

TOLEDO CITY COUNCIL MEETING
GOAL SETTING SESSION
January 7, 2014

Mayor Ralph Grutzmacher called the goal setting meeting to order at 10:00am. Councilors present: Michele Johnson, Alma Baxter, Council President Terri Strom, Jill Lyon and Jack Dunaway. Councilor absent: Jackie Kauffman

Staff Present: City Manager (CM) Michelle Amberg, City Attorney (CA) Wes Chadwick, Public Works Director (PWD) Frank Anderson, Aquatics and Recreation Director (ARD) Joe Andrews, Finance Director (FD) Polly Chavarria, City Recorder (CR) Nancy Bryant, Fire Chief (FC) Will Ewing, Library Director (LD) Deborah Trusty, and Assistant City Recorder (ACR) Susan Thompson.

Visitors present: Dave Morgan, Dani Palmer and Sharon Kanareff.

Visitors/Public Comment: None.

Overview of Process and Meeting Objectives:

CM Amberg reviewed the City Mission Statement, Philosophy Statement and the 2013 City Council Goals. She provided a brief overview of the goal setting process and meeting objectives. She further noted that the impact to the budget should be taken into account when developing the goals for 2014.

CM Amberg stated that each department has a Mission Statement for their department like public works does, and that now is a good time to start a Strategic Vision Plan for the City. Mayor Grutzmacher stated that this is something that needs to be budgeted for. FD Chavarria stated that if you add something to the budget we need to weight it against what is going to be given up. CM Amberg suggested that the City could apply for a Ford Foundation Grant to help cover the costs. She said the general budget is in good shape right now, but will die a death of a thousand cuts unless more taxes are found. Right now franchise fees are the only thing growing the General Fund.

Facilitate Goal Strategies:

The group began by discussing the Mission Statement and changed a few words without changing the meaning and ended up with the following:

To provide efficient and necessary public services that protect and enhance the quality of life in Toledo, now and in the future, as determined by citizens, law and available economic resources.

Facilitate Goal Strategies

CM Amberg provided the group with an overview of the goals from 2013 and asked the group what they would like to change or keep for 2014. By consensus the following fourteen goals were recommended for adoption by Council:

- 1. Improve communication technology availability**
- 2. Meet the transportation needs of all facets of our community**

3. **Maintain and improve public infrastructure and facilities**
4. **Be fiscally responsible**
5. **Maximize available revenue**
6. **Assure and provide service that protects the citizens of Toledo**
7. **Develop and maintain preparedness for extraordinary public emergencies and work cooperatively with other agencies**
8. **Implement technology to improve city-wide efficiencies**
9. **Maintain well-informed and effective city staff**
10. **Promote and support high-quality education**
11. **Collaborate with existing and potential partners**
12. **Identify and eliminate barriers and obstacles to economic growth**
13. **Support safe, decent and affordable housing and the built environment within the City**
14. **Maintain and enhance characteristics that make Toledo unique and attractive.**

Recess:

CM Amberg called for a lunch break at 12:03pm. The meeting resumed at 12:41pm.

City of Toledo Philosophy Statements

The group discussed the City of Toledo Philosophy Statements and agreed on the following:

The City Council will take action based on the principal of majority rule. When making decisions the city will take into consideration:

- The economic impact of actions/decisions and quality of life issues on citizens
- Maintenance and evaluation of existing services and programs and manage the city budget so that city services are maintained in the future
- Life cycle and safety of physical assets when determining maintenance and replacement of infrastructure and assets
- Personnel policies that produce motivated, stable and properly trained staff
- Future needs of the city government and the citizens of Toledo such as:
 - Advancing technology
 - Disaster Preparedness
- Collaboration with surrounding agencies in an effort to reduce cost for similar services through partnering and other creative efforts and explore and evaluate opportunities as they arise.
 - Current Examples:
 - Building and Safety
 - Code Enforcement

- Cooperative purchasing agreements
- Library District
- Fire District
- Siletz Police Contract
- Sale of water to Special Districts
- Providing mutual aid
- Participation in multi-agency assistance
- Emergency Dispatch

The group then discussed an action plan to achieve the 2014 goals:

INFRASTRUCTURE

Goal #1. Improve communication technology availability

- a. Re-examine outreach materials to assure that City's geographical location is obvious
- b. Solidify emergency communication for all Toledo emergency responders, police and fire

Goal #2. Meet the transportation needs of all facets of our community

- a. Implement TSP code revisions
- b. Find ways to fund – and then begin – TSP projects
- c. Repair asphalt in front of the Post Office (A Street/1st Street)
- d. Continue to work toward improving railroad crossings

Goal #3. Maintain and improve public Infrastructure and Facilities

- a. Infrastructure
 - i. Finish Phase I and II water projects on time and within budget
 - ii. Perform capital and operational upgrades to the Water Treatment Plant
 - iii. Complete Wastewater Treatment Plant Improvement Plan
 - iv. Begin infilling areas where there are no sidewalks
 - v. Complete pedestrian improvements at the bottom of Main Street
 - vi. Perform city-wide fencing upgrades
 - vii. Enhance infiltration and inflow suppression efforts on sewer collection system
 - viii. Explore the possibility of a land exchange for city-owned property near Mill Creek
 - ix. Evaluate possible solutions for identified issues associated with City-owned streets
- b. Facilities
 - i. Address concerns identified in the Facilities Plan
 - ii. Explore land banking the West Coast Bank building for future City use
 - iii. Prepare an estimate for rehab of the apartment over the City Council chambers to determine whether the project is feasible
 - iv. Work towards a plan to provide landscaping and safety features at City buildings:
 - City Hall
 - Install cameras at the entrances

- Improve safety lighting
- Install alarm system for building
- Install handrails for entrance stairs
- Police Station
 - Install fencing around parking lot for patrol vehicles
 - Place security cameras around station
 - Paint the station
- Library
 - Remove trees that have been identified for removal
- v. Complete plan for Toledo Swimming Pool improvements and develop a funding plan to address capital improvement needs
- vi. Develop a program to address facility stewardship and explore staffing levels
- vii. Develop a Park System Inventory and Needs Assessment

FINANCIAL SECURITY

Goal #4. Be fiscally responsible

- a. Prepare a Capital Improvement Plan
- b. Organize Finance Department archives
- c. Investigate other efficiencies for utility bill mailing and collection services
- d. Implement changes to past due procedures set by Council ordinance
- e. Implement H2O Program
- f. Develop a strategy to address annexations to include islands and identified portions of the Urban Growth Boundary
- g. Sell real property/TIP property and designate use and fund for revenue generated
- h. Discuss use and designation of revenue from Mill Creek timber harvest

Goal #5. Maximize available revenue

- a. Explore implementation of a gasoline tax
- b. Assure surplus property is disposed of in a manner which brings greatest financial benefit to City
- c. Create additional tax support for pool

PUBLIC SAFETY

Goal #6. Assure and provide services that protect the citizens of Toledo

- a. Raise citizen awareness of code enforcement services
- b. Purchase a new duty truck for the Fire Department
- c. Enhance Fire Marshal Inspection Program
- d. Provide City Council with a review and update for dispatching services
- e. Continue to promote Police Explorer and Reserve Programs in Toledo
- f. Continue to support CERT Program

Goal #7. Develop and maintain preparedness for extraordinary public emergencies and work cooperatively with other agencies

- a. Continue working on public safety awareness regarding Cascadia Event
- b. Review applicability of county-wide emergency preparedness plan

CITY SERVICES/DEPARTMENTS

Goal #8. Implement technology to improve city-wide efficiencies

- a. Continue and complete technology upgrades, i.e. phone system back-up system, wireless bridge
- b. Review and address confidentiality protocols for the server located at the Police Department to address deficiencies identified in the communications audit and to meet accreditation standards

Goal #9. Maintain well-informed and effective city staff

- a. Successfully recruit a new City Manager
- b. Increase Library staff's technological knowledge
- c. Maintain a well-trained, rescue-ready lifeguard staff
- d. Resolve staffing issue at Fire Department
- e. Develop a Public Safety Training Facility Plan
- f. Complete accreditation for Police Department and Dispatch
- g. Certify one police officer as a Drug Recognition Expert (DRE)

COLLABORATION

Goal #10. Promote and support high-quality education

- a. Create and implement teen programming in partnership with schools
- b. Create and implement the Children's Summer Reading Program with an outcome based assessment
- c. Continue partnership with the Lincoln County School District and other area schools to provide a high-quality school swimming lesson program
- d. Maintain Fire Department in-school emergency response group
- e. Continue active participation in Site Council

Goal #11. Collaborate with existing and potential partners

- a. Establish a "Friends of the Library" Foundation
- b. Explore partnerships with community groups to ensure availability of pre-teen recreational and educational programming
- c. Continue meeting with tribal representatives in support of the Siletz Policing contract
- d. Anticipate the desire to collaborate for interagency communication
- e. Maintain partnerships with area stakeholders:
 - i. Chamber of Commerce

- ii. Georgia Pacific Mill
- iii. Lincoln County
- iv. Confederated Tribes of Siletz Indians
- v. Port of Toledo
- vi. Lincoln County School District

QUALITY OF LIFE

Goal #12. Identify and eliminate barriers and obstacles to economic growth

- a. Continue to review and update Public Lands zoning designation
- b. Draft and adopt an off-site impact ordinance

Goal #13. Support safe, decent and affordable housing and the built environment within the City

- a. Abate 927 SW 7th Street
- b. Continue to work with the County Building Official to address rentals that have been occupied without a final inspection or certificate of occupancy
- c. Provide City Council with a review of the contract between the City and County that provides building permit and inspection activities
- d. Develop a plan that addresses substandard buildings within the City

Goal #14. Maintain and enhance characteristics that make Toledo unique and attractive

- a. Create and implement programming for adults at the Toledo Library
- b. Complete the dog park
- c. Install the proposed disc golf course and execute an on-going maintenance agreement with the League
- d. Perform housekeeping updates for the Zoning and Land Division ordinances
- e. Improve countywide awareness of the Toledo Swimming Pool's history, program offerings and facility needs
- f. Host successful special events at the Toledo Swimming Pool each quarter
- g. Complete a park improvement project through community involvement utilizing grant funding
- h. Maintain Tree City USA designation and explore additional urban forestry programs and activities through grants and partnerships
- i. Encourage civic-based activities and festivals
- j. Become a certified HEAL city by meeting minimum qualifications and submitting application
- k. Complete Heritage All Star application and submit to state for recognition

Group Thoughts

The group talked at length about the budget process and how the citizens can and should be part of the planning process. Councilor Lyon stated that she would like to see requests from the citizens as to what they would like to see budgeted and perhaps she could draft a form.

The conversation moved to the condition of City owned buildings and facilities. FD Chavarria stated that the city has a current building and facilities plan that is not being followed. City Hall is scheduled for a roof replacement at a cost of \$100,000. Those funds could be allocated toward the purchase of the former bank building. She noted that the Capital Improvement Facilities Plan identifies the former bank building as the cheapest option to improving the issues of the City Hall building. Mayor Grutzmacher suggested that moving City Hall seems to be more do-able now and said something needs to be presented to Council for a decision and that the PW Director should be the one to present the options.

The group made the following comments and suggestions:

- Consider changing the city logo to identify the state.
- The city logo needs to be copyrighted.
- The council wants to look at a solution to the roads inside the city that are not city-owned and not paved.
- Substandard and unsafe buildings within the city were also discussed.

CM Amberg stated that she will compile the draft list of the goals and tasks for Council and staff to review at the next Council meeting to be held January 14th, and the final document for adoption at the January 15th Session.

Adjournment:

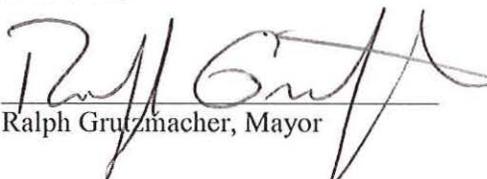
Mayor Grutzmacher adjourned the meeting at 4:48pm.

ATTEST:



Susan Thompson, Assistant City Recorder

APPROVE:



Ralph Grutzmacher, Mayor

TOLEDO CITY COUNCIL MINUTES
WORK SESSION
January 14, 2013 ~~2013~~ 2014

Mayor Ralph Grutzmacher called the Toledo City Council work session to order at 6:19pm.
Councilors present: Council President Terri Strom, Alma Baxter, Jill Lyon, Jack Dunaway, and Jackie Kauffman. Councilor excused: Michele Johnson.

Staff present: City Manager (CM) Michelle Amberg, City Attorney (CA) Wes Chadwick, Public Works Director (PWD) Frank Anderson, Public Works Superintendent (PWS) Dave Inman, Library Director (LD) Deborah Trusty, Parks and Recreation Director (PRD) Joe Andrews, and City Recorder (CR) Nancy Bryant.

Visitors present: Tom Chandler, Jerry Seth, Don Amberg and Dave Morgan.

Visitors Comments: There were none.

Discussion and Information Items

Committee Updates

Councilor Dunaway reported that City officials met with Matt Fehrenbacher, consultant of Trout Mountain Forestry to review the Mil Creek forest area harvest plan in 2014. The group discussed the following:

- During Fehrenbacher's field review of the property he noticed potential slope instability. The group agreed that it will be beneficial for the City to request a geotechnical survey from the Oregon Department of Forestry. The review should be complete within a couple of weeks.
- On behalf of the City, Trout Mountain applied for a grant to establish conifer along the alder dominated areas to improve the aquatic species along the stream and reservoir. The project has not received a final approval from the Alsea Watershed Council. It is a \$20,000 grant project with a 25% match which may be met with in-kind service.
- The group discussed a certification process which the forestry consultant will pursue. The annual cost to the City for certification will be \$100 per year and \$1.50 per 1000 board feet harvested. The certification indicates that the lands are managed to the highest environmental standard.
- The consultant is informally looking into land exchange opportunities of the 120 acre isolated area owned by the City. This property is not contiguous to the reservoir and serves no strategic purpose to the City.

Councilor Lyon reported that Lincoln County Telecommunication Committee met and discussed issues with services provided by Willamette Valley Communications Center (WVCC). She stated that the issues may be corrected through additional staff training at WVCC.

Mayor Grutzmacher reported that he received a letter from the Economic Development Alliance of Lincoln County stating that it will be putting together a list of economic development projects by priority emphasizing those that can be funded and accomplished.

2014 Action Plan and City Council Goals Review

CM Amberg provided drafts of the City's philosophy statement, mission statement, 2014 goals and action plan. Mayor Grutzmacher stated that the Goal Setting Session was a very productive session with Council members and department heads. He said the group came up with a good plan. CM Amberg agreed to provide the final goals for approval at the City Council meeting of January 15, 2014.

Conduit Requirement Ordinance

CA Chadwick reported that the Lincoln County Telecom Committee has recommended ordinance language to local governments for consideration as part of the municipal Code. The adopted ordinance will require new property development to include placement of telecommunications conduit in the ground for future installation. CA Chadwick provided Council members with a draft ordinance and asked that they review it prior to additional discussion at the February work session. Councilor Lyon explained that this would not apply to emergency repair of ground utilities.

Request for Proposals

This item was tabled to an undetermined date.

Budget Committee Applicants

CM Amberg reported that Chuck Gerttula and Julie Rockwell have indicated that they would like to be re-appointed to an additional term on the Budget Committee. Staff will bring the formal request of appointment to Council at its January 15, 2014 meeting.

Contribution Committee Applicants

CM Amberg reported that no official applicants have been received. Bob Deming has expressed an interest but has not submitted an application. CR Bryant noted that the Contribution Committee requires one member of the Budget Committee which is vacant at this time. Staff sent an email to all of the Budget Committee members and Bob Deming was the only member to reply.

Planning Commission Applications

CM Amberg reported that an interview is scheduled at 6:45pm Jan 15th to interview the one applicant.

Recommendation for City Manager Pro Tem

CP Strom reported that the Recommendation Committee conducted telephone interviews of two applicants. Additional interviews are scheduled for Friday morning. The Committee will request a City Council Special Session on January 22nd at 6:15pm to discuss the recommendation as well as the standards and criteria Council will use in replacing the City Manager.

Consider Adjustment of Employee Benefit Cost

CM Amberg reported that there is one city employee in the management group who is not full time. During the city's benefit open enrollment period this person signed up for dependent coverage and because of the group this person is in it showed that the cost was zero. The City's past practice is that employees working part time pay the dependent coverage. The City's enrollment period is closed and cannot be changed during the plan year. Staff will be asking the council to take action and extend the same benefits to this individual as everyone else in the management group.

Council and staff discussed a comparison of benefits for the different employee groups within the City. CM Amberg noted that there will be a fiscal year salary savings in Administration because of her departure. She also noted that the Management Compensation Plan is due for review.

Additional Council Comments

Councilor Dunaway requested Council's permission to discuss the City owned parcel of wetland along East Slope Road with other agencies that may have an interest in that land and how it is used. He suggested contact with US Fish and Wildlife, Oregon Department of Transportation, Oregon Fish and Wildlife, and Wetlands Conservancy. By consensus, Council agreed that Councilor Dunaway should proceed.

City Manager Comments

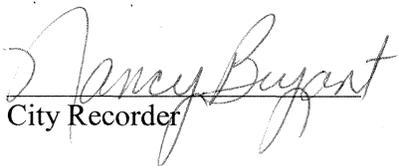
In response to a request by Councilor Dunaway CM Amberg stated the following topics that the City should continue to work on and consider:

- The City should consider hiring an outside facilitator to develop the City's strategic plan.
- Complete the Capital Improvement Plan.
- Review the Siletz Police Contract and decide how the City wants to move forward.
- Continue to foster the relationships and connections with the Port of Toledo, Georgia Pacific and the CTSI.
- The City's goals facility issues and staffing needs should guide the budgeting process for the next fiscal year. For instance, substandard housing has been identified within the City but the city does not have the staffing it needs to deal with the issue. The City needs to determine how it will cut its losses with the facilities plan. She noted that the cost could be cut in half by making some unpopular decisions.
- Focus on policy issues and provide staff with a clear direction.
- The first priority for adding to the City staff is a Facilities Manager. She said she would also add more hours for the Contract Planner, a Building Safety position and more hours for the Contract Code Enforcement Officer. She suggested that the City could consider contacting Local Government Personnel Institute (LGPI) for a staffing study to determine staffing needs.

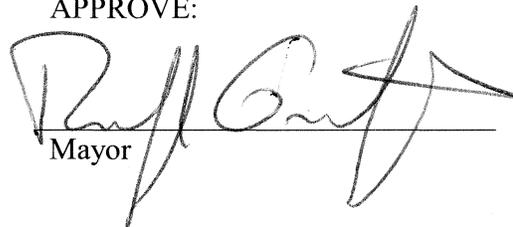
Adjournment:

Mayor Grutzmacher adjourned the meeting at 7:01pm.

ATTEST:


City Recorder

APPROVE:


Mayor

TOLEDO CITY COUNCIL MINUTES
REGULAR SESSION
January 15, 2014

Mayor Ralph Grutzmacher called the regular meeting of Toledo City Council to order at 6:45pm. Councilors present: Jill Lyon, Jack Dunaway, Alma Baxter, Michele Johnson and Council President Terri Strom. Council absent: Jackie Kauffman.

Staff present: City Manager (CM) Michelle Amberg, City Attorney (CA) Wes Chadwick, Public Works Director (PWD) Frank Anderson, City Recorder (CR) Nancy Bryant, Planning Technician/Assistant Planner Arlene Inukai, Police Chief (PC) Dave Enyeart, Finance Director (FD) Polly Chavarria, Lead Dispatcher Maria Waldrip, Recreation Director (RD) Joe Andrews, Library Director (LD) Deborah Trusty and Fire Division Chief Anthony Monroe.

Visitors present: Dani Palmer, Derek Anderson, Glen Kearns, Bill Montgomery, Don Amberg, Susan Thompson, and Ernest Thompson.

Interview for Planning Commission Vacancy

Julie Rockwell was unable to attend the scheduled interview.

Proclamation

Mayor Grutzmacher, on behalf of City Council, wished Michelle and Don Amberg the greatest good fortune in their new home and new positions. He said that he expects them to visit Toledo on a regular basis.

Mayor Grutzmacher called for a recess to honor CM Amberg's farewell with cake and coffee at 6:48pm. The meeting resumed at 7:00pm.

Visitors/Public Comment

There were none.

Consent Calendar

Motion- It was moved and seconded (Strom/Baxter) to approve the consent calendar consisting of the invoice list dated January 10, 2014, and Council minutes of December 4th, 10th, 18th, and 23rd, 2013. **Motion passed 6-0**, noting the absence of Councilor Kauffman.

Discussion and Information Items

Committee Updates

CM Amberg reported the current vacancies on Council Committees as follows; Public Utility Commission (1), Budget Committee (1), Contribution Committee (3), Planning Commission (1), Parks & Recreation Committee (2).

Annual Audit Report

Glen Kearns, CPA and partner with Acuity, LLC reported that the 2013 Audit report format is different because of newly required standards. He said the City of Toledo had an uneventful year;

it is in good financial shape and in compliance with all pertinent laws. The city's financial statements present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities each major fund, and the aggregate remaining fund information of the City of Toledo as of June 30, 2013. The respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. The city received an unqualified opinion. Kearns then commended City staff for the phenomenal job they do to keep the City in compliance.

Mayor Grutzmacher thanked staff for keeping the city in good shape. Councilor Lyon also thanked FD Chavarria and the staff in the finance department.

2013 Final Goals Update

CM Amberg provided Council with the final report of accomplishments of the 2013 City Council Goals and Strategies. Councilor Lyon noted that any goal that was not completed in 2013 was added to the 2014 list of City goals. CM Amberg noted that the departments have done a wonderful job of accomplishing the listed tasks for 2013. Mayor Grutzmacher thanked staff for a job well done.

Decision Items

Appointment to the Toledo Planning Commission

CM Amberg reported that the current vacancy on the planning commission was caused by the resignation of Linda Brodeur who resigned July 10, 2013. City Council was unable to interview Julie Rockwell as planned on this date. She suggested that Council may make an appointment without the interview based on their knowledge of the applicant.

Mayor Grutzmacher stated that he is ready to make an appointment at this time.

Visitors Comment:

There was none.

Motion- It was moved and seconded (Lyon/Strom) to temporarily suspend Council rules and appoint Julie Rockwell to a term on the Planning Commission which expires on December 31, 2015. **Motion passed 6-0**, noting the absence of Councilor Kauffman.

Appointment to the Budget Committee

CM Amberg reported that Chuck Gerttula and Julie Rockwell have each served on the Budget Committee to terms that expired December 31, 2013. Both have indicated that they are interested in serving an additional four year term which will end December 31, 2016. Staff recommends temporarily suspending Council rules and appointing Chuck Gerttula and Julie Rockwell to the Budget Committee.

Visitors Comment:

There was none.

Motion-It was moved and seconded (Dunaway/Baxter) to temporarily suspend council rules and reappoint Julie Rockwell and Chuck Gerttula to the Budget Committee for terms ending December 31, 2016. **Motion passed 6-0**, noting the absence of Councilor Kauffman.

Authorize an Intergovernmental Agreement for the Wooden Deck on Main Street

CA Chadwick reported that in 2002, the City of Toledo (Seller) and the Cascades West Council of Governments (Buyer) entered into a contract of sale of the building and adjoining deck located at 203 North Main Street. The contract required minimum monthly payments until the completion of the contract on May 1, 2001. The Cascades West Council of Governments has expressed their intent to pay off the remaining balance of the contract. In regards to the adjoining deck lying north of the building, the contract provided as follows:

Located north of the building is a 16' X 32' deck which the Seller is responsible for maintaining. At the conclusion of the contract, the seller has the option to continue using the deck area. If the seller exercises its option to continue using the deck area, the parties will enter into a ten year lease with ten-year renewal options to continue so long as the building exists into perpetuity, unless sooner terminated according to the provisions of that lease. The seller shall be responsible to remove the deck and landscape area at the time the lease is terminated.

CA Chadwick suggested the City and the Cascades West Council of Governments enter into the proposed intergovernmental agreement for the City to continue using the deck until such time as the building no longer exists. Staff recommends authorizing the City Manager to enter into an agreement for the continued use of the deck.

Visitors Comment:
There were none.

Motion- It was moved and seconded (Strom/Lyon) to authorize the City Manager to sign the intergovernmental agreement with Cascades West Council of Governments.

Motion passed 6-0, noting the absence of Councilor Kauffman.

Consideration to Adjust Employee Benefit Cost

CM Amberg reported that the Management Compensation Plan is silent regarding dependent coverage for part-time employees in that group. The City's practice has been to provide health insurance for the employee but not for dependents for union represented employees who work less than full-time. These employees are offered the option of paying the full additional premium for family members they wish to have covered under the City's Plan. The City's enrollment period for City County Insurance Services (CCIS) occurred in November of 2013 and once the enrollment period is closed no changes can be made. Based on the information provided on the enrollment website during the enrollment period, a part time employee of the management group signed up for dependent coverage not understanding that the employee portion of the premium would be \$485.15 per month. This employee works four days per week (32 hours per week) and is the only part time employee in the management group. Staff is recommending that Council amend the Management Compensation Plan so that employees working less than a 40 hour workweek receive the same medical benefit coverage for dependents as full-time employees within that group. She also stated that there will be a salary cost savings in administration this fiscal year because of her departure which will more than compensate for the extra cost.

