

**City of Rainier
Budget Hearing
and
Regular City Council Meeting
June 20, 2016
7:00 PM
Rainier City Hall**

Mayor Cole Opened the BUDGET HEARING and asked for Public Comment Hearing no Public Comment Mayor Cole closed the BUDGET HEARING at 7:08.

Mayor Cole Called the Regular City Council Meeting to Order

Council Present: Mayor Cole, Doug Aske, Jim Bradfield, Sloan Nelson, William Vilardi, Robert DuPlessis

Council Absent: Daniel Smith and Steve Massey

City Staff Present: Debra Dudley, City Administrator/Finance Director/Recorder; Dan Foultnier, Public Works Supervisor; Gregg Griffith, Police Chief; Sarah Blodgett, AP Clerk

City Attorney Absent: Stephen Petersen

Flag Salute.

Additions/Deletions from the Agenda: None

Mayor's Address: Moment of silence for Orlando victims

Mayor Cole presented History Club Student of the Year and Officer of the Year awards

Mark Kreutzers gave a presentation to Council asking they pass a resolution to support Senate Bill 1513 Mayor Cole moved to pass Resolution. Mayor Cole asked if anyone would entertain a motion to support a resolution to support Senate Bill 1513, Vilardi moved, Aske 2nd, motion passed unanimously.

Mayor Cole introduced newest city employee, Sarah Blodgett.

Visitor Comments: Dan Jacobs stated there is a Ribbon Cutting Ceremony Aug. 20th at the marina.

Consider Approval of the May 25, 2016 Special Meeting Minutes: Vilardi moved, Aske 2nd, to approve the minutes as presented- **motion passed unanimously.**

Unfinished Business:

a."A" Street Update: Debra Dudley stated during the last meeting with Ken Kohl, from ODOT, the Council asked him to look at alternatives to parking; we're waiting for the updated information.

b. View Street Update: Mayor Cole stated it is moving along, should be chipped sealed sometime in August. New pipes have been laid; storm water runoff pipe has been laid, just waiting for the chip seal to be done. Debra Dudley stated there was a problem with the supplier for the rock but they have

overcome that and are back on track. Dan Foultnier stated Kennie Neal will be going to View Street setting that to grade, and then they will start working on Fox and New Bedford.

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c. Kari Hollander from SWCD spoke on behalf of the Fox Creek Culvert Project; Kari explained she has gotten the infrastructure finance authority to accept our intake form for the possibility of getting state reimbursement money for the emergency projects in the three cities she has projects in. The project is moving along, and have had multiple meetings with regulators to familiarize them with the projects so when the projects hit their desks, they move right through the process. Kari stated Fox Creek culvert would be done this year by the middle to the end of September.

New Business:

a. **Consider Approval of Resolution #16-06-01:** Resolution Transferring Appropriations for the Fiscal Year 2015/2016 Vilardi moved, Doug 2nd to approve Resolution #16-06-01 as presented-**motion passed unanimously.**

b. **Consider Approval of Resolution #16-06-02:** Adopting and Declaring the Tax Levy and General Obligation Bond for the fiscal Year 2016/2017. Vilardi moved, Doug 2nd, to approve Resolution #16-06-02 as presented-**motion passed unanimously.**

c. **Consider Approval of Resolution #16-06-03:** Declaring the City's Election to Receive State Revenues for the Fiscal Year 2016/2017. Vilardi moved, DuPlessis 2nd, to approve Resolution #16-06-03 as presented – **motion passed unanimously.**

d. **Consider Approval of Resolutions #16-06-04:** Adopting the Budget and Making Appropriations for the Fiscal Year 2016/2017. Vilardi moved, Nelson 2nd, to approve Resolution #16-06-04 as presented – **motion passed unanimously.**

e. **Consider Request by Hudson Garbage:** Hudson Garbage Service explained their reason for the proposed price increase of 6.6% they are requesting. The Columbia County Commission implemented a 1.3% rate increase at the Columbia County Transfer Station. They were expecting a return on the recycling program and it is actually costing them. The increase will be approximately \$1.46 per customer. Sloan questioned as to why they need an increase when he can take garbage over to Longview for significantly less and why the county is not looking into other options as to where to take the waste to. Bradfield moved, Aske 2nd, to approve the Hudson Garbage rate increase- **motion passed with Nelson voting nay.**

f. **Election Notice for Term Expirations on Council/Mayor Positions:** Debbie stated positions 1,6,7 and the Mayor's terms will expire 12/31/2016 and are up for re-election hold at the next general election. Information and forms are available online at the Oregon Elections website or come into the office and we can walk them through the forms.

