CITY OF SILVERTON
CITY COUNCIL AGENDA

Silverton Community Center – Council Chambers – 421 South Water St.

The Silverton Community Center – Council Chambers is handicapped-accessible. Please contact Ruth Mattox at 503-873-6117 by 5:00 p.m. on the business day prior to the meeting date if you will need special accommodation to attend the meeting.

MONDAY, JULY 2, 2012, 7:00 PM

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<td>II. MINUTES - Approval of minutes from the June 4, 2012 regular meeting, June 18, 2012 special meeting, and June 18, 2012 work session.</td>
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<td>4.1 Storm Water Master Plan – Ordinance No. 12-02</td>
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<td>Summary: The Storm Water Master Plan presents findings and recommendations relating to Silverton’s storm water system. The Plan identifies the current state of the storm water system and plans for future needs. City Council voted 5-2 on June 4, 2012 to adopt Ordinance 12-02 on its first reading. Therefore, a second reading of the ordinance is required for adoption of the Silverton Storm Water Master Plan document.</td>
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<td>Recommendation: Staff and the Planning Commission recommend that the City Council adopt Ordinance No. 12-02 for the adoption of the 2012 Storm Water Master Plan as a support document to the Comprehensive Plan.</td>
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<td>4.2 Swimming Pool Task Force Recommendation</td>
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<td>Summary: A Task Force was created by the Council at its June 4, 2012 meeting to explore funding options for the pool and to make a recommendation to the Council as to how it can be funded after July 1, 2013. The Task Force was chaired by Councilor Kyle Palmer. It met on June 19 and June 21, 2012. It reviewed the Feasibility Study options, operating costs of the pool, its construction and maintenance needs, and all possible funding sources for the pool after July 1, 2013.</td>
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<td>Recommendation: The Swimming Pool Task Force recommends that the Council select Scenario 1 in the Pool Feasibility Study and direct staff to prepare the documents necessary to place a five (5) year special levy on the November ballot in the amount of $275,000 per year to implement that scenario after July 1, 2013; and to schedule a special meeting no later than July 27, 2012 to formally adopt the resolution to place a pool measure on the November, 2012 ballot.</td>
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4.3 Moonstone Properties Proposals

Summary: Three proposals from Moonstone

Recommendation: The City Manager recommends that proposal 1 (two-year payment extension) be approved; that proposal 2 (offer to purchase or lease the Pettit property) be rejected; and that Staff be authorized to conduct further negotiations as to proposal 3 (offer to purchase 7.6 acres owned by the City).

PURSUANT TO O.R.S. 192.660(2)(e); the Silverton City Council may enter into Executive Session to consult with the City Manager about negotiating this real property transaction. No action will be taken in Executive Session.

4.4 Council Process to Allocate Funds for Community Events

Summary: In 2012-2013, $20,000 was budgeted for community programs. In the 2013-2014 fiscal year which begins July 1, 2013, only $7,500 has been allocated for community programs. The City Council will discuss implementing a process for organizations that wish to request community program funds and may direct Staff to implement this process.

Recommendation: Staff recommends that this process be implemented as early in the fiscal year as possible.

4.5 East Bank Trail Project – Rejection of Bids

Summary: In accordance with ORS 279C.395, the city is allowed to reject all bids when it is in the public interest to do so. Since the project cannot be constructed as bid within the approved budget, staff recommends rejecting all bids to allow time for the project to be rebid at a future date.

Recommendation: Staff recommends a motion to reject all bids for the Silver Creek East Bank Trail project.

4.6 Recommend Priorities for LOC’s 2013 Legislative Agenda

Summary: Before each Legislative session, the League of Oregon Cities (LOC) asks every city to identify its priority issues for the upcoming session. Included is a packet of material from the LOC explaining what issues are being considered and describing the background and importance of each one. Staff will prepare a Silverton ballot based on the Council decision and return the ballot to the LOC before the July 31 deadline.

Recommendation: Motion to identify the City of Silverton’s top four priority issues on the LOC Legislative Action Priority List for the next legislative session.

V. COUNCIL DISCUSSION

5.1 City Manager Update

5.2 Council Communications

IX. ADJOURNMENT
MONDAY, JUNE 4, 2012, 7:00 PM

AGENDA ITEMS

I. OPENING CEREMONIES: Call to Order & Pledge of Allegiance

Mayor Rasmussen called the meeting to order at 7:00 p.m. and led the Pledge of Allegiance.

Stu Rasmussen – Mayor
Scott Walker – Councilor
Bill Cummins – Councilor
Kyle Palmer – Councilor
Judy Schmidt - Councilor
Laurie Carter- Councilor
Randal Thomas - Councilor

II. MINUTES - Approval of minutes from the May 7, 2012 regular meeting.

Councilor Thomas moved, seconded by Councilor Carter to approve minutes from the May 7, 2012 regular meeting, as amended. The motion carried as follows:

Aye: Walker, Carter, Palmer, Rasmussen, Cummins, Thomas, and Schmidt
Nay: None
Abstain: None
Absent: None

III. PUBLIC COMMENT – Items not on this Agenda

Steve Kaser, 502 Lewis St: As a Budget Committee Member, Mr. Kaser expressed thanks to the Council for teaching him throughout the Budget Committee meetings. Mr. Kaser noted one of the things he learned was the amount of donations made by the City Council to local organizations. He further noted that often, once people receive a donation, they feel the donation will be recurrent. He requested the Council advise people that gifts they receive are one-time gifts. He expressed the belief that a lot of heartache and concern among citizens could be saved if they know they are receiving a one-time gift.

Dana Smith, 760 Mill St: Ms. Smith approached the Council on behalf of the Silverton Fine Arts Festival. She informed the Council that the 12th annual Silverton Fine Arts Festival will be held Aug 18th and 19th this year and brings approximately 15,000 visitors to Silverton. Ms. Smith informed the Council that she has been working with City staff to plan the event and expressed thanks to City staff for their assistance during the planning process. Ms. Smith requested in-kind sponsorship of the 2012 Fine Arts Festival from the City by allowing use of the Silver Trolley and waiving rental fees for Coolidge-McClaine Park.

Jason Freilinger, 1316 Frontier St: As the owner of Radio Shack, Mr. Freilinger noted that his business is doing fine in its new downtown location, but that he also has some concerns regarding doing business in the downtown historic district. Mr. Freilinger informed the Council that he has talked with a number of other downtown business owners who share his concerns, and noted the concerns could be addressed through
formation of a Main Street Committee. He requested the Council form such a committee to discuss ways to make the downtown district more shoppable. Mr. Freilinger suggested the committee could be tasked with developing a Main Street Business plan specifically for the historic downtown corridor.

There was some discussion between the Council and Mr. Freilinger about the vision and need for such a committee.

Vince Till, 1301 N Water St: Mr. Till proposed to the Council some changes to the parking meters, requesting the addition of a 2” x 3” sticker on the meter which would detail that a portion of the meter revenues support the mural society along with other local charities.

Councilor Thomas moved, seconded by Councilor Schmidt, to allow the mural society to produce stickers to affix to the meters. The motion carried as follows:

Aye: Walker, Carter, Palmer, Rasmussen, Cummins, Thomas, and Schmidt
Nay: None
Abstain: None
Absent: None

Connie Hinsdale, 17616 Abiqua Rd NE: Ms. Hinsdale is the owner of Northwest Oregon Realty Group, located at 119 N Water Street in Silverton. Ms. Hinsdale presented to the Council photos of trash receptacles located on the sidewalk in front of her business. She informed the Council that the trash receptacles are often filled and/or overfilled with trash especially on weekends and during events. She said they are in need of being cleaned. Ms. Hinsdale requested the City work with Allied Waste Systems to modify the trash pick-up schedule for the receptacles and asked that City staff clean the outside of the receptacles.

Jose DeLaRosa, 144 Levi Lane: Mr. DeLaRosa is the owner of A & I Jewlers, located on Oak Street in Silverton. Mr. DeLaRosa informed the Council that there is a lot of residue on Oak Street from the leaves that fell last Fall, and requested the City send the street sweeper to clean up the leaves. In addition, he noted that it is quite difficult to walk along the sidewalks downtown due to the number of sandwich boards, umbrellas, etc. being located on sidewalks and expressed that it would be very difficult for someone a wheelchair to pass along the sidewalks.

IV. PRESENTATIONS

4.1 Recognition of Boomba, Pet Parade Grand Marshall

Councilor Thomas, President of Silverton Kiwanis Club, along with other Kiwanis Club members, presented Boomba with a certificate and pin award to recognize Boomba as an everyday hero.

4.2 Recognition of Steve Kay - Local Government Management Certification Completion

Mayor Rasmussen presented Mr. Kay, the City’s Community Development Director, with a plaque and certificate from the League of Oregon Cities, in recognition of his completion of the Local Government Management Certification program.

4.3 Draft Pool Feasibility Report

Gerald Fisher, Public Works Director, introduced Carl Sherwood of Robertson Sherwood Architects who presented a draft feasibility study. Mr. Sherwood detailed the reason for conducting the study and the process used to gather data for the study. Mr. Sherwood presented several different scenarios for continuing swimming pool operations.

Following discussion, Mayor Rasmussen asked Councilor Palmer to head a Swimming Pool Task Force. Councilor Palmer agreed to head the Task Force. Councilor Palmer noted that the timeline is very tight if
the Task Force decides to recommend to the Council that a special pool levy be placed on the November General Election ballot. There was some discussion about a bond levy versus an operating levy.

Councilor Thomas moved, seconded by Councilor Cummins, to authorize formation of a Task Force, charged to consider all options, with Councilor Palmer as the Chair. The motion carried as follows:

Aye: Carter, Palmer, Rasmussen, Cummins, Thomas, and Schmidt
Nay: Walker
Abstain: None
Absent: None

V. CONSENT AGENDA

5.1 Contract Award – Aeration Basin Mixer for WWTP

5.2 Fee Waiver for Strawberry Days and Homer Davenport Community Festival

Councilor Thomas moved, seconded by Councilor Cummins, and carried as follows to adopt the Consent Agenda consisting of Agenda Items 5.1 and 5.2:

Aye: Walker, Carter, Palmer, Rasmussen, Cummins, Thomas, and Schmidt
Nay: None
Abstain: None
Absent: None

VI. PUBLIC HEARING

6.1 Storm Water Master Plan

Public Works Director Fisher explained that Associate Planner Jason Gottgetreau would provide a short presentation, followed by information from representatives of Keller and Associates.

Mr. Gottgetreau reviewed planning regulations and described the public process as it has occurred thus far. Mr. Gottgetreau explained that the Planning Commission has recommended adoption of the amended Storm Water Master Plan as a support document to the Comprehensive Plan. Representatives from Keller and Associates presented the proposed Storm Water Master Plan.

Mayor Rasmussen called for a recess at 8:58 p.m. The Council reconvened at 9:07 p.m.

Mayor Rasmussen opened the public hearing at 9:08 p.m.

David Gortner, 218 Sweden Circle: Mr. Gortner expressed belief that the proposed storm water master plan is thorough, addresses Silverton’s needs, and should be approved. In addition, he urged the City Council to adopt the storm water master plan, conduct the rate and SDC study, and approve fees appropriate to fund the improvements. Mr. Gortner cited examples of storm water damage occurring near property he owns near the Olsen Ditch area. He presented a letter, along with signatures of 52 residents of Silver Cliffs Estates, proposing the City adopt the storm water master plan.

