

TOLEDO CITY COUNCIL WORK SESSION

July 22, 2009

Mayor Rod Cross called the Toledo City Council work session to order at 6:15pm.
Councilors present: Mark Camara, Nancy Lynne, Monica Lyons, Mary Young and Council President (CP) Bob Emmett.

Staff present: City Manager (CM) Michelle Amberg, Finance Director (FD) Polly Chavarria, and Assistant City Recorder Nancy Bryant.

Visitors present: Don Amberg, Teresa Denlinger, Angelo Stephenson, Tammy Fitch, Penelope Kaczmarek, Mark Saelens, Don Andre, Diane Dunlap and Jack Dunaway who arrived at 7:06 pm.

Discussion and Information Items

Review City Council Agenda- August 5, 2009

CM Amberg presented the proposed council agenda for Aug 5th. The resolution repealing resolution no. 1227 was removed from discussion items until further notice.

Councilor Camara asked if council needed to meet in executive session to talk about a list of priorities for the City Attorney's review.

Mayor Cross noted that the City Attorney has a prioritized list that he is working from at this time.

It was determined that there was no reason for an executive session and CM Amberg will follow up with a copy of the current list in the August 5th council meeting packet.

Property/Liability Insurance Renewal Presentation

Tammy Fitch, C.I.C. of Wilson-Heirgood Associates presented council with a summary of insurance for the City of Toledo, policy term of July 1, 2009 through July 1, 2010. She met with city staff earlier in the day to discuss issues and requirements regarding the city's insurance needs. Highlights of her presentation to council were as follows:

- The State of Oregon is blessed to have a strong pool in the City County Insurance Services (CIS). CIS tries to keep level rates for its members. They have begun best practices that will be used next year in setting premiums.
- Flood insurance, FEMA requires flood coverage before they will provide aid for property in a flood zone. She and staff are in the process of identifying city owned properties that will require additional coverage. More information will follow at a later date.
- City Sponsored events, depending on the event there may not be a direct cost but if there is a claim then the losses count against the city's insurance and can raise the rates. She advised if the city is sponsoring an event then that event should be under the city's control.
- Council and staff are insured against personal litigation by both state statute and indemnified by the city's insurance policy.
- Deductibles were raised this year in the vehicle schedule saving costs in premiums.

- A portion of the city's CIS coverage includes portable equipment as well as incidental items like rented or borrowed equipment, newly acquired property, and accidental system breakdown.
- Crime coverage includes employee dishonesty, forgery, theft, disappearance, destruction, and computer fraud.
- General Liability coverage includes five million dollars per occurrence or fifteen million aggregate per year. It includes employment practices, liability coverage for law enforcement, and auto. This protection is for the city not the employee.
- Volunteer coverage is covered under the city's SAIF policy. This policy is covering volunteers at minimum wage. If there is a claim by a volunteer the policy will cover the medical costs only and coverage will depend on what the volunteer was doing at the time of incident. Council and other volunteers will now be required to keep track of the annual amount of volunteer time served.

There was a general discussion regarding different scenarios that would and would not be covered under the SAIF policy.

Community Forest Program

Penelope Kaczmarek Vice President, Don Andre President and Mark Saelens Volunteer Coordinator of Oregon Coast Community Forestry Association (OCCFA) thanked Council and Public Works Director Adam Denlinger for exploring the potential collaboration with the city of Toledo and their non profit organization. They hope to work with the City of Toledo in supporting its work to craft a viable management plan for Toledo's own community forest. A plan that would serve to generate a robust, long term revenue stream for the City of Toledo while supporting a healthy local water shed with sustainable forest capital. Recently Penelope Kaczmarek, Chuck Willer, Councilor Camara and PWD Adam Denlinger visited a portion of the Mill Creek forest land and Water Shed site. The brief visit made clear the multiple values and potential values of the two forests parcels in the city's ownership.