Councilor Dunaway suggested stipulating that the change only applies for the current plan year. He said he believes that it is an honest mistake by two parties but he would not like to see the change become the norm. Councilor Lyon stated that she shares Councilor Dunaway's opinion noting that renewal of the Management Compensation Plan terms would supersede this decision. Mayor Grutzmacher stated that the City doesn't use consistent terms for who is covered and who

is not covered. He said the Management Compensation Plan doesn't address dependent coverage and secondly there is a direct provision for part time managers. He stated that a mistake has been made and there is a significant cost to it. He said that he believes there has been an unjust enrichment to this employee. He stated that he would settle for the employee paying 20% of the amount above single coverage. He would like to know what that amount will be. Councilor Johnson agreed that she would like to know that information as well. Councilor Baxter asked if there is something that can be done to alleviate the burden. CM Amberg noted that this is the year that Council will review the Management Compensation Plan and any discrepancies can be remedied in the review process. Councilor Lyon noted that it is a two part issue; changing the current plan to relieve the hardship for the employee and second is reviewing the language in the plan. Councilor Strom stated that she agrees with Councilor Dunaway's suggestion of stipulating that the change is only for the benefit plan year. Mayor Grutzmacher suggested staff have a discussion with the employee about what amount would be fair pointing out that there is an obligation to pay some portion of the premium for being part time. He asked that staff bring back more data on what it will cost to fix this. Councilor Baxter asked that the item be placed on the agenda of the special session scheduled for January 22nd. Council agreed to add the item to the January 22nd special session.

No motion was made on this decision item.

Approval of a Labor Agreement with the Toledo Public Safety Association

CM Amberg reported that the Public Safety Association contract expired June 30, 2013. The City received a letter from the Association stating their intent to bargain on December 12, 2012. The City's representatives met with the Association's representatives for the required 150 days without coming to an agreement. In preparation for the possibility of arbitration, the City contracted with the Local Government Personnel Institute (LGPI) for assistance. The LGPI Attorney held discussions with the Association's Attorney and progress was made towards an agreement which was presented to City Council in executive session on December 18, 2013. On January 3, 2014, the Public Safety Association held a vote and ratified the proposed agreement. Staff recommends that Council approve the proposed Public Safety Association Contract for July 1, 2013 through June 30, 2016.

Visitors Comment:

There was none.

Motion- It was moved and seconded (Dunaway/Johnson) to approve the proposed Public Safety Association Contract for July 1, 2013 through June 30, 2016. **Motion passed 6-0**, noting the absence of Councilor Kauffman.

Resolution of Intent to Hire a City Manager

CA Chadwick reported that at the Council meeting held on December 18, 2013, City Manager Michelle Amberg tendered her resignation to the city council following her appointment with the City of Creswell. The City Manager's last date of employment with the City is January 18, 2014. Section 20(3) of the City Charter requires the Council to pass a resolution expressing their intent to appoint another city manager no later than 12 months after the vacancy occurs. The proposed resolution fulfills this requirement.

Visitors Comment:

There was none.

Motion- It was moved and seconded (Lyon/Johnson) to adopt **Resolution No. 1346**, A Resolution of intent to hire a City Manager no later than 12 months after January 18, 2014.

Motion passed 6-0, noting the absence of Councilor Kauffman.

Recommendation to Hire a City Manager Pro Tem

CP Strom noted that the Recommendation Committee continues with the process of interviews for recommendation of a City Manager Pro Tem. The Committee tabled its recommendation to the City Council executive session on January 22, 2014. CP Strom stated that the Committee recommends Council appoint City Attorney Wes Chadwick to act as City Manager Pro Tem with all of the authority of pro tem duties beginning January 18th and until a pro tem is hired.

Visitors Comment:

There were none.

Motion- It was moved and seconded (Lyon/Johnson) to appoint Wes Chadwick as interim City Manager beginning effective January 18, 2014 and until an interim City Manager is hired.

Motion passed 5-0, noting the absence of Councilor Kauffman and that Mayor Grutzmacher abstained from voting.

Adopt the 2014 Action Plan and Council Goals

CM Amberg reported that the City Council and staff held a day long meeting on January 7, 2014 to review the City's Mission Statement, Philosophy Statement and Goals to develop an Action Plan for 2014. Also at the meeting were members of the media and one member of the public. Drafts were presented to City Council for review at its work session on January 14, 2014.

Visitors Comment:

There was none.

Motion- It was moved and seconded (Strom/Baxter) to adopt the City Council Goals, Philosophy Statement and Action Plan for 2014. **Motion passed 6-0**, noting the absence of Councilor Kauffman.

Reports and Comments

Department Reports

PWD Anderson reported the following regarding the water master plan projects:

- Numerous waterlines have been installed and connected at Sturdevant Road, Arcadia Drive, South Beech at Fifth Street, Burgess Road and Skyline Drive. Some paving and clean up remains in those areas.
- The Magnolia Drive waterline project is in progress. The line is installed but not connected. This should be completed by the beginning of next week.
- The Skyline Reservoir project is active and is approximately halfway complete.
- The two new pump station constructions are moving along and should be completed in February.
- The Siletz River intake and the Olalla Reservoir projects will go out for bid on January 17th with a bid opening date scheduled for March 12th. The intake project has an estimated cost of \$1.75 million dollars and the Olalla Reservoir Crossing project has an estimated cost of \$550,000.

PWD Anderson also reported:

- The department is planning to complete the Roberts sewer line project this spring. The line is aged and has deteriorated allowing water to get into the system. Completing this project will reduce the I & I within the City's sewer system.
- A water main break on "A" Street was recently repaired.
- Matt MacPhail has accepted the position of Wastewater Plant Lead Operator and will start February 3rd.

LD Trusty reported that the Library received a \$1,000 grant for the Summer Reading Program as well as \$250 in unsolicited funds from the Oregon Community Foundation. The department also anticipates receiving \$750 from the Oregon Library Association to assist with the William Stafford reading program. The Library is receiving a great response to the "Constant Contact" newsletter. The tree removal issues at the Library were included in the latest issue and so far the public responses have been positive.

CR Bryant wished Michelle Amberg lots of luck in her new job.

City Manager's Report

CM Amberg reported the following:

- The monthly report was distributed.
- She thanked the City of Toledo for allowing her to be the City Manager for the last five years. She thanked staff for their patience and City Council for working together in all that has been accomplished in the last five years. She wished everyone the very best in the future.

Council Comments

Councilor Johnson thanked Michelle for her service and expressed her hope that the City will find someone with her knowledge and talent to take her place.

Councilor Baxter thanked Michelle for her willingness to connect the City Council not only with the community but with so many other organizations. She said that she appreciates her professionalism.

CP Strom stated that she will miss Michelle as a neighbor and wished her well in her new position. She also stated that she has appreciated seeing Michelle and Don as such a big part of the community.

Councilor Lyon stated that she has constantly been impressed by Michelle's professionalism, skills, and what she has done to lead the City. She said Michelle will be missed very much.

Councilor Dunaway expressed his appreciation of the Water System Master Plan projects that were identified in the 1990's but was always passed on. He said this is a huge accomplishment that will benefit the City for decades to come and he appreciates that Michelle was the leader of that project.

CM Amberg noted that in the future people will look back and see what great timing the City had for implementing the Water Master Plan projects. Even though it was done during the middle of a recession the City received bids at a very low rate, sold the bonds the day the stock market crashed, received an unbelievable low interest rate, and was able to move quickly because Council

decided to sell the bonds rather than wait for the two year cycle of federal funding. She noted that a lot of credit goes to those who held seats on City Council at that time.

Mayor Comments

Mayor Grutzmacher stated that in his observation Michelle and the City staff are the ones who have the long term view. Council members come and go. He said the result is that the City Manager and department heads make them all look good and that Michelle's combination of keeping her eye on the ball has put the City in a great financial place. He then thanked Peter Vince and the students of Toledo Jr/Sr High School for filming this meeting.

Mayor Grutzmacher then called for a recess at 8:07pm; he announced that an executive session will follow. He then made the following statement: "Representatives of the news media and designated staff shall be allowed to attend the executive session. All other members of the audience are not permitted to attend. Representatives of the news media are specifically directed not to report on any of the deliberations of the executive session except to state the general subject session as previously announced. No final decisions may be made in executive session. At the end of executive session Council will return to open session and welcome the audience into the room."

The meeting resumed at 8:10pm in executive session according to ORS 192.660(2), concerning:
(a) To consider the employment of a public officer, employee, staff member or individual agent.
(b) To consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

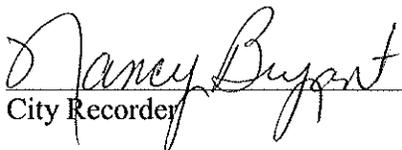
Executive Session

Council and staff discussed the Monroe litigation. Staff reported that a settlement has been reached.

Adjournment:

Council returned to regular session and Mayor Grutzmacher adjourned the meeting at 8:21pm.

ATTEST:



City Recorder

APPROVE:



Mayor

TOLEDO CITY COUNCIL MINUTES
SPECIAL SESSION
January 22, 2014

Mayor Grutzmacher opened the special session of City Council and called for a brief recess at 6:15pm noting that an executive session will follow according to ORS 192.660(2), concerning: (a) To consider the employment of a public officer, employee, staff member or individual agent.

Council Present: Jill Lyon, Jack Dunaway, Jackie Kauffman, Alma Baxter, Michele Johnson and Council President Terri Strom.

Mayor Grutzmacher then made the following statement: "Representatives of the news media and designated staff shall be allowed to attend the executive session. All other members of the audience are not permitted to attend. Representatives of the news media are specifically directed not to report on any of the deliberations of the executive session except to state the general subject session as previously announced. No final decisions may be made in executive session. At the end of executive session Council will return to open session and welcome the audience into the room."

Councilor Lyon declared a conflict of interest because of her relationship with Mayor Grutzmacher who has applied for the City Manager Pro Tem Position. She stated that she will not participate in the executive session as well as the discussion of hiring a City Manager Pro Tem.

Mayor Grutzmacher declared a conflict of interest because he has applied to the position of City Manager Pro Tem. He excused himself from the executive session as well as the discussion of hiring a City Manager Pro Tem.

Executive Session

Council discussed the nomination of a City Manager Pro Tem made by the voting members of the Recommendation Committee.

Open Session

Council resumed in open session at 6:46pm.

Staff present: City Manager Pro Tem/City Attorney (CA) Wes Chadwick, Public Works Director (PWD) Frank Anderson, City Recorder (CR) Nancy Bryant, Police Chief (PC) Dave Enyeart, Finance Director (FD) Polly Chavarria, Recreation Director (RD) Joe Andrews and Library Director (LD) Deborah Trusty.

Visitors Present: Jerry Seth, Larry Coonrod, Dani Palmer, Don Amberg, and Sharon Kanareff.

Visitors/Public Comment

There were none.

Discussion and Information Items

Consider Standards and Criteria Used to Appoint a City Manager

CA Chadwick provided Council with publications to aid them in the recruitment of a City Manager. He asked that Council review and consider the information when deciding how they wish to move forward. He said Council will have the opportunity to discuss the recruitment process at its February 11th work session. Council and staff briefly discussed recruitment options.

Mayor Grutzmacher asked for a motion to add the Confederated Tribes of the Siletz Indians (CTSI) Police Services Contract to this meeting agenda.

Motion- It was moved and seconded (Strom/Dunaway) to add the Siletz Policing Contract to this meeting agenda. **Motion passed 7-0.**

Siletz Police Contract

Chadwick reported that on January 13th the City Council of the City of Siletz met to decide whether or not to put a tax levy on the ballot to support police services within their community. The Siletz Council decided against the levy. On January 17, 2014 the City received a termination notice of the Intergovernmental Agreement for law enforcement services to the CTSI. Staff expects that the contract will end on March 18, 2014. He stated that the final impact to the Toledo police department may be worked out in the City's budget. The contract supported two patrol officer positions which are currently vacant.

PC Enyeart reported that the City has had a contract to provide police services to the City of Siletz for about seven and a half years. Adjustments have been made from the original contract to accommodate what the CTSI has been willing to pay for the service. The City of Siletz has contributed approximately \$1000 from their municipal court funds to this service. Staff is not anticipating employee lay offs at this time. He said Siletz has been a very busy place for the Toledo Police Department and the department has had a positive impact. There are some concerns regarding law enforcement coverage in Siletz which has been discussed with local County and State law enforcement.

Councilor Lyon noted that it was a good relationship and it is a shame to lose it. Councilor Dunaway thanked staff for trying to make the relationship work for both cities.

Mayor Grutzmacher said that he has discussed the issue with Tribal Council Chairman Delores Pigsley and she stated that she is open to discussing service provided for just tribal lands. PC Enyeart said that has been discussed in the past but the issue is providing service to tribal members who live in the City of Siletz and not on tribal lands. Mayor Grutzmacher asked PC Enyeart to address grants that CTSI has received that may require law enforcement services. PC Enyeart stated that he does not know how CTSI will deal with their grant requirements. Mayor Grutzmacher noted that this is an unfortunate circumstance and it is unfortunate that the City of Siletz couldn't find a way to meet its obligation.

Decision Items

Mayor Grutzmacher turned the meeting over to CP Strom who presided over the next agenda item only. Mayor Grutzmacher and Councilor Lyon excused themselves from discussion of the following agenda item.

Recommendation to Hire a City Manager Pro Tem

CP Strom reported that the Recommendation Committee has met over the last few weeks. Eight applications were received for the interim City Manager. The Committee has come to a decision and is ready to make a recommendation. She called for a motion.

Visitors Comment:

There was none.

Motion- It was moved and seconded (Baxter/Johnson) to appoint Don Munkers as the City Manager Pro Tem and authorize City Attorney Wes Chadwick to negotiate a contract to be signed by Council President Strom.

Motion passed 5-0, noting that Mayor Grutzmacher and Councilor Lyon abstained from voting.

Adjustment of Employee Benefit Cost

CA Chadwick reported that this item came before Council on January 15th. Council requested additional information regarding the amount that was being paid by the employee. He said the cost to the City for the employee's insurance coverage is \$582.70. The issue is at what level is the City willing to pay for the employee's dependent coverage given the error that has occurred. Councilor Lyon asked if there is additional statistics that staff can provide. CA Chadwick indicated that there is no additional information. Councilor Baxter noted that the issue at hand is how much of the expense the City is willing to cover. CA Chadwick agreed and stated that the City's Management Compensation Plan is a different discussion for a different time.

Visitors Comment:

There was none.

Motion-It was moved and seconded (Baxter/Strom) to amend the Management Compensation Plan so that employees working less than a 40-hour workweek receive the same medical benefit coverage for dependents as full-time employees for the current benefit plan year.

Council Comment:

Councilor Lyon stated that she understands the need to do this but it is also a lesson to watch the language when putting together an agreement with the non-represented employees.

Mayor Grutzmacher asked if the employee was paying for dependent coverage outside of the City's plan. He said that he is uncomfortable with the solution. Councilor Baxter stated that it is inappropriate to ask if the employee had benefit coverage elsewhere and what that dollar amount would have contributed to. She said she believes this was a gross error and not necessarily on the employee's part.

Motion passed 6-1, noting Mayor Grutzmacher voting opposed.

Emergency Repair of Swimming Pool Equipment

PRD Andrews reported that on January 17th the main circulation pump at the Swimming Pool failed to operate and the swimming pool has been inoperable since that date. He said the equipment is aged and not repairable. Staff researched replacement of the equipment and anticipates the cost to be approximately \$5,000. It is also anticipated that public works employees will be able to install the replacement.

Councilor Baxter suggested that the Public Works department may need to regularly monitor the equipment at the swimming pool. Councilor Lyon noted that this issue brings up the need for a Facilities Manager.

Visitors Comment:

There were none.

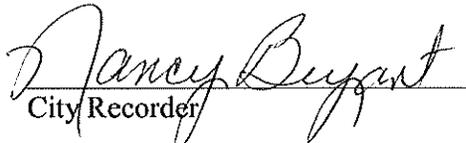
Motion- It was moved and seconded (Baxter/Lyon) to authorize staff to replace the main circulation pump and ancillary equipment at the Toledo Swimming Pool. **Motion passed 7-0.**

Mayor Grutzmacher announced that he will be meeting with representatives from the Railroad on January 29th and asked if others would like to attend. PWD Anderson and Councilors Dunaway and Baxter agreed to attend.

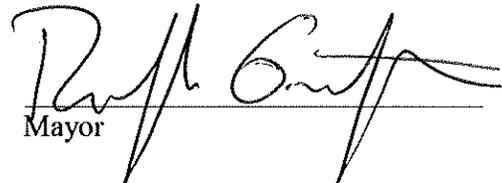
Adjournment:

The meeting adjourned at 7:27pm.

ATTEST:


City Recorder

APPROVE:


Mayor

TOLEDO CITY COUNCIL MINUTES
REGULAR SESSION
February 5, 2014

Mayor Ralph Grutzmacher called the regular meeting of Toledo City Council to order at 7:00pm. Councilors present: Jill Lyon, Jack Dunaway, Michele Johnson, Jackie Kauffman and Council President (CP) Terri Strom. Councilors absent: Alma Baxter.

Staff present: City Manager Pro Tem (CM) Don Munkers, City Attorney (CA) Wes Chadwick, City Recorder (CR) Nancy Bryant, Police Chief (PC) Dave Eneyart, Finance Director (FD) Polly Chavarria, Aquatics/Recreation Director (ARD) Joe Andrews, and Library Director (LD) Deborah Trusty.

Visitors present: Stu Strom.

Visitors/Public Comment

There were none

Introduction of City Manager Pro Tem

CA Chadwick introduced Don Munkers who was recently hired as the City Manager Pro Tem. He noted that Mr. Munkers' first day was Monday and that he has been getting acquainted with staff and the city facilities.

Consent Calendar

Motion- It was moved and seconded (Dunaway/Kauffman) to approve the consent calendar consisting of the invoice list dated January 10, 2014, Council minutes of January 14th, 15th, and 22nd, 2014, City Council Goal Setting Session of January 7, 2014, surplus equipment request-Public Works, and Destruction of Records-City Recorder.

Motion passed 6-0, noting the absence of Councilor Baxter.

Discussion and Information Items

Committee Updates

Councilor Dunaway reported that he attended the January CWACT meeting. He noted that the Oregon Department of Transportation (ODOT) 2015-2018 rolling construction plan includes two projects that will have a positive influence on Toledo; a 1.65 million dollar project to reconstruct the roadway at the East Junction of Business Hwy 20 and Hwy 20 as well as the Clem Road/Mouse Mountain Hwy repaving project. He said it is important to note that one project that is listed as high priority; unfunded and unplanned is Toledo's West Junction of Business Hwy 20 and Hwy 20. He noted that the next funding cycle will begin in the fall and it is important to keep this project in the forefront.

Mayor Grutzmacher reported that he met with John Syrus of Portland and Western Railroad to discuss rail crossings in Toledo. There were no promises but he believes Mr. Syrus recognizes that something needs to be done.

Decision Items

City Council Strategic Reserve Fund Expenditure

FD Chavarria explained that when the Strategic Reserve Fund was created from the Projects Fund, there was donation money being held in the Projects Fund for construction of benches around town. This is the last expenditure held in the fund for that purpose. Because the money was donated to the City for the specific purpose of certain bench projects, it may only be spent for those projects. The funds were donated by the Huff family. Mayor Grutzmacher noted that he likes the benches and believes they add beauty to the city.

Visitors Comment:

There was none.

Motion- It was moved and seconded (Strom/Lyon) to approve payment of the invoice for \$500 from Briseno Metal Work for construction of a public bench. **Motion passed 6-0** noting the absence of Councilor Baxter.

Ace Hardware Invoice List

CA Chadwick reported that the invoice of expenditures for Ace Hardware is separate from the consent calendar. Separating the attached invoice list from the consent calendar allows Councilor Strom to vote on the consent calendar while refraining from voting on the attached invoice list because of her actual conflict of interest. Councilor Strom declared a direct conflict of interest because of her ownership of Ace Hardware.

Visitors Comment:

There was none.

Motion- It was moved and seconded (Lyon/Kauffman) to approve the invoice list for Act Hardware dated January 29, 2014. **Motion passed 5-0-1**, noting the absence of Councilor Baxter that Council Strom abstained from voting.

Reports and Comments

Department Reports

PC Enyeart reported the following:

- Michael Pace has been promoted from Patrol Officer to Sergeant.
- The department is continuing with the Patrol Officer new hire process.
- He and CM Munkers met with the Confederated Tribe of the Siletz Indians and he is 99% sure that the contract is going away.
- A flag pole has been placed at the Police Station.
- The current weather report is for hazardous conditions including freezing rain, sleet and snow. He cautioned all to be safe.
- PC Enyeart noted that the temporary patrol position will be replaced by the new hire.

ARD Andrews reported that the failed pump has been replaced at the Swimming Pool and he expects the facility to reopen by Friday. He also reported that Toledo's application for the Tree City USA designation has been accepted for the 20th year in a row. A presentation from the Forestry Department will follow in April.

LD Trusty reported that the Library Department continues to work on removal of hazardous trees at the facility. She also reported that the department's job recruitment for a Library Technician has been very positive. She said there are lots of new books on the shelves and the Teen Book Club will begin next week.

CR Bryant reported that she is collecting Council handbooks for updates.

City Manager's Report

CM Munkers reported the following:

- He thanked Council for the opportunity to help Toledo out over the next few months. He has met with the department heads and will continue to visit the City facilities.
- He will provide suggestions and information regarding the process for seeking a City Manager at Council's next work session.
- The meeting with Chief Enyeart and representatives of the Confederated Tribes of Siletz Indians was interesting and he has made follow up inquiries on that subject.
- He thanked Peter Vince and the Toledo Jr/Sr High students for video taping this meeting.

Council Comments

CP Strom thanked Celeste Mathews, Councilor Johnson, and Ricky Rasmussen for placing the Valentines around town.

Councilor Lyon announced that the Yaquina River Museum of Art has a new exhibit called "The Board's Own". The exhibit includes pieces of art from the collections of the board members. She encouraged all to see it.

Councilor Dunaway welcomed CM Munkers to Toledo and thanked him for taking on the job. He asked that CM Munkers take time to evaluate the systems within the City and provide candid advice on how we are doing in all aspects.

Mayor Comments

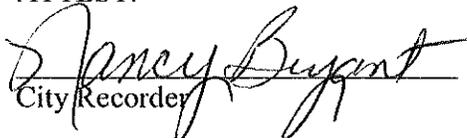
Mayor Grutzmacher asked to add the following items to the next work session agenda:

- Solicitation of letters on the Toledo Industrial Property. He would like to know where the City is in reserving funds for the balloon payment on the loan.
- Employee health benefits: compare the language of the bargaining agreements and the Management Compensation Plan. He questions whether the City should continue with the current provider.
- Benefit open enrollment materials: most recent materials provided to employees.
- The two times a year that council work sessions fall on a day before a regular session. He would like to define that those work sessions happen on Tuesday the week between the two regular sessions.
- Mayor Grutzmacher also noted that he received a phone call from a group called Communities of Distinction who produce five minute television segments. He will follow up with information at the next work session.

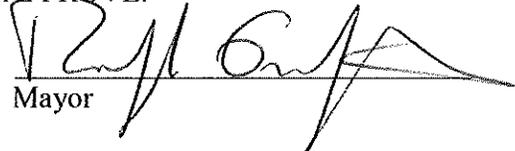
Adjournment:

Mayor Grutzmacher adjourned the meeting at 7:33pm.

ATTEST:


City Recorder

APPROVE:


Mayor

TOLEDO CITY COUNCIL MINUTES
WORK SESSION
February 11, 2014

Mayor Ralph Grutzmacher called the Toledo City Council work session to order at 6:15pm.
Councilors present: Michele Johnson, Alma Baxter, Jill Lyon, Jack Dunaway, and Jackie Kauffman, Councilor absent: Council President Terri Strom.

Staff present: City Manager Pro Tem (CM) Don Munkers, City Attorney (CA) Wes Chadwick, and City Recorder (CR) Nancy Bryant.

Visitors present: There were no visitors.

Discussion and Information Items

Committee Updates

Councilor Lyon reported that she attended the County Telecom Committee meeting on this date. The Committee discussed the ongoing progress on the County Fire Simulcast System which will consist of two pairs of frequencies. The second pair is currently being installed with continued optimization. The system should be available to all of the county fire agencies on March 28th. Once the system is up and running and training is complete, every fire agency in the County will have a single tone out frequency and a back up tone out frequency with separate operational channels that they can move to once they are on location. The committee also discussed the potential of moving both public safety and utility mobile data to the 4.9 gigahertz band. This would get the agencies off of the commercial cellular for computerized dispatch and other mobile data. Councilor Lyon also noted that she has been elected vice chair of the Economic Development Alliance of Lincoln County Board of Directors.