Robin Kuhn, 1386 South Water St: Ms. Kuhn expressed that besides the Olson Ditch being a hazard, the erosion is alarming and property values are threatened; and the issue needs to be taken care of.

Bill Long, 1015 Oak Street, Space 102: Mr. Long informed the Council that he is experiencing damage at his property in Silver Cliffs Estates and noted this is not the first time the issue has been presented to the Council. He encouraged the Council to adopt the storm water master plan.
Steve Fetters, 1015 Oak St. Mr. Fetters is the president of the Silver Cliffs HOA. The HOA owns the fence along the ditch, which is being damaged due to erosion. Mr. Fetters said the HOA is in favor of adoption of the master plan.

Mayor Rasmussen closed the public hearing at 9:22 p.m.

Councilor Thomas moved, seconded by Councilor Carter and carried as follows to read Ordinance No.12-02 for the first time by title only:

After further discussion, the motion carried as follows:

Aye: Carter, Palmer, Rasmussen, Cummins, Thomas and Schmidt
Nay: Walker
Abstain: None
Absent: None

Councilor Thomas moved and seconded by Councilor Carter to have the first reading by title only for the adoption of this ordinance:

After further discussion, the motion carried as follows:

Aye: Carter, Palmer, Cummins, Thomas and Schmidt
Nay: Walker, Rasmussen
Abstain: None
Absent: None

VII. DISCUSSION/ACTION

Due to the number of public in attendance at the meeting and interested in agenda items 7.2 and 7.3, Mayor Rasmussen inquired whether anyone would object to discussing those agenda items first. As no objections were expressed, Mayor Rasmussen moved forward with discussion/action for Agenda Items 7.2 and 7.3.

7.2 Transient Merchant Permit Analysis

Community Development Director Kay presented the staff report. Councilor Walker commended the work staff put into compiling the report.

Mayor Rasmussen inquired how the term “transient” is defined. CM Willoughby noted that often it would be in the code, however is not well defined in the City of Silverton code. Discussion occurred regarding fees for businesses located within permanent structures versus transient businesses.

Mayor Rasmussen invited the public to comment.

Sam Linn, 827 Kent St: Mr. Linn expressed that the food carts provide unique products in Silverton. He indicated that the bickering surrounding the carts could label Silverton as the non-friendliest community in the country. Mr. Linn would like to see more food carts in Silverton and recommended organizing a food cart court. He asked the Council to consider whether or not these types of businesses should be discouraged.

Richard Foote, 623 S Second St: Mr. Foote explained that he owns a licensed food cart for which he pays business license fees in three counties. He further explained that he purchases many products in Silverton, even though he doesn't operate his food cart business in Silverton due to the expense involved. Mr. Foote expressed that food carts are often used as business incubators and, in looking at long-term planning, suggested the City consider food carts as one step in that process.
Katie Jimenez, 205 Walnut Ave: Ms. Jimenez co-owns the Old Oak Oven food cart. Ms. Jimenez expressed gratitude to the community for its support of her business and noted that she has gathered signatures from many in the community who are not in favor of the City increasing fees for her business. Ms. Jimenez told the Council she wants to have her business here, in Silverton.

Barry Shapiro, 5374 Forest Ridge Rd: Mr. Shapiro is in favor of food carts. He believes in the soul and spirit of this community that rewards creativity and thinking of new ways to bring businesses into the community.

Jose DeLaRosa, 144 Levi Lane: Mr. DeLaRosa spoke in favor of food carts. Mr. DeLaRosa noted that he sees food carts in many communities he visits and expressed that the City should not discourage businesses in town.

Tracy Elger, 220 Koon St: Mr. Elger expressed the belief that the issue comes down to supporting bringing new business into Silverton. He noted that either the Council wants to support new business or not.

Stacy Palmer, 404 Eureka, Ms. Palmer addressed the Council on behalf of the Chamber of Commerce. As the Chamber's Executive Director, she expressed support for businesses, in general. Ms. Palmer noted that any time fees are raised, it affects businesses. Ms. Palmer expressed that businesses operating non-traditional models should not be penalized, but should be held to the same standards. She further noted that when things are fair to everyone, it's easy to explain, promote, and recruit. She believes things are fair as they currently stand.

Councilor Thomas moved, seconded by Councilor Schmidt, to table any action on this item indefinitely.

Mayor Rasmussen noted that one more member of the public desired to provide public comment and invited her to do so.

Deb Harroun, 411 N Water St: Ms. Harroun informed the Council that she has eaten at both food carts, and both are outstanding. Ms. Harroun expressed that if the businesses do not have any criminal activity in need of addressing, if they are paying their dues, and the residents are supporting them; they should be encouraged.

The motion carried as follows:

Aye: Walker, Carter, Palmer, Rasmussen, Cummins, Thomas, and Schmidt
Nay: None
Abstain: None
Absent: None

7.3 Allied Waste Fee Proposal

Representatives from Allied Waste Systems (Carol Dion, Brett Davis, and Steve Brumm) spoke regarding the proposed two-year rate increase as outlined in the materials distributed to the Council with packet materials. Ms. Dion noted that the increase is approximately 5% over the current rates and explained the proposed mixed organics program is a new program which Allied Waste Systems will be happy to provide to the City, at the City's option.

After further discussion, Councilor Cummins moved to grant a 2.5% rate increase without the mixed organics component. The motion was seconded by Councilor Palmer.

Mayor Rasmussen invited the public to comment regarding this item.

Rich Gallagher, 315 Mill St: Mr. Gallagher asked the Council to postpone discussion of this item until the next meeting. He expressed that he sees no value in the mixed organics option and is concerned that the
rates are increasing differently per bin size, rather than uniformly across all bin sizes. Mr. Gallagher expressed that Allied Waste is aiming to encourage more recycling by charging higher fees for bigger carts. Mr. Gallagher expressed that he would not request postponement of discussion if the Council approves a 2.5% without the mixed organics option; but for anything different, he would request more time to consider the issue.

Councilor Thomas suggested putting something in the next community survey regarding recycling.

Ms. Dion requested Allied Waste be given some time to perform additional calculations in order to take into account the proposed 2.5% rate increase and removal of the food waste program.

Councilor Cummins withdrew his motion in order to allow Allied Waste to perform calculations.

Councilor Walker moved, seconded by Councilor Schmidt, to table this item until the next meeting. After further discussion, the motion carried as follows:

Aye: Walker, Carter, Palmer, Rasmussen, Cummins, Thomas, and Schmidt
Nay: None
Abstain: None
Absent: None

7.1 ODOT TE/OBPAC Grant Resolution

Councilor Cummins moved, seconded by Councilor Palmer, to adopt Resolution 12-15. Councilor Thomas noted that he would abstain from the vote due to his employment with ODOT. The motion carried as follows:

Aye: Walker, Carter, Palmer, Rasmussen, Cummins, and Schmidt
Nay: None
Abstain: Thomas (he works for ODOT)
Absent: None

7.4 DataVision Franchise

No franchise was presented to the City Council for consideration.

7.5 Moonstone Properties Request for Extension

Councilor Thomas moved to approve the payment extension request from Moonstone Properties as outlined in the staff report. The motion was seconded by Councilor Palmer and after further discussion, the motion carried as follows:

Aye: Walker, Carter, Palmer, Rasmussen, Cummins, Thomas, and Schmidt
Nay: None
Abstain: None
Absent: None

VIII. COUNCIL DISCUSSION

8.1 City Manager Update

CM Willoughby passed to the Council a reminder from the City Attorney. He noted that the Council should not e-mail back and forth between Council members. He suggested individual members of the Council send e-mails directly to Staff, since replying to everyone could be considered deliberation via e-mail; which does not follow proper public meeting laws.
8.2 Council Communications

Councilor Schmidt: Acknowledged Steve Kay for his discussions with Oregon Parks and Rec related to the access road near the senior center and the $230,000 grant for the skate park.

Announced that she is working with the schools to coordinate volunteers for the summer lunch program from July 25th to July 17th and invited anyone interested in volunteering to contact her.

Councilor Thomas: Thanked the City and the Community for supporting the Kiwanis pet parade.

Councilor Cummins: Noted that this Saturday (June 9th) is Free Fish Day at Silverton Reservoir.

Announced that on Father’s Day, in Corvallis, Oregon, his daughter is graduating from Oregon State University.

Councilor Palmer: Nothing to report.

Councilor Carter: Thanked Vince Till for planting the flowers.

Councilor Walker: Asked if it is okay to use the north parking lot entrance near the Senior Center. Mr. Kay indicated that it is okay to use the entrance to access the site. He is waiting for a final decision in the next two to three days regarding whether the City will need to pay for the road.

Asked if the skate park grant was approved for the entire amount. Mr. Kay responded that it was.

Asked for an update on the five foot sidewalk clearance issue and code enforcement procedures. Mr. Kay responded that the City has had multiple discussions with one particular business owner on Main Street. It was explained to the business owner that a 5-foot sidewalk clearance is needed and several additional items need to be corrected for compliance with City code.

Mayor Rasmussen: Announced that there is a vacancy on the Planning Commission.

IX. ADJOURNMENT – Mayor Rasmussen adjourned the meeting at 11:35 p.m.

Respectfully Submitted By:

Ruth S. Mattox, Administrative Support Manager
SPECIAL MEETING AGENDA ITEMS

I. OPENING CEREMONIES: Call to Order & Pledge of Allegiance

Mayor Rasmussen called the meeting to order at 6:37 p.m.

Stu Rasmussen – Mayor
Scott Walker – Councilor
Bill Cummins – Councilor
Kyle Palmer – Councilor
Judy Schmidt - Councilor
Laurie Carter- Councilor
Randal Thomas – Councilor

Excused:
Randal Thomas - Councilor

II. MINUTES – There were no minutes to review.

III. PUBLIC COMMENT – Items not on this Agenda

John Beavert, 3093 Timothy Dr. NW, Salem, Oregon: Mr. Beavert works at Fall Line Skate Shop, in Silverton. He spoke, on behalf of the youth in the community, in favor of the skate park and expressed to the Council that there are a lot of people counting on the skate park being built.

Community Development Director Steve Kay provided an update on the status of potential funding sources for the skate park.

Harold Sweeney, 990 Bryant Court: Mr. Sweeney approached the Council for information about live internet broadcasts via SCAN-TV. Mr. Sweeney informed the Council that his attempts to watch City meetings on-line have generally unsuccessful because his computer freezes up. He inquired what it would take to improve the situation and whether it would be possible to broadcast the meetings so people without cable or internet can watch with their antenna.

Council requested a follow report from Staff regarding SCAN-TV.

IV. PUBLIC HEARING

4.1 Resolution No. 12-17 – A Resolution to Determine the Eligibility to Receive State Shared Revenue, and Resolution No. 12-18 – A Resolution Declaring the Election to Receive State Shared Revenue

Mayor Rasmussen opened the public hearing at 6:52 p.m. and invited public testimony. Hearing no public testimony, Mayor Rasmussen closed the public hearing at 6:52 p.m.
AGENDA ITEMS

Councilor Carter moved, seconded by Councilor Cummins to adopt Resolutions No. 12-17 and No. 2-18. The motion carried as follows:

Aye: Walker, Carter, Palmer, Rasmussen, Cummins, Schmidt
Nay: None
Abstain: None
Absent: Thomas

4.2 Resolution No. 12-19 – A Resolution to Adopt the Budget for Fiscal Year 2012-2013, Impose and Categorize Taxes, and Make Appropriations

CM Willoughby presented the staff report. Mayor Rasmussen opened the public hearing at 6:54 p.m. and invited public testimony. Hearing no public testimony, Mayor Rasmussen closed the public hearing at 6:54 p.m.

