

**COTTAGE GROVE CITY COUNCIL MEETING
MINUTES
April 27, 2009**

CALL TO ORDER

Mayor Gary Williams called the meeting to order at 7:30 p.m. in the Council Chambers at City Hall.

ROLL CALL/PLEDGE OF ALLEGIANCE

City Recorder Joan Hoehn called the roll. The following were

Present: Mayor Gary Williams, City Councilors Wayne Clark, Diane Conrad, Mike Fleck, Lynn Miller, Thomas Munroe, Heather Murphy

Youth Representative Noelle Moen was present.

Staff Present: City Manager Richard Meyers, Finance Director Bert McClintock, Public Works Director Jan Wellman, Community Development Director Howard Schesser, Police Chief Mike Grover, City Engineer Ron Bradsby

Martin Fisher from the City Attorney's Office was present.

No News Media were present.

ITEMS TO BE ADDED TO THE AGENDA

None

PUBLIC HEARINGS

None

PUBLIC COMMENT ON AGENDA ITEMS

None

RESOLUTIONS AND ORDINANCES

(a) Resolution to Appropriate Special Purpose Donations

Finance Director Bert McClintock explained that Council has before it a request to adopt a resolution appropriating funds in the amount of \$1700. This is to specifically purchase large print books, and the monies were donated in memory of Lillian McAlpine.

IT WAS MOVED BY COUNCILOR MUNROE, SECONDED BY COUNCILOR MILLER THAT RESOLUTION NO. 1703, “A RESOLUTION ESTABLISHING APPROPRIATIONS WITHIN THE SPECIAL TRUSTS FUND FOR THE EXPENDITURE OF A MCALPINE MEMORIAL DONATION FOR THE SPECIFIC PURPOSE OF PURCHASING LARGE PRINT BOOKS,” BE ADOPTED.

The vote on the motion was as follows:

VOTE	Councilor Fleck	Councilor Miller	Councilor Munroe	Councilor Murphy	Councilor Clark	Councilor Conrad	Mayor Williams
AYES	X	X	X	X	X	X	X
NAYS							
ABSTAIN							

(b) System Development Charge Installment Payments Interest Waiver

Richard explained that this ordinance has been prepared to address the City’s system development charges as a result of the economy. He pointed out that in January Springfield did a similar action where they actually deferred their SDCs. SDCs and all permits are paid up front at the time of start of construction of a home. They can total anywhere from \$5,000 to \$8,000 in Cottage Grove; it is more in Springfield. One thing Springfield did and the City can’t do is waive or defer the building permits until construction is complete, because the City contracts for building inspection services. When permit fees are paid, the City uses that money to pay for the contractor to do the inspections.

Richard explained that in the existing system development ordinance there is a program already established where a builder can pay the fees (anything over \$100) on an installment plan the house sells. Staff has added a paragraph into that clause to allow for the installments during that period until October 30th to be interest free. Interest would start after October 30th and this would be for no more than five homes, so it’s for the single builder and not for subdivisions.

Mayor Williams pointed out that this would be a three motion procedure because of the emergency clause.

Richard said with the emergency clause this would go into effect immediately after its passage.

He explained that the first motion would be to establish that there is an emergency and that can be adopted by a majority. The second motion would be to read the ordinance by title twice, and that would have to be unanimous. The third motion would be to adopt the ordinance and that would also have to be unanimous for it to go into effect with an emergency clause.

Councilor Fleck said anyone could argue that the situation in the economy is an emergency, and if Council can do one thing to help spur growth and development in town he's in support.

IT WAS MOVED BY COUNCILOR FLECK, SECONDED BY COUNCILOR MILLER THAT THE CITY COUNCIL DETERMINES IT'S IN THE PUBLIC INTEREST THAT ORDINANCE NO. 2981 "AN ORDINANCE AMENDING CHAPTER 15.16 SYSTEM DEVELOPMENT CHARGES OF THE COTTAGE GROVE MUNICIPAL CODE," BE ADOPTED AT A SINGLE MEETING.

Richard explained again why the building permit fees can't be waived, and why this can only apply to the SDC fees. He explained that the 20% the City receives from the building permit fees which is what it keeps out of the permit fees is for the costs association with design and plan reviews. SDCs are for work in the future, capital projects, that the City will hold until needed.

