



CITY COUNCIL REGULAR MEETING MINUTES

June 11, 2024 @ 5:30 p.m.

A. CALL TO ORDER Meeting called to order by Mayor Scott Cowan at 5:36 p.m.

B. PLEDGE OF ALLEGIANCE

C. ROLL CALL

Councilors Present: Mayor Scott Cowan, Councilors Mike Hickam, Mark Raum and John Sullivan.

Councilors Absent: Councilor Dave Harms

Staff Present: Kevin Kreitman, City Manager; Janelle Booth, Assistant City Manager/City Engineer; Matt Straite, Community Development Director; Alan Sorem, City Attorney; Sheena Dickerman, City Recorder

D. CHANGES AND ADDITIONS TO THE AGENDA

5:36 p.m.

None

E. CONSENT AGENDA

5:36 p.m.

- 1) Approval of May 14, 2024, City Council Regular Meeting Minutes
- 2) Master Fee Schedule Revision- Resolution 2024-09
- 3) ATI Enterprise Zone Request – Resolutions 2024-10 and 2024-11
- 4) Linn County Sheriff's Office Monthly Report

Councilor Mark Raum asked if the return check charge was what the City is being charged by the financial institution. City Recorder Sheena Dickerman affirmed.

Raum asked if it was more work to set up a multi-family account. Staff replied no.

Raum asked if the one and a half-inch meter amount was a typo. Assistant City Manager Janelle Booth affirmed. It was not a change from the previous year. Raum clarified that it should be \$1,771.00. Booth affirmed.

Raum asked if the City issues noise permits. City Manager Kevin Kreitman replied noise permits are issued but the City does not charge for them. Raum asked if it was the same for a tree permit and asked why both were listed. Staff replied because the City issues permits for them. Kreitman added that the work was minimal.

Raum asked why the connection charges were not rounded, for example \$74.89. Community Development Director Matt Straite explained it was a formula adopted by the Council. Booth added that when it was adopted it was adopted using the construction cost index, from May to May for annual escalation.

Mayor Cowan asked for a motion to approve the Consent Agenda items 1, 3, and 4.

Action: **Motion to adopt the consent agenda with the removal of item two made by Councilor John Sullivan; seconded by Councilor Mike Hickam.**

Mayor Scott Cowan: Aye
Councilor Mike Hickam: Aye
Councilor Mark Raum: Aye
Councilor John Sullivan: Aye

Motion PASSED: 4/0

Mayor Cowan asked for a motion of approval of the Master Fee Schedule (item 2) with corrections noted.

Action: **Motion to accept the master fee schedule with corrections that were noted made by Mayor Scott Cowan; seconded by Councilor John Sullivan.**

Mayor Scott Cowan: Aye
Councilor Mike Hickam: Aye
Councilor Mark Raum: Aye
Councilor John Sullivan: Aye

Motion PASSED: 4/0

- F. GUEST PRESENTATIONS 5:43 p.m.
None
- G. PUBLIC COMMENT 5:43 p.m.
None
- H. PUBLIC HEARINGS 5:43 p.m.
1) State Shared Revenue Funds
a. Certifying Eligibility to receive State Shared Revenue Funds.
b. Election to receive State Sharing Revenue Funds.

Mayor Scott Cowan opened the public hearing at 5:44 p.m.

Cowan reminded Council that the resolutions were included in the packet. Kreitman said this identifies that the City meets the requirements for receiving State Revenue funds. Booth added that it includes that the City is electing to receive the funds.

No one from the public wished to speak.

Mayor Scott Cowan closed the public hearing at 5:44 p.m.

Action: **Motion that the City Council approve Resolutions 2024-05 and 2024-06 made by Councilor Mark Raum; seconded by Councilor Mike Hickam.**

Mayor Scott Cowan: Aye
Councilor Mike Hickam: Aye
Councilor Mark Raum: Aye

Councilor John Sullivan: Aye
Motion PASSED: 4/0

2) Adopting FY 2024-2025 Budget & Making Appropriations

Mayor Scott Cowan opened the public hearing at 5:44 p.m.

Kreitman said this is for the appropriation and imposing taxes of the budget that was approved by the Budget Committee. The meetings have been held and noticed, and the LB1 has been published.

Booth noted that the presentation slide should say 2024-25, not 2023-24.