Councilor Schmidt moved, seconded by Councilor Carter, to adopt Resolution No. 12-19, adopting the budget for fiscal year 2012-2013, imposing and categorizing taxes, and making appropriations.

Council discussed whether or not to transfer money out of the street light improvement fund to the general fund.

The motion carried as follows:

Aye: Carter, Palmer, Schmidt, Cummins
Nay: Walker, Rasmussen
Abstain: None
Absent: Thomas

The Council further discussed the 2012-2013 fiscal year budget.

V. CONSENT AGENDA

Council members agreed to remove items 5.1, 5.2, 5.4, and 5.7 from the consent agenda.

5.3 Renewal of Program Services Contract with YMCA

5.5 Resolution No. 12-20 – A Resolution Extending City of Silverton’s Worker’s Compensation Coverage to Volunteers

5.6 Renewal of Cooperative Traffic Signal Maintenance Agreement with Marion County

5.8 Resolution No. 12-23 – A Resolution to Transfer Funds Due to Unforseen Circumstances

Councilor Palmer moved, seconded by Councilor Carter, and carried as follows to adopt the Consent Agenda consisting of Agenda Item 5.3, 5.5, 5.6, and 5.8.

Aye: Walker, Carter, Palmer, Rasmussen, Cummins, Schmidt
Nay: None
Abstain: None
Absent: Thomas

5.1 Resolution No. 12-22 Sewer Rate Increase

Public Works Director Fisher provided the staff report. The Council discussed whether options, other than the proposed rate increase, were feasible for funding the $200,000 required by the sewer fund to maintain operations.
Councilor Carter moved, seconded by Councilor Walker, to adopt Resolution No. 12-22.

After further discussion, the motion Carried as follows:

Aye: Walker, Carter, Rasmussen, Schmidt
Nay: Palmer, Cummins
Abstain: None
Absent: Thomas

5.2 Resolution No. 12-21 A resolution to amend Administrative Fees

Council members discussed the proposed Administrative Fees in relation to the existing fee schedule.

Councilor Walker moved, seconded by Councilor Palmer, to adopt Resolution No. 12-21.

After further discussion, the motion carried as follows:

Aye: Walker, Carter, Palmer Rasmussen, Cummins, Schmidt
Nay: None
Abstain: None
Absent: Thomas

5.4 Renewal of Swimming Pool Operations Contract with YMCA

Councilor Palmer explained that he requested this item be removed from the Consent Agenda in order to inform the Council that the proposed contract reduces the City’s annual payment to the YMCA by $25,000 per year (from $75,000 to $50,000) in exchange for eliminating the 50/50 profit sharing agreement previously in place.

Councilor Carter moved, seconded by Councilor Schmidt, to authorize the City Manager to sign contracts with the YMCA.

CM Willoughby noted that if the YMCA Board wants to make substantive changes to the contract, it will be returned to the City Council for approval.

The motion carried as follows:

Aye: Walker, Carter, Palmer Rasmussen, Cummins, Schmidt
Nay: None
Abstain: None
Absent: Thomas

5.7 Park Use Fee Waiver and Use of Silver Trolley for Silverton Fine Arts Festival

Councilor Palmer asked for a report from the Staff. Community Development Director Kay presented the staff report. Council discussed the use of the Silver Trolley for the 2012 Silverton Fine Arts Festival.

Councilor Walker left the meeting at 8:22 p.m.

Council discussion continued.

Dana Smith, 760 Mill St: As a representative of the Silverton Fine Arts Festival, Ms. Smith clarified that the intended request was for a park use fee waiver and use of one Trolley for the event.

Councilor Carter moved, seconded by Councilor Cummins, to waive park use fees for the Silverton Fine Arts Festival. The motion carried as follows:
AGENDA ITEMS

Aye: Walker, Carter, Palmer Rasmussen, Cummins, Schmidt
Nay: None
Abstain: None
Absent: Thomas

VI. COUNCIL DISCUSSION

6.1 City Manager Update

No update at this time.

6.2 Council Communications

Councilor Schmidt: Nothing to report

Councilor Cummins: Nothing to report

Councilor Palmer: Inquired regarding interest of Council Members in donating toward flower basket sponsorship.

Councilor Carter: Nothing to report

Mayor Rasmussen: Passed along concern from citizens about the status of the restrooms during the Strawberry Festival.

Mr. Fisher explained that he was aware of the circumstances and had talked with Festival organizers regarding planning for port-a-potties in the future.

VII. ADJOURNMENT: Mayor Rasmussen adjourned the meeting at 8:36 p.m.

MONDAY, JUNE 18, 2012, 7:00 PM  (immediately following the City Council Meeting)

WORK SESSION AGENDA ITEMS

AGENDA ITEMS

I. OPENING CEREMONIES: Call to Order

Mayor Rasmussen called the meeting to order at 8:44 p.m.

II. PUBLIC WORKS

2.1 Review of Seismic Stability Report for Silver Creek Dam

Public Works Director Fisher introduced Keith Mills, the City of Silverton’s Oregon Water Resources State Dam Inspector representative. Mr. Fisher reviewed a power point presentation regarding the seismic stability analysis of Silver Creek Dam.

Mayor Rasmussen asked for more information about the piezometers at the dam. Mr. Fisher and Mr. Mills described the piezometers on-site at the dam and how they are currently utilized by City staff.
AGENDA ITEMS

There was some discussion about how earthquakes travel inland from the coast. Mr. Mills explained that a magnitude 9 earthquake would affect dams at the coast, but not this far inland.

Mr. Fisher and Mr. Mills addressed questions about how rapidly the reservoir could be drained, including factors such as the time of year and amount of water coming into the reservoir.

Mr. Fisher outlined projects recently completed at the dam along with projects scheduled for the near future, as identified in the CIMP.

Mr. Mills explained that the State inspects the dam at least once per year. In addition, he has been to the dam several times recently to observe the work being done over the past year. Mr. Mills stated that he is impressed with the work being done, that the dam is a satisfactory facility, and odds of failure are remote.

Councilor Cummins inquired of Mr. Mills if he had described the City’s emergency operations plan as the best in the State. Mr. Mills responded that the City had the opportunity to exercise its emergency operations plan this past January and it worked well. He noted that he was pleased to have seen it put into practice prior to a significant event.

Councilor Carter inquired if the public would be receiving the seismic stability report. Mr. Fisher responded that the report is currently available on the City’s website and the City participated in the Safety Fair last autumn to educate the public.

Mayor Rasmussen expressed some concern about the dam and noted that the dam failure analysis previously performed indicated a period of less than six hours before full inundation of the downtown area. Mr. Mills responded that the most credible type of failure for the dam is overtopping, which could be mitigated with the implementation of an early warning system. Mr. Fisher explained that until such time as an early warning system can be implemented, Public Works personnel are monitoring dam levels regularly, based on action plans currently in place, and at decreasing intervals as water levels rise.

Mr. Mills expressed that the City should begin to look at early warning systems. Mr. Fisher explained that City staff is in process of moving forward with plans for implementing an early warning system with the information previously gained through the work completed as part of the cancelled Army Corps of Engineers project.

Police Chief Lewis noted that on May 1, 2012, the City conducted a test of the citizen emergency alert system in conjunction with Vigilant Guard. Every residence and business inside the City was contacted. Chief Lewis informed the Council that the actual figures are available in the police department. There is still uncertainty how effective the notifications were. In addition, the Council discussed use of the siren as an emergency alert tool.

CM Willoughby noted that the consultant the City contracts with for the early warning system should answer some of the questions being asked today and that the end product should be an actual early warning system; not just a study. Councilor Cummins explained that an early warning system was designed in the past and the information could be reviewed and utilized for the future. CM Willoughby noted that SCAN-TV can be utilized for emergency purposes.

III. ADJOURNMENT: Mayor Rasmussen adjourned the meeting at 9:49 p.m.
RECOMMENDED MOTION:
Staff and the Planning Commission recommend City Council adopt Ordinance No. 12-02 for the adoption of the 2012 Storm Water Master Plan as a support document to the Comprehensive Plan.

BACKGROUND:
The Storm Water Master Plan presents findings and recommendations relating to Silverton’s storm water system. The Plan identifies the current state of the storm water system and plans for future needs. The primary objectives of the Storm Water Master Plan are: 1) Establish storm system design and planning criteria, 2) Evaluate the existing storm system capacity using computer hydraulic modeling, 3) Summarize existing system deficiencies and propose improvements to enhance system serviceability, 4) Recommend improvements needed to service future growth, and 5) Develop a capital improvement plan and an appropriate system implementation strategy. At the June 4th meeting, City Council voted 5-2 to adopt Ordinance 12-02 on its first reading. Therefore, a second reading of the ordinance is required for adoption of the Silverton Storm Water Master Plan document.

BUDGET IMPACT: FY(s): N/A Funding Source: N/A

Attachments:
1. CC Ordinance No. 12-02
AN ORDINANCE APPROVING COMPREHENSIVE PLAN AMENDMENT (CP-12-02) TO ADOPT THE 2012 SILVERTON STORM WATER MASTER PLAN AS A SUPPORT DOCUMENT TO THE SILVERTON COMPREHENSIVE PLAN.

WHEREAS, the City of Silverton initiated a process to update the Public Facilities element of the Comprehensive Plan; and

WHEREAS, Keller & Associates was hired as a consultant to help in the preparation of the 2012 Silverton Storm Water Master Plan; and

WHEREAS, Public input was gathered throughout the process to evaluate citizen concerns regarding the existing storm drainage system, including input from a citizen Technical Review Committee; and

WHEREAS, a draft Plan was prepared in April 2012; and

WHEREAS, after proper legal notice, a public hearing before the Planning Commission was held to consider this Comprehensive Plan Amendment to adopt the 2012 Silverton Storm Water Master Plan as a support document to the Silverton Comprehensive Plan on May 8, 2012; and

WHEREAS, the Planning Commission recommended approval of the 2012 Silverton Storm Water Master Plan to the City Council on May 8, 2012; and

WHEREAS, after proper legal notice, a public hearing before the City Council was held to consider this Comprehensive Plan Amendment to adopt the 2012 Silverton Storm Water Master Plan as a support document to the Silverton Comprehensive Plan on June 4, 2012; and

WHEREAS, City Council passed Ordinance No. 12-02 on its first reading by a vote of 5-2 to adopt the Silverton Storm Water Master Plan document on June 4, 2012; and

WHEREAS, City Council adopted Ordinance No. 12-02 on its second reading to adopt the Silverton Water Master Plan as a support document to the Silverton Comprehensive Plan on July 2, 2012; and

NOW THEREFORE BE IT ORDAINED by the City Council of the City of Silverton that based on evidence reviewed, and the City Council discussion which has been incorporated by reference, the City Council voted to adopt CC Ordinance 12-02 in support of this decision; and
NOW FURTHER THEREFORE, a full copy of the Silverton Storm Water Master Plan can be found on file in the Community Development Department at City Hall.

FIRST READ by the Council the 4th day of June, 2012.

PASSED by the Council this 2nd day of July, 2012.

SIGNED by the Mayor the ___ day of ______, 2012.

Effective this ___ day of ______, 2012.

