUTION 15-2020 CORRECTED APPLICATION OF UTILITY RESERVE FEE
DATE: JUNE 08, 2020

SUMMARY

Notice to the City Council of corrected application of utility reserve fee.

BACKGROUND

In June, 2017 the City Council adopted resolution 12-2017 detailing fees and charges for the water and sewer systems. Section 4 of that resolution reads as follows:

"In addition to the monthly fees established herein, Exhibit 1 and Exhibit 2, a Capital Improvement Fee shall be assessed any service with a water meter or sewer connection, active or inactive, in the amount of \$10.00. When both a residence and a commercial operation or development exist on a property zoned Commercial Residential, the Capital Improvement Fee will be assessed separately for both the residence and the commercial operation or development."

The fees collected under section 4 are placed into a "Utility Reserve Fund" which has the stated purpose of providing for capital improvements and emergency repair of both the water and sewer systems.

ISSUE

The current manner of charging this fee creates an obvious inequity for "water only" users who end up subsidizing those with a city sewer connection.

To expand, we have 184 accounts with both water and sewer service, 276 accounts with water only, and 0 accounts with sewer service only. Each water user pays \$10 per month in utility reserve fees, each sewer user pays \$0 per month in utility reserve fees, and those fees are later divided up between water and sewer in accordance with the Utility Reserve Fund's stated intent.

REMEDIES/FINANCIAL IMPLICATIONS

- 1) Maintain Current Revenue Levels
 - a) Modify the current utility reserve fee to 7\$ and apply it appropriately across services to create equality and maintain revenue levels
 - b) "Water Only" users will experience a decrease of \$3 per month, all things being equal (\$7 x 1 services)
 - c) "Water & Sewer" users will experience an increase of \$4 per month (\$7 x 2 services)
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- 2) Increase Revenue Levels – Strict Reading of the Resolution
 - a) Apply a separate \$10 fee to sewer users for the utility reserve fund
 - b) This will increase the bill of sewer users by \$10, but will not affect the bill of water only users
 - c) The capital improvement funds for sewer will be approximately \$18k per year, while water would be approximately \$52k per year

- 3) Decrease Revenue Levels
 - a) Reduce the fee to water only users to \$5 and add a \$5 fee to sewer users
 - b) Water only users bills will drop \$5, while water and sewer users will remain the same.
 - c) The utility reserve fund's annual receipts will drop by approximately \$17k per year to \$35k, split equally amongst the funds

STAFF RECCOMENDATION

Adopt option 1, reformulate the utility reserve fee to account for sewer users while maintaining current revenue levels. This will create equity in the billing system, lower the bills of 276 users, and increase the bills of the 184 sewer users by only \$4 per month.

EXHIBIT

A. Resolution 15-2020

PROPOSED MOTION

I move the City Council of the City of Falls City adopt resolution 15-2020, A RESOLUTION ENSURING UTILITY RESERVE FUND COMPLIANCE WITH LOCAL BUDGET LAW AND CURING INEQUITY AMONGST UTILITY USERS.