No one from the public wished to speak.

Mayor Scott Cowan closed the public hearing at 5:45 p.m.

No Councilor had questions or comments.

Action: **Motion that the City Council approve Resolution 2024-07 made by Mayor Scott Cowan; seconded by Councilor Mark Raum.**

Mayor Scott Cowan: Aye
Councilor Mike Hickam: Aye
Councilor Mark Raum: Aye
Councilor John Sullivan: Aye

Motion PASSED: 4/0

I. COUNCIL MEMBER AND STAFF COMMENTS

5:45 p.m.

None

J. CITY MANAGER'S REPORT

5:46 p.m.

- 1) Projects Update - Assistant City Manager Janelle Booth mentioned that the Transition Parkway bidding period is open. Staff held a pre-bid meeting at City Hall yesterday. Six contractors were represented, and there are ten on the plan holders list. She is receiving questions from bidders. Bid opening is scheduled for June 27, 2024. An addendum will be going out at the end of this week or the beginning of next week. Staff is anticipating bringing the award to the Council meeting on July 9, 2024, unless the bid date is pushed out by addendum.

Booth said staff received the 1200 C permit yesterday. All permitting is in hand except the wetland core permit, which is expected any day.

Booth reported on crack and slurry seal projects, staff received four bids for crack sealing and one for slurry seal. The slurry seal is within the City's budget and staff will move forward with it. Staff will ensure they meet all requirements. The four for crack seal had three that were close and one that was higher. Both projects will be scheduled sometime this summer.

Kreitman said Northwest RE LLC, who purchased 46 acres from the City, for development across the road, is looking at breaking ground this summer. They have found that they will need to do deep soil amendment for stabilizing the soil. It will be significantly more than what they were expecting for the site development cost. They have asked the City to consider instead of the standard three-to-five years Enterprise Zone, a long-term rural Enterprise Zone, which could be anywhere from 7 to 15 years. He asked Council to provide direction for staff to work with them on what might be negotiated. Currently, the City has a minimum of \$2.61 for public safety clawback. Staff could look at clawback for the whole amount of City taxes after year five. Staff would bring back to Council the final negotiation.

Raum asked if they alluded to the extra cost or time. Booth said it was in the millions of dollars for the soil work. Hickam thought that Council and staff expected them to do the this, but they didn't do it. Kreitman replied that there is an agreement that they are going for the standard Enterprise Zone, with the \$2.61 clawback. They haven't applied for it but are looking at requesting to consider extending it.

Cowan asked for clarification if they extended it, the thought is to do an additional clawback at five years. Kreitman replied the City could modify the clawback amount after five years. Cowan asked if they would receive a tax break from the County. Kreitman affirmed. He said they would have the school clawback, which is legislative. Raum asked to clarify that the rural zone could go up to 15 years. Kreitman said it is a maximum of 15 years. Raum said he wouldn't want it to go past 10 years.

Councilors agreed that it should not be for more than 10 years. Kreitman asked for the authority to work with them on negotiations. He would start with after five years the City would get whole amount. Hickam wanted to see the difference on what it does financially for the City. Kreitman explained that after five years, currently, the City would receive the full tax rate. He said that if at year six the clawback is \$3.50, the City would be whole.

Councilors and staff talked about the clawback. Cowan would like it if they would publicly announce the company's name and what they do. Raum asked if they would be willing to have an open house. Kreitman said they had a representative at the Planning Commission meeting. He didn't think there was a need for an open house. He agreed that announcing who they are would alleviate questions. Councilors agreed.

Cowan asked Councilors' input about directing staff. He reiterated that it was \$2.61 for five years, \$3.50 after five years, and at ten years it would be the full amount, and they need to announce who they are. Raum asked what would happen if they came back and didn't want to say who they are. Kreitman replied that staff would come back to Council. Hickam agreed with the idea. The consensus of the Council is they would need to announce who they are if the Council is to approve an extended rural agreement.

Kreitman said they want to have the facility up by the first quarter of 2026.

Hickam asked if the slurry seal projects seals between the curbs and the street. He has noticed a lot of vegetation growth at those locations on the roads. Booth replied that it doesn't. Staff have received phone calls about others seeing the cracks. Slurry seal is brittle, a thin coat to protect the pavement underneath, and the joint between gutter and asphalt will have vegetation growing. Once the crack sealing is done, staff will look at neighborhoods that have been done previously and will have crack sealing done again.