Kaczmarek presented Council with a broad outline of the organizations ideas of a community forest. She said the organization's mission is to manage, protect, acquire and restore forest land for the long term benefit of Lincoln County citizens. Their work can involve stewardship which might mean looking at environmental and socially responsible use and management of forest resources in order to maintain and enhance the value for both present and future generations of the community. Their role can also include promoting forest education and community forest ownership while recognizing the economic benefits. She said the forest in the Mill Creek area is a forest that can generate some revenue for the City of Toledo with the vision of building into the value of the forest rather than consistently taking value out of the forest. She finished by saying that Toledo is on the threshold of something great by commencing a process for a forest plan for the purpose of conducting quality community forestry. This area has the potential to become a state or nationwide model for how to do community forestry.

Saelens provided council with a pictorial handout showing products that can be made from Red Alder which is one species of trees found in the Mill Creek forest. He said the City could be

looking at earning 10 to 100 times more for harvested trees by using the wood for custom and or artisan crafts as opposed to strictly harvesting for wood chips.

Andre handed out a brochure produced by OCCFA. He said the Mill Creek forest has a lot of Alder that is now a desirable type of wood and there is a market for the real look in building materials rather than fabricated wood. He sees the city perfectly situated to capitalize on this market because it has the people with the skills and ability, and already owns the forest. He said there is a tremendous amount of value by engaging in restoration or conservation forestry where you take the value and keep it in Lincoln County. There are other value options such as Cap and Trade. OCCFA could act as a liaison between the city and other organizations such as OSU, Mid West Watershed Council, and foresters as well as aid in grant research, forest stewardship and the education aspect. The organization could also help monitor water quality, invasive species, ensure full value, local control and benefit of any project involved.

In answer to council questions Andre stated the following:

- Costs to the city could include a forester who can aid in getting the forest certified.
- The organization has not discussed real numbers of cost to the city if OCCFA was to mill timber in that area but there would be some kind of percentage. There would be some fixed cost involved as well. The cost will depend on who does what.
- It would be best to start with a balanced forest assessment by someone who would offer a menu of options and what revenues would be created. At that point OCCFA and the city could negotiate their role in that project.

Councilor Camara stated that this could be a solution to multiple issues. The city has long term revenue needs for our water system, Toledo Development Association is developing a Made in Toledo brand and a wood turning business recently moved into Main Street, an initial wood products business.

Saelen stated one function of OCCFA is to help set up and maintain conservation easements. The city, as the land owner, gets to decide how much protection or lack of is in place. There is an associated cost with that. OCCFA is working toward the ability to be the holder of conservation easements.

CM Amberg noted that there is another policy decision facing council in this issue and that is the disposition of the water shed. Mill Creek is a pristine source of water. While Mill Creek may have its seasonal variations it may be a healthier source of water in the long run. Mass logging in that area will ruin that source of water. She said good stewardship can never be replaced.

There was a general discussion regarding a community forest program that was established and maintained in Southern Oregon.

Mayor Cross stated that he is excited that there is an organization that can help the city manage the forest area.

CM Amberg said there needs to be a product chain established because that is where the revenue is going to come from including someone with an idea, someone with the process, and someone with a distribution point. With that information the city can talk about the value of that area.

Mayor Cross noted that the city needs to look at what the management plan is for the water shed and what it requires to take care of the forest land. There are many unanswered questions and council will need to continue the discussions and get back to OCCFA.

Mayor Cross called for a brief recess at 7:53pm. The meeting resumed at 7:58pm.

HUD Funds

CM Amberg noted this item was placed on the agenda because it is an issue that keeps coming up and there is a lack of policy direction on how these funds are to be expended. Staff is requesting council feedback regarding this matter.

FD Chavarria provided council with a brief history of the generation of HUD funds. She stated that these funds are from the 1985 federal government grant that the City of Toledo received for low income housing loans. The current balance is \$141,000. There is also \$215,500 in loans that will be available to the city once they are paid. There is no way to estimate when those funds will be available as they come in as the property is sold or refinanced.