________________________________
Mayor

ATTEST:

________________________________
City Recorder
RECOMMENDED MOTIONS:

1. The Swimming Pool Task Force recommends that the Council select Scenario 1 in the Pool Feasibility Study and direct staff to prepare the documents necessary to place a 5 year special levy on the November ballot in the amount of $275,000 per year to implement that scenario after July 1, 2013.

2. Schedule a special meeting on or before July 27, 2012 to formally adopt the resolution to place a pool measure on the November, 2012 ballot.

BACKGROUND:

In preparing the 2012/13 budget, it was necessary to expend the entire swimming pool reserve fund to keep the pool open year-round through June 30, 2013. After that date, funding for the pool cannot be supported by the General Fund based on the current revenues, expenditures and the current financial condition of the City. A Task Force was created by the Council at its June 4, 2012 meeting to explore funding options for the pool and to make a recommendation to the Council as to how it can be funded after July 1, 2013. The Task Force was chaired by Councilor Kyle Palmer. It met on June 19 and June 21, 2012. It reviewed the Feasibility Study options, operating costs of the pool, its construction and maintenance needs, and all possible funding sources for the pool after July 1, 2013. The Task Force recommends that Scenario 1 (maintain current facility with a fabric cover) be implemented. To fund this scenario, it recommends that a measure be placed on the November ballot to levy $275,000 per year for the operation and maintenance of the swimming pool for a five year period. A breakdown as to how this money will be used is attached as Attachment 1.

BUDGET IMPACT:

The $221,900 appropriation for the pool in the 2012/13 budget would be replaced by this special levy starting in FY 2013/14. The funding shortfall in the 2012/13 budget would be reduced by this amount in the following fiscal year. This would account for about ½ to ⅓ (we won't know which until the ending fund balances for next year’s budget can be estimated) of the spending reduction that must be identified in the next twelve months to bring the budget into balance in FY 2013/14.

ATTACHMENTS:

1. Attachment 1: Details of 5 year special levy.
### Breakdown of Swimming Pool Operating & Maintenance Costs under Scenario 1

1. **Annual/recurring costs:**
   
   a. **City’s historical operating costs***
      
      | Item                                      | Annual | 5 Year Total |
      |-------------------------------------------|--------|--------------|
      | Advertising                               | 100    | 500          |
      | Telephone/postage/freight                 | 1,400  | 7,000        |
      | Gas/Electric utilities                    | 90,000 | 450,000      |
      | Building/grounds maintenance              | 6,000  | 30,000       |
      | Permit fees                               | 500    | 2,500        |
      | Travel/training/meetings                  | 350    | 1,750        |
      | Dues/memberships                          | 350    | 1,750        |
      | Equipment maintenance                     | 5,000  | 25,000       |
      | Janitorial Supplies                       | 500    | 2,500        |
      | Safety equipment/clothing                 | 500    | 2,500        |
      | Equipment rental                          | 1,500  | 7,500        |
      | Pool chemicals                            | 8,000  | 40,000       |
      | Contract Services (incld $50K for YMCA)    | 70,000 | 350,000      |
      | Minor Equipment                           | 800    | 4,000        |
      | **Subtotal**                              | **$210,000** | **$1,050,000** |

   b. **Additional costs/pool feasibility study:****
      
      | Item                                      | Annual | 5 Year Total |
      |-------------------------------------------|--------|--------------|
      | Fabric erection/takedown/storage          | 14,000 | 70,000       |
      | Replacement of top in 2018                | 8,200  | 41,000       |
      | Replace HVAC unit in 2018                 | 5,600  | 28,000       |
      | **Subtotal**                              | **$27,800** | **$139,000** |

2. **Lump sum costs:****
   
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<tr>
<th>Item</th>
<th>Annual</th>
<th>5 Year Total</th>
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<tbody>
<tr>
<td>Repairs to frame/fabric – bolts</td>
<td>N/A</td>
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<tr>
<td>Replace fabric top panels</td>
<td>N/A</td>
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<td>New fabric connector to bathhouse</td>
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<tr>
<td>Pool repairs – new pool joints</td>
<td>N/A</td>
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<tr>
<td>New pool edge, gutters &amp; drains</td>
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<td>27,605</td>
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<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$83,505</strong></td>
<td></td>
</tr>
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</table>

*From City’s 2012/13 Budget

**From Chart on Page 37 of the Pool Feasibility Study

**Note**: The grand total of all 3 of these categories is $1,272,505 ($1,050,000 + $139,000 + $83,505) which would have to be raised over a 5 year period by the special levy. This is an appropriation of $254,501 per year for the 5 years and would require a levy of $275,000 each year when one allows for uncollected taxes, discounts, and the possibility of compression. At today’s property values, this would require a tax rate of 45¢ per thousand. Since the current tax rate for the existing pool bonds is 29¢ per thousand (which will drop off the rolls after this November 2012), passage of the pool levy would increase property taxes next year by 16¢ per thousand. This would mean that, if this measure passes, the owner of a $200,000 home would pay $32.18 more per year in property taxes than they are paying this year.
Members of Pool Task Force

Councilor Kyle Palmer – Chair

<table>
<thead>
<tr>
<th>Nick Robinson – Task Force Member</th>
<th>Stephanie Benevidez – Task Force Member</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diane Litherland – Task Force Member</td>
<td>Kathleen Hasselbacher – Task Force Member</td>
</tr>
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<td>Becky Ludden – Task Force Member</td>
<td>Eric Rogers – Task Force Member</td>
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<td>Michael Smith – Task Force Member</td>
<td>Bonnie-Jean Brown – Task Force Member</td>
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<tr>
<td>David Stewart – Task Force Member</td>
<td>David Deckelmann – Task Force Member</td>
</tr>
<tr>
<td>Sarah Fronza – Task Force Member</td>
<td>Georgia Ireland – Task Force Member</td>
</tr>
</tbody>
</table>
RECOMMENDED MOTIONS:

1. Approve or deny Moonstone’s request to extend the 1st payment on $600,000 resort property note for an additional 2 years (i.e., to June 1, 2014) with interest on the unpaid balance to be accrued from June 1, 2010. Staff recommends approval.

2. Accept or reject Moonstone’s offer to purchase the Petit Property. Staff recommends that the offer be rejected and that staff be directed to actively seek potential buyers who will develop the property in some fashion that includes public access to at least part of the property.

3. Accept or reject Moonstone’s offer to negotiate the sale of 7.6 acres of city property east of (but not included in) the Petit Property to allow the expansion of the Oregon Garden Resort’s lodging facilities. Staff recommends that staff be directed to negotiate the terms of such a sale provided that the final terms are brought back to the Council for its prior review and approval.

BACKGROUND:

We have received 3 proposals from Dirk Winters of Moonstone Properties. A copy of the email in which these proposals are made is attached to this staff report as Attachment 1. The 3 topics are as follows:

1. Two year extension of payments: In July 2007, the City sold Moonstone Hotel Properties, Inc. (Moonstone) an 11 acre parcel upon which they built the Oregon Garden Resort. By the terms of the note, the first payment of $100,000 was due to the City on June 1, 2010. Interest at 6% was to begin accruing on that same date. In June of 2010, the Council extended the date first payment for 2 years to June 1, 2012. To date, Moonstone has made no principal or interest payments on this note. Dirk Winter, owner/President of Moonstone, requested of the City Manager (CM) in March 2012 that this 1st payment due date be extended for 1 year. The CM asked that Moonstone put any request for an extension in writing for the Council to decide on. Attachment 1 is that formal request for an extension. As Mr. Winter explains in Attachment 1, for the last 3 years, the Oregon Garden has operated at a loss. He has made up this shortfall using his personal funds. This shortfall has been at least $150,000 in each of the last 3 years. Mr. Winter has been telling the Oregon Garden Foundation (OGF) Board that the shortfall must stop, that he is not responsible under the Management Agreement for a shortfall of this size, and that he will not and cannot financially continue to make up
any shortfall with his personal funds. If the OGF and the parties to the Oregon Garden Management Services Agreement (Moonstone, Marion County, the Oregon Garden Foundation, and the City) do not find a solution to the shortfall, Mr. Winter says in Attachment 1 that he will cease operating or managing the Garden in September 2012.

Without commenting on whether the Management Services Agreement signed by Moonstone does or does not require either it or Mr. Winter to make up any shortfall in Garden revenue, it is in the best interest of all of the OGF parties to continue to have the Garden managed and operated by Moonstone. The City is in no position to operate the Oregon Garden. We also benefit significantly from its operation (TOT room taxes and property taxes). The resort paid $114,560 in property taxes this year (see Attachment 2). Approximately $22,558 of this total was paid to the City. Moonstone also pays the largest share of our TOT room tax revenues each year. Clearly it is in the City’s best interest to have the Oregon Garden continue to operate and Moonstone is the best entity to manage this operation.

For the Oregon Garden operation to be sustainable, a solution to the shortfall does need to be found. According to Mr. Winter in Attachment 1, Marion County has agreed to transfer $40,000 per year to the OGF to help make up some of the shortfall. The City is being asked to wait another 2 years for our first payment on the 11 acre resort property. Mr. Winter has said that interest will accumulate on the unpaid balance and he will transfer $100,000 in each of the next 2 years to the OGF to make up most of the rest of the shortfall. During the 2 year extension, the OGF Board will be reconstituted and its purpose redirected to that of fundraising, event promotion, and pursuing grants and endowments which will eliminate the operating shortfall. During this 2 year period, Moonstone will look for ways to reduce its operating costs to make up the balance of the shortfall.

2. **Offer to purchase the Petit Property:** Moonstone’s offer for the Petit Property is set out in Attachment 1. In summary, Mr. Winter believes the property is worth $1,000,000 but only offers $500,000 for its purchase. The resort would pay $50,000 per year for 5 years for a 4 or 5 acre part of the Petit Property upon which they would construct a bed & breakfast operation and/or pub. The balance of $250,000 would be paid by the OGF. It is not clear whether the OGF is a financial position to pay this amount or if it would be willing to purchase the property. While this proposal would result in keeping the property accessible by the public, it would not provide sufficient funds to either meet the short term cash needs of the Sewer Fund or provide an adequate source for repaying $1.2 million to the Sewer Fund to reimburse it for the cost of purchasing the property. The General Fund could not make up the $700,000 shortfall in the foreseeable future and it is not financially feasible or prudent to accept this offer.

If the Council agrees, this leaves the question of what the City is going to do about reimbursing the Sewer Fund. This fund is in severe financial stress and needs a significant infusion of money as soon as possible. If this revenue does not come from the sale of the Petit Property, it will have to come from sewer rate increases or the sale of other property owned by the General Fund. One solution is to sell the Petit Property to the highest bidder without restriction. This is the best option for reimbursing the Sewer Fund. If that option is not acceptable because of a desire to keep the property available to the residents of Silverton, staff should be directed to actively seek potential users who will pay full market value with a substantial down payment and who will also make all or some of the property available and accessible to the public. It is not acceptable to do nothing and let the sewer fund continue to hold an asset it is not likely to be used for the sewer system and which may be losing value because of the collapse of the real estate market. A deadline needs to be established by the Council after which time, if no acceptable buyer is found by the City of the community, the property will be placed on the market without restriction.