K. CITY ATTORNEY'S REPORT

5:56 p.m.

City Attorney Alan Sorem said that at 7 p.m. staff will be at the County's Planning Commission for the City's application. Staff will report the results next month.

L. UNFINISHED BUSINESS

5:57 p.m.

None

M. NEW BUSINESS

5:57 p.m.

1. Adoption of Capital Improvements Program – Resolution 2024-08

Booth said the Capital Improvements Program (CIP), like the budget, is done each year. It covers a five-year period. The CIP was reviewed by the City Council and Budget Committee at the first budget meeting on April 30, 2024. It is about prioritizing capital infrastructure projects. She added crack sealing and slurry sealing projects are not on the list because they are maintenance. The link is in the packet and Council has reviewed it in detail.

Action: **Motion to approve Resolution 2024-08 made by Mayor Scott Cowan; seconded by Councilor Mark Raum.**

Mayor Scott Cowan: Aye

Councilor Mike Hickam: Aye

Councilor Mark Raum: Aye

Councilor John Sullivan: Aye

Motion PASSED: 4/0

2. SPWF Patient Capital Program Funding – Resolution 2024-12

Kreitman said in January 2021, the Council authorized staff to apply for a Regionally Significant Industrial Site (RSIS), which the City received through Business Oregon. This helps reimburse the City for infrastructure costs based on the income tax paid through new industry that comes in. Staff has been looking at an SPWF grant for water, and an IOF grant for roads. The State has decided to look at a new program called Patient Capital Funding for RSIS sites. He said they are proposing a grant up to \$500,000, with the remainder of up to \$3 million as a loan. It is a low interest loan of three percent. The loan repayment wouldn't start for five years and the RSIS reimbursements would repay the loan balance. All the interest is also eligible for reimbursement.

Kreitman explained the loan, interest rates, and reimbursement. Booth made clear that Business Oregon made a change on how they want to use their program at the end of discussions with staff. They are willing to give the City a \$500,000 grant and all the job creation can go towards that as long as the City took another \$500,000 in a loan, a total of a million dollars. They added that the City could go up to \$3 million. She said the program would actually allow for the City to go up to \$10 million but above \$3 million requires more authorization and staff does not see a need for the higher amount. The State had decided to make a change on running their program. There is no other way for the City to get the \$500,000 grant for the job creation on its own.

Kreitman said the State ran a scenario on one company based on average wages of \$80,000. Based on the income tax the City would receive and qualified reimbursements, it would cover the amount the City would pay in loan payments. The scenario is based on one company and the City has two companies that would likely be operating.

Councilor Mike Hickam asked if taking the loan would affect how or what funds could be used to pay the loan back. Kreitman replied no. He said the City has the ability to use water funds, if needed. The intent would be that the funds would come back from RSIS reimbursement funds. He added that if another piece of property sold it could be used too. There is no early payment penalty.

Booth explained that the SPWF is Special Public Works Funds, it is a program that the State has had in place for a while. A lot of public works projects take advantage of this. This is a typical type of project for this program.

Cowan asked if this would give the funding to complete the project. Booth replied potentially. Kreitman said it would depend on what happens in the next few weeks and how quickly the City closes on the property. Cowan acknowledged it would be a savings if the City could do the project in one shot. This is a low interest rate and seems to be good timing.

Booth said the City could go up to \$10 million, which would be able to complete the project, but staff did want to keep it within the water fund. The project is structured to bid in a couple of different schedules, different pieces and the City has the flexibility to make those decisions at the bid of the award and for six months after.

Raum asked since it was supporting Transition Parkway and properties south, if the City had a larger loan, would Parks and Street be eligible for repayment. Booth explained that the street part of the project is a type of project that can be funded by SPWF, but it is something the City would have to do now. The City could ask for a separate SPWF loan later but it would be complicated. A decision would need to be made now and would require staff to change the application. Kreitman said there is more documentation needed for the larger loan and has to be approved prior to awarding. Cowan said it could put the City in a situation to make a potential payment.