Councilor Fleck restated his motion as written above.

Councilor Conrad said this is suppose to be in the public interest, and changing the bureaucracy of adopting an ordinance is a very serious thing and the word is emergency. She pointed out that there are already a lot of unsold homes, and she didn't see it in the public interest to do something that would increase building of homes when the ones on the market aren't selling. She said if it's finances why are they just singling out the category of homebuilders. She asked why something isn't being done about the other fees the City receives, such as commercial rental of the Community Center, business licenses for taxis or circuses. Also, the fee for tavern license inspection. If the City wants to enhance business, why not do something for those fees. She reiterated that she didn't think it was in the best interest of the public to take out some of the fees that the public could receive.

Mayor Williams said the examples Councilor Conrad cited may have merit, but we have a community of homebuilders and it would put a lot of people to work just on one house in the area. This is about putting people to work. There may be other things that would be in the public interest, but this is before Council tonight.

Councilor Conrad said if Council wants to help the homebuilders, even though people may not agree with her argument that there are too many unsold homes in the community already, maybe the City could help the homebuilders find incentives to get breaks on all kinds of things they do.

Mayor Williams voiced his concern that that is an encumbrance that could delay this and cause the loss of work even longer.

Councilor Fleck pointed out that it doesn't cost the City anything to do this other than the interest over a few months. It may not even spur any building.

Councilor Munroe pointed out that one thing with the homes that are for sale and haven't sold is that the property taxes are still being paid, and any new buildings will add new property taxes which would benefit the City. He asked about the SDC study and if those rates are available yet.

Public Works Director Jan Wellman responded that they aren't available yet.

Richard said if they come out with new SDC rates it wouldn't change anything, because of the way the ordinance is written. The interest waiver is all that's added; the rates can change because it doesn't tie in at all.

Councilor Clark said he would hope the Council would be open to other avenues of economic development or whatever it can do to help other sectors of the economy as to developers and home contractors.

Councilor Conrad said even though she isn't agreeing with this particular change in ordinance, she does appreciate the attempt to find new ways of helping the City do business in any kind of helpful ways.

Roll was called on the motion and the vote was as follows:

VOTE	Councilor Fleck	Councilor Miller	Councilor Munroe	Councilor Murphy	Councilor Clark	Councilor Conrad	Mayor Williams
AYES	X	X	X	X	X		X
NAYS						X	
ABSTAIN							

IT WAS MOVED BY COUNCILOR MUNROE, SECONDED BY COUNCILOR MILLER THAT ORDINANCE NO. 2981, "AN ORDINANCE AMENDING CHAPTER 15.16 SYSTEM DEVELOPMENT CHARGES OF THE COTTAGE GROVE MUNICIPAL CODE," BE READ TWICE IN TITLE ONLY AND PLACED ON ITS FINAL PASSAGE UNLESS ONE MEMBER OF COUNCIL PRESENT REQUESTS THAT THE READING BE IN FULL.

Roll was called on the motion and the vote was as follows:

VOTE	Councilor Fleck	Councilor Miller	Councilor Munroe	Councilor Murphy	Councilor Clark	Councilor Conrad	Mayor Williams

AYES	X	X	X	X	X	X	X
NAYS							
ABSTAIN							

City Attorney Martin Fisher read Ordinance No. 2981 twice in title only.

IT WAS MOVED BY COUNCILOR FLECK, SECONDED BY COUNCILOR MUNROE THAT ORDINANCE NO. 2981, “AN ORDINANCE AMENDING CHAPTER 15.16 SYSTEM DEVELOPMENT CHARGES OF THE COTTAGE GROVE MUNICIPAL CODE,” BE ADOPTED.

Roll was called on the motion and the vote was as follows:

VOTE	Councilor Fleck	Councilor Miller	Councilor Munroe	Councilor Murphy	Councilor Clark	Councilor Conrad	Mayor Williams
AYES	X	X	X	X	X		X
NAYS						X	
ABSTAIN							

The motion failed because it wasn't a unanimous vote.

Richard pointed out that Council had it's first reading and can have a second reading at the next meeting and it will take effect 30 days after that if adopted.

BUSINESS FROM THE CITY COUNCIL

(a) Update Report on Wastewater Treatment Plant Solar Energy Retrofit Project

Postponed until later in the meeting as consultant hadn't arrived yet.