3. **Offer to purchase a 7.6 acre parcel:** A site plan showing the relative locations of the Oregon Garden Resort (11 acres), the Petit Property (80 acres), and the 7.6 acre parcel in question is attached as Attachment 3. The parcel in question is immediately to the south of the existing lodging structures at the Resort and is identified with an arrow in Attachment 3. Because of the location of this parcel, sale to the Resort is probably the best option for the ultimate use of this undeveloped property. Expansion of the Resort would benefit the City in increased property tax receipts, building permit fees, and a 5 year infusion of cash into the General Fund which could be used to pay some of the $1.2 million owed by the General Fund to the Sewer Fund for the purchase of the Petit Property. Without commenting on the adequacy of the sale price or the proposed terms (down payment or 5 year
payout), sale of this property is something the City should pursue. Staff could be directed to negotiate a more detailed proposal which could be brought back to the Council for final review and approval. If the Council has any direction to give staff with regard to this negotiation, it should be given in executive session or by individual Councilors outside of the public meeting.

**BUDGET IMPACT:**

This year’s budget did not anticipate receiving any payments from Moonstone for the 11 acre resort property. Neither does the approved FY 2012/13 budget. Extending the 1st payment due date will not impact either budget. Receiving payment will obviously benefit the fiscal year in which the 1st payment is received. Receiving cash from the sale of the Petit Property or the 7.6 acre parcel will enable the General Fund to begin repaying the Sewer Fund the $1.2 million owed for the purchase of the Petit Property.

**ATTACHMENTS:**

1. **Attachment 1**: Email from Dirk Winter with his 3 proposals.
2. **Attachment 2**: Marion County property summary for the Oregon Garden Resort property (showing 2007 purchase price, assessed value, & taxes paid this year).
3. **Attachment 3**: Map showing the relative locations of the 3 properties involved in Mr. Winter’s proposals.
Hello Bob,

I want to start out by briefly explaining how my association with the Garden came about and why it made sense for the Garden to sell property to me for the Resort development. I was sought out by Garden representatives because my hotels had incorporated extensive gardens. The Resort was planned to provide revenue streams to support the Garden and allow it to pay off debt. Along the way I was asked to manage the Garden because there were no other person or organization willing to do it. I agreed to manage the Garden for close to no fee. In fact I figured on injecting my money for one year because the City and County agreed on an easy payment plan for the Resort property purchase. I am still very supportive of the Garden and believe it has a bright future if we can manage our way through the present economic downturn and organize a top notch Board. The Resort has accomplished all that it had planned on doing under very difficult circumstances, including the take down of its lender by the FDIC. The Resort was constructed for $13 million of which $6 million was provided for by Silver Falls Bank. This 6 million loan is still a problem and constraining many options that the Resort would normally have. At the present time we are struggling to move the appraised value of the resort up to a level to justify the $6 million loan. We are optimistic that we can do this but cash is very tight.

What is prompting this proposal? The terms of my managing the Oregon Garden need to change. For each of the last three years I have had to personally pay approximately $250,000 each year to keep the Oregon Garden operations functioning. I am no longer able to do this. It was never intended that I would pay to manage the Garden. I am completely willing to manage the Garden for little or no fee. I will need to cease managing the Garden by September if we are not able to find a solution to stop these cash drains. Solutions identified so far include:

The County has agreed to transfer some of the funds it has been receiving from the Resort to the operations of the Garden. I am requesting that the City allow for an additional two year delay in principal payments that the Oregon Resort presently has due. Interest will continue to accrue on the balance the Resort owes and it will start making principle reductions after this two year delay. If the City does this it will give me the ability to absorb the losses at the Oregon Garden for another two years. By the end of two years it is assumed that the Oregon Garden Foundation will finally have raised funds to cover the cost of operating the Oregon Garden.

I have been asked to include in this proposal the desire to obtain the use of the Pettit Property.

The 80 acre Pettit property is adjacent to the west side of the Oregon Garden. The site contains the 20 acre Pettit reservoir. Combined the Oregon Garden and Pettit property could contain a fabulous trail system for both the Oregon Garden visitor and the citizens of Silverton. This combination would preserve the possibility of creating one of the great gardens of the world here in Silverton. Stourhead in England is a great example of what the Oregon Garden could be with this addition. One of the key deal points is to allow free access to both the Oregon Garden and Pettit property for perpetuity to Silverton residents.

The real complexity involves who should own this property and how to pay for it. Since Dirk Winter or the Oregon Garden Resort do not own the Oregon Garden it does not make sense for either to own the Pettit property. This property should have similar ownership as the Oregon Garden or purchased by the OGF. I will suggest that the Oregon Garden Foundation should purchase this property. I have not been able to discuss this with the OGF Board at this time but I will at the next Board meeting.
Financing the purchase will be difficult for the OGF Board. I have paid to have a couple of consultants help provide information to help establish the property value and determine how this value could be paid for. In 2002 the property appraised for $722,000. By 2007 the property increased in value to approximately $1,400,000. Today I think the value has slipped below $1,000,000. I had Woodward Forestry estimate the value of the timber and determine if there was value to thin the forest to provide for a healthier forest. Unfortunately there does not seem to be much potential to raise money in a forest thinning operation. Since my proposal will include a restriction on forest removal for any other purpose than trail construction or small forest demonstration exhibits, the timber would have no value and the restriction would detract from the value. I also hired a consultant to investigate water rights. If water could be supplied to the Oregon Garden there might be additional value. While no water right currently allows for water export there may be a possibility to acquire this additional right. I do not think that this small possibility adds much value.

$1,000,000 present value

- $400,000 value to allow Silverton residents access to the Garden and Pettit property for all time.
- $100,000 reduced value to maintain forested property.

This reduces the proposed purchase price to $500,000.

It is my thought that 4 or 5 acres could be sold or leased to the Oregon Garden Resort for $250,000. This property would be used to construct a small B & B and Pub that would be accessible to both Garden visitors and the public. This would help increase value and revenue for the Oregon Garden. The resort would pay principle payments of $50,000 each year for 5 years if purchased. If the property was leased from the City or the OGF appropriate payments would be determined.

This leaves $250,000 that the OGF would need to complete purchase. I will suggest that this is something that the Board should do. With the right terms the Board should be able to swing this purchase. It would make great sense for the long term health of the Oregon Garden.

There is another proposal I would like to make. There is a 5 or 6 acre parcel of land that is south and adjacent to the Oregon Garden Resort. I want to propose that the Resort purchase this parcel for $250,000 for the purpose of adding 25 to 30 new hotel units to the resort.

$250,000 purchase price

$10,000 down at close and balance carried at 6 percent interest rate.

$50,000 annual principle pay downs until paid in full.

The last issue I would like to mention is the City's need to purchase a sewer screw press. If it would make any sense for the City to lease this equipment or for me to lease the equipment and sub lease to the City, I would certainly agree.

Dirk Winter

Sent from my iPad
## Marion County Assessor's Property Records

### Property Summary

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<table>
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<th>Owner Information</th>
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<td>C/O DIRK WINTER</td>
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<tr>
<td>2905 BURTON DR</td>
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<td>CAMBRIA, CA 93428</td>
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http://apps.co.marion.or.us/PropertyRecords/PropertySummary.aspx?pid=R... 6/25/2012
RECOMMENDED MOTION:

Motion directing staff to implement a process for requesting community program funds which will be approved at the August 6, 2012 Council meeting, or on another date to be determined by the Council.

BACKGROUND:

In the recently adopted budget for the fiscal year starting July 1, 2013, there is only $7,500 for community projects (not including TOT and parking meter funds). This year’s budget has $20,000 in this line item and there were more requests for funding than even this larger amount could support. Next year, this situation will be significantly worse. Allocating this money over the course of the year as requests come in will not work very well. This would allow the Council no ability to prioritize the requests and the money will disappear very quickly. It might be better to contact all of the organizations that have received money in the past and issue a press release to new organizations who might apply next year inviting them all to submit their requests for funds at a particular Council meeting. At that meeting, the Council could compare and evaluate all of the requests and fund the requests with the most merit or that have the greatest positive impact on the community. If directed to do so by the Council, staff will make contact with prior recipients and issue a press release to let prospective applicants know when the deadline is for requesting some of this money. Obviously, the Council also needs to decide when this deadline is and what meeting it will consider all of the requests.

BUDGET IMPACT:

When the $7,500 is fully allocated, no further requests for community projects will be accepted. The process will have no other effect on the budget.

ATTACHMENTS: None
RECOMMENDED MOTION:
Staff recommends a motion to reject all bids for the Silver Creek East Bank Trail project.

BACKGROUND:
Staff advertised for bids on May 23, 2012 in the DJC and local paper. At the June 12th bid opening the City received one bid from Brown Contracting in the amount of $322,265, which was approximately $105,000 over the engineers estimated cost for construction and $102,265 over the city’s budget for construction. In accordance with ORS 279C.395, the city is allowed to reject all bids when it is in the public interest to do so. Since the project cannot be constructed as bid within the approved budget, staff recommends rejecting all bids to allow time for the project to be rebid at a future date.