Kreitman said the City could potentially pay it off prior to the five years. Hickam was supportive but stated his only concern was this Council may not be sitting here later and someone will say the City has plenty of cash when the cash is there to cover the loan, and then the City ends up in a place where it needs to make a loan payment. Councilors agreed.

Kreitman explained that everything the City has paid out, that is not through a grant or IOF funds, approximately \$7 million, is also eligible for RSIS reimbursement. It may take a while to receive. It is why everything is in the Economic Development Fund to track. The funds that the City receives that are not grant funded will continue to be eligible for reimbursement back to the City through RSIS. Any funds that come out of a fund, for example Street Fund, would go back to that fund. Anything from the General Fund would be put back into the General Fund and be used for future needs.

Raum asked if the State had done modeling for the City. Kreitman affirmed. Raum asked if it would be available at some point. He clarified it was based on one employer. Kreitman affirmed. He said the average wages for both potential employers are almost identical. Booth showed the email*.

Action: **Motion to approve the City Manager or designee, to submit for the Patient Loan Request and have the authority to accept the loan if awarded and adopt Resolution 2024-12 made by Councilor Mark Raum; seconded by Councilor John Sullivan.**

Mayor Scott Cowan:	Aye
Councilor Mike Hickam:	Aye
Councilor Mark Raum:	Aye
Councilor John Sullivan:	Aye

Motion PASSED: 4/0

3. Planning Commission Appointment –

Cowan said there were two applicants and one vacancy. Kreitman acknowledged that one of the applicants was in attendance. Cowan said a decision did not need to be made today. He invited applicant Michael Mueller to come speak.

Michael Mueller, Millersburg- He said he has been a residential estate appraiser for 28 years in the Mid-Valley. He has dealt with almost every planning department in the County and cities. He is interested in serving in the government. Cowan said the meetings are once a month and approximately an hour and half. Community Development Director Matt Straite said they are usually shorter, last month's meeting was canceled and plans to cancel July's meeting.

Mueller talked about his work interacting with multiple government agencies. Cowan shared the City of Millersburg's uniqueness; the southern half is commercial, industrial and the northern half is residential. The line is Conser Road. Cowan asked Mueller questions about his thoughts on industry and his

residency. Mueller shared about himself, his family and thoughts on industry and community.

Councilors had no questions or comments.

Cowan asked if the other applicant had an opportunity to come to the Council Meeting. City Recorder Sheena Dickerman said an email had been sent to invite them.

Action: **Motion to appoint Micheal Mueller to the Planning Commission to replace Monte Ayers for the remainder of his term made by Councilor Mike Hickam; seconded by Councilor John Sullivan.**

Mayor Scott Cowan: Aye
Councilor Mike Hickam: Aye
Councilor Mark Raum: Aye
Councilor John Sullivan: Aye

Motion PASSED: 4/0

Cowan expressed his appreciation that Mueller wanted to be a part of the City and welcomed him as part of the Planning Commission team.

Kreitman introduced Straite and said that he would get a hold of him for training.

N. CLOSING COUNCIL COMMENT

6:26 p.m.

Councilors and staff talked about the recycling moderation act, possible funding, and cost for haulers. Sullivan said he would email some information.

Cowan mentioned the Drone show on June 29, 2024, to kick off the 50th Anniversary Celebration, at 9:45 p.m.

Cowan mentioned the Council's strategic plan will be on the agenda for July.

Cowan wished everyone a Happy 4th of July.

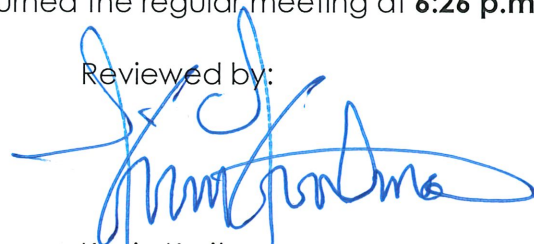
O. ADJOURNMENT Mayor Scott Cowan adjourned the regular meeting at **6:26 p.m.**

Respectfully submitted:



Sheena Dickerman
City Recorder

Reviewed by:



Kevin Kreitman
City Manager

*Presentation materials or documents discussed at the meeting that are not in the agenda packet are archived in the record. Documents from staff are posted to the website after the meeting. Documents submitted by the public are available by emailing cityclerk@millersburgoregon.gov.