(b) Second Meeting Date in May

Richard said the second meeting date in May is Memorial Day, and under the City Charter Council can either hold the meeting on Tuesday or cancel the meeting. Currently, staff doesn't have any items scheduled for that meeting, but if needed could hold a meeting on Tuesday.

IT WAS MOVED BY COUNCILOR MUNROE, SECONDED BY COUNCILOR MILLER THAT CITY COUNCIL CANCEL THE MAY 25TH COUNCIL MEETING.

The vote on the motion was as follows:

VOTE	Councilor Fleck	Councilor Miller	Councilor Munroe	Councilor Murphy	Councilor Clark	Councilor Conrad	Mayor Williams
AYES	X	X	X	X	X	X	X
NAYS							
ABSTAIN							

(c) National League of Cities Prescription Discount Card Program

Richard explained that the National League of Cities has established a discount prescription card program for cities. The City could request to be a part of the discount card program and would receive cards that residents could pick up from City Hall. These cards would allow residents to go to any CVS participating pharmacy, which is all of the pharmacies in Cottage Grove and receive up to 20% off on their prescriptions if they don't have any insurance. He said if Council is interested a motion indicating that you would like to participate would be appropriate, and staff will order the cards.

IT WAS MOVED BY COUNCILOR MUNROE, SECONDED BY COUNCILOR MILLER THAT THE CITY COUNCIL AUTHORIZE THE CITY MANAGER TO SUBMIT AN APPLICATION TO PARTICIPATE IN THE NATIONAL LEAGUE OF CITIES PRESCRIPTION DISCOUNT CARD PROGRAM.

Councilor Conrad said she would be voting for this motion, but wanted to add on another motion. She thought as a government the Council has to be fair, and the CVS Caremark is a pharmacy company and if you go on line you can also get the card that the National League of Cities is programming out. She thought this was other information that the City should be giving the consumer. Also, she pointed out that the pharmacies in town offer their own discount card programs and gave some examples. She thought if the City was going to try and help the community with one particular program, in all objectivity they should inform the community that there may be other options that might even be less expensive. She said she's suggesting that along with the CVS program that the City let the community know that the pharmacies in town have their own programs, and explained the programs of other pharmacies.

Council discussed the program as well as Councilor Conrad's concern and suggestion.

IT WAS MOVED BY COUNCILOR FLECK, SECONDED BY COUNCILOR MILLER THAT THE QUESTION BE CALLED.

The vote on the motion to participate in the program was as follows:

VOTE	Councilor Fleck	Councilor Miller	Councilor Munroe	Councilor Murphy	Councilor Clark	Councilor Conrad	Mayor Williams
AYES	X	X	X	X	X	X	X
NAYS							
ABSTAIN							

(d) Concerns from the City Council

1) Councilor Clark said that everyone should be aware that to be against something because we can may not be constructive.

2) Councilor Clark commented on the Walmart story in the Sentinel, and said it made it seem as if Walmart were to come back and open a store in the old location somehow they would get some streamlined process or maybe the conditions Council previously applied to them might go away.

Richard said the article was talking about if Walmart opened in the old ShopSmart building there's nothing that has to be done and that would apply to any grocery store. He explained that the City and Chamber have been working together to get a new grocery store of some kind. There are only two left that are talking to the Chamber and City and Walmart is one and Save-a-lot is the other. One of the options and questions was what about the current established rules in place, and they still have to comply with all of those. The article is clear about this that if they go on and expand the existing building they have to start over with their design review. The plans they submitted earlier are gone now. The approvals they received for the out buildings and for the size are still there; that's the ordinance. But now they have to meet the new development code for the design that they build for the new expansion and the out buildings. They still have those hurdles they have to get through and have to meet those code provisions.

Councilor Clark wanted to make sure that they would still have to follow those new standards.

Richard said if they want to change those standards, they would have to go through the whole process again.

3) Councilor Clark said he is a South Lane School District employee working in the Transportation Department which has nothing to do with the swimming pool. He said he passed out information (attached as Exhibit A) regarding the operational costs of the swimming pool at the old high school. He said the school district is continuing to slash another \$4 million out of the budget next year. The pool is in real danger of closing, and this is a community asset/resource. He said this is an opportunity for the City to step up and some how figure out a way to keep this pool running for the next couple of years as they continue to work their way through this severe income tax issue they're having in the state.