BUDGET IMPACT:
FY(s): 2012/2013
Funding Source: Parks & Rec Imp SDC

Attachments:
1. Bid Results
# FINAL BID TALLY

**E. Bank Trail Project**  
Owner: City of Silverton  
June 12, 2012, 4:00PM

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION</th>
<th>UNIT</th>
<th>ESTIMATED QUANTITY</th>
<th>UNIT COST</th>
<th>TOTAL COST</th>
<th>UNIT</th>
<th>TOTAL COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Mobilization</td>
<td>L.S.</td>
<td>All Req'd.</td>
<td>$15,000</td>
<td>$15,000</td>
<td>$28,000</td>
<td>$28,000</td>
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<tr>
<td>2.</td>
<td>Temp. Work Zone Traffic Control</td>
<td>LS</td>
<td>All Req'd.</td>
<td>$500</td>
<td>$500</td>
<td>$1,500</td>
<td>$1,500</td>
</tr>
<tr>
<td>3.</td>
<td>Clearing and Grubbing</td>
<td>LS</td>
<td>All Req'd.</td>
<td>$13,000</td>
<td>$13,000</td>
<td>$10,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>4.</td>
<td>Earthwork</td>
<td>LS</td>
<td>All Req'd.</td>
<td>$4,000</td>
<td>$4,000</td>
<td>$38,000</td>
<td>$38,000</td>
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<tr>
<td>5.</td>
<td>Foundation Stabilization (stipulated price)</td>
<td>CY</td>
<td>240</td>
<td>$50</td>
<td>$12,000</td>
<td>$50</td>
<td>$12,000</td>
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<tr>
<td>6.</td>
<td>Type 3 Catch Basin</td>
<td>EA</td>
<td>1</td>
<td>$1,500</td>
<td>$1,500</td>
<td>$1,500</td>
<td>$1,500</td>
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<tr>
<td>7.</td>
<td>12&quot; Storm Pipe</td>
<td>LF</td>
<td>15</td>
<td>$60</td>
<td>$900</td>
<td>$75</td>
<td>$1,125</td>
</tr>
<tr>
<td>8.</td>
<td>Prefabricated Modular Retaining Wall</td>
<td>SF</td>
<td>306</td>
<td>$50</td>
<td>$15,300</td>
<td>$52</td>
<td>$15,912</td>
</tr>
<tr>
<td>9.</td>
<td>Cast-in-Place Retaining Wall, Stairs, Ramp, and Railing Complete</td>
<td>LS</td>
<td>All Req'd.</td>
<td>$40,000</td>
<td>$40,000</td>
<td>$51,000</td>
<td>$51,000</td>
</tr>
<tr>
<td>10.</td>
<td>PCC Trail and Integral Cast-in-Place Retaining Wall Between Stations 23+45 to 24+25</td>
<td>LS</td>
<td>All Req'd.</td>
<td>$10,000</td>
<td>$10,000</td>
<td>$11,000</td>
<td>$11,000</td>
</tr>
<tr>
<td>11.</td>
<td>Accessible Connection at Cowing Street</td>
<td>LS</td>
<td>All Req'd.</td>
<td>$750</td>
<td>$750</td>
<td>$1,200</td>
<td>$1,200</td>
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<tr>
<td>12.</td>
<td>Accessible Connection at Hicks Street</td>
<td>LS</td>
<td>All Req'd.</td>
<td>$750</td>
<td>$750</td>
<td>$1,200</td>
<td>$1,200</td>
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<tr>
<td>13.</td>
<td>Accessible Connection at Community Pool</td>
<td>LS</td>
<td>All Req'd.</td>
<td>$750</td>
<td>$750</td>
<td>$1,200</td>
<td>$1,200</td>
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<tr>
<td>14.</td>
<td>Aggregate Base (1&quot;-0)</td>
<td>CY</td>
<td>420</td>
<td>$60</td>
<td>$25,200</td>
<td>$80</td>
<td>$33,600</td>
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<tr>
<td>15.</td>
<td>Surface Aggregate</td>
<td>CY</td>
<td>100</td>
<td>$75</td>
<td>$7,500</td>
<td>$186</td>
<td>$18,600</td>
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<tr>
<td>16.</td>
<td>Subgrade Geotextile</td>
<td>SF</td>
<td>15,000</td>
<td>$0.25</td>
<td>$3,750</td>
<td>$0</td>
<td>$1,800</td>
</tr>
<tr>
<td>17.</td>
<td>Minor Hot Mix Asphalt Concrete, Level 1, 1/2&quot; Dense</td>
<td>Ton</td>
<td>50</td>
<td>$150</td>
<td>$7,500</td>
<td>$250</td>
<td>$12,500</td>
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<tr>
<td>18.</td>
<td>Fencing, Removal of 6' Tall Chain Link Fence</td>
<td>LF</td>
<td>70</td>
<td>$10</td>
<td>$700</td>
<td>$9</td>
<td>$630</td>
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<tr>
<td>19.</td>
<td>Fencing, 6' Tall Chain Link Fence</td>
<td>LF</td>
<td>140</td>
<td>$25</td>
<td>$3,500</td>
<td>$45</td>
<td>$6,300</td>
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<tr>
<td>20.</td>
<td>Fencing, 6' Tall Chain Link Fence Double Gate</td>
<td>EA</td>
<td>1</td>
<td>$500</td>
<td>$500</td>
<td>$1,200</td>
<td>$1,200</td>
</tr>
<tr>
<td>21.</td>
<td>Fence, Orange Safety Fencing</td>
<td>LF</td>
<td>600</td>
<td>$1</td>
<td>$600</td>
<td>$2</td>
<td>$900</td>
</tr>
<tr>
<td>22.</td>
<td>Tree Removal and Tree Trimming</td>
<td>LS</td>
<td>All Req'd.</td>
<td>$7,500</td>
<td>$7,500</td>
<td>$7,500</td>
<td>$7,500</td>
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<tr>
<td>23.</td>
<td>Removable Bollards</td>
<td>EA</td>
<td>3</td>
<td>$500</td>
<td>$1,500</td>
<td>$500</td>
<td>$1,500</td>
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<tr>
<td>24.</td>
<td>Litter Receptacle Bollard</td>
<td>EA</td>
<td>4</td>
<td>$500</td>
<td>$2,000</td>
<td>$500</td>
<td>$2,000</td>
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<tr>
<td>25.</td>
<td>Cedar Split Rail Barrier Panel</td>
<td>EA</td>
<td>2</td>
<td>$200</td>
<td>$400</td>
<td>$500</td>
<td>$600</td>
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<tr>
<td>26.</td>
<td>Straw Wattles</td>
<td>EA</td>
<td>5</td>
<td>$50</td>
<td>$250</td>
<td>$40</td>
<td>$200</td>
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<tr>
<td>27.</td>
<td>Metal Sign Post With &quot;NO PARKING BEYOND THIS POINT&quot; Sign Complete</td>
<td>EA</td>
<td>2</td>
<td>$200</td>
<td>$400</td>
<td>$250</td>
<td>$500</td>
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</tbody>
</table>
## FINAL BID TALLY

<table>
<thead>
<tr>
<th>BASE BID</th>
<th></th>
<th></th>
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<tbody>
<tr>
<td></td>
<td>$175,750</td>
<td>$261,467</td>
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### BID ALTERNATE A-1 "GUIDE SIGNAGE"

<table>
<thead>
<tr>
<th>Description</th>
<th>Units</th>
<th>Cost 1</th>
<th>Cost 2</th>
<th>Cost 3</th>
<th>Cost 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>A-1.1 Guide Signs</td>
<td>44 SF</td>
<td>$30</td>
<td>$1,320</td>
<td>$18</td>
<td>$792</td>
</tr>
<tr>
<td>A-1.2 Wood Posts for Signs, Complete</td>
<td>18 EA</td>
<td>$200</td>
<td>$3,600</td>
<td>$300</td>
<td>$5,400</td>
</tr>
</tbody>
</table>

**ALTERNATE A-1 BID**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>$4,920</td>
<td>$6,192</td>
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### BID ALTERNATE A-2 "LANDSCAPING"

<table>
<thead>
<tr>
<th>Description</th>
<th>Units</th>
<th>Cost 1</th>
<th>Cost 2</th>
<th>Cost 3</th>
<th>Cost 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>A-2.1 Chemical Treatment of Invasive Plants</td>
<td>32,500 SF</td>
<td>$0.15</td>
<td>$4,875</td>
<td>$0.02</td>
<td>$650</td>
</tr>
<tr>
<td>A-2.2 Plant Material Complete - Oregon Vine Maple</td>
<td>14 EA</td>
<td>$40</td>
<td>$560</td>
<td>$90</td>
<td>$1,260</td>
</tr>
<tr>
<td>A-2.3 Plant Material Complete - Oceanspray</td>
<td>24 EA</td>
<td>$30</td>
<td>$720</td>
<td>$27</td>
<td>$648</td>
</tr>
<tr>
<td>A-2.4 Plant Material Complete - Oregon Grapeholly</td>
<td>151 EA</td>
<td>$25</td>
<td>$3,775</td>
<td>$20</td>
<td>$3,020</td>
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<tr>
<td>A-2.5 Plant Material Complete - Douglas Fir</td>
<td>36 EA</td>
<td>$40</td>
<td>$1,440</td>
<td>$88</td>
<td>$3,168</td>
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<tr>
<td>A-2.6 Plant Material Complete - Alpine Currant</td>
<td>32 EA</td>
<td>$20</td>
<td>$640</td>
<td>$20</td>
<td>$640</td>
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**ALTERNATE A-2 BID**

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<thead>
<tr>
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<tbody>
<tr>
<td></td>
<td>$12,010</td>
<td>$9,386</td>
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### BID ALTERNATE A-3, "BOULDERS AND BENCHES"

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<tr>
<th>Description</th>
<th>Units</th>
<th>Cost 1</th>
<th>Cost 2</th>
<th>Cost 3</th>
<th>Cost 4</th>
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</thead>
<tbody>
<tr>
<td>A-3.1 Boulders, 32&quot; - 36&quot; Diameter</td>
<td>17 TON</td>
<td>$50</td>
<td>$850</td>
<td>$160</td>
<td>$2,720</td>
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<tr>
<td>A-3.2 Stone Bench</td>
<td>5 TON</td>
<td>$50</td>
<td>$225</td>
<td>$1,900</td>
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**ALTERNATE A-3 BID**

<p>| | | |</p>
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<tbody>
<tr>
<td></td>
<td>$1,075</td>
<td>$11,270</td>
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### BID ALTERNATE A-4, "LIGHTING SYSTEM"

<table>
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<tr>
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<th>Units</th>
<th>Cost 1</th>
<th>Cost 2</th>
<th>Cost 3</th>
<th>Cost 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>A-4.1 Lighting System, Complete</td>
<td>All Req'd.</td>
<td>LS</td>
<td>$10,000</td>
<td>$10,000</td>
<td>$16,000</td>
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**ALTERNATE A-4 BID**

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<tbody>
<tr>
<td></td>
<td>$10,000</td>
<td>$16,000</td>
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### BID ALTERNATE A-5, "WORK AT CHAMBER PARKING LOT"

<table>
<thead>
<tr>
<th>Description</th>
<th>Units</th>
<th>Cost 1</th>
<th>Cost 2</th>
<th>Cost 3</th>
<th>Cost 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>A-5.1 Mobilization</td>
<td>All Req'd.</td>
<td>LS</td>
<td>$1,500</td>
<td>$1,500</td>
<td>$1,600</td>
</tr>
<tr>
<td>A-5.2 Temp. Work Zone Traffic Control</td>
<td>All Req'd.</td>
<td>LS</td>
<td>$500</td>
<td>$500</td>
<td>$750</td>
</tr>
<tr>
<td>A-5.3 Clearing and Grubbing</td>
<td>All Req'd.</td>
<td>LS</td>
<td>$1,000</td>
<td>$1,000</td>
<td>$1,200</td>
</tr>
<tr>
<td>A-5.4 Earthwork</td>
<td>All Req'd.</td>
<td>LS</td>
<td>$1,000</td>
<td>$1,000</td>
<td>$1,200</td>
</tr>
<tr>
<td>A-5.5 Aggregate Base</td>
<td>30 CY</td>
<td>$60</td>
<td>$1,800</td>
<td>$75</td>
<td>$2,250</td>
</tr>
<tr>
<td>A-5.6 Minor Hot Mix Asphalt, Level 1</td>
<td>20 TON</td>
<td>$150</td>
<td>$3,000</td>
<td>$225</td>
<td>$4,500</td>
</tr>
<tr>
<td>Description</td>
<td>Quantity</td>
<td>Type</td>
<td>Unit 1</td>
<td>Unit 2</td>
<td>Unit 3</td>
</tr>
<tr>
<td>-------------------------------------------------</td>
<td>----------</td>
<td>------</td>
<td>--------</td>
<td>--------</td>
<td>--------</td>
</tr>
<tr>
<td>A-5.7 Wheel Stops</td>
<td>2</td>
<td>EA</td>
<td>$150</td>
<td>$300</td>
<td>$150</td>
</tr>
<tr>
<td>A-5.8 Metal Sign Post with Existing Sign</td>
<td>2</td>
<td>EA</td>
<td>$200</td>
<td>$400</td>
<td>$300</td>
</tr>
<tr>
<td>ALTERNATE A-5 BID</td>
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<td></td>
<td>$9,500</td>
<td>$12,400</td>
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<tr>
<td>BID ALTERNATE A-6, &quot;TRAIL SOUTH AND EAST OF POOL&quot;</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A-6.1 Mobilization</td>
<td>All Req'd</td>
<td>LS</td>
<td>$1,000</td>
<td>$1,000</td>
<td>$800</td>
</tr>
<tr>
<td>A-6.2 Temp. Traffic Control, Complete</td>
<td>All Req'd</td>
<td>LS</td>
<td>$200</td>
<td>$200</td>
<td>$500</td>
</tr>
<tr>
<td>A-6.3 Clearing and Grubbing</td>
<td>All Req'd</td>
<td>LS</td>
<td>$500</td>
<td>$500</td>
<td>$750</td>
</tr>
<tr>
<td>A-6.4 Earthwork</td>
<td>All Req'd</td>
<td>LS</td>
<td>$500</td>
<td>$500</td>
<td>$750</td>
</tr>
<tr>
<td>A-6.5 Surface Aggregate</td>
<td>10</td>
<td>CY</td>
<td>$60</td>
<td>$600</td>
<td>$135</td>
</tr>
<tr>
<td>A-6.6 Tall Wood Fence, Complete</td>
<td>All Req'd</td>
<td>LS</td>
<td>$1,200</td>
<td>$1,200</td>
<td>$1,400</td>
</tr>
<tr>
<td>ALTERNATE A-6 BID</td>
<td></td>
<td></td>
<td>$4,000</td>
<td>$5,550</td>
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<tr>
<td>BASE BID + ALTERNATES A-1 THRU A-6 = TOTAL BID</td>
<td></td>
<td></td>
<td>$217,255</td>
<td>$322,265</td>
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RECOMMENDED MOTION:
Motion to identify the City of Silverton’s top 4 priority issues on the League of Oregon Cities (LOC) Legislative Action Priority List for the next legislative session.