CM Munkers noted the current committee vacancies as follows; Parks and Recreation Advisory Committee -2, Contribution Committee-2, and one staff vacancy on the Cascades West Area Commission on Transportation (CWACT). He also noted that Sharon Kanareff has agreed to serve on the Contribution Committee.

Mayor Grutzmacher reported he had a telephone conversation with a representative of the Community of Distinction Company. The inquiry turned out to be a sales pitch for a service that would cost the City \$24,800. He said that he turned down the proposal.

Conduit Requirement Ordinance

CA Chadwick reported that he provided Council with the draft ordinance at its January work session for review. He asked if Council has any questions or changes. Seeing none, CA Chadwick agreed to bring the ordinance forward for action at the February 19, 2014 Council meeting.

Consider Standards and Criteria Used to Hire a City Manager

CM Munkers provided Council with sample documents including a City Manager Profile, an Agreement for Employment of City Manager and a suggested timeline calendar. He also provided a proposal for city manager recruiting services from Local Government Solutions LLC as well as information from Prothman Company regarding its recruitment process.

Council and staff discussed options for proceeding with the recruitment process to hire a City Manager. Councilor Lyon noted that she would prefer that the recruitment include advertisement outside the state and that the position requirements not exclude people who have not held the position of City Manager. Councilor Dunaway stated that he would like the recruiter to also contact qualified people within Lincoln County who may be interested in the position. Mayor Grutzmacher suggested that staff contact the cities of Waldport and Newport to review the materials that they used in their recent City Manager recruitments. CM Munkers stated that Council will direct the way the recruitment is conducted by providing that information to the recruiter.

Council directed CM Munkers to contact Jennie Messmer of Local Government Solutions LLC to provide recruitment services for both the City Manager and Public Works Director positions. Mayor Grutzmacher suggested that Messmer poll each Council member and compile a list of ideas for developing a draft profile for the City Manager recruitment. Council also requested that Messmer attend the March 11th Council meeting.

Council agreed to the following discussions at the March 11th work session:

- Define the City Manager position and develop a profile.
- Prepare an advertisement and review the salary range.
- Decide where to advertise.

Additional Council Comments

Councilor Dunaway requested that the City Planning staff research the development restrictions on city owned real property identified as Lincoln County Assessor Map No. 11-10-17-13-00201-00 and 11-10-17-42-00100-00. He said that he would like to have that information before he speaks to other agencies that may have interest in the property.

CA Chadwick agreed to invite the City's Realtor of Record Freddy Saxton to the February 19th regular session to discuss the Toledo Industrial Property.

Councilor Dunaway and Mayor Grutzmacher voiced their concern that the Public Works Director position is vacant during the Water Master Plan Improvement projects. Council discussed the potential of hiring a project manager or consultant to help the public works department during the current water improvement projects.

Councilor Lyon reported that she and Councilor Dunaway are working on a form to be used by citizens who would like to provide input to the City's fiscal budget.

Mayor Grutzmacher commented on the following:

- He will not be participating in the "If I were Mayor Contest" this year.
- He noted that the Municipal Judge performance evaluation is overdue. Councilor Baxter agreed to join Councilor Lyon in reviewing the Municipal Judge Contract and evaluation process.

Mayor Grutzmacher also stated that he would like Council to look at how the City is providing employee health benefits. He said the Affordable Care Act has made many changes to the health benefit criteria on who must participate. He suggested revisiting this with the management employees because Council doesn't have to argue with them about making some of the changes. He also stated that the City is not following its own policy regarding prorating premiums for part time employees. CA Chadwick noted that the management plan is not consistent with the

personnel policy. The personnel policy is what has traditionally been followed. He suggested doing away with the management plan and updating the personnel policy. Mayor Grutzmacher said he would like to see an 80/20 split in the health benefit premium costs. Councilor Baxter suggested that the issue could be considered as a whole compensation plan.

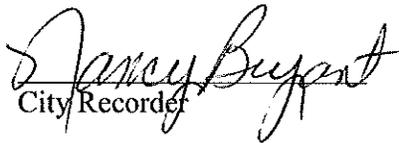
Mayor Grutzmacher suggested that Council consider whether City County Insurance Services (CIS) is the destination of choice. Councilor Lyon noted her concern regarding the number of employees to contribute to an individual plan. CM Munkers noted that CIS provides valuable services beyond medical benefits. He also noted that Toledo's premium cost increase from 2013 to 2014 was approximately \$45.

CM Munkers stated that he is in agreement with CA Chadwick's suggestion to do away with the management plan and update the personnel policy.

Adjournment:

Mayor Grutzmacher adjourned the meeting at 7:42 pm.

ATTEST:


City Recorder

APPROVE:


Mayor

TOLEDO CITY COUNCIL MINUTES
REGULAR SESSION
February 19, 2014

Mayor Ralph Grutzmacher called the regular meeting of Toledo City Council to order at 7:00pm. Councilors present: Jill Lyon, Alma Baxter, Michele Johnson, Jackie Kauffman and Council President Terri Strom. Councilors excused: Jack Dunaway.

Staff present: City Manager Pro Tem (CM) Don Munkers, City Attorney (CA) Wes Chadwick, Interim Public Works Director (PWD) Dave Inman, City Recorder (CR) Nancy Bryant, Aquatics and Recreation Director (ARD) Joe Andrews and Library Director (LD) Deborah Trusty.

Visitors present: Bud Shoemake, Teresa Methvin, Pat Hill, Freddy Saxton, Stu Strom, Ralph Wenziger and Dani Palmer.

Visitors/Public Comment

There was none.

Consent Calendar

Motion- It was moved and seconded (Strom/Baxter) to approve the consent calendar consisting of the invoice list dated February 14, 2014 and City Council minutes of February 5, 2014 and February 11, 2014. **Motion passed 6-0**, noting the absence of Councilor Dunaway.

Motion-It was move and seconded (Lyon/Kauffman) to add an agenda item concerning authorizing the City Manager Pro Tem to sign two Personal Services Agreements between the City of Toledo and Local Governments Solutions, LLC for the recruitment of a City Manager and a Public Works Director. **Motion passed 6-0**, noting the absence of Councilor Dunaway.

Discussion and Information Items

City Owned Real Property

Wes Chadwick noted that the City's Realtor of Record Freddy Saxton is in attendance to discuss city owned property and answer Council questions.

Mr. Saxton of Advantage Real Estate of Newport reported that he has reviewed the City property inventory list focusing on the Toledo Industrial Property.

He noted the state of the current market in Toledo as follows:

- Residential lots: Six parcels have sold in the previous 12 months. The average sale price is \$77,164.00 with a low sale of \$30,000 and a high sale of \$157,500. The high sale was a 40 acre parcel east of town; most sales were under \$100,000.
- There are eleven current land listings on the market priced between \$12,500 and \$150,000 which equates to a two year inventory based on the current rate of sales.
- Flood elevation issues in TIP parcels: The City owns three parcels consisting of 6.5 acres, industrial zoned and all located in the AE flood zone. A current elevation certificate filed with Lincoln County for an adjacent property indicates that the building is at 13.5 feet above Mean Sea Level (MSL). Base flood elevation is approximately 16 feet MSL.

- Flood insurance rates for that area; a building elevated at 2.5 feet above ground, was recently quoted at \$3,842 per year. If the building is one foot above flood elevation the rate goes down to \$1,086 per year.
- Lease comparables are not as prevalent as sale comparables. The Port of Newport uses long term lease rates of 10% on the value with annual increases tied to the Portland cost of Living Index. The Port's storage rate for undeveloped land is at twenty cents per square foot.

Mayor Grutzmacher said that the city doesn't want the TIP used for crab pots or other storage and that it should be used as an economic development tool. He stated that Council would prefer a lease so that the City can control what happens to the property. Saxton stated that it would make sense to talk to those who have expressed interest in the property. Mayor Grutzmacher stated that Council prefers advertising for letters of interest to determine if there are others interested in the property. He believes the advantage the City offers by leasing the property is that it takes the capital investment of the dirt out of the equation which leaves more money for investing in the business. He stated that a long term lease has all the benefits of the sale with better tax benefits to a tenant.

Presentation by "Fishpeople Seafood"

Bud Shoemake of Port of Toledo provided Council with a presentation regarding 'Fishpeople Seafood' and what the company does. He stated that the company has expressed interest in locating a portion of its processing business at the Port Station One building in Toledo. Fishpeople Seafood provides ready to eat gourmet meals packaged to eat anytime anywhere. The corporate office and warehouse is located in Portland with a coastal office at Cascade Head. The company's market region includes Alaska to Central California. Its product launch was October 2012 and it has a current distribution of 525 stores including mass grocery chains. The company bylaws mandate that strong social, environmental and financial goals are met. He noted that profits stay in the North West and does not go to foreign suppliers. The Toledo location will be used to process locally caught tuna and will accommodate thirteen jobs. The tuna would be frozen with nitrogen and prepped using water jet cutters. The product will be gutted and bled in Newport and brought here on ice then immediately placed inside of the plant. All byproduct will be either frozen for crab bait or it will go to the Trident Seafood fishmeal plant. There will be no product storage outside of the building. Shoemake stated that this is a growing industry that Toledo has an opportunity to be part of.

In answer to a question posed by Councilor Lyon CA Chadwick noted that additional review will be required by the Planning department.

Committee Updates

Appointment to Fill Contribution Committee Vacancy

Mayor Grutzmacher appointed Sharon Kanareff to the Contribution Committee.

Decision Items

Request to Sell a Surplus Water Storage Tank

PWD Inman explained that on February 2, 2011 the City declared a 4,500 gallon polyethylene water tank as surplus. Its value in 2011 was estimated at \$1,000 and has since been in storage at the Wastewater Treatment Plant with no interest or activity for purchase. Recently, a local small community water district, the Easter Valley Water Association has proposed the purchase of this

tank for \$800. Based on its additional age since its surplus declaration, its current value would be in-line with the current offer of purchase.

Visitors Comment:

There was none.

Motion- It was moved and seconded (Lyon/Strom) to authorize the sale of a 4500 gallon water storage tank to Easter Valley Water Association for the purchase amount of \$800 in accordance with City policy 11-3-B Disposition of City owned property.

Motion passed 6-0, noting the absence of Councilor Dunaway.

Proposed Ordinance Adopting Chapter 13.32.015 of the Toledo Municipal Code Providing for Telecommunications Conduit Placement Requirements

CA Chadwick explained that the proposed ordinance would require the owner of real property to place underground telecommunications conduit when the ground is being disturbed during a new development or significant renovation. The purpose of the requirement is so that if telecommunications become available conduit will already be in place. He then suggested the following changes to Subsection B and C as amendments to the proposed ordinance:

- Delete Subsection C. He noted that the language in subsection C will require the City to take ownership and maintenance of the conduit when it is placed. Currently the City does not have ownership of any type of cable that is already installed in a right-of-way and he does not believe that the City would want to take ownership of telecommunications conduit.

Councilor Lyon noted that the language in Subsection C was included because it is the language used by other communities that have adopted such an ordinance. She believes it was designed for cases where subdivisions were developed that included streets. She said that the relevance to Toledo would be the requirement of running conduit from buildings out to public streets. She stated that this would only attach if the development included the street that the conduit would be running along and then because the street becomes City property the conduit would also become City property. She said she does not see this issue coming up much here in Toledo because it would not apply to most cases. CA Chadwick suggested that Council consider the liability of ownership of something that it did not install. Councilor Baxter asked if the City could require the company who places cable in the conduit to take ownership of it.

- Subsection B. A second sentence has been added to the proposed ordinance: "Owner shall submit the approved site plan drawn to scale and identify the locations and depth of the conduit." By adding the additional language it will allow the City to locate the conduit in the future. He then suggested replacing "as determined by the Public Works Director" in the first sentence of Subsection B with "as determined by Industry Standards".

Councilor Lyon stated that the City would not want to make the change in the first sentence because there is no industry standard and it would need to go to the appropriate person in City government. She said the City would want the installation to match the City's way of installing various kinds of utility conduit. She noted that the City standard could require a locate wire in the conduit. CA Chadwick stated that in addition to this ordinance if adopted, the City will adopt a set of standards that would be provided to the developer or property owner. Mayor Grutzmacher

stated that he believes it should be the City's call on how deep the conduit is installed and that the City's liability is minimal.

CA Chadwick noted that he has offered potential language changes and if Council chooses to apply any of the suggested changes that it include "as amended" in the motion.

Visitors Comment:
There was none.

Motion- It was moved by Councilor Kauffman to table the item. The motion died for lack of second.

Council discussed the amendments suggested by CA Chadwick.

Motion- It was moved and seconded (Lyon/Johnson) to adopt Ordinance No. 1353, by reading of the title twice, An Ordinance Adopting Chapter 13.32.015 of the Toledo Municipal Code Providing for Telecommunications Conduit Placement Requirements, as written.

Motion passed 6-0, noting the absence of Councilor Dunaway.

Councilor Lyon thanked the Council and said since this came from her committee it is nice that Toledo is the first to adopt it.

Personnel Hire for Public Library

CM Munkers reported that the job recruitment for the Library Technical Services Operator position is complete and a person has been selected. Staff is seeking authorization from City Council for the City Manager Pro Tem to hire for that position.

Mayor Grutzmacher asked what the part time benefits will be for this position. CR Bryant stated that the position is represented by the Toledo Employee Association Bargaining Unit. The employee pays 10% of the benefit premium and the City pays 90%. CA Chadwick also noted that vacation and sick leave are part of the employee benefit package.

LD Trusty reported that Thea Kuziemski has been selected to fill the position. She said Ms Kuziemski has been working in the library industry since 2002 and has done almost every job that there is to do in a library. A letter has been mailed to Ms Kuziemski with the condition that she successfully pass a background check.

Visitors Comment:
There was none.

Motion- It was moved and seconded (Strom/Kauffman) to authorize the City Manager to hire for the part-time Library Technician Services Operator position.

Motion passed 6-0, noting the absence of Councilor Dunaway

Pool Design RFP Finalist

ARD Andrews stated that staff continues to move forward with the goal of keeping the Swimming Pool facility around for another 50 years. He reported that the 2012 Building Facilities Plan conducted by Civil West Engineering (adopted by Council on 10/3/2012) recommended that if the City desired to rehabilitate the Toledo Swimming Pool that it must consult with a pool expert to

evaluate the pool structure in depth. Four firms met the requirements spelled out in the Request for Proposals (RFP). Four City staff members evaluated the proposals. The cumulative scoring identified Young Design Studio LLC as the most qualified firm based on the criteria in the RFP. Project budget cost is \$15,000 to \$20,000 based on estimates in the 2012 Building Facilities Plan to be funded out of the swimming pool building reserve fund. Staff is requesting authorization to negotiate a contract with Young Design Studio LLC to provide this service. He said that he anticipates bringing the final scope for execution at a Council meeting next month.

Mayor Grutzmacher noted his concern that Civil West Engineering is listed as a general consultant since Civil West provided the need for the plan in the first place. ARD Andrews stated that the review committee looked at who could provide the best product overall. The product spelled out by Young Design Studio identified the best process.

Visitors Comment:
There was none.

Motion- It was moved and seconded (Strom/Lyon) to authorize staff to enter into negotiations with Young Design Studio LLC for design services for the Toledo Swimming Pool Facilities Improvement Plan. **Motion passed 6-0**, noting the absence of Councilor Dunaway.

Personal Services Agreement for Local Government Solutions, LLC

CM Munkers reported that Council approved contacting Local Government Solutions LLC for solicitation of the Public Works Director and City Manager candidates. The proposed agreements have been provided by that consulting firm. Staff is recommending Council authorize the City Manager Pro Tem to sign the agreements to move forward with the process.

Public Comment:
There was none.

Motion-It was moved and seconded (Strom/Baxter) to authorize the City Manager Pro Tem to sign the Personal Services Agreements between the City of Toledo and Local Government Solutions, LLC for the recruitment of the city manager and public works director. **Motion passed 6-0**, noting the absence of Councilor Dunaway.

Reports and Comments

Department Reports

PWD Inman reported that the significant Water Master Plan (WMP) projects are moving forward and keeping within budget. He noted that this is a very important time for the City and he takes the responsibility very seriously.

He provided the following update on Phase I and II of the WMP projects:

- Construction of the Skyline water storage tank is complete. There were some equipment delays in the pump construction that has delayed filling the tank by two to three weeks. He estimated the tank may be filled by late March. Contractors arrived today to install a fence around the tank site. There will be natural leakage but the contractors will do leak checks as the tank is slowly filling. Staff at the Water Treatment Plant has concerns about keeping the chlorine residuals at the appropriate rate for that size of a tank as the water is drawn down under normal usage. That issue will be watched closely.

- Pipeline improvements are complete except for one. There is landscaping and other minor work remaining on some of the smaller pipeline projects. The pipeline upgrade to Sturdevant has been redirected because of issues of land terrain and easement requirements. The line will now come off of the Wagon Road pump station, down Burgess Road to Business Highway 20 keeping the pipeline in the ditch line to where it will cross over to the High School lift station then bore underground to Sturdevant Road. This portion of Phase I should be ready for bid advertisement soon.
- Phase II projects were advertised first on January 17th and again on January 31, 2014. To date there are approximately sixteen prime bidders on the list, including several local contractors. The pre-bid meeting is scheduled for February 25th at City Hall which will include site visits to the tank site as well as the Olalla crossing site. Bid openings are scheduled for March 11th. Staff anticipates bringing the item to City Council for the award of apparent low bidder on March 19, 2014.

ARD Andrews reported the following:

- The Swimming Pool is operational and running smoothly.
- Staff has kicked off the annual swimming lesson program.
- He attended a training provided by the League of Oregon Cities regarding public purchasing.

City Manager's Report

CM Munkers reported the following:

- He met with Contract Planner Anita Synan to discuss providing more opportunities for her to participate in planning projects within the City.
- He will be meeting with Finance Director Polly Chavarria Thursday afternoon for the first review of the City's budget documents.
- He spoke with Stanley Speaks Regional Director of the Bureau of Indian Affairs (BIA) concerning the police service contract with the Siletz Tribe.

Council Comments

Councilor Lyon reported that she has completed a rough draft of the budget proposal form that will provide citizens the opportunity to make recommendations. She will forward the draft to Councilor Dunaway before circulating to the remaining Councilors.

Councilor Baxter reported that the Toledo Chamber of Commerce is vacant a director.

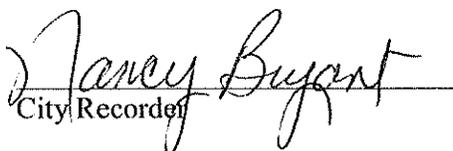
Mayor Comments

Mayor Grutzmacher had no comments

Adjournment:

Mayor Grutzmacher adjourned the meeting at 8:14 pm.

ATTEST:


City Recorder

APPROVE:


Mayor

TOLEDO CITY COUNCIL MINUTES
REGULAR SESSION
March 5, 2014

Mayor Ralph Grutzmacher called the regular meeting of Toledo City Council to order at 7:00pm. Councilors present: Jill Lyon, Jack Dunaway, Michele Johnson, Jackie Kauffman, Alma Baxter and Council President (CP) Terri Strom.

Staff present: City Manager Pro Tem (CM) Don Munkers, City Attorney (CA) Wes Chadwick, City Recorder (CR) Nancy Bryant, Police Sergeant (PS) Mike Pace, Finance Director (FD) Polly Chavarria, and Library Director (LD) Deborah Trusty.

Visitors present: Dave Morgan.

Visitors/Public Comment

There was none.

Consent Calendar

Motion- It was moved and seconded (Baxter/Strom) to approve the consent calendar consisting of the invoice list dated February 28, 2014, and Council minutes of February 19, 2014.

Motion passed 7-0.

Discussion and Information Items

Committee Updates

Mayor Grutzmacher announced that the Contribution Committee will meet on March 20th in the City Hall Conference Room.

Decision Items

Renewal of a Contract for Auditing Services

FD Chavarria explained that Accuity LLC has been the City's auditing firm since 2012. The firm is offering a three year contract for audit services at the rate of \$11,900 per year. She said this is the same rate that the City is currently paying and it is a competitive rate. Staff recommends authorizing the City Manager to enter into a three year contract for audit services with Accuity LLC.

Visitors Comment: There was none.

Motion- It was moved and seconded (Strom/Lyon) to authorize the City Manager to enter into a three year contract for audit services with Accuity, LLC. **Motion Passed 7-0.**

Rescinding Ordinance No. 1353, An Ordinance Adopting Chapter 13.32.015 Of The Toledo Municipal Code Providing For Telecommunications Conduit Placement Requirements

Councilor Baxter stated that there was not enough discussion prior to Council adopting Ordinance No. 1353. After further research she believes that the City is not ready for this ordinance and that it will create problems. She said that it is a great idea but she would like Council to consider rescinding it as written until further discussion. CA Chadwick stated that it will take a new

ordinance to repeal Ordinance No. 1353. Staff will need two weeks to prepare and post a draft ordinance to bring before Council if so directed. He noted an alternative is to table this agenda item for discussion at Council's next work session.

Councilor Johnson stated that she would like to have the discussion regarding why Councilor Baxter wishes to repeal the ordinance. Councilor Kauffman stated that she is willing to discuss the issue again. Mayor Grutzmacher noted that the Ordinance will be in effect thirty days from the date of adoption. He said Council can discuss the issue at the work session and draft any changes made by consensus. Councilor Lyon stated her concern that Council will have something to talk about at the work session. She said right now Council has nothing but individual research by a Councilor that has not been distributed to other Council members. She said if Council is going to re-open this for discussion she would like to see some specific factual data as to why. Councilor Baxter questioned CA Chadwick regarding a motion to rescind. CA Chadwick stated that no official ruling can be made at this meeting.

Visitors Comment: There was none

Motion- No motion was made. By consensus, the item was tabled to the Council work session on March 11, 2014

Nomination to the Cascades West Area on Transportation

CM Munkers stated that Cascades West Area on Transportation is a group of representatives from cities, port districts and tribes in Linn, Benton, and Lincoln Counties who work toward resolving different transportation issues within those Counties. The City nominates one elected official and one non-elected official as its representatives. Toledo's elected official and alternate positions expired December 31, 2013. Staff is recommending that Council nominate one elected official and that the alternate remain vacant until the Public Works Director position is filled.

Visitors Comment: There was none.

Motion- It was moved and seconded (Lyon/Johnson) to nominate Councilor Dunaway as a representative to the Cascades West Area Commission on Transportation. **Motion passed 7-0.**

Approval of an Invoice for Toledo Ace Hardware

CM Munkers reported that the invoice presented for Ace Hardware is separate from the consent calendar. Separating the invoice list from the consent calendar allows Councilor Strom to vote on the consent calendar while refraining from voting on this invoice list because of her direct conflict of interest as the owner of Ace Hardware.

Councilor Strom declared a direct conflict of interest because of her ownership in Toledo Ace Hardware and excused herself from any discussion and or vote on the matter.

Visitors Comment: There were none.

Motion- It was moved and seconded (Dunaway/Kauffman) to approve the invoice list for Ace Hardware dated February 27, 2014. **Motion passed 6-0**, noting that CP Strom abstained from voting.

Reports and Comments

Department Reports

LD Trusty reported that the Library staff is having a wonderful time with the Teen Book Club and she is very enthusiastic about the response. Thea Kuziemski will begin City employment in the position of Technical Services Operator on Monday March 10th.

City Attorney

CM Chadwick asked that City Council members bring their City Owned Property Inventory booklet to the work session on March 11th. The City's Realtor of Record will be in attendance to discuss what properties that Council would like to sell.

City Manager's Report

CM Munkers reported the following:

- He met with Mark Saelens of Lincoln County Solid Waste and he will continue to participate as the City Representative.
- Members of staff attended an Emergency Management Plan Project meeting sponsored by the State of Oregon. The discussion brought up the vulnerability of some of the City's assets that will be needed during and after a significant or major event. He will provide additional information on that topic at a future work session.
- He has been discussing issues with staff regarding the Wastewater Treatment Plant and the fact that there have been suggestions of expanding the plant. He suggested that it is the inflow and infiltration problem that needs to be addressed. Revamping the sewer manhole throats can be done for far less money. He noted that Interim Public Works Director Dave Inman has drafted a letter to DEQ explaining the issues.
- Congressman Kurt Schrader's office has asked for RSVP from Council members who plan to attend a meeting scheduled for Monday March 10th in Depoe Bay.

Mayor Grutzmacher stated that the Lincoln County Solid Waste is not liked by any of the communities. He said, we don't see what they do and why they are charging for it. He suggested that CM Munkers keep that in mind while participating in the meetings. He also stated that the things that are done by the County's people are not done by them but by the waste haulers at their own expense.