Mayor Cross noted that the funds were originally managed through Community Services Consortium as low income home rehabilitation loans.

CP Emmett asked council if they want to continue supporting low income housing by use of these funds. He believes that there is still a need for low income housing in this area.

Councilor Camara noted that council may not want to restrict themselves entirely while there are also plans to revitalize Main Street and commercial properties. He would like to encourage commercial building owners who occupy their buildings to utilize these loans funds.

There was a general discussion regarding different types of uses of the HUD funds. Ideas discussed were as follows:

- Commercial building improvement loan program, payable within 5 years with interest.
- Low income residential improvement loan program.
- City owned building facility reserve funding.
- Broaden the city's participation in the Oregon Main Street Program.
- Filling the gap between stimulus funding and actual costs for city projects.
- Work with Cascade West Financial Services to manage a business loan program.

CM Amberg noted that a portion of the HUD funds has been appropriated to the Lincoln Community Land Trust at \$807 per year for three years as well as \$10,000 for city abatement costs.

Councilor Camara said council needs to decide how the funds would be divided and create a policy with that direction.

Councilor Young stated her preference would be a split of 25% to a commercial loan program and 75% to a low income residential housing program.

FD Chavarria reminded Council that there is still a current low income housing loan program in effect for the Toledo area through Community Services Consortium. There are also funds available for Toledo property owners through Lincoln County's low income housing loan program. She also noted that the loan programs take a substantial amount of administrative management.

Mayor Cross noted if council is looking at loan programs it will require outside management because of the lack in city staffing sufficient to provide this service.

Councilor Camara said if the funds are spent for one time projects it will dwindle away.

CM Amberg requested council keep in mind the presentation delivered at the budget meeting regarding the expenditure of these funds.

Mayor Cross noted in the past the city has had a contingency fund for city building facilities but those funds have been expended. He said council needs to decide if they want a contingency fund and what amount of funds will be appropriated to it. He suggested council review the current budget and come up with specific written ideas for the HUD funds and how to implement them providing enough copies to share with staff and council.

It was determined that council members return to the next council work session with ideas and be ready to direct staff regarding the HUD fund expenditures.

Goal Update

CM Amberg provided council with an update on the council goals and objectives as follows:

Goal No. 1: Identify and establish adequate and stable funding for the City of Toledo

- CM Amberg is researching medical insurance account programs that will help decrease premium costs.
- Staff is monitoring the NW Natural Gas franchise revenue.
- Oregon State Parks Grant submitted- Memorial Field (unsuccessful)
- Stimulus Funding Grant Request- Business Hwy 20 completion (awarded 1/3 of requested amount)
- Stimulus Funding Grant Request- Water & Waste Water System Improvements (unsuccessful)
- Library receives funds from the Lincoln County Library District
- User fees are established in the City's Fee Schedule
- Oregon Main Street Grant Request- (Successful)
- Library Staff utilizes the Orbis courier for sending and receiving interlibrary material which saves the city in mailing costs.

- The City should see energy cost savings in the new swimming pool building heater.
- An association with the Oregon Coast Community Forest Association could prove some economic benefits for the city.
- The Toledo Library partners with the Coastal Resource Sharing Network and is a member of the Oregon Digital Cooperative which improves access to additional materials for Library customers.

Goal No. 2: Improve overall communication within the City and beyond

- Fiber optics has been installed to the City Hall building and the IT room is complete. Installation of cable and equipment in City Hall is progressing.
- The Library is looking into using e-rate to offset the cost of connecting to city system.
- The Library has a Public Advisory Board.
- The Save Toledo Pool public group was formed to provide input on the swimming pool.
- Ten council work sessions/special sessions have been held since Jan 1, 2009.
- Staff has provided council with presentations on Liquid Assets and the Water Master Plan.
- Request for Council Action forms have been changed to include Council Goals.
- Public Works staff provided a presentation to Seal Rock Water District Board on potable water systems improvements.
- Public Works staff is working with GP regarding use of Olalla Reservoir.
- Staff met with the Governor's Recovery Task Force.
- Staff is working closely with the Port of Toledo.