BACKGROUND:
Before each Legislative session, the LOC asks every city to identify its priority issues for the upcoming session. Attached as Attachment 1 is the packet of material from the LOC explaining what issues are being considered and describing the background and importance of each one. In summary, each Councilor should review the issues and decide which you think are the 4 most important issues. At the meeting on July 2, Councilors can share your priority list and decide as a group how to cast our “ballot” for the 4 most important issues. Staff will prepare a ballot based on the Council decision and return your ballot to the LOC before the July 31 deadline. To assist you in this process, attached as Attachment 2 are the issues the staff recommends as the most important for the city. Each department head identified the most important issues for his or her department. Attachment 2 is the compilation of the results of this staff input.

BUDGET IMPACT:
The casting of the City’s ballot has not budget impact, but many of the legislative issues will have a significant impact.

ATTACHMENTS:
1. LOC packet including the ballot to be filled out by the Council
2. Tally of issues considered most important by staff
Dear Chief Administrative Official:

For the past three months, eight policy committees have worked very diligently to identify and propose specific actions as part of the League’s effort to develop a pro-active legislative agenda for the 2013 session. They have identified 19 legislative objectives as set forth in the enclosed ballot and legislative recommendation materials. These objectives span a variety of issues and differ in the potential resources required to seek their achievement. Therefore, it is desirable to prioritize them in order to ensure that efforts are focused where they are most needed.

The LOC Board of Directors has made long term commitments to two issues critical to cities: revenue and land use reform. As a result of their designation as top legislative priorities on an ongoing basis neither of these issues appear on the enclosed ballot.

The League will continue to advocate for a constitutional amendment that gives local voters the opportunity to pass local option levies outside of compression for a maximum length of 10 years. Currently, statewide property tax limitations can prevent local voters from providing the services they demand via local option levies. This amendment would enable voters to determine the level of services they desire and the associated level of taxation. The League is currently building a coalition of stakeholder groups to support the measure and with consultants on a communication strategy. The League will engage in specific legislative efforts to streamline population forecasting for land use planning purposes and reform the urban growth boundary amendment process. The requirements to implement both of these land use requirements have become increasingly difficult for all cities to implement—with increased costs, time and frequency of appeals. The League is currently working with the governor’s office and constituent stakeholders to craft legislation for 2013.

Each city is being asked to review the recommendations of the policy committees and provide input to the LOC Board of Directors as it prepares to adopt the League’s 2013 legislative agenda. After your city council has had the opportunity to review the 19 proposals and discuss them with your staff, please return the enclosed ballot indicating the top four issues that your city council would like to see the League focus on in the 2013 session. The deadline for response is July 31, 2012. The board of directors will then review the results of this survey of member cities, along with the recommendations of the policy committees, and determine the League’s 2013 legislative agenda.

Helping Cities Succeed
Your city’s participation and input will assist the board in creating a focused set of specific legislative targets that reflect the issues of greatest importance for cities. Thank you for your involvement, and thanks to those among you who gave many hours of time and expertise in developing these proposals.

Do not hesitate to contact me or any member of the Intergovernmental Relations Department with questions.

Sincerely,

Craig S. Honeyman
Legislative Director

cc: Oregon Mayors
INSTRUCTIONS

1. Each city should submit one form that reflects the consensus opinion of its city council on the top four legislative priorities for 2013.

2. Simply place an X in the space to the left of the city’s top four legislative proposals.

3. The top four do not need to be prioritized.

4. Return by July 31st via mail, fax or e-mail to:
   Angela Carey
   League of Oregon Cities
   P.O. Box 928
   Salem, Oregon 97308
   Fax – (503) 399-4863
   scarey@orcities.org

Thank you for your participation.
Please mark 4 boxes with an X that reflects the top 4 issues that your city recommends be added to the priorities for the League’s 2013 legislative agenda.

**Community Development**

☐ A. The Jobs/Economic Development Initiative that supports funding for industrial site development.

**Energy**


**Finance & Taxation**

☐ C. Allow local governments a more flexible use of transient lodging tax revenues.
☐ D. Restore equity in our property tax system by resetting assessed value to real market value when a property is sold or constructed.
☐ E. Eliminate the 3% discount for the early payment of property taxes.

**General Government**

☐ F. Reform the court fines system in a manner that recognizes the value of both state and local courts.
☐ G. Amend the public contracting code to remove costly requirements that do not aid in the delivery of public improvements and defend against any new requirements that do not serve the public interest.
☐ H. Pass legislation that will allow cities greater authority to regulate liquor serving establishments.

**Human Resources**

☐ I. Eliminate the requirement that public employers provide subsidized health insurance for retirees.
☐ J. Clarify that binding arbitration decisions may be overturned when those decisions violate public policy interests as defined by a local government.

**Telecommunications**

☐ K. Pass legislation renewing the 9-1-1 tax.
☐ L. Defeat legislation mandating the consolidation of Public Safety Answering Points (PSAPs).

**Transportation**

☐ M. Defeat legislation that would extend or make permanent the moratorium on raising existing or levying new local gas taxes and/or any legislation that proposes to restrict or preempt cities’ ability to charge any transportation-related fee or tax.
☐ N. Continue to support the development of greenhouse gas emission toolkits and scenario planning models and standards for Metropolitan Planning Organization (MPO) cities as long as they are funded with new revenue and do not expose cities to additional litigation.
☐ O. While supporting the creation of a dedicated, non-roadway transportation fund, oppose any attempt to fund it from existing revenue streams—especially transfers from local governments to the state.
☐ P. Support legislation to supplement and perhaps eventually replace the gas tax as the principle road user fee funding the state’s road and highway system.

**Water/Wastewater**

☐ R. Support state authority for Oregon Water Resources Department to act as contracting agency with federal entities to facilitate water procurement.
☐ S. Advocate for toxic pollution prevention through proper collection and disposal strategies.
## LOC Policy Committees’ Legislative Recommendations

<table>
<thead>
<tr>
<th>Priority</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>Community Development</strong></td>
<td></td>
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<tr>
<td>A. Jobs /Economic Development Initiative:</td>
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<tr>
<td>- Recapitalize the Brownfields Redevelopment Fund Program (OBDD Budget, $10 million);</td>
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<tr>
<td>- Support the Patient Capital for Industrial Lands Infrastructure Pilot Program (OBDD Budget, $20 million);</td>
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<tr>
<td>- Support the Employment Site Re-Use/Redevelopment Pilot Program (OBDD &amp; DLCID, $15 million)</td>
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<tr>
<td><strong>Energy</strong></td>
<td></td>
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<tr>
<td>B. Support the efforts of the Governor’s office and Department of Energy to submit and obtain a $2 million grant to pursue a statewide public building energy efficiency strategy.</td>
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<tr>
<td><strong>Finance &amp; Taxation</strong></td>
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<td>C. Allow local governments a more flexible use of transient lodging tax revenues.</td>
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<td>D. Restore equity in our property tax system by resetting assessed value to real market value when a property is sold or constructed.</td>
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<td>E. Eliminate the 3% discount for the early payment of property taxes.</td>
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## LOC Policy Committees’ Legislative Recommendations

### General Government

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<tr>
<th>F. Reform the court fines system in a manner that recognizes the value of both state and local courts.</th>
<th>2011 the Oregon Legislature, required cities to submit the first $60 of a traffic fine to the state. This requirement, along with changes made to fine amounts, has resulted in detrimental fiscal impacts to municipal courts and threatens their continued operations. The current fines system ought to be further reformed so that payments to cities are an equal priority to payments made to the state.</th>
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<tr>
<td>G. Amend the public contracting code to remove costly requirements that do not aid in the delivery of public improvements and defend against any new requirements that do not serve the public interest.</td>
<td>In 2011 the Oregon Legislature required cities to use a qualifications based analysis in the award of architectural and engineering contracts that has proven to be costly and inefficient. Additionally, recent sessions have seen a myriad of bills introduced that would add costs to public improvements but not improve the quality or scope of projects or services.</td>
</tr>
<tr>
<td>H. Pass legislation that will allow cities greater authority to regulate liquor serving establishments.</td>
<td>Cities are currently prohibited from placing limits of the number and operation of OLCC licensed establishments in their communities and must rely on the OLCC to take corrective action. Cities have sought the ability to place emergency closures on bars where violent crimes have been committed and the authority to limit the sales of certain types of alcoholic beverages where there is need. These efforts have failed both at the OLCC and at the Legislature but public safety and livability concerns have not abated.</td>
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</tbody>
</table>

### Human Resources

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<tr>
<th>I. Eliminate the requirement that public employers provide subsidized health insurance for retirees.</th>
<th>Public employers in Oregon are required to make available health insurance to retired employees but are not allowed to charge the employees based on their actuarial risk. As a result, retired employees receive a subsidy on their health insurance from their former employer and active employees on the plan. This requirement also creates complexities when employees bargain for an insurance plan that does not accept retirees.</th>
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<tr>
<td>J. Clarify that binding arbitration decisions may be overturned when those decisions violate public policy interests as defined by a local government.</td>
<td>Currently an arbitrator’s decision to reinstate a terminated employee may be overturned if that decision is in violation of public policy. However the way statute has been implemented and interpreted, a violation of state public policy is required to overturn the ruling. The League believes that a city council is responsible for making those determinations in their jurisdiction.</td>
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### Telecommunications

| K. Pass legislation renewing the 9-1-1 tax containing the following elements: A tax rate sufficient to ensure adequate resources for both the management of the system and the acquisition of the latest technology. No sunset provision. Requirement that the state use 9-1-1 tax revenues for 9-1-1 services, thereby ending the practice of diverting both the revenues and the interest earned on those revenues to the state’s General Fund. Payment of the 9-1-1 tax by purchasers of pre-paid cell phones and Voice Over Internet Protocol (VoIP) services, if pending. | Revenues derived from 9-1-1 taxes are an important source of local revenue. Net of collection costs recovered by the Department of Revenue (1%), administrative fees received by the Office of Emergency Management (4%) and payment to a sub-account covering the costs of the circuits and equipment (35%), cities receive over $13 million per biennium which they must pass through to the governing authority of the 9-1-1 jurisdiction serving that city. This is the backbone of the budget that supports the planning, installation, maintenance, operation and improvements of the 9-1-1 reporting system. These funds are supposed to be used only for purposes of handling citizen calls to a network of primary and secondary PSAPs and local emergency responders. The statutory authorization for the collection of this tax contains a six-year sunset provision and is due to expire on December 31, 2014. The state currently diverts portions of 9-1-1 tax revenues and the investment interest earned on them to the general fund in support of positions and activities not related to 9-1-1 services. Oregon is one of the only states to do so as this practice is frowned upon by the federal government -- indeed it makes the state ineligible to receive federal emergency services grants (Oregon has been on the federal government’s list of offending states for three years). Finally, pre-paid cell phone and VoIP users do not currently pay the 9-1-1 tax. All other users of telecommunications services, including standard cell phone users, do pay the tax. |

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Page 2 of 5
rulemaking and litigation that may follow overturns the opinion of Legislative Counsel (LC) stating that such authority already exists and legislation is unnecessary (HB 2075 from 2011).