Council Comments

Councilor Strom thanked LD Trusty for starting the Teen Book Club.

Councilor Lyon noted that she and Councilor Dunaway are in communication regarding the public input budget form. They will provide a draft at the next work session for Council review. She thanked the City for the preparation done on the Robert's sewer line project. She now has a view of the river. The Celtic Heritage Alliance will be holding a Shamrock Supper on March 15th at the Newport Shilo Inn.

Councilor Dunaway stated that he is glad that Council will be looking at the City Owned Property Inventory at the next work session. He said that he hopes to move rapidly and he would like to look at property number 16A specifically.

Mayor Comments

Mayor Grutzmacher made the following comments:

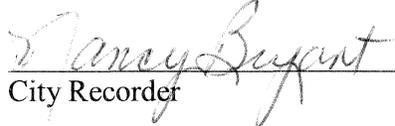
- The Mayors meetings are at 4pm on Fridays.
- The School District published the graduation rates today and Toledo High School ranked 2nd in the County.

LD Trusty also announced that the Library will be holding a book sale on Saturday March 8th.

Adjournment:

Mayor Grutzmacher adjourned the meeting at 7:25pm.

ATTEST:



City Recorder

APPROVE:



Mayor

TOLEDO CITY COUNCIL MINUTES
WORK SESSION
March 11, 2014

Mayor Ralph Grutzmacher called the Toledo City Council work session to order at 6:15pm. Councilors present: Michele Johnson, Alma Baxter, Jill Lyon, Jack Dunaway. Councilor Jackie Kauffman arrived at 6:35pm. Councilor absent: Council President Terri Strom.

Staff present: City Manager Pro Tem (CM) Don Munkers, City Attorney (CA) Wes Chadwick, Interim Public Works Director (PWD) Dave Inman, Police Chief (PC) Dave Enyeart, Library Director (LD) Deborah Trusty, Recreation Director (RD) Joe Andrews, and City Recorder (CR) Nancy Bryant.

Visitors present: Jennie Messmer and Dave Morgan.

Visitors Comments: There were none.

Discussion and Information Items
Committee Updates

Councilor Lyon presented a draft Public Municipal Budget Request Form. She stated that the form is delivered for Council's review and discussion at a later date.

Mayor Grutzmacher reported that he attended the local Mayor's meeting on Friday. The Mayor's group discussed sharing people and services for water supply and sewer treatment. The group also discussed getting together to form an intergovernmental agreement in which Toledo would treat raw water and another entity treats the sewer. He believes the City is already connected to Seal Rock and Newport and could be connected with Siletz and the Confederated Tribes of Siletz Indians without a lot of effort. He asked if Council members have objections to moving forward with the idea. Councilor Dunaway stated that the Mayor has his blessing. Councilor Baxter asked what concern or reasons did the previous city managers have for not moving forward with the idea. Mayor Grutzmacher said the reason was that it was too hard and would take too much work. Councilor Lyon noted that it takes a lot of work and a lot of cooperation. Mayor Grutzmacher said he admits that it will take a lot of work but it can be ferreted out in steps. He said that he believes local communities can cooperate in personel and maybe cooperate on facilities. He stated that he has prepared a one page outline proposal to distribute if Council has no objections. There were no objections from Council members.

CR Bryant noted that some citizens may be opposed to the idea and suggested including a summary of the proposal in the City's newsletter to encourage citizen input unless the Mayor has already received citizen input. Mayor Grutzmacher stated that he has not received citizen input and that he is trying to save the City money. He stated one of the most expensive things the city does is people in sewer and water. He said the idea is that if the city owns the certified wastewater III position and pays the salary with benefits the community using the city's service pays a proportionate percentage of that cost.

City Manager Recruitment Update

Jennie Messmer of Local Government Solutions noted that she previously sent a questionnaire to Council members and she received all but those sent to Councilors Baxter and Kauffman. Based

on the questionnaire answers and the City Charter she developed a time line, a draft profile and an advertisement for the City Manager position. She noted areas that need confirmation from City Council.

Council discussed and confirmed the following:

- Advertised salary at \$79,500 to \$89,500.
- Application submittal deadline of May 15, 2014.

Additions to the Ideal Candidate Profile:

- The continuation of the City's Water Master Plan improvement projects is significant and funding for phase III and IV will need to be identified.

Posting Options include:

- League of Oregon Cities Website and Local Focus publication
- Association of Washington Cities
- ICMA Newsletter and Website
- Government Jobs website
- Oregon Employment Department
- Special Districts Association
- Emerging Leaders list serve
- PSU, OSU, U of O and Willamette University
- City of Toledo Website
- Local Electronic News Media

Messmer agreed to provide CM Munkers with all advertising cost for funding approval of all cost above \$200. Council agreed that it will finalize the City Manager hiring criteria at a regular scheduled public meeting. Messmer and Council agreed to meet shortly after the application deadline and that background checks will be done after interviews are conducted.

Swimming Pool Design Plan

RD Andrews provided Council with a scope of work summary from Young Design Studio for planning services of the Swimming Pool facility. He noted that it is essentially a capital improvement plan for the facility and that the City will not receive engineering details from this scope of work. The plan will determine how to bundle and prioritize the improvements of the facility. Priorities one and two include pool mechanical upgrades and maintenance as well as building upgrades and maintenance has a listed fee as \$16,975 and an alternate ADA survey at \$1,920. He recommended holding off on priority three at this time which included programming and an area analysis.

Council and staff discussed the need for a structural analysis of the Swimming Pool facility. RD Andrews explained that the City's Building Facility Plan identified four options. This plan will provide information to identify which option is workable. Council agreed to adjust the scope by reducing the lump sum fee of \$1,150 omitting the general liability requirement and include the ADA survey at \$1,920.

Council directed staff to bring the item forward at the March 19th regular session.

Siletz Policing Contract Update

PC Enyeart reported that the City received notice from CTSI on January 17th that they were terminating the policing contract as of March 17, 2014. In an effort to transition from providing the service the Toledo Police department has made contact with all of the local agencies that will be potentially affected by the change in service. He noted that staff is no longer attending City of Siletz or Tribal community meetings as well as visits to the Siletz School. Criminal court cases are being transferred to the Lincoln County Sheriff's office, Toledo case files from the Siletz area are being reviewed for closure or additional work, citations are no longer referred to Siletz Municipal court and tribal labels are being removed from city owned patrol vehicles. Weapons, vehicles and other property owned by CTSI are being prepared for release. Some case evidence will be retained by the department.

PC Enyeart stated that the department budget has been cut by 30%. He noted that the Toledo Police Department has worked hard to build a good reputation and has become part of the community of Siletz. Toledo will now only respond as a requested backup for other agencies. Councilor Dunaway noted that the philosophical idea of sharing services is outstanding and it is unfortunate that it didn't last.

Council thanked PC Enyeart for managing the CTSI policing contract issues.

Medical Marijuana Dispensaries

CA Chadwick reported that Oregon Senate Bill No. 1531 passed last week which allows cities to either create a moratorium on medical marijuana dispensaries in the city for one year beginning May 1st or implement an ordinance that will regulate medical marijuana in their city. He said if Council wishes to create a moratorium it will need to be adopted by May 1, 2014.

Council and staff discussed the pros and cons of allowing medical marijuana dispensaries within the city limits. CM Munkers provided written information regarding the medical marijuana program statistics as well as the pros and cons of marijuana use. He reported 937 medical marijuana patients as of January 1, 2014 in Lincoln County. He noted that there is potential for the city to receive revenue from taxing this type of business. Council then discussed the potential tax revenue and the funding needed to regulate this type of business. Councilors Baxter, Johnson and Kauffman indicated favor of allowing the dispensaries with regulations. PC Enyeart stated that he has mixed feelings regarding the issue. He noted that medical marijuana is not approved by the Federal Drug Administration. Mayor Grutzmacher said the draw back is the hit on the town's reputation.

By consensus Council directed CA Chadwick to draft a medical marijuana dispensary regulation and taxation ordinance. CA Chadwick agreed to bring a draft ordinance for Council consideration in May.

Water Master Plan Phase II Bid Opening Update

PWD Inman reported the bids were opened for Schedules A and B of the Water Master Plan phase II today. Of the sixteen prime bidders on the plan holder list, twelve bids were submitted. Schedule A is the Olalla Reservoir Crossing project and the apparent low bidder is R & G Excavating at \$438,130. The engineer estimate for Schedule A was \$550,000. Schedule B is the Siletz River Intake project and the apparent low bidder was submitted by U2KG Contractors Inc. at \$1,838,472. The engineer estimate for this project was \$1,750,000. In answer to questions posed by Council PWD Inman stated that the Olalla Crossing will begin when the water is at its lowest

level sometime in September, October or November of this year. He said staff will request Council's authorization to award contracts at the March 19, 2014 regular session.

Local Government Grant Request from the Oregon Parks and Recreation Department

PWD Inman reported that the city has the opportunity to apply for a grant from Oregon Parks and Recreation Department Local Government Grant Program for improvements to the South Main Street public space. He noted that there have been plans to develop the space for some time but funding has not been identified. There will be a matching dollar requirement of 20% which can include in-kind and some design costs. Staff is requesting that Council name the South Main Street public space and adopt a resolution in support of the grant application at its next regular session on March 19, 2014.

Council and staff discussed the design and naming of the public space. By consensus Council agreed that Heritage Plaza is a good name for the space.

Rescinding Ordinance No. 1353, an Ordinance Adopting Chapter 13.32.015 of the Toledo Municipal Code Providing for Telecommunications Conduit Placement Requirements

Councilor Baxter stated that she may have opened a can of worms but it wasn't her intention when requesting to amend or rescind the ordinance requiring telecommunication conduit placement. She said she has a solution that would meet everyone's needs but as written and adopted it creates issues and speculation for those who have to oversee the program. She said that she believes that the ordinance should be rescinded or amended until the unanswered issues are resolved. She suggested changing the ordinance to state that when the ground is disturbed the owner/builder or contractor will inform the telecommunications groups so that they have the opportunity to place the conduit and then own it. Councilor Lyon stated that was never an issue. She said the only time the issue of ownership comes about is when the project is a subdivision that includes streets. She said the conduit will otherwise be the ownership of the home owner because it is installed on their private property. Councilor Baxter noted that the ordinance does not address the ownership if the conduit if it is installed along streets in the development of a subdivision. Councilor Lyon said if that were an issue it would be concluded in a contract that the City has with the company placing fiber in the conduit who would then own the conduit and be required to maintain it. Councilor Baxter noted that the requirement increases a cost to the homeowner. Councilor Lyon stated that the cost is minimal and the Telecom Committee thought this would be an excellent way to move this forward in terms of new development and achieve the opportunity for broadband communication.

Council then discussed whether or not to rescind or amend Ordinance No. 1353. By consensus council agreed to wait and see if problems arise before making changes to the ordinance. Councilor Baxter noted that her issue is due process and she believes Council didn't have adequate time to consider all of the issues.

Mayor Grutzmacher called for a brief recess at 9:05pm. The meeting resumed at 9:13pm.

Sale of City Owned Real Property

CA Chadwick reported that the previous City Manager developed a list of City owned real property summary which included staff recommendations as to the disposition of each parcel. He asked that Council review the list and determine which properties are to be declared surplus. By consensus Council agreed to the following recommendations:

Parcel #	2011 Property Inventory Reference #	Recommended Action
11-10-18-10-00300-00	6A	Lease
11-10-18-10-03600-00	5A	Lease
11-10-18-10-03700-00	4A	Lease
11-10-17-22-14900-00	16A	Hold
11-10-17-22-15201-00	17A	Lease
11-10-08-33-00800-00	19D	Sell
11-10-08-33-09200-00	21D	Sell
11-10-08-22-00801-00	3E	Sell
11-10-08-31-2600-00	5F	Sell
11-10-08-31-2900-00	6F	Sell
11-10-08-31-3500-00	7F	Sell
11-10-08-31-3400-00	8F	Sell
11-10-08-31-3800-00	9F	Sell
11-10-08-34-02498-00	10F	Sell
11-10-08-34-02499-00	11F	Sell
11-10-08-34-02699-00	12F	Sell with retained right-of-way
11-10-17-24-00100-00	7G	Sell with access easement
11-10-17-13-00201-00	8G	Sell to land/wildlife conservation organization
11-10-17-42-00100-00	9G	Sell to land/wildlife conservation organization
11-10-20-12-00200-00	2H	Potential lot line adjustment with adjacent property owner.
11-10-20-11-04200-00	4H	Sell with public outreach regarding use
11-10-17-44-05401-00	8H	Annex into City limits and Sell
11-10-17-00-00800-00	9H	Sell
11-10-17-00-00800-00	10H	Sell to land/wildlife conservation organization
Mill Creek Timberland	None	Potential Land Swap

Councilor Dunaway suggested that Council consider authorizing suspended System Development Charges for buildable property purchased from the city if the buyer builds a stick built home on the parcel. CA Chadwick noted that Council can discuss incentive packages at a latter date.

Councilor Dunaway stated that he will continue to work with other agencies regarding parcels 8G and 9G.

CA Chadwick explained the next step will be posting notice of public hearing.

Additional Council Comments

Mayor Grutzmacher asked that Council consider a City gasoline tax. By consensus Council directed CA Chadwick to look into creating a City gasoline tax.

Mayor Grutzmacher asked staff to provide information on the unpaved City streets.

Councilor Johnson asked that staff provide information regarding what properties overlap the City's right-of-way.

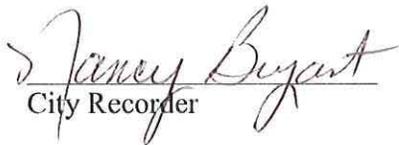
City Manager Comments

CM Munkers had no additional comments.

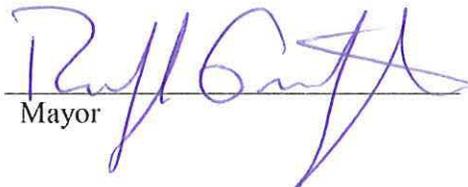
Adjournment:

Mayor Grutzmacher adjourned the meeting at 10:09pm.

ATTEST:


City Recorder

APPROVE:


Mayor

TOLEDO CITY COUNCIL MINUTES
REGULAR SESSION
March 19, 2014

Mayor Ralph Grutzmacher called the regular meeting of Toledo City Council to order at 7:00pm. Councilors present: Jill Lyon, Jack Dunaway, Michele Johnson, Jackie Kauffman, Alma Baxter and Council President (CP) Terri Strom.

Staff present: City Manager Pro Tem (CM) Don Munkers, City Attorney (CA) Wes Chadwick, City Recorder (CR) Nancy Bryant, Police Chief (PC) Dave Enyeart, Interim Public Works Director (PWD) Dave Inman, Recreation Director Joe Andrews and Library Director (LD) Deborah Trusty.

Visitors present: Jodie Inman.

Visitors/Public Comment

There were none.

Consent Calendar

Motion- It was moved and seconded (Baxter/Strom) to approve the consent calendar consisting of the invoice list dated March 14, 2014, and Council minutes of March 5, 2014.

Motion passed 7-0.

Discussion and Information Items

Committee Updates

Councilor Dunaway reported that the State Director of Wetland Conservancy will be in the Toledo area next week and he may have the opportunity to look at the City owned wetland property along East Slope Road. He said he will report any additional information to Council.

CM Munkers reported the Contribution Committee will meet tomorrow at 4pm in the City Hall Conference Room.

Mayor Grutzmacher reported that the Oregon Department of Transportation Rail Inspector will be in Toledo on Monday to look at the condition of Railroad crossings. He has also been in contact with Union Pacific.

Decision Items

Awarding a Contract for the Water Master Plan Phase II Improvement Project

PWD Inman reported that the bid opening for the City of Toledo Phase II Water System Improvements Schedules A and B was held and read aloud at 2pm on March 11, 2014.

He then provided a brief summary of the results of the opening as follows:

Schedule A- Olalla Reservoir Crossing, Ten bids were received for Schedule A, with bids ranging from a low of \$438,130 as submitted by R&G Excavating, Inc., to a high of \$773,700. The engineer estimates for this project was approximately \$550,000. The budgeted construction amount based on the 2010 Water Master Plan was \$1,074,000 (construction plus contingency).

Schedule B- Siletz River Intake, nine bids were received for Schedule B with prices ranging from a low of \$1,838,472 as submitted by 2KG Contractors, Inc., to a high of \$2,309,824. The engineers estimate for this project was approximately \$1,750,000. The budgeted construction amount based on the 2010 Water Master Plan was \$1,920,000 (construction plus contingency).

Visitors Comment: There were none

Motion- It was moved and seconded (Lyon/Kauffman) to award Water Master Plan, Phase II Schedule A, Olalla Reservoir Crossing to R&G Excavating, Inc. in the amount of \$438,130.00 and Water Master Plan Phase II Schedule B, Siletz River Intake to 2KG Contractors, Inc. in the amount of \$1,838,472.00 and authorize the City Manager Pro Tem to execute contracts and documents related to the award of these bids. **Motion Passed 7-0.**

Adopting a Resolution Authorizing Application for a Grant from Oregon Parks and Recreation Department

PWD Inman reported that the realignment of the South Main Intersection funded by an Oregon Department of Transportation Bicycle/Pedestrian grant created a public space that is in need of completion. The grant funded paving Butler Bridge Road as well as the realignment of the South Main Street Intersection however, the grant did not fund the public space portion of the project. At its March 11, 2014 work session City Council agreed to name the South Main Street Public Space "Heritage Plaza". He said staff recommends seeking funding from the Oregon Parks and Recreation Department Local Government Grant Program to fund improvements to Heritage Plaza. The proposed resolution is a requirement of the grant application.

Council and staff discussed planters and vegetation for the area. PWD Inman stated that it is not possible to provide water to the area without disturbing the asphalt on the nearby street. Councilor Lyon stated that several Councilors specifically wanted green vegetation to be located in that area. PWD Inman said planters can be added at a later date but it will require someone to water them by hand on a regular basis.

Visitors Comment: There were none.

Motion-it was moved and seconded (Dunaway/Lyon) to adopt **Resolution No. 1347**, authorizing the interim Public Works Director to apply to the Oregon Parks and Recreation Department Local Government Grant Program for the purpose of improvements to Heritage Plaza and authorize the City Manager Pro Tem to execute all documents relating to the application and/or grant award. **Motion passed 7-0.**

Authorizing the City Manager Pro Tem to Hire a Police Officer

PC Enyeart reported that the Toledo Police Department is currently authorized a staffing level of seven sworn police including one chief, one sergeant and five patrol officers. This hiring will allow the department to be fully staffed. He said that during the month of February, the Toledo Police staff conducted the Police Officer Standard Test (POST), Oregon Police Agility Test (ORPAT), oral interview boards, chief's interview and full background on several police officer applicants. Tabitha Dean was the top candidate chosen within the group. Tabitha is a very qualified candidate for police officer.

Visitors Comment: There was none.

Motion- It was moved and seconded (Strom/Johnson) to authorize the City Manager Pro Tem to hire Tabitha Dean to fill the vacant Police Patrol Officer position. **Motion passed 7-0.**

CA Chadwick asked that Council consider adding an additional agenda item to this meeting to authorize the City Manager Pro Tem to hire a Library Technical Services Operator.

Motion- it was moved and seconded (Dunaway/Lyon) to add the Hiring of a Library Technical Services Operator to this meeting. **Motion passed 7-0.**

LD Trusty reported that the most recent person hired for the Library Technical Operator position has resigned after working two days. She is requesting City Council authorize the City Manager Pro Tem to hire Tonia Storm to fill this position.

Visitors Comment: There were none.

Motion- it was moved and seconded (Dunaway/Baxter) to authorize the City Manager Pro Tem to hire Tonia Storm for the Technical Services Operator at the library. **Motion passed 7-0.**

Recommendation for a Temporary Liquor Sales License Application to OLCC by Food Share Toledo

CR Bryant reported that on behalf of Food Share of Toledo, Doug Rider has applied to the Oregon Liquor Control Commission for a temporary sales license to serve beer at the Toledo Food Share Spring Sprint 5 K-Run event on April 12, 2014. The 5 K-Run event will begin and end at the Port of Toledo's Waterfront Park starting at noon and ending at 5pm. The Toledo Police Chief has reviewed the application and has no objections to recommending approval.

Visitors Comment: There were none.

Motion- It was moved and seconded (Lyon/Baxter) to recommend approval of an application to OLCC for a Temporary Sales License by Food Share of Toledo for April 12, 2014.

Motion passed 7-0.

Reports and Comments

Department Reports

RD Andrews reported that a Flick and Float Movie Night event is scheduled for this Friday night at the swimming pool. The event is sponsored by Toledo Ace Hardware and is free to participants. He also noted that the Toledo Elementary School swimming program has begun.

LD Trusty reported on the progress of removing a tree at the library. She said she is in the process of receiving quotes for the cost of removing the Walnut tree located next to the Library building.

PWD Inman provided the following updates:

- Water Master Plan Phase I - he will soon have a draft plan for the Highway 20 Pipeline previously known as the High School pipeline. This is the last project of phase I.
- Civil West Engineers will provide Council with an overall budget update for both Phase I and Phase II projects in the near future.

- The Roberts Sewer Line Project-construction easements have been acquired from the adjacent property owners. The trees that are inline with the project are down. The project will soon be advertised for Requests for Quotes.
- Mill Creek Dam-he has received a quote for televising the pipeline at the discharge valve as per the State Dam Inspector's request to inspect that line.
- The Wastewater Facilities Plan- the plan has been reviewed by both the engineers and Oregon Department of Environmental Quality. He expects all issues of the plan to be remedied in the near future.

PC Enyeart reported the following:

- He recently met with Bonnie Peterson, Assistant Manager of the Confederated Tribes of Siletz Indians (CTSI) and Attorney Catherine Tough. CTSI is claiming that they have overpaid \$50,000 through the life of the contract. Services were rendered so the City does not intend to refund that amount. CTSI has a current invoice from the City in the amount of \$53,000 for the final payment of the contract. Any additional hours of work for CTSI by the City including court appearances will be billed on an hourly rate of \$68.00 per hour. He estimates approximately 800 hours remain to close the Siletz cases. The vehicles owned by CTSI will be returned as soon as the equipment has been removed.
- He met with Mr. Miller, an employee of NOAA, Councilor Lyon and Maria Waldrup to discuss a communication application that will allow cell phone ping locating for 911 calls. Mr. Miller is currently researching grants that may be available for funding his project. Cell phones currently ping to the nearest cell tower location; this application would send exact location of the device to a dispatcher.

City Manager's Report

CM Munkers reported the following:

- Staff is working on the 2014/15 budget. He reminded all to review the budget calendar and keep the dates in mind.
- He addressed Rotary Club regarding water and wastewater projects as well as medical marijuana dispensaries.
- He is helping CA Chadwick with the fuel tax issue. He is reviewing success rates of other Oregon cities.
- He plans to meet with all city employees.
- He met with the Police and Fire Chiefs regarding a communication issue.
- Oregon State has received 5.6 million dollars for small business activities from the Federal Government.
- He will draft notification to the Bureau of Indian Affairs regarding the termination of the policing contract with CTSI.
- He noted Council discussed the Swimming Pool Facility plan at its previous work session. He said Council may wish to consider spending the funds to investigate the integrity of the structure.

Council Comments

Councilor Dunaway reported that he spoke with Regional Manager Amy Ramsdell of the Oregon Department of Transportation (ODOT) regarding two fatalities on Hwy 20 this past week. He said ODOT anticipates getting a work zone safety grant to provide extra state patrol of the work zone area of Highway 20.

Councilor Strom thanked Assistant City Recorder Susan Thompson for the picture that was displayed on the February Department Report.

Mayor Comments

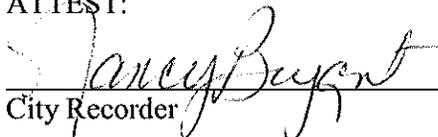
Mayor Grutzmacher made the following comments:

- He would like the City to purchase automated water meters if there is a savings in the WMP Phase I project. CA Chadwick stated that staff will need to research whether or not the terms of the bond would permit the purchase.

Adjournment:

Mayor Grutzmacher adjourned the meeting at 7:53pm.

ATTEST:



City Recorder

APPROVE:



Mayor

TOLEDO CITY COUNCIL MINUTES
REGULAR SESSION
April 2, 2014

Mayor Ralph Grutzmacher called the regular meeting of Toledo City Council to order at 7:00pm. Councilors present: Jill Lyon, Jackie Kauffman, Alma Baxter and Council President (CP) Terri Strom. Councilors excused: Jack Dunaway and Michele Johnson.

Staff present: City Manager Pro Tem (CM) Don Munkers, City Attorney (CA) Wes Chadwick, City Recorder (CR) Nancy Bryant, Police Chief (PC) Dave Enyeart, Recreation Director (RD) Joe Andrews and Contract Planner Anita Synan.