Executive Session: ORS 192.660 (2)(h) to consult with counsel concerning legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

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g. Consider Action Item Resulting from Executive Session- IGA SWCD: Kari Hollander from SWCD is asking the City to pay 25% of repairs up to \$171,000 maximum to fix the culvert that goes through private property. Council asked Kari for the scope of the project, specifically asking her for a breakdown of the project costs. Kari did not have any documentation to provide to Council but stated the \$685,000 is the top price that this project can possibly be and Kari is confident it will be lower than that. She states that is the highest cost if every contingency that anyone could pull out of anywhere where to happen. Kari explains the costs are going to the repairs and replacements needed for the culverts, manholes and a debris rack. Kari states that the surrounding soil is not stable and instead of moving the culvert to a new location, they will replace it in its existing location consisting of 700-750' of culvert and two giant manholes and will also be repairing the 'C' street culvert and rack. Bradfield would still like to see the scope and Kari explains she had to hire an engineer and she did not get NRCS funds appropriated to her until June 3rd and Kari explains the engineer is on the fast track and with the NRCS funding they have been able to scope out the project and have the USDA state engineer of Oregon tell the engineer Kari hired that this is how it is going to be done, this is what I want you to design, this is what we will fund. Kari stated I am not going to have a design or scope for you for another 3-5 weeks. Mayor Cole expressed that as far as he is concerned, Kari just gave the Council the scope on public record. Mayor Cole explains this is an emergency and not your normal planned project. The board continues to explain they are not comfortable approving funds for the project that has not even started and having no projected cost detail. Kari states they need to trust what the USDA State Engineer told her the project will cost. Nelson asks Kari for an explanation of the where the 75% funding is coming from. She also explains and tells Council FEMA separately will pay for the connection points, the manhole piece and any connections at the road. Sloan asks "and that has already been approved?" Kari states it is in the process, yes it is moving through the FEMA system". Kari assured council that if FEMA doesn't happen, this project will still take place and she states she has the funding secured, she just has to have the 25% City match and it's done. Kari states with the commitment of the 25% match, it is what she needs to keep the project moving forward and that she has an intake form into Business Oregon; the Infrastructure Finance Authority, which includes this project and could possibly offset the 25% match the City funds towards the project and that they are not at the review stage yet. Kari states she told the IFA she is still working with the different cities on the paperwork and the relationship of who's doing what so she doesn't have everything to give them (IFA) quite yet, but if we could get the intake form in, we could at least be on the table to be reviewed and don't miss the door to have the potential to have the 25% reimbursed and possibly not even have to pay the 25%. Aske noted Kari has made a sincere effort to bring this project to fruition and asks for a cost mock-up and Aske explains that if you were to go to a bank to get a loan, they would ask for line item costs (Kari interrupts him) and states that she has been coming to the council for three months with the same question and that her mock-up is; that the state engineer for Oregon says this is the number and this is the highest it's going to be, this is my mock-up. It is not going to go above that and Kari is very comfortable that it will come in significantly lower

than that. Kari confirms she has the 75% federal funding locked up. Nelson asks Kari if the federal funding is going to be used to pay the engineers she has hired for the project and she states yes. Kari states the IFA won't even review this project for a possible reimbursement of the 25% unless the City agrees to pay the match. Sloan asks Kari what she needs from the City today. Kari states she needs the inter-governmental agreement signed and if there is some adjustments that need made, she is Ok with that. Kari states that she talked to the Mayor a few weeks ago about adding a clause to the agreement