Councilor Clark asked Richard what would happen if the Council wanted him to put a line item for the pool in the City's budget.

Richard responded that if he put in a line item for the \$150,000 he would have to cut something. There's nothing that says the City can't put a line item in the budget for the pool. He thought it was a better plan for the City and the District to work together and bring in the Recreation Association and put money in from both sources than to form a new district.

Councilor Clark pointed out that they are looking at this facility closing and if that happens it will not be reopened. He said the ideas floating around out there, i.e., cup tax, restaurant tax all kinds of things are not going to solve this problem quickly enough. He asked what other Council members are thinking about this.

Council discussed Councilor Clark's concern and putting a line item in the budget for the swimming pool.

Richard said staff has talked about the cup tax or more of a disposable food container tax, and thought it would be tough to regulate that type of ordinance. Staff did look at Ashland's food and beverage tax, and thought that might be a better way to go. In looking at the gross receipts of some of the businesses in town, staff felt they could get close to \$200,000 to \$300,000 in a food and beverage tax on prepared food such as food prepared at the deli at Safeway or CG Market. This wouldn't be a tax on the food you buy in the grocery store and then go home and prepare and eat. This would be a 1 cent tax, a penny on every dollar spent, and it should bring in about \$300,000.

Richard said staff had talked about discussing this at the budget committee. He said he talked with Krista at the school district about this, and her thought was if the City looked at doing something around \$150,000 that would help substantially in keeping the pool open. They would still continue using it for school classes and would be able to pay for some of it. The food and beverage association is very, very strong and apparently effective. There are some good points associated with this kind of tax such as a good portion of it coming from outside the City from the freeway. It also has the benefit of not just taxing people within the City, but people from London and Dorena and outlying areas. He said if Council wants staff to continue looking at this they will. It will take a lot of support from the people in the community to make this work. Council could enact this tax in a meeting, but he wouldn't suggest doing that in just one meeting. The food and beverage tax has a nice nexus in helping recreation and also helping in the obesity of children. There is also the idea of a soda pop tax that's being done in other communities, but none in Oregon at this time.

Mayor Williams pointed out that the state legislature is going to look at these items and preempt them and say you can't do them at the local level. This is the real selling point for him. The other thing is the best tax is the one somebody else pays for.

Councilor Fleck spoke to the importance of having the swimming pool and indicated he would

support this.

Councilor Murphy said she's fully in support of instructing the City Manager to pursue this issue. She thought Council should put a priority on this.

Councilor Miller said she thought a help fight obesity program is right on, and the fast foods have indicated they're interested why wouldn't they be on board. She indicated she is in support.

Councilor Conrad said she didn't see this as a conversation of do we support the pool or not because everybody does want to support the pool. It is a money discussion. She said she would like to see the rest of the budget to see how these priorities are fitting into it. She said she would also like to know what the school is doing to help support the pool. There are two items on the agenda tonight that the City is going to try and find money to get off the ground. She suggested that seniors benefit also from swimming, and if a senior program can be designed in the pool, they can get funds from senior services as well. When council talked about economic emergencies, she finds it hard to agree that they can add a tax. But she likes what Councilor Miller was saying about getting the community to voluntary tax themselves or contribute on a regular basis to support the pool that would be the best of both worlds.

Councilor Clark said he appreciated this discussion, and it is a hard thing. This is a hard time, and if the community starts losing its assets; they aren't coming back. Everyone needs to do whatever they can do to save the assets in this town. He pointed out that this community doesn't lose many of its kids to drowning and that's because of the swimming lesson programs in the schools. He hoped this would move quickly.

Richard said they didn't really need a motion, but staff has the sense of what Council wants. He said they will start the discussion and get the information out. Need to get public involvement to make this happen.

Councilor Munroe thought it was a great idea.

Richard said staff will go ahead and start putting some information together, and may come back with meeting dates for a special town hall, public meeting similar to what was done with the gas tax.

Councilor Conrad asked if this could be presented to the Chamber of Commerce and get feedback from the business community.