Visitors present: Bud Shoemake, Judy Pelletier, Gerald Pelletier, and Donald Lee, Sr.

Visitors/Public Comment

Gerald Pelletier stated that he would like to comment on the proposed Ordinance topic and was advised to reserve his comments until the public comment period is open for that topic.

Oath of Office

Newly hired Toledo Police Officer (PO) Tabitha Dean was sworn into duty by CR Bryant. PO Dean stated that Toledo is a fantastic place and she is happy to be a Police Officer here.

Proclamation- Observance of Arbor Day

Mayor Grutzmacher proclaimed April 25th, 2014 as Toledo Arbor Day in observance of Oregon Arbor Week and National Arbor Day.

Joe Heidelberger, Stewardship Forester of Oregon Department of Forestry presented Toledo with a Tree City USA award. He noted Toledo's accomplishment for receiving the award for the 20th year.

Consent Calendar

Motion- It was moved and seconded (Strom/Kauffman) to approve the consent calendar consisting of the invoice list dated March 27, 2014 and Council minutes of March 11, 2014.

Motion passed 5-0 noting the absence of Councilors Dunaway and Johnson.

Discussion and Information Items

Committee Updates

Mayor Grutzmacher reported that he met with representatives of the Oregon Department of Transportation last week. The representatives photographed the rail crossings and will follow up with the railroad regarding their inspection. He also noted that the railroad has cleaned up the rail ties that were previously stored along the right of way.

PUBLIC HEARING

Open Public Hearing- Mayor Grutzmacher opened the public hearing at 7:13pm regarding an amendment to Toledo Municipal Code Section 17.16.030 to include "Food productions and/or beverage production" as a conditional use in the Commercial zoning district.

Mayor Grutzmacher called for declaration of conflict of interest, ex-parte contact, or a bias by Councilors or have conducted a site visitation. Seeing none, the statement of rights and relevance and the right to appeal were read.

Staff Report

Contract Planner Anita Synan stated that Council will be considering evidence and public testimony as it reviews a proposal to amend the Toledo Municipal Code to allow "Food Production and/or Beverage Production, where the majority of the floor space will be devoted to providing personal services or goods to the public" as a conditional use in the Commercial zoning district. At this time, Food Production uses are only allowed in the Light-Industrial and Industrial zones. She reviewed the staff report as on file at City Hall. She stated, based upon the staff analysis of the relevant criteria and findings, the Planning Commission voted to recommend approval of Ordinance No. 1354 that amends the list of conditional uses permitted in the Commercial zone as follows:

Section 1. Subsection (K) is added to Section 17.16.030 of the Toledo Municipal Code, to read as follows:

17.16.030 Conditional Uses permitted.

K. Food production and/or beverage production, where the majority of the floor space will be devoted to providing personal services or goods to the public.

Applicant Testimony

Applicant is the City of Toledo and no additional testimony was provided.

Proponent Testimony

Bud Shoemake, Port Manager of the Port of Toledo said that he sees this amendment as a tool for economic development within the City. He believes food processing is one of the few industries moving forward in the County and he would like to see sustainable businesses come to Toledo. He said he supports the proposed amendment.

Opponent Testimony

Jerry Pelletier said he is not really an opponent but he would like assurance that the City will have the ability to deal with negative impacts like those of Cyclone Marine, a previous fish processing business located in Toledo. He stated that he lives down wind of Port Station One and there is talk of a tuna processing operation going in there.

Judy Pelletier also stated that she is not an opponent. She asked for assurance that odors are not allowed to spread through the neighborhood and that waste products are disposed of properly. She asked why a canning process would be allowed in the commercial zone and not required to be placed in the industrial areas.

Donald Lee Sr. of 1150 NE Canyon Dr., Toledo asked for proper refrigeration and no sea-to-land containers be allowed in his neighborhood. He stated that this is due process and a long time coming. He thanked the City for doing things right and stated that he is proud to live here.

Other Interested Parties Testimony

There was none.

Rebuttal by Applicant

Toledo City Council Minutes 04/02/2014

Page 2 of 6

Contract Planner Synan responded to the previous testimony regarding negative impacts. She noted that the definition of food and beverage production includes uses like bakeries, catering, coffee roasting, and breweries. While the proposed uses must have a retail component, they would include businesses that could produce wholesale food as well as provide products to the public. The proposed amendment does not allow for solely manufacturing in a commercial zone as opposed to the way it is allowed in the industrial zone. Because the uses are conditional, the process provides for a public hearing with public notification regarding odor, waste removal and other concerns. It also provides the applicant the opportunity to provide a detailed description of what it is proposing and how it will address any issues. That process will allow the city to mitigate negative impacts or deny the application.

Questions by Council

Councilor Lyon stated that she believes the city is being less than transparent about this agenda item. She said she recognizes that the item before Council is a code amendment and not an action on a particular application. In spite of that, she is concerned that there is nothing in the staff report about what generated the proposed amendment. She said she has a problem with being asked to review the proposal and make a decision in the same evening. She said if there was information in the facts and findings that the Planning Commission received but Council has not been informed of, she would like to review it.

Contract Planner Synan explained that there is interest in developing a use in a commercial zone. The reason that information isn't included in the staff report is because staff didn't want to distract from the fact that this will apply to all commercial zones and not specific properties. It is also the intent to avoid the appearance of a conflict if Council has previous knowledge of a specific request in case that request goes to the denial appeal process.

CA Chadwick noted that there is a business that has indicated an interest in coming to Toledo that would have the ability to take advantage of this code amendment in a commercial zone. That business is called Fish People and Mr. Shoemake is working with that business. He said that business will be required to submit an application and go through the planning process for approval.

Mayor Grutzmacher noted that Council previously received a presentation regarding Fish People's business production so they already have prior knowledge of that business. He asked if Council now has a conflict. CA Chadwick stated no because that was a presentation about who and what the business is.

Mayor Grutzmacher then stated that Council has discussed implementing a nuisance ordinance with objective standards as well as an ordinance amendment to define the public lands definition. He asked if those had been done. CA Chadwick noted that those issues are on the Planning Commission's agenda list but the Commission has been busy with the Transportation System Plan which was recently completed. Mayor Grutzmacher then asked how many acres are in the Toledo Industrial Park (TIP) and how many buildings in that area are owned by the Port of Toledo. CA Chadwick noted there are approximately 11 acres in the TIP property and Mr. Shoemake stated that the Port owns one building in the TIP property.

Public Hearing Closed- Mayor Grutzmacher closed the public hearing at 7:41pm.

Council Deliberations

Mayor Grutzmacher said where he comes from this would be called a red headed Eskimo bill designed for one person and they wouldn't have done it. He said he doesn't like doing zoning that way. He also stated that he does not like the emergency clause provision in the proposed ordinance. He stated that he would like the item continued to the next City Council work session. He suggested the Port building zone could change to industrial. Contract Planner Synan explained that if the property were zoned industrial the proposed conditional uses would be allowed outright. Mayor Grutzmacher also stated that he would like to see a criteria-based nuisance ordinance done before the first application is received because he does not like decisions without criteria.

CA Chadwick noted that this isn't out of the ordinary and that City Council previously adopted a zoning change which only benefited the Olalla Center. He iterated that this proposed change will effect all properties in a commercial zone.

Councilor Lyon said there could be various businesses that would benefit from this code change. Her concern is the fact that Council is asked to move quickly on this and she believes that Council should have more time to review the proposal to avoid future issues.

Councilor Baxter stated that she understands the nature of the emergency clause. She believes the proposal is cut and dried and she is ready to move forward. She noted that City staff and the Planning Commission have reviewed the issue and support it. She stated that even if there is an applicant adopting the proposed code amendment doesn't indicate that Council endorses that business.

CP Strom noted her support for adopting the proposed Ordinance. She stated that the city learned a lot while dealing with Cyclone Marine and she is sure the same mistakes won't happen again.

Councilor Kauffman noted her support for adopting the proposed Ordinance.

Decision Items

Ordinance No. 1354: An Ordinance Amending Ordinance No. 1286 (Toledo Municipal Code Title 17) to Revise Zoning Regulations and Declaring an Emergency

Visitors Comment: There was none.

Motion- It was moved and seconded (Baxter/Strom) to approve the proposed amendment to the Toledo Municipal Code based on the testimony received, the findings of fact within the staff report, and the evidence and arguments before the City Council at the public hearing on April 2, 2014. The City Council determines that the request by the City of Toledo (ZOA-1-14) to amend Section §17.16.030 of the Toledo Municipal Code, by adding the following subsection "K. Food production and/or beverage production, where the majority of the floor space will be devoted to providing personal services or goods to the public." complies with the criteria identified in TMC 19.20.070(A)-(D) as stated in the findings contained in the Staff Report. The City Council hereby approves the staff report findings and the other evidence in the record as findings supporting its' decision and approves application and ZOA-1-14." In addition, the City Council adopts Ordinance No. 1354, by reading the title twice, amending ordinance 1286 (Toledo Municipal Code Title 17) to revise zoning regulations and declaring an emergency.

Motion Passed 3-2, noting yea votes by Councilors Baxter, Strom and Kaufman, and nay votes by Councilor Lyon and Mayor Grutzmacher. Also noting the absence of Councilors Dunaway and Johnson.

Recommendation from the Toledo Contribution Committee

CM Munkers reported that a quorum of the Toledo Contribution Committee met on March 20th at City Hall to review various funding requests from non-profit organizations. The Contribution Committee respectfully recommends the City Council approve the following contributions:

Toledo Food Share Pantry	\$1,000	Samaritan Senior Companion Program	\$1,000
COG Meals on Wheels	\$1,000	Children's Advocacy Center of LC	\$1,000
RSVP of Lincoln County	\$ 600	CASA of Lincoln County	\$1,000
My Sister's Place	\$ 800	Shangri-La	\$ 900
		Central Coast Child Dev. Center	\$ 700
<hr/>			
Total Contribution Amount			\$8,000

Visitors Comment: There was none.

Motion-It was moved and seconded (Lyon/Baxter) to approve the Contribution Committee's Recommendations and direct staff to budget \$8,000 for FY 2014/2015.

Motion passed 5-0, noting the absence of Councilors Dunaway and Johnson.

Adopting Hiring Standards, Criteria and Policy Directives for Hiring a City Manager

CR Bryant reported that before Council may consider discussing the hiring of a City Manager in executive session, Oregon public meeting laws require Council to adopt hiring standards, criteria and policy directives in a meeting open to the public. The final recruitment timeline, position profile and advertisement for hiring a City Manager as revised by Jennie Messmer of Local Government Solutions was distributed for Council adoption.

Visitors Comment: There was none

Motion- It was moved and seconded (Baxter/Lyon) to adopt hiring standards, criteria and policy directives for hiring a City Manager.

Motion passed 5-0, noting the absence of Councilors Dunaway and Johnson.

Invoice List for Toledo Ace Hardware

CM Munkers reported that the invoice presented for Ace Hardware is separate from the consent calendar. Separating the invoice list from the consent calendar allows Councilor Strom to vote on the consent calendar while refraining from voting on this invoice list because of her direct conflict of interest as the owner of Ace Hardware.

Councilor Strom declared a direct conflict of interest because of her ownership in Toledo Ace Hardware and excused herself from any discussion and or vote on the matter.

Visitors Comment: There was none.

Motion- It was moved and seconded (Kauffman/Baxter) to approve the invoice list for Ace Hardware dated March 19, 2014.

Motion passed 4-0, noting that Council President Strom abstained from voting and the absence of Councilors Dunaway and Johnson.

Reports and Comments

Department Reports

RD Andrews reported the following:

- The Movie night event at the swimming pool was a success. There were 130 swimmers in the water and 30 spectators.
- The main boiler at the facility recently failed to keep the water temperature at the normal 86 degrees. The equipment was repaired and the water temperature was restored.
- The revised scope for analyzing the pool structure is expected by the end of the week.

CR Bryant reminded City officials that the Oregon Statement of Economic Interest forms are due by April 15th.

City Manager's Report

CM Munkers reported the following:

- A Fuel Tax Report was distributed for review before the next Council work session.
- Staff has been reviewing the I & I issues in the Wastewater Master Plan.
- The budget preparation process is on schedule.
- He will be away from the office beginning 10am tomorrow and returning on Monday.

Council Comments

There were no Council comments.

Mayor Comments

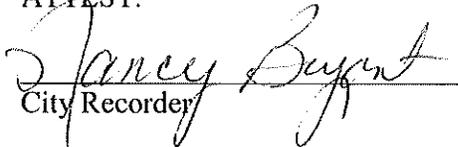
Mayor Grutzmacher made the following comments:

- The "If I Were Mayor" contest has opened and he looks forward to no entries again this year. The State level prize is a lap top computer and a trip to the State Conference in Pendleton.

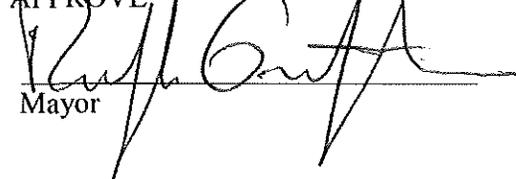
Adjournment:

Mayor Grutzmacher adjourned the meeting at 8:08pm.

ATTEST:


City Recorder

APPROVE:


Mayor

TOLEDO CITY COUNCIL MINUTES
WORK SESSION
April 8, 2014

Mayor Ralph Grutzmacher called the Toledo City Council work session to order at 6:15pm. Councilors present: Michele Johnson, Alma Baxter, Jill Lyon, Jack Dunaway, and Jackie Kauffman. Councilor absent: Council President Terri Strom.

Staff present: City Manager Pro Tem (CM) Don Munkers, City Attorney (CA) Wes Chadwick, Interim Public Works Director (PWD) Dave Inman, Library Director (LD) Deborah Trusty, Recreation Director (RD) Joe Andrews, and City Recorder (CR) Nancy Bryant.

Visitors present: Jerry Seth, Caroline Bauman, Jerry Pryor, and Dave Morgan.

Visitors Comments:

Jerry Seth addressed Council regarding comments made by Mayor Grutzmacher at the April 2nd Council meeting as follows:

- The City has one contract planner who works one day per week which is not adequate staffing for the projects that need to be done.
- The Planning Commission has been working on the Toledo Transportation Plan (TSP) code revisions which involves many staff hours. The Commission has delayed working on public plans until the TSP code revisions are complete; while many changes have been made and reviewed the revisions are still not complete.
- The Planning Commission and staff worked for months on the nuisance abatement code and couldn't come up with something enforceable. He said the Toledo Municipal Code (TMC), Chapter 8 covers safety and health which includes odor and should suffice until the Commission can review it again.

Mayor Grutzmacher stated that he does not see how the City can do a conditional use permit without criteria. The same criteria should be in place to do the nuisance ordinance, i.e., lighting and sound. He said sound is fairly easy to measure because there are accepted levels that can be measured at the property line. Seth noted that the trouble with enforcing sound in Toledo is identifying the source of the sound in this industrial environment. He said the people who have lived here forever have all grown up with this environment and accept it. New people come in and they want to change all of that but those who have lived here do not agree. Councilor Lyon stated the nuisance ordinance does not erase from that. She said that this is a function of zoning so that when people come to town they will know if they can operate; the industrial property zone needs reasonable criteria. Seth noted that it has been suggested to consolidate all code language pertaining to development and public improvements into a single development code. He believes this would be the way to go because the Commission is running into more and more conflicts between chapters because definitions are not always the same in each chapter. He said addressing code revisions piecemeal is complicating the issues. He said the City needs to address the lack of staffing in the Planning Department to adequately address these issues.

Discussion and Information Items
Proposed Changes to the Lincoln County Enterprise Zone

Councilor Lyon explained that much of Lincoln County including pieces of four cities are included in an enterprise zone that involves tax breaks for businesses and the like. There are now some proposed changes that impact specific parcels to be added or subtracted from that zone. None of the parcels to be changed are in Toledo however, as a municipally within the zone Toledo City Council will need to vote on those changes.

Caroline Bauman, Executive Director of Economic Development Alliance of Lincoln County explained that the enterprise zone was established in 2001. It was renewed for an additional ten years in 2010. The purpose is to encourage development for particular types of businesses that create family wage jobs. Toledo is one of the five entities that voted in 2010 to renew the Enterprise Zone. The entire City of Toledo is in the enterprise zone. The City of Lincoln City's Enterprise Zone is comprised of a string of tax lots that are spread throughout the city. Since the year 2000 many of these tax lots have been devoted to uses that do not meet the criteria of the enterprise zone. Therefore the City of Lincoln City has adopted a resolution creating a new adapted enterprise zone. In order for this to take effect the other four cities, including Toledo, must adopt a consenting resolution.

Proposed Reader Board

CM Munkers reported that the Toledo Boosters Club is requesting to place an electronic reader board in the landscaping area of the Toledo Police Station. The Booster Club has funded the sign and is requesting that the city place the installation posts. Jerry Prior President of the Toledo Boosters Club noted that Police Chief Enyeart has authorized the programming device to be located in the Police building. He also stated that the reader board can be used for public safety alerts and fire issues as well as other community information. The Port of Toledo has agreed to pay for the electrical installation but it is undetermined who will pay the ongoing electrical bill. The Boosters Club will set up an ongoing maintenance and replacement fund for the reader board. He said it may generate revenue from selling advertisements.

Mayor Grutzmacher noted that he does not want the City involved in censoring the language. CA Chadwick noted that the board will be on City owned property. Prior noted that the Booster Club's attorney will draft an addendum for all parties to review. Councilor Dunaway said that he hopes the board is aesthetically placed and not considered an eye sore. Councilor Baxter said it could pose a traffic distraction.

Council agreed to add the item to the April 16th regular session agenda.

Committee Updates

Councilor Lyon reported that the Lincoln County Telecommunication Committee met on this date. The County law enforcement and fire agencies simulcast radio system is about to be launched. There are two pairs of frequencies that all of the fire agencies in the county can use as well as supplemental frequencies that they can go to at an incident scene. She noted that it would be good for Council to hear from Fire Chief Ewing or Captain Larry Robeson about how Toledo is doing with this system. Councilor Lyon added that the Committee is planning an event which will include Lincoln County Emergency Services and other agencies to talk about the state of emergency response interoperability for communications. The Committee will also be hearing from commercial telecommunication providers about planned upgrades and build-outs to improve commercial wireless within the county.

Councilor Dunaway reported that he continues to investigate interest in City owned property along East Slope Road. It appears that there is not a lot of interest in the property. The most interesting

potential option remaining is the Oregon Department of Transportation creating mitigation banks throughout the state. He said they aren't interested in owning the properties but to act as agents of the wetland properties.

Councilor Baxter reported that the Central Oregon Disk Golf Club, in collaboration with the Oregon Coast Community College is hosting the first annual benefit Disk Golf Tournament on May 17th. The event will benefit scholarships for the nursing program.

Expenditures for Fencing at Arcadia Park and the Skate Park

PWD Inman explained that fencing at the Skate Park and Arcadia Park is in need of replacement. There are funds in the Arcadia Park fund that was originally intended for enhancement of the park. Enhancements have been made and there is still money in that fund. Staff will be requesting to use those funds to replace fencing at the Skate Park as well as improvements to Arcadia Park.

Council and staff discussed vandalism issues at the Skate Park. Councilor Johnson noted that there is damage to concrete posts at the Skate Park. CA Chadwick noted that if Council sees inappropriate behavior at any City park they have the right to confront the offenders. CR Bryant reminded Council that the City has a Park Exclusion Ordinance and the Police Department would be interested to know of any issues at City parks. Council directed PWD Inman to survey the skate park to determine if the park is currently safe for use.

Wastewater Treatment Improvement Projects

CM Munkers provided Council with a copy of the City's Inflow and Infiltration Study completed in 2011. He reported that the Wastewater Facility Plan is complete and is in review by the Oregon Department of Environmental Quality. He noted that the I & I report states that the City's history of discharge bypasses and irregular discharges will no longer be allowed. Part of the reason for that is the amount of I & I within the City's system. The report includes a project broken down to four priorities. Previously, the City added onto the plan in order to address the increase in flows. He stated that the City needs to now address the I & I issue. The monthly average of treated sewage at the Wastewater Treatment Plant for 2013 is anywhere between .99 million gallons to .4 million gallons. When looking at the amount of water treated at the Water Treatment Plant about half of it is going to Seal Rock and 60% is going into wastewater; the City should only be treating 367,000 gallons. Addressing the I & I containment will help with the issue and maybe cut the cost in half. The funding needs for all of the projects in the Wastewater Master Plan plus I & I is approximately 6.6 million dollars. CM Munkers suggested starting where the City can do the most good. He believes that is the I & I issue.

CM Munkers said the wastewater department has \$139,700 of acute pairs that need to be made. The City is only able to allocate \$50,000 in the next fiscal year contingency fund budget. He said the wastewater system is in a serious situation.

Council and staff discussed options for fixing the I & I issues, storm drain issues, cross connection and needed system repairs.

Mayor Grutzmacher noted that additional information will be needed to deal with the storm water issue and he would not want to spend funds for additional engineering on this issue. PWD Inman noted that staff is researching separating the I & I issues from the priority list of the Wastewater Facility Plan to be funded as priority one.

City Fuel Tax

CM Munkers provided Council with a report regarding the implementation of a fuel tax in the City of Toledo. He stated that the question before the Council is the feasibility of establishing a fuel tax for the City as well as the issues of implementing such a tax. He noted Toledo has a need to find additional funding for street projects and there is a potential to realize approximately \$63,000 in revenue from a 3% fuel tax. Critical for Toledo is the aspect of little or no transient traffic meaning that the tax will be paid by local residents. Implementation can only be approved by the electors of the City.

Council and staff discussed the fact that the City of Newport has implemented a fuel tax and the fuel stations in that city are charging the same amount as those in Toledo. CA Chadwick noted that staff cannot promote the fuel tax and it will be up to City Council to inform the public. He also noted that the City recently raised the water rates and just discussed funding the I & I issues. Timing and education is crucial to implementing such a tax. He suggested that if Council wants to move forward it consider the 2015 primary election for the referendum to the voters. After further discussion Council agreed to place the referendum on the November 4, 2014 ballot.

Additional Council Comments

Councilor Dunaway asked that the City Manager provide an analysis from the Planning Department regarding City owned parcels identified as 8G and 9G in the City Owned Property Inventory. He would like to know what the wetland limitations are on those two parcels.

Councilor Lyon inquired on the status of the draft public budget form. CR Bryant noted that Councilor Lyon provided the draft document to Council and asked that they return any comments. Council agreed to return with comments at its next meeting. Councilor Baxter suggested adding the City's mission statement to the document.

Councilor Dunaway proposed that the City sell the city owned parcel adjacent to Carson Oil as soon as possible.

Council inquired of staff about the status of the Contract Code Enforcement Officer Dustin Kittel. Some have heard that he is moving out of town. Staff agreed to look into the question.

City Manage Comments

CM Munkers had no additional comments.

Adjournment:

Mayor Grutzmacher adjourned the meeting at 8:21pm.

ATTEST:


City Recorder

APPROVE:


Mayor

TOLEDO CITY COUNCIL MEETING
REGULAR SESSION
April 16, 2014

Mayor Ralph Grutzmacher called the regular meeting of Toledo City Council to order at 7pm. Councilors present: Council President (CP) Terri Strom, Jack Dunaway, and Jill Lyon. Councilor Alma Baxter arrived at 7:12pm.

Councilors absent: Jackie Kauffman, Michele Johnson

Staff Present: Interim City Manager (CM) Don Munkers, City Attorney (CA) Wes Chadwick, Police Chief (PC) Dave Enyeart, Lead Dispatcher Maria Waldrup, Library Director (LD) Deborah Trusty, and Assistant City Recorder (ACR) Susan Thompson.

Visitors: Caroline Bowman, Geoff Wilkie, Guy Benoy

Visitors/Public Comment: Mayor Grutzmacher addressed the room asking if anyone would like to address the Council. There was no response.

Consent Calendar:

Motion – It was moved and seconded (Strom/Dunaway) to approve the Consent Calendar which consisted of the invoice list dated April 11, 2014 and the draft council minutes dated March 19, 2014 and April 2, 2014. **Motion passed 4-0** noting the absence of Councilors Kauffman, Johnson and Baxter.

Discussion and Information Items:

Committee Updates

(CM) Munkers stated that there are currently four vacancies on the Parks and Recreation Advisory Committee. The committee requires seven members, which means that they do not have a quorum. Council discussed recruiting to fill the vacancies. (CA) Chadwick announced that he has a person who is interested in serving and should be arriving at the meeting shortly.

Public Municipal Budget Request Form

Councilor Lyon explained that the need for a consistent way for citizens to make recommendations to the Toledo budgeting process was identified during the annual goal setting session in January. She and Councilor Dunaway developed the final form which is titled City of Toledo Public Municipal Budget Request. Councilor Lyon thanked Nancy and Susan for formatting the document. The form will be available on the city website, at City Hall or via mail upon request.