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pertaining to if the amount exceeds the agreed upon cost of the project. Bradfield questions Kari about the landowner's contribution and the Cities commitment in the cooperative agreement, Kari states that the \$50,000 is basically spent plus her office has already spent \$84,000 on this project to date between staff time and contractors. Bradfield suggests the City pay half of the \$171,000 and the three land owners split the other half of the amount. Kari states that no, she doesn't have a breakdown because she would be giving false numbers and she doesn't want anyone to come back to her and say you said, because it was a scenario. Kari states the manhole and fixing the "C" street culvert is not going to be cheap and the trash rack is a wash because that is everyone's problem and that the bulk of the expense is not on private property it is the cities end, that's the biggest expense. The council expresses concern about the costs and Kari states that it can't be any more than that because there is no more money, \$685,000 is the top. Kari states she has been coming to the committee for four months and has brought the same information and has asked the same questions at every meeting. Kari states she has been asked the same questions and has given the same answers each time and they need to move forward. Mayor Cole states that is not true. Mayor Cole states that tonight is the first time I have heard the culvert is going to be in the same spot. Mayor Cole explains to Kari why the council needs to ask the questions they are asking to come to a conclusion. Kari states this is a now or never project and this work has to be completed by September 15th. Kari states they can't delay as the timeline is almost impossible for completion by the September date. Sloan expresses that he was glad to hear Kari had the money secured but he struggles with the property owners not contributing. Kari states that the property owners are spending money and that they have spent money. Kari states that the property owners have spent more than \$50,000 for sure and that she has cooperative agreements from them for more than that, split between the three of them. Aske says let's see it and Kari says she has showed them to council previously and doesn't have them with her. Nelson doesn't understand, Kari explains the city signed a cooperative agreement for \$18,870 and that each of the three property owners have signed their own agreements totaling more than that to be paid to her for contractor expenses plus they have done their own surveyors and studies that SWCD is reaping from. Kari states that the property owners had signed almost identical cooperative agreements as the cities. Kari states she would have to go back and look at the amounts that the property owners have put money toward the project. Richard a property owner at the meeting was asked how much they have spent, he declined to answer, stating he did not feel comfortable sharing what he has contributed toward the project. He did state the money the landowners contributed is being spent on what is being done now, currently being the trench boxes being in place and that they are jointly responsible for the costs incurring right now. Richard states the repeated discussion over the last few months with the city that the culvert is on private property and he argues that that hasn't been determined. Richard expresses that extensive work has been done to get the funds and feels they all have to commit to make the process work. Mayor Cole expresses the council feels that the property owners need to have some skin in the game and asks Kari for examples of who is paying the 25% match from the other thirteen projects in the county she is working on. Kari

states the other projects are either fully on private land or fully on public land, she doesn't have any matched ones. Kari states the IFA needs the city to agree to the match so they have something to reimburse. Debbie asks Kari if the IFA has received their appropriation and Kari states yes, the appropriation is \$2.5 million and they are getting ready to close the door on intake forms. Kari confirms the \$2.5 million is for Oregon and that the 25% reimbursement would go to reimbursed 25% of the City of Rainier

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overall project as a whole. Jerry expresses his opinion why he feels the city should go ahead and agree to the 25% match with a few tweaks to the intergovernmental agreement. Jerry opens it up to go around the table. Bradfield wants the business owners to split \$85,500 of the \$171,000 match. Aske asks Kari for verification of allocations and Kari states she will send funding agreement tomorrow morning. Nelson wants property owners to contribute but that the city does need to jump on the project. Vilardi wants business owners to pay a share of the match. Kari states the property owners have paid in roughly \$50,000 and that the costs are going up \$4,000 every 3-4 weeks. Bradfield asks if the property owners are paying that \$4,000 and Kari states oh yah. Kari states she is trying to get the previous work reimbursed from FEMA as debris removal and it is working through the system and it is not part of the \$685,000. Kari states whatever has been spent from June 3rd on is part of the \$685,000. DuPlessis expresses concern that every time they have a meeting with Kari, the numbers are different, that's why they keep asking questions. Kari said she can include the \$18,870 from the cooperative agreement as part of the cities \$171,000 match. Dudley confirms with Kari that the amount in the cooperative agreement is part of the \$171,000 and Kari said yes I will make the reporting work out so the \$18,870 comes off of the \$171,000. DuPlessis states his concern with where the \$685,000 figure came from and how he is uncomfortable agreeing to the match without seeing documentation. Mayor Cole states this is different than a normal project, it is an emergency situation so you have to trust Kari's project scope. Dudley asks Kari if the FEMA money would reduce the \$685,000 they get from EWP. Kari states that it would not reduce the EWP amount.

Executive Session: ORS 192.660 (2)(h) to consult with counsel concerning legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

Aske moves to enter into an IGA agreement with SWCD for the 25% match from the funding sources, not to exceed \$171,000 including the amount from the cooperative agreement, to include the attorney's recommendations and after review of EWP funding and to include a hold harmless language. Nelson 2nd's the motion. Mayor Cole states the IGA will be worked on ASAP as there are some technicalities to be addressed. Dudley asks for the document to be forwarded to Stephen Peterson. **Motion passed unanimously.**

Mayor Cole adjourned the meeting at 10:18 PM.

Mayor Cole

Attested by: _____
Debra Dudley, City Admin./Finance Director/Recorder