Richard responded that they would be presenting to every organization possible to make sure the support is there. He said there is one other item that's not on the information sheet Councilor Clark provided that he and Krista talked about. The school district has been looking at doing a new pool and the City has been participating in the task force and that's on hold right now because of the economy. If they end up with the process of moving forward with a new pool,

having a funding mechanism for the maintenance and operation is huge for getting grants for support from foundations.

4) Councilor Munroe said that last Friday was Day of Caring in the City and was also National Arbor Day. He said the City Manager, Councilor Miller and he went to the golf course as the Mayor was out of town, and they were presented with a flag from a gentleman from the State Forestry Division for 15 years as a Tree City USA participant. He held up the flag for everyone to see.

BUSINESS FROM THE CITY MANAGER

(a) Approval of South Lane Wheels Bus Stop Locations

Howard explained that Council has before it a request from South Lane Wheels to formalize their bus stops. Over the past year they've had some informal stops. They have received some stimulus money for shelters, benches and signage. Staff has gone through the route with them identifying all the locations. Some of the shelters will require approval by private parties (easements), and they feel they'll be able to obtain the easements they'll need. Any place that is within the public right-of-way, Council's approval is required. Staff has required that wherever they can that they co-exist with LTD stops; they have maintained 30 feet away from all intersections, stayed away from hydrants, stayed away from any congested areas. Staff is recommending that the route and proposed stops and placing of no parking signs be approved.

IT WAS MOVED BY COUNCILOR MILLER, SECONDED BY COUNCILOR FLECK THAT THE ROUTE, PROPOSED BUS STOPS AND PLACEMENT OF NO PARKING SIGNS BE APPROVED.

Councilor Conrad asked what happens if they can't get easements from private parties for the shelters.

Howard responded that they would have to find another location or not put a shelter, just a bus stop.

Councilor Munroe said in the information it says a building permit is required for the shelter, and asked if that would be a large fee.

Howard indicated he didn't know the value of the shelter, but probably not a large fee. It would be minimal, but until they get their shelter design done he wouldn't know. It would be based on the value. The permit is required by state law and can't be waived.

The vote on the motion was as follows:

VOTE	Councilor Fleck	Councilor Miller	Councilor Munroe	Councilor Murphy	Councilor Clark	Councilor Conrad	Mayor Williams
AYES	X	X	X	X	X	X	X
NAYS							
ABSTAIN							

BUSINESS FROM THE CITY COUNCIL (continued)

(a) Update Report on Wastewater Treatment Plant Solar Energy Retrofit

Jan explained that since March of 2008 the City has been working with BacGen Solar through Martin Shane to develop a power purchase agreement with a financial partner to develop a solar array at the wastewater treatment plant. He said it's been some time since staff has talked to Council about this project, and Martin is here tonight to give an update and explain where the project currently stands.

Martin Shane, representing BacGen Solar, said this was started in January 2008. He explained the difficulty they've had in securing a funding institute for the project, but finally were able to secure funding through Bank of America. Then the problem arose with Pacific Power and Light petitioning the PUC against all solar projects that would be installed where the utility would not have control over the installation itself. This went to the PUC in July, and PUC found in favor of the solar industry. In October 2008 the financial situation changed and Bank of America pulled out, so they started looking for other funding. He said Johnson Control came to them and said they're getting into solar and asked them to build all these other facilities and indicated they would like to fund Cottage Grove. But they found out they couldn't get the credit they thought they could. Now they have another candidate who insists they can do this, and at this point it sounds positive.

Martin explained that there is also some legislation going on in Salem which would potentially remove the necessity to have a tax credit based funding party for this project. They're still extremely excited about the project. The cost of the solar panels has come down some since they first started looking at this and output and efficiencies have gone up a little bit. He asked the City to be patient, and they will continue to keep pushing this until someone actually steps up and says lets do it.

Martin explained that with the ARRAY they went ahead and filed for grants on behalf of the City with both the US Department of Energy as well as under four different segments of capital with the state. That goes anywhere from renewable energy in an municipal environment to upgrading the efficiency of a fresh water or wastewater facility to neighborhood block grants to demonstration project with developed curriculum attached for teaching renewable power to local schools. Also, they agreed to put in a regional monthly school here to train solar installation as part of all those grant applications. They have no fewer than four grant applications in and

active right now and another two that are loans that would offset part of the cost of the program for whatever funding entity came in to lower their overall project cost. He said they hope to hear on these over the course of the next few months.