Motion to add an item to the Agenda – It was moved and seconded (Dunaway/Lyon) to add the Proclamation honoring Public Safety Telecommunicator Week to the Agenda. **Motion passed 4-0** noting the absence of Councilors Kauffman, Johnson and Baxter.

Proclamation

Mayor Grutzmacher proclaimed the week of April 13 through April 19, 2014 be **Public Safety Telecommunicator Week** in observance of the dedicated professionals who work night and day answering calls and dispatching the appropriate assistance. Lead Dispatcher Maria Waldrip and (PC) Enyeart accepted the Proclamation on behalf of the Toledo Public Safety employees.

(CA) Wes Chadwick announced the arrival of Guy Benoy and introduced him to the Mayor and Council. Mayor Grutzmacher asked Mr. Benoy if he would be interested in serving on the Parks and Recreation Advisory Committee. After a brief explanation of the duties of the committee, Mr. Benoy accepted. (CA) Chadwick interjected that Mr. Benoy would first need to fill out the volunteer application and pass the background check to make his appointment official. The Mayor then thanked him for volunteering to serve on the committee.

Decision Items:

Consider Authorizing Expenditures for Fencing at Arcadia Park and the Skate Park.

(CM) Munkers explained that this is a Public Works request item, but that the Interim Public Works Director, Dave Inman, is currently in Mexico on vacation. Munkers explained that the fence behind the skate park is in dire need of attention and represents a serious safety hazard. The perimeter fence around Arcadia Park also needs attention. There were funds left over after the purchase of playground equipment for Arcadia Park. Therefore, Public Works is requesting the Council approve using these reserve equipment funds to repair these two fences.

Public Comment: There was none.

Motion: It was moved and seconded (Dunaway/Strom) to allow Public Works to use Arcadia Park Funds to replace the fence behind the Skate Park and for fencing needs at Arcadia Park.

Motion passed: 5-0. Noting the absence of Councilors Johnson and Kauffman.

Consider Resolution No. 1348, A Resolution Changing the Boundary of the Lincoln County Enterprise Zone

(CA) Chadwick addressed the Council and explained that Lincoln City (one member city in the Lincoln County Enterprise Zone) would like to amend the Enterprise Zone Boundaries in their city. The cities included are Lincoln City, Newport, Toledo and Waldport. Each of the member cities need to pass a resolution to allow the change. This change will only affect the boundaries in Lincoln City as per the provided Exhibits A through D. Chadwick introduced Caroline Bauman of the Lincoln County Economic Development Alliance who is the sponsor of these changes. She stated that the Enterprise Zone is beneficial for job creation and provides incentives for business to relocate here. The entire City of Toledo is located in this zone. Lincoln City's Planning Department has researched the issue and is recommending the changes to streamline the zone.

Public Comment: There was none.

Motion: It was moved and seconded (Lyon/Baxter) to Pass Resolution No. 1348

Adopting the amendments to the Lincoln County Enterprise Zone by authorizing changes to the boundaries in Lincoln City. **Motion passed: 5-0** noting the absence of Councilors Johnson and Kauffman.

Consider Authorizing the City Manager Pro Tem to Negotiate an Agreement with the Toledo Boosters for Placement of an Electronic Reader Board on City Property

(CM) Munkers informed the Council that the Toledo Boomer's Booster Club has been trying for several years to raise enough funds to buy an electronic reader board, they have now accomplished that. The Club would like to have the reader board displayed on the Toledo Police Department's property. They are asking the City to set the posts for the board and the Police Department will house the control board under the caveat that the City will not draft or edit messages for display. The fiscal impact would not exceed \$200 in-kind with no cash outlay for the project.

Public Comment: There was none.

Motion: It was moved and seconded (Strom/Lyon) to authorize the City Manager Pro Tem to negotiate with the Toledo Booster Club, the placement of an electronic reader board on Police Department property; and to authorize the police department to house the control panel for the reader board under the condition that the City is not drafting or editing any messages for display on the board. **Motion passed: 5-0** noting the absence of Councilors Johnson and Kauffman. Councilor Dunaway thanked the Booster Club for their outstanding effort and contribution to provide a form of communication for their school activities as well as providing other pertinent information to Toledo citizens and visitors.

Reports and Comments

Department Reports

(LD) Trusty told Council the Library Staff have been having a great time reading to the preschool children who include birth to five years and their parents. She is very excited about the literacy program and is striving to see 100% of Toledo's children reading!

(PC) Enyeart pointed out that in the Council packet there is a letter from the Siletz Tribal Council regarding the end of the Policing Contract, (CA) Chadwick, (CM) Munkers and himself will be meeting on Friday to discuss this issue more. All of the Tribe's cars are in Siletz now. The PD will keep custody of the case evidence and is working on closing out the cases. On a positive note, the department's newest Police Officer, Dean, will be heading to the Academy for sixteen weeks. She will head out on Friday, but will be back to work during Summer Festival.

City Manager's Report

(CM) Munkers reported the following:

- He had a meeting with the Seal Rock Water District Manager to discuss the agreement.
- The proposed budget document is almost complete with the exception of final edits.
- The budget message is complete.

- Four applications for the Public Works Director position have been received, interviews are being scheduled.
- Several high school students have approached him requesting approval to do various projects around the city relating to their Senior Project.

Council Comments

Councilor Dunaway has been working on finding a buyer for the city-owned 23 acre wetland parcel near East Slope Road and Olalla Creek. He said elections are going to be held this fall; he has found serving on the Council to be a very rewarding experience and encourages people who have an interest in serving the city to run for council office.

(CP) Strom expressed her disapproval of people who use city streets for their private storage of boats, cars and campers. She informed Council that she is unavailable to attend the May 7th Council meeting.

Mayor's Comments none.

Executive Session:

No Executive Session was held.

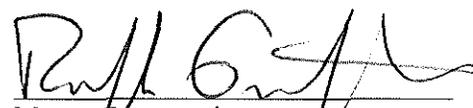
Adjournment:

Mayor Grutzmacher adjourned the meeting at 7:37pm.

ATTEST:

APPROVE:


Assistant City Recorder


Mayor Grutzmacher

**TOLEDO BUDGET COMMITTEE
MEETING**

April 28, 2014

Mayor Ralph Grutzmacher called the Toledo Budget Committee meeting to order at 5:31pm. Committee members present: Jerry Seth, Chuck Gerttula, Julie Rockwell, Jill Lyon, Terri Strom, Rod Cross, and Billie Jo Smith. Budget Committee members excused: Larry Davis, Bob Deming, Jackie Kauffman, Michelle Johnson, Jack Dunaway, and Alma Baxter.

Staff present: Budget Officer/City Manager Pro Tem (BO/CM) Don Munkers, Library Director (LD) Deborah Trusty, Police Chief (PC) Dave Enyeart, Finance Director (FD) Polly Chavarria, Interim Public Works Director (PWD) Dave Inman, Fire Chief (FC) Will Ewing, and City Recorder (CR) Nancy Bryant.

Visitors present: Dani Palmer, Laura Beede, and Rick Beede.

Open Public Hearing on Toledo 2014/15 Municipal Budget, Including State Revenue Sharing

The proposed budget document was distributed to the Budget Committee and CM Munkers delivered the budget message (on file at City Hall).

Public Comment:

There was no public comment.

Mayor Grutzmacher recessed the meeting at 5:58pm to be continued on May 1, 2014 at 5:30pm at the City Hall Council Chambers.

**TOLEDO BUDGET COMMITTEE
MEETING**

May 1, 2014

Mayor Ralph Grutzmacher resumed Toledo Budget Committee public hearing at 5:30pm. Budget Committee (BC) members present: Julie Rockwell, Jack Dunaway, Jerry Seth, Chuck Gerttula, Terri Strom, Michele Johnson, Billie Jo Smith, Rod Cross, Jill Lyon, and Alma Baxter. Budget Members excused: Larry Davis, Bob Deming, and Jackie Kauffman.

Staff present: Budget Officer/City Manager Pro Tem (BO/CM) Don Munkers, Library Director (LD) Deborah Trusty, Finance Director (FD) Polly Chavarria, Interim Public Works Director (PWD) Dave Inman, Fire Chief (FC) Will Ewing, City Recorder (CR) Nancy Bryant, and Recreation Director (RD) Joe Andrews. Police Chief (PC) Dave Enyeart and City Attorney (CA) Wes Chadwick arrived at 6:50pm.

Visitors present: Abby Tumbleson.

Continued Open Public Hearing for the Toledo 2014/15 Municipal Budget, Including State Revenue Sharing

Election of Presiding Officer

Mayor Grutzmacher resumed the public hearing of April 28, 2014 and called for nominations for presiding officer.

Motion: It was moved and seconded (Rockwell/Lyon) to appoint Rod Cross as Presiding Officer.
Motion passed unanimously.

Public Comment

There was none.

Budget Document Review

BO/CM Munkers reviewed the proposed 2014/15 FY Budget as follows:

General Fund

General Fund Revenue

The Total General Fund revenues includes a beginning fund balance of \$1,337,901, anticipated tax collection of \$1,635,000, transfers from other funds in the amount of \$482,205, franchise fees in the amount of \$670,850, state shared revenues of \$95,830, intergovernmental contracts \$248,245, rents, licenses, fees and fines \$223,500, and miscellaneous revenue of \$23,000. Total General Fund revenue equals \$4,716,531.

The group discussed where the proceeds of real property sales would be placed in the budget as well as the status of state shared revenues.

General Fund Distributions

The percentages of distribution of the General Fund is as follows: Administrative 12%, Police 28%, Fire 15%, Recreation 5%, Property Maintenance 6%, Library 5%, Municipal Court 0%, General Services 11%, Unappropriated 14%, and Contingency 4%.

Administration

The proposed budget for Administration reflects a 7% increase over the adopted budget for 2013/14. There are no significant changes and no capital purchases proposed. The total amount proposed for the Administration Fund is \$580,045.

The group discussed employee health benefit and retirement costs.

Planning

This section of the budget was split between Administration and General Services in FY 2013/14. The three quarter full time employee (FTE) has been moved to the Administration Fund and the Planning Commission expenditures and Contract Planner position were moved to General Services. BO/CM Munkers suggested the Planning Fund be reinstated in the next FY budget to enable the Planning commission to track related expenditures. BC Seth noted that, without this fund, there is no way for the Planning Commission to track expenditures for specific projects and grants.

PO Cross called for a recess at 5:56pm. The meeting resumed at 6:20pm.

Police

The Police Fund reflects a 15.40% decrease from the adopted budget for FY 2013/14. The decrease is substantially due to the loss of the Silte Tribal Policing contract. Reductions include the loss of two police positions, and a reduction in materials and services of over \$20,000. The transfer for patrol car purchases has also been reduced as the patrol cars should have less mileage per year. Capital purchases proposed for FY 2014-15 include a video surveillance system for the Police Station. The total amount proposed for the Police Department Fund is \$1,276,862.

The group discussed funding for the Youth Program Support line item and the proposed purchase of video surveillance.

Fire

The proposed budget reflects a 7.78% increase from the adopted budget for 2013-14. The increase is due to the addition of a full time benefitted fire fighter position. Offsetting the new position is a reduction in the contract services line item, eliminating a half time position presently provided through temporary services. There is also a small reduction in the transfer for equipment replacement. The amount reflected in this budget should provide adequately for all equipment. Capital purchases proposed for the 2014-15 FY include an ID badge system for City employees and a portable extrication pump. The total proposed amount for the Fire Department Fund is \$651,235.

The group discussed the contribution from the Toledo Rural Fire Protection District, local ambulance service, fire marshal services and services for the infirm (lift assist) provided by the Toledo Fire Department.

Recreation

The Recreation Department reflects a 29.79% decrease from the adopted budget for the FY 2013-14. This is primarily due to the elimination of the Swim Club Program and reduction in part-time employee hours. The transfer to reserves for building improvements has been reduced from \$71,000 last year to \$15,000 this year. The total amount proposed for the Recreation Department Fund is \$249,585.

BC Smith noted that the Toledo Swimming Pool is a valuable asset to the community and should be a priority. The group then discussed the economic feasibility of sustaining the Swimming Pool facility. Mayor Grutzmacher noted that the Swimming Pool is supported in the proposed budget for FY 2014-15 but the City needs to discuss the issue before the next FY budget.

Property Maintenance:

In the 2013-14 fiscal budget the Property Maintenance Fund was moved from the General Fund into the Property Maintenance Fund which is an internal service fund.

Library

The Library Fund reflects an 11.11% decrease from the adopted budget from FY 2013-14. The reduction is due to reduced personnel costs as well as a reduction in the transfer to reserve for facilities costs. There are no capital purchases proposed for this department. Anticipated revenue for this fund include Library receipts in the amount of \$700 and Library Services District

contributions in the amount of \$101,745. The total proposed amount for the Library Fund is \$254,515.

The group discussed the contribution from the Library Service District.

Municipal Court:

The proposed budget for Municipal Court reflects a 1.42% decrease from the adopted budget for FY 2103-14. This is primarily due to lower personnel costs. There are no capital purchases proposed. Anticipated revenue from court fine receipts in for FY 2014-15 is \$45,000. The total proposed budget for Municipal Court is \$11,475.

FD Chavarria noted that the City has approximately \$300,000 in uncollected fines.

General Services

The proposed budget for General Services reflects a 1.43% increase over the adopted budget for FY 2013-14. There is a large increase in the transfer to the Building & Property Reserve as well as the Property Maintenance Fund. The increase in the Property Maintenance Fund allows for a part time facilities position to be funded to address the City's many facility issues. The profit of \$90,000 that the City made from the sale of the Council of Governments (COG) building is being transferred to reserve for capital facilities issues. Offsetting the increase, is the elimination of debt services for the internal fund loan for the COG building which was paid off out of the final payment from COG during FY 2013-14. There are no capital purchases in the proposed budget for this fund. The total budgeted amount for General Services is \$810,102 + \$682,712 unappropriated.

Property Maintenance:

Property Maintenance is a new fund created in FY 2013-14. It is an internal service fund. Revenue is transferred from other funds to finance building and property maintenance. There is a 12.61% increase in the Property Maintenance Fund from FY 2013-14. The increase is in the contract services line item where money is budgeted to hire a contract employee to address the City's many facilities needs.

Mayor Grutzmacher suggested that other communities may also have a half-time position and it may be cheaper to share the services with some other agency.

PO Cross called for a recess at 7:20pm. The meeting resumed at 7:28pm.

Public Works:

There are a number of funds associated with Public Works. The major operating budgets include the Public Works Fund, the Streets Fund, the Water Fund, and the Sewer Fund. Each of these funds are balanced which means that revenues and expenditures are equal. The Water Fund and Sewer Fund are Enterprise Funds. The Streets Fund is a Special Revenue Fund. Most of the City's Public Works employees are paid out of the Public Works Fund which receives the majority of its revenues from transfers from the General Fund, Street Fund, Water Fund and the Sewer Fund.

Public Works Fund

The Public Works Fund has a proposed increase of 0.50% for the 2014-15 FY when compared to the adopted budget for the 2013-14 FY. There are no major changes in this fund this year. Total proposed amount for the Public Works Fund is \$834,195.

Streets

The Street Fund has a proposed increase of 49.06%. The increase is the result of carry-over from previous years creating a large beginning fund balance. This money remains available in subsequent years for street use. Proposed capital expenditures for 2014-15 include a Pavement Preservation Project in the amount of \$100,000, wood/debris chipper for \$10,000 and repair of NW "A" Street near the Post office for \$100,000. Total proposed 2014-15 FY budget for the Streets Fund is \$1,516,308.

The group discussed the amount budgeted for the "A" Street repair, a concern that the amount is excessive and whether or not it should be a priority over other street repairs. Councilor Dunaway suggested the committee remove the "A" Street repair project from the proposed budget. Staff reminded the group that the projects will be presented to City Council for approval before any funding is expended. BC Gerttula noted his dissatisfaction of how the streets were dealt with during the last snow storm. The group also discussed analyzing street sweeping in-house versus contract services.

Water

The Water fund has a proposed increase of 2.72% for the 2014-15 FY. The Water Fund is financed through water utility charges to customers and sales of water to the Seal Rock Water District. Capital purchases proposed for FY 2014-15 include a Chlorine Analyzer, SCADA Computer Management improvements, and a Lime Treatment System. The total proposed 2014-15 FY budget amount for the Water Fund is \$2,167,823

The group discussed purchasing remote meter reading equipment as well as revenue from the Seal Rock Water District.

Sewer

The Sewer Fund has a proposed decrease of 1.89% for the 2014-15 FY. This fund is financed through utility charges. It funds the operation of the collection system and the wastewater treatment plant which are both included in the overall fund but are in separate accounts within the fund to track the total costs of each function. Capital purchases proposed for 2014-15 include a RAS/WAS Pump at the Wastewater Treatment Plant, inflow & infiltration –sewer line replacement, and fencing around drying beds at the Wastewater Treatment Plant. Total proposed 2014-15 FY budget for the Sewer Fund is \$1,074,689.

Special and Reserve Funds

The Council Strategic Reserve Fund houses money that is available to be used at the City Council's discretion. Seventy-five percent of any revenue from HUD loan repayments will be placed in this fund for future expenditures as directed by the Council. Total proposed 2014-15 FY budget for the Council Strategic Reserve Fund is \$19,605.

The Debt Services Fund accounts for the payment of principal and interest on all general obligation long-term debt. Total proposed 2014-15 FY budget for the Debt Services Fund is \$172,753.

The Forfeiture Revenue Fund is a special revenue fund used to track the proceeds from police related forfeitures and seizures. The total proposed 2014-15 FY budget for the Forfeiture Revenue Fund is \$4,668.

The Revolving Loan Fund -Twenty-five percent of any revenue from HUD loan repayments will be placed in this fund to be used for loans as the Council directs. The total proposed 2014-15 FY budget for the Revolving Loan Fund is \$49,215.

The Solid Waste Fund serves to pay the City's share of the costs associated with closing the Agate Beach Landfill. Revenue for this fund comes from Dahl Disposal, based on the amount of waste hauled each month. Expenditures are made to the Lincoln County Solid Waste Consortium as needed to cover closure expenses. The total proposed 2014-15 FY budget for the Solid Waste Fund is \$175,595.

The 911 System is a special revenue fund used to enhance the City's 911 system. Revenue into the fund comes from 911 tax receipts. Expenditures are limited to those uses allowed by state law for 911 tax funds. The total proposed 2014-15 FY budget for the 911 fund is \$88,805.

The Building and Property Reserve Fund purpose is to save money for future capital expenses related to the City owned buildings and property. Capital expenditures include; City Hall roof, Police department security fencing, Skate Park fencing, Arcadia Park fencing, and the Library's heat pump upgrade. The total proposed 2014-15 FY budget for the Building and Property Reserve Fund is \$732,125.

The General Reserve Fund is used to save money for future major expenses for departments of the General Fund. The proposed capital expenditure is a Fire Duty Truck. The total proposed 2014-15 FY budget for this fund is \$408,810.

The Public Works Reserve Fund is used to save money toward the purchase of major pieces of equipment and vehicles for the Public Works Department. It is also used for major repairs/replacements of the Public Works Shop. Capital expenditures proposed include a Public Works Director vehicle, a one ton 4x4 cab & chassis as well as a Ford F-150 fleet truck. The total proposed 2014-15 FY budget for the Public Works Reserve Fund is \$211,250.

The Water Reserve Fund is used to set money aside for future major expenses pertaining to the water system. It is also used as contingency funds for unforeseeable system repairs. Proposed expenditures include chlorine analyzer, lime treatment system, and SCADA computer management improvements. The total proposed 2014-15 FY budget for the Water Reserve Fund is \$883,967.

The Sewer Reserve Fund is used to set money aside for future major expenses pertaining to the sewer system. It is also used as contingency funds for unforeseeable system repairs and it houses the debt service reserve for the 1989 USRD Revenue Bonds. Proposed expenditures include RAS/SAS pump-Wastewater Treatment Plant, inflow & infiltration-sewer line replacement, and fencing around drying beds-Wastewater Treatment Plant. The Total proposed 2014-15 budget for the Sewer Reserve Fund is \$617,887.

The Street Reserve Fund is used to set money aside for future major expenses pertaining to the street system. Proposed capital expenditures include Highway 20 maintenance as needed and reserve for future expenses. The total proposed 2014-15 budget for the Street Reserve Fund is \$105,550.

The Library Reserve Fund holds general gifts, donations, and bequests given to the City that are intended specifically for the Library. The total proposed 2014-15 budget for the Library Reserve Fund is \$27,370.

The Footpaths & Bicycle Trails Fund is the one percent Highway Tax money received from the State for construction of footpaths and bicycle trails. The money is held in this fund over a period of years until enough is accumulated for a project. The total proposed 2014-15 FY budget for the Footpaths & Bicycle Trails Fund is \$13,225.

The Systems Development Fund is used to hold funds for expansion of the City's infrastructure segments due to increased burden from new development. Revenue into this fund is generated from fees paid by new users connecting to service, as their "buy-in" to the system. The total proposed 2014-15 FY budget for the Systems Development Fund is \$353,400.

The Sewer Systems Development Fund -All SDC funds have been consolidated into one fund as of FY 2011-12. This fund is no longer active.

The Transportation Systems Development Fund -All SDC funds have been consolidated into one fund as of FY 2011-12. This fund is no longer active

The Grant Fund is used to track proceeds and expenditures from any general grants the City may receive. The proposed expenditure is a Ready to Read grant in the amount of \$1,200. The total proposed 2014-15 FY budget for the Grant Fund is \$225,000.

The Stabilization Fund holds money set aside for future expenses in three areas. It provides stabilization for future insurance related expenses including premium increase and deductibles. It provides stability to retirement expenses when the PERS rate increased over the threshold established by City Council. It also functions as a "rainy day" fund to stabilize revenue fluctuations in the General Fund. The total proposed 2014-15 budget for the Stabilization Fund is \$818,400.

The Water Construction Fund was created to hold the bond proceeds from the 2012 Revenue Bond Sale and to track the corresponding expenditures for water improvements. Expenditures include Phase I Storage Tank on Skyline Drive and Phase II Siletz River Intake. Proposed capital expenditures for this fund include Phases I and II of the Water Master Plan Improvements. The total proposed 2014-15 FY budget for the Water Construction Fund is \$4,692,000.

The Total proposed 2014-15 FY Budget expenditures and revenues equal \$20,581,733.

Mayor Grutzmacher recommended the City consider implementing a capital budget to avoid inflationary numbers. BC Seth suggested putting the City's financial statement in the next fiscal year budget proposal.

The group discussed the need to find a replacement facility to house City Hall. BC Dunaway noted that he does not agree with the purchase of the West Coast Bank Building without a thorough analysis of available options. FD Chavarria noted that the bank building may potentially be purchased at \$40 per square foot and the cost to rebuild City Hall is more likely at \$250 per square foot. BC Smith suggested leasing temporary housing for City Hall while building a new structure at its current location. Mayor Grutzmacher stated that there will be a significant expense in

retrofitting the bank building to house City Hall. He would de-emphasis abandoning City Hall and the Police State to move to the bank.

The Public Hearing for the Toledo 2014-15 Municipal Budget, including State Revenue Sharing closed at 8:13pm.

Budget Committee Motions

Motion- It was moved and seconded (Gerttula/Grutzmacher) to accept the proposed budget and recommend its adoption to the City Council. **Motion passed unanimously.**

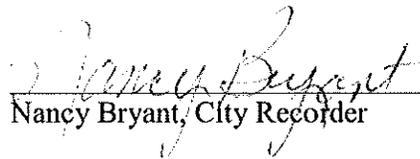
Motion-It was moved and seconded (Lyon/Gerttula) to approve a rate \$5.18 per thousand of total ad valorem property taxes to be certified for collection and \$164,000 in bonded debt.

Motion passed unanimously.

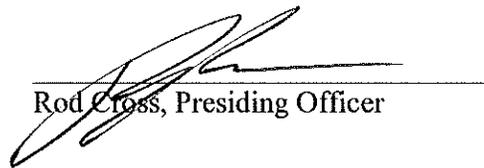
Adjournment

PO Cross adjourned the meeting at 8:16pm.

ATTEST:


Nancy Bryant, City Recorder

APPROVE:


Rod Cross, Presiding Officer

TOLEDO CITY COUNCIL MINUTES
REGULAR SESSION
May 7, 2014

Mayor Ralph Grutzmacher called the regular meeting of Toledo City Council to order at 7:00pm.
Councilors present: Jackie Kauffman, Alma Baxter, Jack Dunaway and Michele Johnson.
Councilors excused: Council President (CP) Terri Strom and Councilor Jill Lyon.

Staff present: City Manager Pro Tem (CM) Don Munkers, City Attorney (CA) Wes Chadwick,
City Recorder (CR) Nancy Bryant, Police Chief (PC) Dave Enyeart, Library Director (LD)
Deborah Trusty, and Recreation Director (RD) Joe Andrews.

Visitors present: Dave Morgan, Abby Tumbleson, Dustin Kittel, and Larry Wiederman.