Legislation correcting this inequity has been introduced in prior sessions but failed to gain traction. Currently LC is stating that such legislation is unnecessary because authority to levy this tax already exists. A rule soon to be promulgated by Oregon's Office of Emergency Management verifying this is expected before year-end. However, litigation is likely to follow if that rulemaking upholds LC's opinion. If either the rulemaking or the litigation does not go in favor of cities, HB 2075 from 2011 should be reintroduced as part of the reauthorization of the 9-1-1 tax itself, or as a separate bill.

It is anticipated that the League will be one of several stakeholder groups involved in gaining passage of this legislation. Others include: Associated Public Safety Communications Officers, the Oregon Association of Chiefs of Police, Oregon State Police Officers Association, Oregon State Sheriffs Association and others.

L. Defeat legislation mandating the consolidation of Public Safety Answering Points (PSAPs).

In an effort to save state revenues, the Joint Ways and Means Committee of the Legislature has called for the consolidation of 47 PSAPs currently in operation. This would free up 9-1-1 revenues for possible diversion for purposes other than what they are supposed to support. While consolidation may not be a bad management decision, cities will continue to resist mandated consolidation and decision-making other than at the local level. Issues relating to call routing and dispatch affect cities and should be managed by cities. Moreover, efforts to achieve efficiencies are already underway at the local level.

Transportation

M. Defeat legislation that would extend or make permanent the moratorium on raising existing or levying new local gas taxes and/or any legislation that proposes to restrict or preempt cities' ability to charge any transportation-related fee or tax.

HB 2001, passed by the 2009 Legislature increasing the state gas tax for the first time since 1993, also established a four-year moratorium on the enactment of new or increased gas taxes by cities (cities already levying a gas tax were grandfathered). The moratorium expires January 2, 2014. Following expiration of the moratorium the bill also requires cities to refer any local gas tax-related measure to the voters. It is reasonable to assume, indeed likely, that advocates opposing a city's right to levy a local gas tax will be active in the 2013 session to extend or make permanent the restriction on cities' ability to generate revenue in this manner.

In a study first published in 2007 and updated in 2011, the League estimates that, in the aggregate, city street budgets fall approximately $190 million short of their annual need. To address the shortfall created by inadequate revenues coming from state and local gas taxes cities also may implement local transportation utility fees (TUFs) – fees assessed on utility bills of water/sewer customers and dedicated to city transportation infrastructure projects. Transportation-based systems development charges (SDCs) can also be established to fund the construction of new roads and to accommodate growth on existing road infrastructure. Finally, local improvement districts (LIDs) and urban renewal districts generate revenues through tax increment financing that can contribute to the transportation component of a local revitalization plan. These tools must be maintained.

N. Continue to support the development of greenhouse gas emission toolkits and scenario planning models and standards for Metropolitan Planning Organization (MPO) cities as long as they are funded with new revenue and do not expose cities to additional litigation.

The 2009 Jobs and Transportation Act (HB 2001) contains language requiring the Portland MPO (Metro) to undertake land use modeling and planning processes to mitigate climate change caused by the transportation sector. In the same bill, the Lane County MPO is required to undertake modeling only. Then, in 2010, the Legislature enacted SB 1059 instructing the Department of Land Conservation and Development (DLCD) and the Oregon Department of Transportation (ODOT) to develop guidelines to assist five of the state's six MPOs (Portland is omitted by virtue of inclusion in HB 2001). These guidelines specifically include: a toolkit to help local government planners achieve emissions reductions; consideration of steps that can be taken generally and through regional transportation planning to reduce emissions; rulemaking by DLCD and ODOT to identify reduction targets for each MPO; and reporting by the agencies to the Legislature on financing issues and scenario planning development progressing towards a statewide program.

So far, it is understood by DLCD and ODOT that there must not be any negative fiscal
LOC Policy Committees’ Legislative Recommendations

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<th>Impact on cities as a result of these program requirements. It is the intent of the League, as the program matures and is applied more broadly, that no unfunded mandates occur. It is also important to the League, given the largely voluntary nature of the program to date, that cities be protected from any litigation that might arise should they decide not to adopt one or more of the elements contained in the program.</th>
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<td>O. While supporting the creation of a dedicated, non-roadway transportation fund, oppose any attempt to fund it from existing revenue streams – especially transfers from local governments to the state.</td>
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<tr>
<td>In late 2011 and early 2012 a Non-Roadway Funding Work Group was appointed to look at ways to establish a dedicated fund in support of rail, port, aviation and bike/ped facilities and programs in Oregon. Dozens of ideas were identified and scored. While the final recommendations remain forthcoming, several concepts involved funding transfers between government entities and previously established programs. One of these, for example, contemplates the sequestration of property tax revenues derived from rail properties for channeling into the non-roadway fund, with local governments being “made whole” by a yet-to-be identified (or enacted) telecommunications tax. While the League generally supports adequate funding for the entire transportation system, it will not do so at the expense of its own resources, particularly strategies involving funding transfers without nexus and subject to political outcomes over which it has little or no control.</td>
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<tr>
<td>P. Support legislation to supplement and perhaps eventually replace the gas tax as the principle road user fee funding the state’s road and highway system, ensuring:</td>
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<tr>
<td>○ All users of the roadway system, regardless of the type of vehicle they operate, pay their fair share.</td>
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<td>○ City authority to exercise local control over the types and amounts of fees/taxes they levy.</td>
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<td>○ Distribution of all revenues derived from a new road user fee system continues to use the 50-30-20 (state, county, city) formula that is currently in place.</td>
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<tr>
<td>Technology (more fuel-efficient vehicles, hybrids and electric cars) and price elasticity (high price of gas due to general economic conditions and international developments) have resulted in a decline in revenues derived from the state gas tax. In fact, it is likely that any road user fee based upon the sale of motor fuels will one day be obsolete. To source a replacement user fee, the Road User Fee Task Force (RUFTF) was appointed. In 2011 they introduced a bill to collect a fee from electric vehicles based on vehicle miles traveled (VMT) but it did not pass. Since then the RUFTF has been meeting to consider several options including: a pilot project to experiment with VMT technology options and the introduction of new “in lieu of” gas tax legislative alternatives.</td>
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Water/Wastewater

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<th>State funds have failed to keep pace with growing local infrastructure demand that totals billions of dollars. In December of 2009, the League released a survey in which 124 cities identified 593 infrastructure projects (sewer systems, solid waste disposal facilities, stormwater systems, water systems) needing in excess of $1.8 million to complete.</th>
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<tr>
<td>Q. Recapitalization of state municipal infrastructure funds to assist communities with investments required for compliance with environmental mandates, to meet capacity, or to implement economic development strategies. The Special Public Works Fund, Water Wastewater Fund, and the Clean Water State Revolving Fund should receive a level of funding of $50 million. The Feasibility Grants Funds should receive $2 million. Endorse the continued development of innovative finance tools that will allow communities to access loans for the lowest costs.</td>
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<tr>
<td>The state’s Special Public Works Fund and the Water/Waste-water Fund are used to finance water and sewer systems, public buildings, road construction, downtown revitalization and clean up, energy and communications, and port facilities.</td>
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<tr>
<td>The Water Conservation, Reuse and Storage Grant Program (WCRS) is designed to fund the qualifying costs of planning studies that evaluate the feasibility of developing water conservation, reuse or storage projects.</td>
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<tr>
<td>The Clean Water State Revolving Fund loan program provides low-cost loans for the planning, design or construction of projects that prevent or mitigate water pollution.</td>
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There are federal systems today with water available for purchase. Under certain circumstances, Oregon Water Resources Department would work directly with the US Corp of Engineers (USCOE) and the Bureau of Reclamation (BOR) to expedite Oregon water purchases. The USCOE has indicated they would prefer one point of contact for water purchases; they support WRD in this effort, and do not want to deal directly with multiple water purchasers.

There is a diverse group of stakeholders working on a re-allocation strategy for water held in the Willamette River Basin Project; legislation of this nature could be instrumental in assisting in the re-allocation process.

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<tr>
<th>R. Partner with the Oregon Water Resources Department (WRD) to develop legislation that would allow the state to act, under appropriate circumstances, as a contracting agent with federal entities to facilitate water procurement from federal systems and resell it through contracts with Oregon water purchasers.</th>
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<tr>
<td>S. Advocate for a statewide, toxics (pesticides) collection and disposal strategy that would be based on fee (to customers) events held throughout the state in partnership other local governments and state agencies involved in advocating for the collection and disposal of toxics.</td>
</tr>
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Toxics, stored improperly over long periods of time, can be released accidentally into the environment causing significant pollution issues. Many times urban and rural landowners do not have access to the resources necessary to adequately and safely dispose of toxics and waste pesticides in particular.

There is an Oregon Agricultural Pesticide Collection Strategy under development. The initial short-term plan for pesticide collection has the following components:

- Open events to all public, commercial and institutional operations, but maintain outreach focus on agricultural sector.
- Secure enough resources to offer a sustainable number of events for no charge.
- Support 5 or 6 toxics collection and disposal events annually for the next 3 years.
- Identify, evaluate and pursue potential funding sources – both public and private. Allow for donations to be accepted at all events.
- Identify and prioritize regions of the state that have the greatest need for toxics collection and disposal.
- Evaluate potential partnerships with permanent, county-run household hazardous collection facilities in regions identified as having the most need.
City of: (Attachment 2 to SR 12-55)

Please mark 4 boxes with an X that reflects the top 4 issues that your city recommends be added to the priorities for the League’s 2013 legislative agenda.

Community Development
☐ A. The Jobs/Economic Development Initiative that supports funding for industrial site development.

Energy

Finance & Taxation
☐ C. Allow local governments a more flexible use of transient lodging tax revenues.
☐ D. Restore equity in our property tax system by resetting assessed value to real market value when a property is sold or constructed.
☐ E. Eliminate the 3% discount for the early payment of property taxes.

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☐ G. Amend the public contracting code to remove costly requirements that do not aid in the delivery of public improvements and defend against any new requirements that do not serve the public interest.
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Human Resources
☐ I. Eliminate the requirement that public employers provide subsidized health insurance for retirees.
☐ J. Clarify that binding arbitration decisions may be overturned when those decisions violate public policy interests as defined by a local government.

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☐ K. Pass legislation renewing the 9-1-1 tax.
☐ L. Defeat legislation mandating the consolidation of Public Safety Answering Points (PSAPs).

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☐ M. Defeat legislation that would extend or make permanent the moratorium on raising existing or levying new local gas taxes and/or any legislation that proposes to restrict or preempt cities’ ability to charge any transportation-related fee or tax.
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