Martin said they've been back to Washington D.C. twice working with the senators, and they've also met with Merkley's staff to try and help them procure some of the grant funding. They've spent a lot of time in terms of focused policy work to try and do whatever they can to make sure Cottage Grove and a number of other cities have this opportunity. It is a special thing and some of the funding is going to go away pretty soon. The possibility of a grant in lieu of an investment tax credit is going away. They're trying to get something going within the next five to six months.

BUSINESS FROM THE CITY MANAGER (continued)

(b) National Historic Covered Bridge Preservation Program Agreement for Chambers Covered Railroad Bridge Restoration

Richard said Council has before it the agreement that has been prepared by the Oregon Department of Transportation. The City received the award of the grant from the National Historic Covered Bridge Preservation Program. The funds go through the Oregon Department of Transportation, and so ODOT will be administering this. Staff took some steps early before getting the agreement to get the consultant onboard and to try to get some things moving quickly, because the bridge is deteriorating. This is before Council for approval and authorizing him to sign.

IT WAS MOVED BY COUNCILOR MILLER, SECONDED BY COUNCILOR MUNROE THAT THE COUNCIL APPROVE THE AGREEMENT AND AUTHORIZE THE CITY MANAGER TO SIGN THE NATIONAL HISTORIC COVERED PRESERVATION PROGRAM GRANT AGREEMENT.

Councilor Conrad said that the matching grant could turn out to be more than this figure since the cost was just an estimate, and Richard said it will come out of next year's budget.

Richard said that a portion of it will come out of next year's budget and a portion was budgeted out of this year's budget. We'll either take the portion from this year's budget and carry it forward or get it deposited into the City's account with ODOT and then take the portion out next year as well. He said the City has the funds to do that and to do the existing match. We'll probably be setting some funds aside for a contingency just in case it's needed for the extra amount. He reiterated that we do have the funds for this matching grant; a portion in this current budget and a portion in next year's. Money will not be taken away from other projects; it's in the reserve fund already.

The vote on the motion was as follows:

VOTE	Councilor Fleck	Councilor Miller	Councilor Munroe	Councilor Murphy	Councilor Clark	Councilor Conrad	Mayor Williams
AYES	X	X	X	X	X	X	X
NAYS							
ABSTAIN							

(c) American Recovery and Reinvestment Act (ARRA Economic Stimulus) Agreement

City Engineer Ron Bradsby explained that Council has before it an agreement with ODOT concerning the City's ARRA. In July staff heard that a possible stimulus package would be coming forward, and staff has been working since December to come up with a list of projects that the City could use its stimulus money on. The State of Oregon got \$350,000,000 from the federal stimulus package. ODOT has divided that up between itself, the counties as well as the 242 jurisdictions and used the state transportation program methodology to give City of Cottage Grove \$202,000. The projects the City turned in to ODOT far exceeded the \$202,000. Staff looked not only at the road surface for transportation but also looked at utilities and upgrading the utilities under that same section of road. He explained that the guidelines have not all been there; it's kind of a work in progress, and so every day or every week staff would find out new rules or stipulations regarding this federal money. Staff chose North River Road between Woodson Bridge, including Woodson Bridge and from Woodson Bridge down to Holly Avenue. It's a subset of a larger project submitted. Since that time the City has been told that this project is now a 3R project, which means more environmental review, a safety task list. A lot of the jurisdictions are doing a 1R project and that 1R project is basically an overlay within an existing roadway and has less restrictions because ODOT is doing a blanket environmental statement for all jurisdictions under the 1R program.

Ron said staff is coming back to City Council and asking what project it wants staff to proceed on. There is the North River Road, the smaller portion from N. River Road that includes Woodson Bridge from 99 to N. River Road and then from that intersection down to Holly. Included in that is an upsizing of a storm drain and upgrading of sanitary sewer line. He said staff also submitted Row River Road. Staff was concerned about that project because the majority of Row River Road was rebuilt with Urban Renewal dollars in 2001. It would be beneficial to save the road surface but \$202,000 isn't going to go very far. Because the pavement is failing, the City may be kicked into a 3R project because it exceeds the guidelines for a 1R project even though it's only an overlay. Staff has had further discussions today and proposes a third possibility which would be to only do Woodson Avenue from 99 to N. River Road, because that's only overlaying. Then there is a small project that's been on the books for a number of years to widen S. 8th Street near the aquatic center. Through partition process the City acquired the property, but there was an agreement that no cost would be associated to the adjacent property owners, and that would be within the \$202,000. That project again is going to be a 3R project because of street excavation.