Visitors/Public Comment

There were none.

Proclamation- 2014 Emergency Medical Services Week

Mayor Grutzmacher proclaimed the week of May 18-24, as Emergency Medical Services Week.
He then stated that he supports Oregon Governor's call for CPR Training for the entire population
of the State. He suggested that the City follow suit.

Consent Calendar

Motion- It was moved and seconded (Dunaway/Kauffman) to approve the consent calendar
consisting of the invoice list dated May 2, 2014 and Council minutes of April 8, 2014.

Motion passed 5-0, noting the absence of CP Strom and Councilor Lyon.

Discussion and Information Items

Code Enforcement Update

Dustin Kittel Contract Code Enforcement Officer reported the following update regarding
Toledo's Municipal Code enforcement:

- He has processed 450 cases since January 2011; 104 attractive nuisances, 227 nuisance vehicles, 38 dilapidated structures, and 81 vegetation, fences and zoning violations.
- The Toledo abatement process includes violations noted by both complaint reports and officer observation. Once a violation is identified a notice is provided to the property owner in an informal process. If there is no action to correct the violation after the third notice the owner is cited to the Toledo Municipal Court. Of the 450 cases since 2011, five were cited to the Toledo Municipal Court. There are currently 20 open code violation cases of which he anticipates will be rectified in the near future.

Mayor Grutzmacher asked that Kittel evaluate the structure on 2nd street that recently burned.
Kittel agreed to put it on his list. Council and staff discussed County building permits in relation to
the City's code requirements.

Kittel then introduced Larry Wiederman who will be handling cases while Dustin is out of the
area. He noted that code enforcement is supervised by the Toledo Police Department.

Committee Updates

Councilor Dunaway stated that the Oregon Department of Transportation may have a need for wetland disturbance mitigation. He has been in contact with the Salem office regarding the City owned parcels along East Slope Road.

Mayor Grutzmacher reported that he and CM Munkers attended a Cascades West Area Commission on Transportation meeting. The Commission moved the Port of Toledo project to priority number one and dislocated the \$5,000,000 bike path from the list of those vying for the ODOT 'ConnectOregon' grant.

Decision Items

Authorizing the City Manager to Hire a Part-Time Lifeguard

CM Munkers reported that the Recreation Director is requesting to fill a lifeguard vacancy. The position is included in the present fiscal year budget.

Visitors Comment: There were none.

Motion-It was moved and seconded (Kauffman/Johnson) to authorize the City Manager Pro Tem to hire Alexandra White as a part-time lifeguard in the Recreation department contingent upon successful completion of water skills assessment, background screening and pre-employment drug screening. **Motion Passed 5-0**, noting the absence of CP Strom and Councilor Lyon.

Recommendation to OLCC for Liquor License Renewals

CR Bryant reported that the Oregon Liquor Control Commission has provided the City with a list of liquor licenses that are eligible for renewal and doing business within the City of Toledo. The Toledo Police Chief has reviewed the list and provided Council with an incident report including all of the business which hold a liquor license. Council noted a high number of incidents reported for the Timbers Tavern; PC Enyeart stated that he met with the owners of the Timbers Tavern and offered Police Department support as needed. He noted that the Timbers has had several incidents but no actual crimes were committed at the place of business.

Visitors Comment: There was none.

Motion-It was moved and seconded (Dunaway/Kauffman) to recommend approval to OLCC for Liquor License renewals. **Motion passed 5-0**, noting the absence of CP Strom and Councilor Lyon.

Invoice List for Toledo Ace Hardware

CM Munkers reported that the invoice presented for Ace Hardware is separate from the consent calendar. Separating the invoice list from the consent calendar allows Councilor Strom to vote on the consent calendar while refraining from voting on this invoice list because of her direct conflict of interest as the owner of Ace Hardware.

Visitors Comment: There was none.

Motion- It was moved and seconded (Baxter/Johnson) to approve the invoice list for Ace Hardware dated April 24, 2014. **Motion passed 5-0**, noting the absence of Council President Strom and Councilor Lyon.

Reports and Comments

Department Reports

LD Trusty reported that the Library has been awarded \$750 from the East County Community Partnership for the Toledo Summer Reading Program.

CR Bryant reported the following:

- City Council has been invited by the Port of Toledo to a joint meeting in July. By consensus council accepted the invitation for a joint meeting with the Port of Toledo on July 15, 2014 at Port Station One.
- Jennie Messmer, recruiter for the City Manager vacancy will be ready to meet with Council in an executive session on June 4th. Council agreed to meet at 5:30pm on June 4th in executive session to discuss the applications received for the City Manager position.

RD Andrews reported that the department is wrapping up the school swim lesson program and sign ups have begun for the summer lesson program. The Swimming Pool has reduced some inefficient hours of operation. Councilor Johnson inquired about how the school swim lessons are funded. RD Andrews stated that the schools pay for the lessons through fund raising efforts.

City Manager's Report

CM Munkers reported the following:

- He has registered to attend a FEMA Seismic Rehabilitation Grant Writing Program forum in Salem on May 15th.
- The National Fisheries Service has notified the City that the biological evaluation for the Siletz River Intake project will not be completed as scheduled in July of this year. The City's window of opportunity for construction of the intake is July through August and the City's bond requires that 80% of the project be completed by May of 2015. The reason does not appear to be because of incomplete information provided by the City but rather the work load at the Fisheries Services agency. CM Munkers has made contact with Congressman Schrader's office to request aid with this issue. Mayor Grutzmacher suggested that the Senators' offices be contacted as well.

Council Comments

There were none.

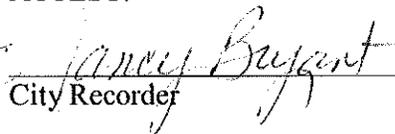
Mayor Comments

Mayor Grutzmacher had no further comments.

Adjournment:

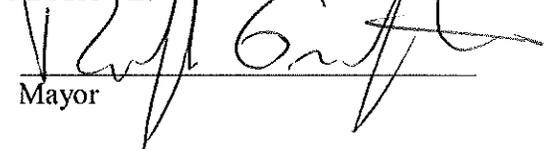
Mayor Grutzmacher adjourned the meeting at 7:47pm.

ATTEST:



City Recorder

APPROVE:



Mayor

TOLEDO CITY COUNCIL MINUTES
WORK SESSION
May 13, 2014

Mayor Ralph Grutzmacher called the Toledo City Council work session to order at 6:15pm. Councilors present: Michele Johnson, Alma Baxter, Jill Lyon, Jack Dunaway, Jackie Kauffman and Council President Terri Strom.

Staff present: City Manager Pro Tem (CM) Don Munkers, City Attorney (CA) Wes Chadwick, Interim Public Works Director (PWD) Dave Inman, Fire Chief (FC) Will Ewing, Police Chief (PC) Dave Enyeart, Library Director (LD) Deborah Trusty, Recreation Director (RD) Joe Andrews, and City Recorder (CR) Nancy Bryant.

Visitors present: Dani Palmer and Dave Morgan.

Visitors Comments:

There was none.

Discussion and Information Items

Committee Updates

Councilor Lyon reported that the County Telecommunications Committee discussed the fire department emergency simulcast system at its recent meeting. She noted that the system should be online very soon. The committee will be looking at Lincoln County inoperability in communications in the event of a disaster and how the County public safety agencies will work together.

Councilor Dunaway requested an update on the issue with the National Fisheries Services regarding the City's biological evaluation at the Siletz River intake site. Mayor Grutzmacher noted that he and CM Munkers have been in contact with the offices of both Congressman Schrader and Senator Merkley regarding this issue.

Mayor Grutzmacher reported that he has been invited to meet with representatives of Oregon Department of Environmental Quality to discuss how they can help Toledo.

Telecommunications Update

FC Ewing and PC Enyeart provided Council with an update regarding Toledo Public Safety Communications as follows:

- Local Fire Chiefs collaborated in writing a grant for a single simulcast channel for the fire departments. Currently the "Fire One" frequency is being tested. In addition, local law enforcement agencies have established a simulcast system which is currently in use. The information is going out from dispatch to the user agency. Toledo and Lincoln City are the exception. Both agencies have a dispatch center.
- Lincoln County and Willamette Valley Communications Center (WVCC) is connected through microwave transmission. There have been several blackouts in the past year as well as significant time lags in dispatch information. Some local agencies are having issues with the drop down frequencies with WVCC. Not all of those issues have been resolved.

- Toledo dispatch has the technology to support other agencies as needed for back up dispatch. It is also more feasible for other local agencies to utilize the Toledo dispatch as an alternative to WVCC. Lincoln County has its own dispatch backup system located in the jail. Lincoln City has only to flip a switch and all calls come to Toledo.
- Toledo has the capability to concentrate on its Police, Fire and Public Works communication for public safety. Staff is working efficiently and responsive to meet the needs of its communication system for this community.

Police Department Vehicle Replacement Plan Update

PC Enyeart reported that the Police Department Vehicle Replacement Plan calls for replacing one vehicle per year based on a six car fleet. The current fleet is on a 100,000 miles replacement plan or approximately 7-8 years. Once a vehicle has reached the 100,000 miles limit it is assigned to a detective or administrative staff to avoid additional mileage. The 2013/14 FY budget identifies one vehicle replacement in the amount of \$40,000. \$20,000 in capital reserves is included in the proposed 2014/15 FY budget for a future vehicle purchase. Staff will request authorization to purchase one police patrol vehicle at the May 21, 2014 Council regular session.

Highway 20 Pipeline Project Update

PWD Inman reported that the bid opening for the Water Master Plan Phase I-Highway 20 Waterline Replacement Project was held and read aloud at 2:00pm on May 13, 2014 at the City Hall Council Chambers. The apparent low bidder is Clackamas Construction at \$521,730 with an alternate project adding a pressure reducing valve on Arcadia Drive in the amount of \$65,207. He noted that staff anticipates a preconstruction meeting in mid June with construction beginning in mid July. He also noted that there may be an opportunity to share the ditch with CoastCom because they plan to relocate overhead lines in that area. .

Swimming Pool Structure Analysis

RD Andrews provided a scope of work and associated fee schedule from Young Design Studio regarding a structure assessment of the swimming pool facility. He noted that the scope of work outlined includes identifying damage structural elements, provide direction for destructive work to access hidden structure and expose connections, investigate exposed areas and provide field findings in preliminary as-built drawings to assist in the existing building structural analysis and illustration of deficient or damaged elements. The fee for providing the service is \$15,850. He also noted that several items regarding repairs to destructive work performed in the line of the analysis as well as recommendations for repairs and cost estimates are not included but can be provided as additional services at an additional cost. In response to the question posed by Council, RD Andrews noted that the budgeted amount for the project is \$15,000 to \$20,000.

Councilor Dunaway stated that in comparing the scope of work that will be done and what is not included it is not clear how useful the proposal will be.

CM Munkers stated that for \$10,000 to \$12,000 the City can hire Civil West to provide answers to two questions: is the facility safe and how much will it cost to make it safe. Mayor Grutzmacher said if the City is going to go in a different direction it should be done in the competitive process. RD Andrews stated that this is a time intensive process that began in September of 2013.

Councilor Lyon noted that this is the third proposal from Young Design Studio and whatever the City decides to do it needs to have answers regarding where the problems are at this facility.

Councilor Dunaway noted his concern that an additional report will be needed to determine if the

facility is usable. He said he believes the recommendations for repair and cost estimates should be included in the final analysis. Mayor Grutzmacher agreed with Councilor Dunaway. Councilors Johnson and Lyon disagreed stating that the proposed analysis is the first step in determining what needs to be done and how much the City is willing to spend on the facility.

Mayor Grutzmacher polled the group to determine who was agreeable to go with the proposed scope of work. Councilors Lyon, Strom, Kauffman, and Johnson stated affirmative. Councilor Baxter said she would like the cost estimate included in the study.

By consensus Council agreed that if items (3) recommendations for repair of deficient and damaged structural elements, and (4) cost estimating can be included at a cost within the budgeted amount then Council is ready to move forward. RD Andrews agreed to follow up on the conditions.

City Owned Real Property Update (Wetlands near Sturdevant Road)

Councilor Dunaway reported that he has talked to several natural resource agencies regarding the wetland property identified in the City Owned Property Inventory as 8G and 9G. Most agencies are not interested in buying wetlands. He asked if Council or staff have ideas for the use of this property. The group discussed potential uses for the property and the possibility of ODOT using it for mitigation purposes. Councilor Dunaway noted that ODOT may be interested in acquiring the property for mitigation purposes and maybe the City could manage it as a wetland park. Mayor Grutzmacher noted that Lincoln County Soil and Water Conservation may be interested in helping.

City Gas Tax

CA Chadwick asked if Council is willing to wait until the May 2015 election for taking a city gas tax referendum to the voters. Council discussed methods to inform the community of the proposed gas tax referendum. By consensus Council agreed to start moving forward with promotion of the referendum and aim for the May 2015 ballot.

Medical Marijuana Ordinance Update

CA Chadwick reported that he and PC Enyeart attended a conference provided by the League of Oregon Cities. Representatives from Colorado, Washington, and California as well as representatives from the Attorney General's office and representatives from companies that manufacture and distribute the product were present. It is apparent that this is a very complex issue and cities around the state are struggling with how to implement an ordinance. He has identified a lot of issues that need to be addressed within an ordinance and he will include those in a draft document. He asked that Council consider the following:

- What type of zone would the City want the dispensaries in? Council agreed the dispensaries should be zoned light industrial/commercial zone.
- Will the City regulate the hours of operation? -Council did not come to a consensus on regulating a time of operation.
- Will the City regulate the outside appearance of a dispensary site? –Council did not come to a consensus on regulating the outside appearance of a dispensary site.

Council discussed the dispensary currently located on Highway 20 and Olalla Road. CA Chadwick agreed to draft an ordinance and provide it for council review at a future work session.

Additional Council Comments

There were none

City Manager Comments

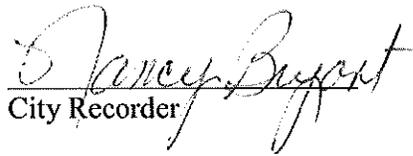
CM Munkers reported the following:

- One individual has been interviewed for the Public Works Director position. He would like to move forward in offering employment with this individual. By consensus Council agreed to allow CM Munkers to negotiate employment to fill the Public Works Director vacant position.

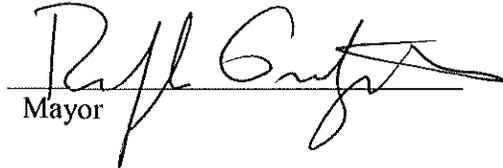
Adjournment:

Mayor Grutzmacher adjourned the meeting at 8:49pm.

ATTEST:


City Recorder

APPROVE:


Mayor

TOLEDO CITY COUNCIL MINUTES
REGULAR SESSION
May 21, 2014

Mayor Ralph Grutzmacher called the regular meeting of Toledo City Council to order at 7:02pm. Councilors present: Jackie Kauffman, Alma Baxter, Jack Dunaway, Michele Johnson, Jill Lyon, and Council President (CP) Terri Strom.

Staff present: City Manager Pro Tem (CM) Don Munkers, City Attorney (CA) Wes Chadwick, City Recorder (CR) Nancy Bryant, Police Chief (PC) Dave Enyeart, Library Director (LD) Deborah Trusty, and Recreation Director (RD) Joe Andrews.

Visitors present: Jim Chambers, Sharon Kanareff, and Dave Morgan.

Visitors/Public Comment

Jim Chambers of Toledo informed Council that he is in the process of applying for grant funding to complete the Sam Briseno art project on Business Hwy 20 near the North end of Main Street. He stated that the grant application requires community support in both dollars and in-kind services. He asked that the City donate \$1000 as well as provide public works personnel to place the artwork at the site. He noted that the application is due on June 11th.

Council directed Chambers to make his request in writing and directed staff to review a potential line item funding source and evaluate the value of in-kind service provided by the public works department. Council will take action on this item at the June 4th regular session.

Consent Calendar

Motion- It was moved and seconded (Dunaway/Strom) to approve the consent calendar consisting of the invoice list dated May 16, 2014, Council minutes of April 16th & May 7th, 2014 and Budget Committee Minutes of April 28th & May 1, 2014. **Motion passed 7-0.**

Discussion and Information Items

Committee Updates

CM Munkers reported there are three vacancies remaining on the Parks and Recreation Advisory Committee. Councilor Lyon noted that serving on this committee would be a good Senior Year Project for a youth at the Toledo High School.

Decision Items

Contract Award for Highway 20 Water Pipe Project

PW Inman reported that the Hwy 20 proposed waterline project will replace the current waterline on the easterly end of Burgess Road, North on Business Hwy 20 to Mossy Loop, then easterly toward Sturdevant Road terminating at the Toledo High School drive. This waterline will upgrade various size pipe to a 12" pipe providing better flows to the school and overall flows in that section of town. The alternative project includes the installation of a pressure reducing valve vault on Arcadia Drive to help regulate the upper and lower pressure zones. All payments will be made from bond proceeds.

Visitors Comment: There was none.

Motion-It was moved and seconded (Lyon/Baxter) to award the Water Master Plan Phase I Water System Improvements-Hwy 20 Waterline Replacement to the apparent low bidder, Clackamas Construction, in the amount of \$521,730. Also the Alternative Project, adding a Pressure Reducing Valve on Arcadia Drive in the amount of \$65,207 and authorize the City Manager Pro Tem to execute contracts and documents relating to the award of this bid. **Motion Passed 7-0.**

Authorize the City Manager Pro Tem to Hire for the Public Works Director Position
CM Munkers reported that on May 13, 2014 Council consented to allow the City Manager Pro Tem to negotiate the employment of Marc Howatt to fill the Public Works Director position. Mr. Howatt has accepted the offer of employment and can begin as early as June 9th. Staff recommends that City Council authorize the CM Munkers to immediately hire Marc Howatt to fill the vacant position.

Visitors Comment: There was none.

Motion-It was moved and seconded (Strom/Kauffman) to authorize the City Manager Pro Tem to hire for the vacant Public Works Director position. **Motion passed 7-0.**

Resolution Setting the 2014/15 Street Light Utility Fee

CM Munkers reported that the Street Light Utility Fee is expected to provide approximately \$105,000 in revenue during the 2014/15 fiscal year; this revenue is used to offset expenditures estimated to be \$110,000. Ordinance No. 1303 requires the City Council to set the fee annually. The current fee is \$7.00 per utility billing customer. No increase is recommended for the 2014/15 fiscal year.

Visitors Comment: There was none.

Motion- It was moved and seconded (Lyon/Kauffman) to adopt Resolution No. 1349 a Resolution Setting the Street Light Utility Fee for the 2014/15 Fiscal Year at \$7.00. **Motion passed 7-0.**

Police Department Purchase of a Patrol Vehicle

PC Enyeart reported that the department is seeking authorization to purchase one all-wheel drive 2014 Ford Explorer Police Interceptor. The vehicle purchase is within the vehicle replacement plan and would replace one of the city owned vehicles, a 2008 Dodge Charger with 110,000 miles. Oregon Procurement Information Network (ORPIN) rate is \$26,472 for the vehicle. Additional expenditures for this vehicle include fees and police equipment totaling the vehicle cost at \$42,264.48. Adequate funding has been reserved in the City's 2013-14 budget for the proposed purchase.

Visitors Comment: There was none.

Motion- It was moved and seconded (Dunaway/Johnson) to authorize the Toledo Police Department to purchase one all-wheel drive 2014 Ford Explorer Police Interceptor.
Motion passed 7-0.

Reports and Comments

Department Reports

PC Enyeart reported three Toledo Police Department personnel were recognized at the recent Law Enforcement Recognition Banquet. Toledo Police Detective Tom Harrison was awarded Sworn Police Officer of the Year, Natasha Crea was awarded non-sworn Employee of the Year, and a special recognition into the Hall of Honor went to the late Toledo Police Chief Mark Fandrey. He also reported that the Toledo Police responded to an incident of high speed chase coming from Benton County. Two individuals fled the vehicle at Chitwood and were later apprehended by Toledo Detective Harrison as they were walking along Highway 20. One of the individuals was wanted by the State of Virginia.

LD Trusty reported that she has been in contact with Oregon Coast Community Forest Association regarding removal of trees at the Public Library. Staff will meet with their representatives tomorrow to discuss details.

PWD Inman reported that the merry-go-round at Arcadia Park has been repaired and returned to the park and additional playground equipment has been placed in the park area near Memorial Field. He also noted that there was a leak issue when the crew recently began filling the new Skyline water tank. The contractors have repaired the valve and no damage was identified. The tank has been filling since mid Monday and should be complete by mid next week.

CR Bryant reported the following:

- Three Council members and the Mayor's seat will be up for election in the November General Election. Packets will be available at City Hall and interested residents can file a Declaration of Candidacy no sooner than June 4th and no later than August 26th.
- The Port of Toledo has asked to reschedule the joint meeting of July 15th. Council agreed to reschedule the joint meeting with the Port of Toledo to July 23rd.
- The City Council meeting of June 4th will begin at 5:30 in executive session to review the application received for the vacant City Manager position. She noted that thirty six applications were received by the June 15th deadline.

City Manager's Report

CM Munkers reported the following:

- The National Fisheries Services has agreed to move the biological evaluation for the Siletz River Intake project forward to the original accepted date of completion. He extended a thank you to Mayor Grutzmacher, Congressman Schrader and his staff as well as representatives from the Governor's office for their aid in this matter. He also noted that Lincoln County is holding the Siletz River Intake building permit until the evaluation from the Fisheries and the Corps of Engineers permits are complete.
- He and PW Inman attended the Oregon Seismic Rehabilitation Grant Program informational meeting in Salem. The program reviewed the application process and the eligibility requirements along with the benefit cost analysis. Staff will investigate further in an attempt to make the program work for Toledo public safety.

Council Comments

Councilor Baxter reported that she will soon be employed by CoastCom.

Mayor Comments

Mayor Grutzmacher reported the following:

- He attended the League of Oregon Cities Region One meeting as well as the regular Mayor's meeting.
- The Oregon State University held a reception to work on the expansion the Hatfield Marine Science Center with the OSU Foundation.
- He will meet with Department of Environmental Quality Regional Administrators next week.
- The annual Celtic Heritage Festival will be in Newport on June 13th through 15th. He encouraged all to participate in the activities.

Adjournment:

Mayor Grutzmacher then adjourned the meeting at 7:52pm.

ATTEST:


City Recorder

APPROVE:


Mayor

TOLEDO CITY COUNCIL MINUTES
REGULAR SESSION
June 4, 2014

Mayor Grutzmacher called the meeting to order at 5:30pm in executive session according to ORS 192.660(2), concerning (a) to consider the employment of a public officer, employee, staff member or individual agent.

Councilors present: Jackie Kauffman, Jill Lyon, Alma Baxter, Michele Johnson and Council President Terri Strom. Councilor excused: Jack Dunaway.

Staff present: City Attorney Wes Chadwick and City Manager Pro Tem Don Munkers.
Visitor present: Jennie Messmer of Local Government Solutions.

Executive Session

Council, staff and Messmer reviewed the applications received for the vacant City Manager position. Mayor Grutzmacher called for a recess at 6:38pm and announced that Council will resume in regular session at 7:00pm.

Regular session

Mayor Ralph Grutzmacher resumed the meeting of City Council in regular session at 7:00pm. Councilors present: Jackie Kauffman, Jill Lyon, Alma Baxter, Michele Johnson and Council President Terri Strom. Councilor excused: Jack Dunaway.

Staff present: City Manager (CM) Don Munkers, City Attorney (CA) Wes Chadwick, Finance Director (FD) Polly Chavarria, Fire Chief (FC) William Ewing, Library Director (LD) Deborah Trusty and City Recorder (CR) Nancy Bryant.

Visitors present: Jim Chambers, Savanna Rilatos, Clarinda Black, and Sherry Rilatos.

Visitors/Public Comment

Savanna Rilatos and Clarinda Black, presented Council with a copy of the Toledo High School Boomerang publication titled "Riverworks". They noted that it is a magazine about the Yaquina River and includes articles, interviews, short stories and poems compiled by the Boomerang staff. Council thanked them for their presentation.

Consent Calendar

Motion- It was moved and seconded (Strom/Baxter) to approve the consent calendar consisting of the invoice list dated May 30, 2014, Council minutes of May 13th and May 21st, 2014.

Motion passed 6-0, noting the absence of Councilor Dunaway

Discussion and Information Items

Committee Updates

There were none.

PUBLIC HEARING

Mayor Grutzmacher opened the public hearing for the 2014-15 City of Toledo budget at 7:05pm. No conflicts of interest, biases, ex parte communication, or objections to jurisdiction were noted.

Staff Report:

CM Munkers reported that according to the Oregon Revised Statutes, City Council is mandated to conduct this public hearing to solicit input from the citizens of Toledo regarding the budget that was approved by the Budget Committee on May 1, 2014. In addition the hearing affords the opportunity to solicit citizen input in the receipt of state revenue funds for fiscal year 2014-15. Upon receipt of citizen input and the ensuing deliberations of City Council, the governing body of the city will take action for the proposed resolution adopting the budget and receipt of state revenue sharing funds after the public hearing is closed.