It was determined that Objective E of Goal No. 2, Obtain and keep an updated reader board like the one for the City of Philomath, is no longer a valid objective and should be stricken from the goals list.

Finance Director Chavarria and visitor Jack Dunaway left the meeting at 8:55pm.

Council and staff discussed televising council meetings. CM Amberg stated that Peter Vince of Toledo High School has agreed to video council meetings for \$1,200 per year beginning in September of 2009.

Goal No. 3: Identify and prioritize challenges that must be overcome to ensure successful City operations dependent upon an effective infrastructure.

- Public Works staff is currently working on updating the Water Master Plan.
- Oregon Energy Trust Report has been completed on the Toledo Swimming Pool.
- Public Works staff is currently working on developing SDC methodologies.
- Public Works staff completed application to the Clean Water State Revolving Fund Program for a \$1.3 million dollar low interest loan to complete inflow and infiltration repairs to wastewater collection system.

Goal No. 4 Enhance the livability and quality of life of Toledo for its citizens

- Public Works and Police Department staff have developed a plan for permitting trucks and clearly establishing the truck routes in town. The city continues to work with ODOT regarding signage.

- The Police Department has prepared ordinances related to commercial vehicle operations within the city. Enforcement of the program began July 1, 2009.
- Staff and council is providing input to the Port of Toledo waterfront connectivity plan.
- Staff has worked with Habitat for Humanity evaluating site engineering and design for a project located on Fir Street.
- An inventory of current youth opportunities in Toledo includes: Library Summer Reading Program, Library Summer Weekly Events, Summer Sports Camps, Siletz/Eddyville/Toledo Baseball & Softball program, 21st Century Community Learning Center, and Toledo Jr. League Football.
- The City has an established fee schedule for funding programs.
- Staff directed a letter to the state legislature in support of the Small Schools Grant which was a successful bill.

Mayor Cross inquired if staff is working on the Parks Master Plan. He said in the past Lyons Park was identified as a potential large family park area. He said the city needs a Parks Master Plan and council can establish a new committee, consisting of three council members, at the next regular meeting.

Rural Development Inflow & Infiltration Implementation

Mayor Cross noted that the Rural Development Inflow & Infiltration Implementation presentation is on hold and will be presented at a future meeting.

Committee Updates

Mayor Cross stated that there are council committees with vacancies that need appointments. He would like to make appointments specifically to the Economic Development and Sustainability Committees at the next council meeting.

Councilor Camara stated that, given the limited amount of staff time available, council could step up and do more by chairing the committees that involve citizen membership who do some of the background work. A working committee structure can help with the work flow.

Councilor Young noted that she does not have the time to commit for chairing a committee.

CM Amberg noted that she is working through the committee list. Her goal is to provide council with a list that they can review and edit regarding the committee's purpose and how they were established. She is also working on a handbook to present to each committee person that will include information about Toledo's code, council rules and Oregon meeting laws. Each committee will have its own book with information specific to that committee.

Councilor Camara stated that what he is suggesting is a change in how council does business and how it may be more effective.

Mayor Cross said Councilor Camara's idea is only effective if they have enough energetic volunteers to make it work. The current available pool of interested volunteers is small and they need to work on increasing that pool.

Other Discussion

Councilor Camara announced that the Main Street Assessment, completed by the Oregon Main Street program is now available. He asked that the City Manager email a copy to council. Also, Don Amberg will represent the Toledo Development Association in a presentation to council at the August 26th work session.

CM Amberg agreed to follow up on emailing the Main Street Assessment to council.

Councilor Emmett announced that he will be on vacation and unable to attend the Aug 5th meeting.

Adjournment:

The meeting adjourned at 9:24 pm.

ATTEST:

APPROVE:

Assistant City Recorder

Mayor