Ron said in conclusion staff is asking Council which project it would like to spend the City's stimulus money on, and if Council goes with the existing project that they first started with which is the N. River Road one then staff would ask Council to authorize the City Manager to sign the agreement.

Richard said with the N. River Road project staff would like to take out the project that does the utility work under N. River Road by Woodson Bridge. There is another problem staff found as a result of doing the budget. He explained that staff was going to be using wastewater and storm water reserve funds to do that utility work under River Road. And staff was under the impression that there was \$280,000 more in the reserve fund than what there really is. Staff found an audit error. The auditors for the last five years have been putting money in the reserve fund that does not exist. About five years ago the City refinanced the City shop property (the acquisition and redevelopment of the shop property), and in doing that the reserve funds paid part of the pay down of that loan. Staff accounted for all of this, but the auditors never took it out of the reserve fund and carried it over every year as a carryover until the audit this year when all of a sudden it disappeared. Staff thought in doing the budget that the wastewater reserve fund was upside down, and couldn't figure out why it wasn't balancing and why they couldn't do the projects next year that they had been planning to do. So staff called the auditor and told them they had made a error in the amount of \$280,000. The auditor who did the City audit wasn't available so they gave it to a secondary auditor and they said there was no error there. Bert started going back through the audits for the past five years, and found where staff had recorded it but the auditors never did it right and then they never told staff that they fixed it this year.

Richard said as a result they are short \$280,000 in the reserve funds, and if the utility work under N. River Road is done it will zero out that fund. Staff has been told that the City may be getting the award of the grant to do Hwy. 99 and Main Street. Some of that is utility work that we need to match and going to need \$500,000 a year for the two years to do that project. We're trying to save up our utility reserve funds to match that project. Staff would recommend that Council not select N. River Road portion and if we do Woodson just do Woodson Bridge and widen 8th Street. The part of 8th Street is where you go up to the aquatic center and the wall sticks out in the road. The City now has that property again after giving it to the property owner because they didn't think they would ever widen that road. It's either do that or the Row River Road. Staff's trying to think of the best, most visible thing to do with the stimulus money. We could do a bunch and put more of the money on the road surface if they did Row River Road, because some of the consultant costs and engineering costs will be smaller because it's just an overlay. He pointed out that 8th Street is designed and on the shelf ready to go.

Ron said the 8th Street and Woodson Place projects are less than the City's stimulus package, so he needs to ask ODOT if there is any extra money can they go around town and fix potholes or segments in the streets.

IT WAS MOVED BY COUNCILOR MUNROE, SECONDED BY COUNCILOR MILLER THAT COUNCIL MAKE THE OVERLAY PROJECT TO WOODSON BRIDGE AND THE IMPROVEMENTS TO S. 8TH STREET.

Councilor Conrad said she totally agrees with Woodson Bridge, but several months ago utility work had been done in some of the streets and patchwork done and comments were made that they really needed overlay repairs. She asked if that would be more urgent than the 8th Street work.

Richard said the difficulty with it is what the economic stimulus money is targeted for. Because it comes through the federal highway administration it is for those federal highway administration aided roads which means collectors or arterials. So residential streets don't meet that, and 8th Street is a collector.

Councilor Fleck said he can support the motion, but storm drainage around the Holly, River Road, Woodson area has been bad for years. He said he would like to keep that on the back burner that that is an area that needs to be addressed.

Councilor Munroe asked if that portion of street between the Vintage and KFC is a public access street or private. It's breaking up so bad it's tearing into Gateway.

Ron said it is a private street. The City has Senate appropriates for adding a fifth lane between that access road and Connector at the intersection. Once the City has gotten the land negotiated staff will be working on that.

Richard said the motion didn't include an authorization for the manager to sign the agreement once the amendment is made to the agreement.

IT WAS MOVED BY COUNCILOR MUNROE, SECONDED BY COUNCILOR MILLER THAT THE MOTION INCLUDE AUTHORIZATION FOR THE CITY MANAGER TO SIGN THE AGREEMENT ONCE THE AMENDMENT HAS BEEN MADE.

The vote on the motion was as follows:

VOTE	Councilor Fleck	Councilor Miller	Councilor Munroe	Councilor Murphy	Councilor Clark	Councilor Conrad	Mayor Williams
AYES	X	X	X	X	X	X	X
NAYS							
ABSTAIN							

(d) Report from the City Manager

(Councilor Miller left the meeting at 9:10 p.m.)

1) Richard said the Chamber of Commerce Banquet is May 15th, and those who want to attend need to let him know tomorrow.

2) Richard said the Lane County Commissioners joint meeting with the Council on June 22nd has been postponed until August 24th or later. They have a list of the items Council would like to talk to them about. They had asked if Council could come to Eugene and meet with them, but was informed that the Council has to meet within its jurisdiction.

3) Richard informed the Council that there was a problem at the wastewater treatment plant this weekend, and one of the operators typed in a wrong number in the computer for generating the disinfection ratios. Instead of putting 3.3 into the computer, they put 33.0 in the computer which resulted in 19 times the level of chlorine in the water then is necessary or that is regulations. That is a violation. When the other operators came on, they found the error and corrected it and notified the DEQ. This could have an affect on the City's new plant as well, so staff is monitoring it closely. The City will be getting a fine for this violation.

4) Richard informed the Council of three ribbon cuttings coming up. April 29th at 12:30 pm Teganu Colors at 20 S. 6th Street; May 1st at 12:30 pm Looking Glass located on Whiteaker Avenue next to Hoyer Accounting, and May 4th at 12:00 El Tapatio Mexican Restaurant at 725 E. Gibbs Avenue.

5) Richard said that he and Faye Stewart met with representatives from Pacific Power today in an attempt to get the Bohemia Park squared away with Pacific Power. They own a piece of property off of 10th Street that was going to become part of the park, and Bohemia Foundation is currently leasing that from PP&L. The City is giving the Bohemia Foundation a piece of property by the wastewater treatment plant which they have improved to be transferred from them to Pacific Power. In the development process of this property, Pacific Power want to put the power pole and light up and run it aerial. Under the City's code new construction, new utility services go underground. PP&L redesigned it and it's going to cost them \$22,000 to install a yard light on their site. Under the regulations of exchanging property through the PUC with a PUC regulated utility, they have to exchange like for like. So Bohemia Foundation would be paying for the installation of the light, so PP&L could have it as an equal piece. In addition to that as staff surveyed the City's piece of property next to the wastewater treatment plant, they found that the road that runs along Connector into the old tree farm and to the City's piece of property is partially on ODOT property. Staff was in the process of getting a permit from ODOT to keep the City's road there and to give PP&L access on that road. And staff would have to get PP&L to assign the City as an agent so the City could go to ODOT and get that permission

Richard said that PP&L has come to the City and indicated this is going to take too much to do, and they didn't think the foundation should have to pay \$22,000 to get the light, so they agreed to donate the property to the foundation and the City could keep their property by the wastewater treatment plant.

BUSINESS FROM THE CITY ATTORNEY

(a) Report from the City Attorney

None

PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

None

CONSENT AGENDA

(a) Minutes of the April 13, 2009 Regular City Council Meeting

ITEMS REMOVED FROM THE CONSENT AGENDA

None

IT WAS MOVED BY COUNCILOR FLECK, SECONDED BY COUNCILOR MUNROE THAT THE CONSENT AGENDA BE ADOPTED.

The vote on the motion was as follows:

VOTE	Councilor Fleck	Councilor Miller	Councilor Munroe	Councilor Murphy	Councilor Clark	Councilor Conrad	Mayor Williams
AYES	X		X	X	X	X	X
NAYS							
ABSTAIN							

ADJOURNMENT

There being no further business, Mayor Williams adjourned the regular meeting of the City Council at 9:21 p.m.

The next regular City Council meeting will be held May 11, 2009 at 7:30 p.m. in the Council Chambers at City Hall.

Joan Hoehn, City Recorder

Gary Williams, Mayor