Public Testimony: There was none.

Council Questions: There was none.

Public Hearing Closed Mayor Grutzmacher closed the public hearing at 7:07pm.

Council Deliberation: There was none.

Decision Items

Request for Funding for a Public Art Project

CM Munkers reported that on May 21st Council was presented with a request for funding for a public art project. He then deferred to Jim Chambers to provide detail. Jim Chambers stated that his presentation referred to an art project developed by Sam Briseno of Toledo. Briseno is in the process of fundraising to complete twelve full panels of art themed "Spawning Art in Toledo". The work will depict salmon spawning upstream and will be located on Business Highway 20 near the north end of Main Street. The request of the City is for \$1,000 to fund sending the artwork to Portland to be galvanized, as well as in-kind personnel service, approximately four persons for four hours, for the placement of the completed artwork, estimated at a cost of \$580. Additional funding requests will be made to local funding agencies. He noted that the project will add to the attractiveness of Toledo.

Council discussed city funding sources that could be used for the requested contribution. Councilor Lyon suggested the City Council Strategic Reserve Fund would be an appropriate line item source. Councilors Baxter, Johnson and Strom agreed. Councilor Lyon noted that this project is something that could gain nationwide interest and possible funding because of its size, scope, and quality.

Motion-it was moved and seconded (Lyon/Johnson) to award \$1,000 from the Council Strategic Reserve Fund for the Spawning Public Art project to the Toledo Community Foundation along with City personnel providing noted in-kind service for placement.

Motion passed 6-0, noting the absence of Councilor Dunaway.

Proposed Budget Resolutions:

Motion-It was moved and seconded (Strom/Lyon) to adopt **Resolution No.1350**, a Resolution Adopting the Budget, Appropriating Funds, and Levying Taxes for the Fiscal Year 2014/15.

Motion passed 6-0, noting the absence of Councilor Dunaway.

Public Comment: There was none.

Motion-It was moved and seconded (Kauffman/Baxter) to adopt **Resolution No.1351, A** Resolution Declaring the City's Election to Receive State Revenues for the Fiscal Year 2014/15. **Motion passed 6-0**, noting the absence of Councilor Dunaway.

Public Comment: There was none.

Resolution Transferring Funds

FD Chavarria reported that in the fall of 2013, the Fire Department assisted the State of Oregon with wild land fire fighting. The State of Oregon reimbursed the City for all expenses incurred, but as these expenses were not anticipated at the time the budget was prepared, there is no appropriation in the budget for them. The proposed resolution transfers from the contingency line item to provide enough appropriation to cover these expenses as well as the regular budgeted salaries. There is no deficit impact to the general fund.

Public Comment: There was none.

Motion-It was moved and seconded (Lyon/Kauffman) to adopt **Resolution No.1352, A** Resolution Transferring Funds. **Motion passed 6-0**, noting the absence of Councilor Dunaway.

Acceptance of the Lincoln County 2013-14 Emergency Preparedness Grant Award

FC Ewing reported that the Emergency Preparedness grant application was authorized by Council on December 18, 2013. The grant award is in partnership with the Lincoln County School District to develop an emergency cache at the Toledo Elementary School. Staff is requesting that Council accept the award and authorize expenditures. There is a required match of \$5,000 which will be expended from the City's Disaster Preparedness Fund.

Public Comment: There was none.

Motion- It was moved and seconded (Strom/Baxter) to accept the Lincoln County 2013/14 Emergency Preparedness Matching Grant Program award in the amount of \$5,000, authorize the expenditure of funds associated with the grant and authorize the City Manager to execute all documents associated with the grant. **Motion passed 6-0**, noting the absence of Councilor Dunaway.

Invoice List for Ace Hardware

CM Munkers reported that the proposed invoice list of expenditures for Toledo Ace Hardware is a routine item on the agenda each month and is separate from the consent calendar. Separating this invoice from the consent calendar allows Councilor Strom to vote on the consent calendar while refraining from voting on the proposed invoice list because of her conflict of interest. Councilor Strom declared an actual conflict of interest stating that she is an owner of Toledo Ace Hardware.

Public Comment: There was none.

Motion- It was moved and seconded (Baxter/Johnson) to approve the invoice list for Ace Hardware dated May 28, 2013. **Motion passed 5-0-1**, noting that Councilor Strom abstained from voting and the absence of Councilor Dunaway.

Reports and Comments

Department Reports

LD Trusty reported that the Toledo Public Library is working with the Toledo Elementary School by sponsoring a storyteller performance for first, second and third grade students. The Library will also sponsor a performance by the Oregon Coast Children's Theater. She noted that staff is looking forward to the Summer Reading Program.

FC Ewing reported the following:

- As the Lincoln County Fire Defense Board Chief he is conscious of the Weather forecasts which indicate another dry summer. There are currently nine Oregon State Counties in a state of drought. The relationship between the State Fire Marshal and the Governor's office is proactive in regards to conflagration.
- The Fire Department anticipates filling the new staff member position by September.
- The Department has dealt with some significant recent events including vehicle accidents and a plane crash.

CA Chadwick reported that he will be presenting the draft ordinance for regulation of medical marijuana dispensaries at the Council work session next week.

City Manager's Report

CM Munkers had nothing to report.

Council Comments

Councilor Lyon mentioned that the Newport Celtic Festival and Highland Games will be next weekend in Newport. She urged everyone to attend.

Mayor Comments

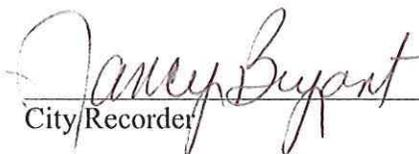
Mayor Grutzmacher commented on the following:

- He met with Joni Hammond and Keith Anderson of Oregon DEQ. He noted that it was a meeting without a purpose but well received.
- There will be a lemonade booth at the Celtic Festival to raise money for the Toledo Thursday Market to receive payments through the Oregon SNAP.
- He has left a telephone message every two weeks for the general manager of Portland & Western Railroad, but has not received a return call. There is an understanding that the railroad is planning to do some construction work on the crossings in the near future but it has not responded to a request for a pre-construction meeting.

Adjournment:

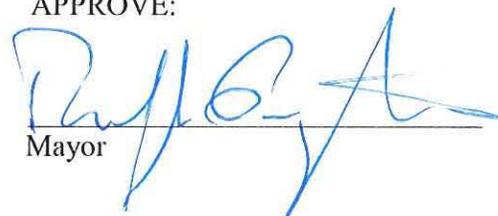
Mayor Grutzmacher adjourned the meeting at 7:41pm.

ATTEST:



City Recorder

APPROVE:



Mayor

TOLEDO CITY COUNCIL MINUTES
WORK SESSION
June 10, 2014

Mayor Ralph Grutzmacher called the Toledo City Council work session to order at 6:15pm. Councilors present: Alma Baxter, Jill Lyon, Jack Dunaway, Jackie Kauffman and Council President Terri Strom. Councilor absent: Michele Johnson.

Staff present: City Manager Pro Tem (CM) Don Munkers, City Attorney (CA) Wes Chadwick, Public Works Director (PWD) Marc Howatt, Library Director (LD) Deborah Trusty, Aquatic/Recreation Director (RD) Joe Andrews, and City Recorder (CR) Nancy Bryant.

Visitors present: Dave Morgan.

Visitors Comments:

There were none.

CM Munkers introduced Marc Howatt who was recently hired to fill the Public Works Director vacancy.

Discussion and Information Items

Surplus Bond Proceeds

CA Chadwick reported that on May 24, 2012, the City closed its purchase of a 25 year revenue bond to finance the construction and improvements of certain water infrastructure projects as outlined in the City's Water Master Plan as Phases 1 and 2. The bond sale was for \$6,500,000 with net proceeds to the City for use in the completion of the projects. The City has yet to decide how it will fund Phases 3 and 4 at a cost to the City of approximately \$6,424,578.

Because of certain favorable conditions to the City and lower than expected bid amounts during the contract bidding phase for the various projects in Phases 1 and 2, the City estimates that it currently has approximately \$980,000 in surplus bond proceeds at its disposal. Bond financing agreements constricts the use of bond proceeds to the "Construction, repairing and expanding the City of Toledo, Oregon Water Utility System". These same agreements also require the City to expend the bond proceeds by May 24, 2015, unless the City obtains an extension from the bond trustee. However, certain negative consequences may flow from requesting such an extension that it's to the City's advantage to not request such an extension. Consequently, the City has approximately eleven months not only to decide how it will utilize these surplus bond proceeds, but then also proceed with doing so. He noted that the City has several options available as follows:

Option One: Pay down the balance owing on the bond thereby shortening the payoff period from 25 years; CA Chadwick is currently working with bond counsel to determine whether there are any prepayment penalties associated with paying down the bond earlier than expected, and what impact a \$980,000 payment would have on shortening the length of the bond payments currently set at 25 years (2037). If the bond payments schedule can be significantly shortened, this might loosen up other financing options sooner than expected, especially when the fire station bond gets paid off.

Option Two: Complete a portion of the Phase 3 projects; the City may choose to complete any number of the Phase 3 projects. Phase 3 projects are estimated to cost the City approximately \$1,624,578.

Option Three: Complete a project outside the Water Master Plan, but within the confines of the bond agreements; the City may choose to complete a project outside the scope of the Water master Plan, but that fits within the confines of the bond financing agreements in that the project is used to construct, repair, or expand the City's water utility system. Considerable discussion within the City has taken place regarding whether replacement of the City's meters to some form of radio read off the City's current touch read system is a viable project within the parameters of the bond financing agreements. Bond counsel is unwilling to offer an opinion in regards to the meters, but the City has learned that another jurisdiction recently completed such a project with similar constraints. A rough estimate of these systems and their costs excluding installation are; Flexnet (SAS) \$342,850, Handheld M Series \$239,000, and Transceiver (VGB) \$272,300. A rough estimate in the savings per year, including but not limited to vehicles, wages, etc., are approximately \$20,000. It could take roughly eighteen to twenty years for the city to realize its savings. The City's engineer of record has also outlined additional projects that may be more useful to the City that haven't been outlined in the Water Master Plan. These projects include the following: pressure reducing valve station improvements and/or replacement \$250,000, and replacement of failing old waterline along Arcadia Drive \$122,400.

Option Four: Any combination of the above; the City could choose any combination of the various projects outlined above. For example, the City could chose to install the radio read system and the most critical piping distribution projects outlined in Phase 3, or some of the projects not outlined in the Water Master Plan. The City has asked its engineer of record to consider Option 3 in relation to the Phase 3 projects to better understand whether Option 3 is a viable option considering the estimated timeframe to realize its savings.

CA Chadwick noted that more information will be provided to Council at its July work session to help Council decide how the City will proceed.

Mayor Grutzmacher stated that he favors the metering project and what ever can be done in Phase 3. Councilor Dunaway stated that he favors doing what needs to be done to the water system but he is not ready to pick a project. Councilor Kauffman noted that she would consider the meter project as well as the projects that are not included in Phases 3 and 4. Councilors Strom and Baxter, and Lyon all agreed that option 2 and 4 are favorable. Councilors agreed that they are interested in seeing the engineer's priority list in July.

Property Abatement

CM Munkers reported that there are two properties within the City located at 965 SE Fir Street and 635 SE 7th Street that are in disrepair and violation of the City's municipal code. Both properties are believed to be in the foreclosure process but the banks have not yet taken possession. He noted that the City's best option is to start the abatement process. The process will take approximately four weeks and will cost the City between \$2,500 and \$3,000 to clean up the properties. The City will then place a lien on the property.

Councilor Lyon noted that there is a pending contract on the 635 SE 7th St. property. Mayor Grutzmacher suggested staff contact the respective banks to let them have the opportunity to clean it up instead of adding the cost for the City to do it. He said adding a lien will make it more

difficult for the bank to sell the property. He suggested providing the banks two weeks to clean the properties before the City implements an abatement.

Ordinance Review-Medical Marijuana Dispensary

CA Chadwick provided Council with a draft ordinance adopting Chapter 5.20 and amending Chapter 17.46.080 of the Toledo Municipal Code relating to the licensing and regulation of Medical Marijuana Dispensaries. He noted that the draft is written as an outright ban on the dispensaries with exceptional permits but that council also has the option to regulate the business through the business license process. He also provided Council with a copy of the Oregon State Temporary Rules for the Medical Marijuana Dispensary Program.

Council and staff reviewed the draft ordinance and made the following changes:

- Limit the marijuana dispensary business locations to the commercial and light industrial zones with restrictions to location of public schools. Council agreed that they would like to see the State map showing location regulations.
- Section 1; No change.
- Section 2; The Ordinance will regulate dispensaries through the business license process.
- Section 3; Change relating to the business license process.
- Section 4; No change.
- Section 5; Removed.
- Section 6; Changed to meet the current standards for a business license.
- Section 7; Changes relating to the business license process keeping subsection “D” relating to the renewal application requirements.
- Section 8;
 - Subsection “A”; No change determined.
 - Subsection “B”; No change determined.
 - Subsection “C”; Restricted locations to be based potentially on the Oregon State School Footprint map.
 - Subsection “D”; No change determined.
 - Subsection “E”; Remove background check for child neglect 1.
 - Subsection “J”; Council will wait to see the area map before deciding on hours of operation.
 - Subsection “K”; No change determined.
 - Subsection “L”; No change determined.
 - Subsection “M”; Council agreed that there should be a fee applied to product distribution.
 - Subsection “N”; No change determined.
 - Subsection “O”; Product type must meet standards addressed in Section 9.
- Section 9 through 23; No change determined.

CA Chadwick agreed to revise the draft ordinance as noted above for Council review during the July work session.

Additional Council Comments

Councilor Dunaway inquired about selling City owned property. CA Chadwick stated that he has not had time to work on it. Councilor Dunaway also noted that the City has not been meeting with Trout Mountain regarding ground stability problems near the Mill Creek Dam. He said the consultant was going to meet with a geotechnical specialist and report back to the City. CA Chadwick stated that he can contact Trout Mountain to follow up on the timber sale project.

Councilor Lyon reported that she will be meeting with Deborah Smith of Central Lincoln PUD to discuss a possible project for Toledo.

Mayor Grutzmacher noted that the railroad horns are getting louder.

City Manage Comments

CM Munkers reported that on Friday he met with the Pacific and Western Railroad General Manager and NW Region Vice President of Transportation from the parent Railroad Company. They looked at the crossings but their response was not very positive. The Railroad Representatives did not seem to understand the extent of the damaged crossings. The railroad has not responded to the City's request for a pre-construction meeting. He stated that he will continue to request a preconstruction meeting to set parameters on cost, and timeline schedule.

Adjournment:

Mayor Grutzmacher adjourned the meeting at 8:22pm.

ATTEST:


City Recorder

APPROVE:


Mayor

TOLEDO CITY COUNCIL MINUTES
REGULAR SESSION
June 18, 2014

Mayor Grutzmacher called the meeting to order at 5:35pm in executive session according to ORS 192.660(2), concerning (a) to consider the employment of a public officer, employee, staff member or individual agent.

Councilors present: Council President (CP) Terri Strom, Michele Johnson, Jackie Kauffman, Jack Dunaway, Jill Lyon, and Alma Baxter who arrived at 5:45pm.

Staff present: City Manager (CM) Don Munkers and City Attorney (CA) Wes Chadwick.

Visitors present: Jennie Messmer of Local Government Solutions.

Executive Session

Council, staff and Messmer finalized applicants to be interviewed for the vacant City Manager position, Mayor Grutzmacher called for a recess at 6:30pm and announced that Council will resume in regular session at 6:45pm.

Regular Session

Mayor Grutzmacher resumed the meeting of City Council in regular session at 6:45pm.

Councilors present: Michele Johnson, Alma Baxter, (CP) Terri Strom, Jackie Kauffman, Jack Dunaway, and Jill Lyon.

Staff present: City Manager (CM) Don Munkers, City Attorney (CA) Wes Chadwick, Library Director (LD) Deborah Trusty and Assistant City Recorder (ACR) Susan Thompson.

Visitors present: Nic Dahl, Zack Dahl, Billie Jo Smith, Bill Rendall, Dan Barrett, Dani Palmer, and Dave Morgan.

Visitors or Public Comment

There were none.

Consent Calendar

Motion – It was moved and seconded (Strom/Kauffman) to approve the consent calendar consisting of the invoice list dated June 13, 2014 and Council minutes dated June 4, 2014. **Motion passed 7-0.**

Discussion and Information Items

Committee Updates

There were none.

Decision Items

Proposed Resolution #1353: Consider Recommendation from Toledo Public Utility Commission regarding a Rate Increase for Dahl Disposal.

CM Munkers informed Council that the Toledo Public Utility Commission met on June 4th, 2014 to consider at rate increase requested by Dahl Disposal. They are requesting an

increase for *Residential 35 gallon carts* by 65 cents per month, and *Residential 35, 64 & 95 gallon bear carts* by 50 cents per month.

Public Comment: There was none.

Motion – It was moved and seconded (Baxter/Johnson) to adopt **Resolution No. 1353**, A Resolution Approving a Rate Increase for Solid Waste and Recycling Services Provided by Dahl Disposal. **Motion passed 7-0.**

Consider Adoption of the 2014-2015 Fee Schedule

CM Munkers told the Council that the Department heads have proposed a few changes to the fee schedule. The price charged for copies at each city facility will change to be the same, replacement library cards went up by 50 cents, fees to use the public swimming pool went up across the board, Annexation & Rezoning increased by \$150 as did Replat. The fee for Subdivision decreased from \$1500 + \$20 per lot to \$700 + \$20 per lot.

Public Comment: There was none.

Motion – It was moved and seconded (Lyon/Dunaway) to approve the proposed Fee Schedule for Fiscal Year 2014-15 to be effective on July 1, 2014. **Motion passed 7-0.**

Approval of an OLCC Application for Temporary Use of an Annual License by the Toledo Elks Lodge #1664.

CM Munkers explained to Council that the request by the Elks is for the Summer Festival Beer Garden located in Memorial Park during the Festival. It has not been an issue in the past and no issues exist at this time.

Public Comment: There was none.

Motion – It was moved and seconded (Dunaway/Strom) to approve the Temporary Use of an Annual OLCC License made by Toledo Elks Lodge #1664. **Motion passed 7-0.**

Swimming Pool Structural Evaluation Project Award

CM Munkers presented the item to Council. He said the Agreement with Young Design Studio for the structural assessment of the Toledo swimming pool facility is before Council again. (ARD) Andrews has been in communication with the Public Works Director who has agreed to help with the removal of siding; there will not be any major construction. Councilor Lyon said this is the third time this has been before Council; last time we had asked Young Design to provide cost estimates for the recommended repairs be included in the original price. CM Munkers said Young Design Studio will not include estimates of repairs in their original bid amount.

Public comment: Bill Rendall said he enjoys swimming. He recommended that everyone in the room should go to the pool because it is great exercise.

Motion – It was moved and seconded (Strom/Lyon) to authorize staff to enter into an Agreement with Young Design Studio and undertake a Structural Assessment of the Toledo Swimming Pool based on the fee proposal and authorize the City Manager Pro Tem to execute all necessary documents for this project. **Motion passed 7—0.**

Authorize the City Manager Pro Tem to hire a temporary non-benefited lifeguard.

(CM) Munkers on behalf of (ARD) Andrews presented to Council the need to hire a lifeguard to replace one that had left. He stated this will not add any additional personnel.

Motion- It was moved and seconded (Johnson/ Baxter) to authorize the City Manger Pro Tem to hire Amanda Tumey as a temporary employee in the lifeguard position for the summer in the Recreation Department contingent upon successful completion of background screening and pre-employment drug screening. **Motion passed 7-0.**

Proclamation

Mayor Grutzmacher Recognized Kelly Brady for the dedication he showed in maintaining the grounds at the East Junction to Toledo for the past several years. He said his volunteer service has been an asset to this community and his passing is a great loss to us all. Dan Barrett said that since 1999 when former Mayor Sharon Branstiter encouraged Brady to volunteer he has taken care of the East Junction lawn and signs. He quietly helped people one on one and one at a time.

Reports and Comments

Department Reports

(LD) Trusty invited everyone to an “Evening in the Park” on June 27th at 6:30pm to celebrate Poet William Stafford’s 100th Birthday with music and poetry. She suggested bringing a picnic and blanket along to enjoy a warm summer evening in the park behind the Library. *Jugglemania* will be the first performer this coming Thursday for the Summer Reading Program.

Public comments

Bill Rendall, introduced himself as a Director of Lincoln County Foundation and a member of the Toledo Rotary, he said the August Street Fair, with its 21 year history, has been moved off the Chamber of Commerce Calendar due to funding issues and a lack of organizers. Rendall is requesting August 3rd, 2014 be closed for the Street Fair and an OLCC approval for a Beer Garden for the event. Mayor Grutzmacher told Mr. Rendall to get his forms filled out and keep in mind Council’s schedule as both of these items need to be approved by Council.

Billie Jo Smith residing at Pine Street in Toledo stated that she is asking Council to read a proclamation for a program called ASK. She said it is a gun safety campaign to protect our children, it is not a gun ownership idea. The campaign is to inform parents to ASK if there are unsecured guns in the home before their children go to play. She asked if Council would consent to adding the ASK proclamation to tonight’s agenda. **Motion** –It was moved and seconded (Baxter/Dunaway) to add the ASK proclamation to tonight’s agenda. **Motion failed 3-4.**

City Manager's Report

CM Munkers reported to Council:

- He met with Mr. Wayne Parks to discuss the easement for the new water line across his property located at 1650 NE Hwy.
- Public Works will be meeting with the engineer tomorrow to prioritize the Phase Three projects of the Water Master Plan which can hopefully be covered by excess money from phase one and phase two.
- The new Siletz intake is continuing to be a frustrating issue due to NIMS.
- Public Works will be meeting with the engineer of the new water tank on Skyline for some needed tweaks to the new tank and new system.
- The Lincoln County Land Trust Committee is looking for a new director and also is formulating a new MOU (memorandum of understanding) that will be sent out to planning commissions and councils to fund that program.
- He contacted Wells Fargo Bank about the abandoned property at 635 SE 7th St.
- He met with the Solid Waste Consortium, they are half way through monitoring the Agate Beach Landfill with 17 more years to go, the leachate is coming back clean and DEQ will reduce the monitoring from twice a year to once a year, which should save the consortium some money.
- He and CA Chadwick met with the Planner and Planning Commission Chair regarding the performance standards. The Planner should have a rough draft to present to Council during an August work session.

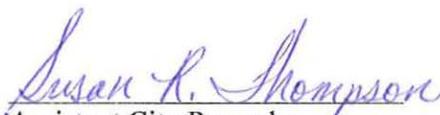
Council Comments

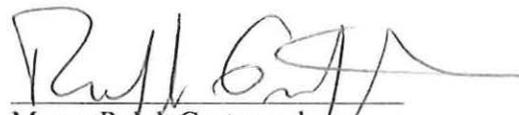
Councilor Dunaway asked if Council could ask for an emergency meeting with NIMS to try and resolve the NIMS issue. He also reminded everyone that the November election is coming up and to please consider running for council or mayor.

Mayor Comments

He said he is not opposed to driving over to the valley to meet with the NIMS people. CM Munkers and CA Chadwick helped squeeze lemons at the Celtic Festival.

Mayor Grutzmacher adjourned the meeting at 7:44pm.


Assistant City Recorder


Mayor Ralph Grutzmacher

TOLEDO CITY COUNCIL MINUTES
EXECUTIVE SESSION
July 1, 2014

Mayor Grutzmacher called the meeting to order at 4:00pm in executive session according to ORS 192.660(2), concerning (a) to consider the employment of a public officer, employee, staff member or individual agent.

Councilors present: Jill Lyon and Jack Dunaway.

Staff present: City Manager Pro Tem Don Munkers.

Visitor present: Jennie Messmer of Local Government Solutions.

Mayor Grutzmacher and Councilor's present conducted telephone interviews with four applicants for the City Manager vacancy.

Mayor Grutzmacher adjourned the meeting at 7:10pm.

TOLEDO CITY COUNCIL MINUTES
EXECUTIVE SESSION
July 2, 2014

Mayor Grutzmacher called the meeting to order at 1:00pm in executive session according to ORS 192.660(2), concerning (a) to consider the employment of a public officer, employee, staff member or individual agent.

Councilors present: Jill Lyon and Council President Terri Strom.

Staff present: City Manager Pro Tem Don Munkers.

Visitor present: Jennie Messmer of Local Government Solutions.

Mayor Grutzmacher and Councilor's present conducted telephone interviews with five applicants for the City Manager vacancy.

Mayor Grutzmacher adjourned the meeting at 4:00pm.

TOLEDO CITY COUNCIL MINUTES
REGULAR SESSION
July 2, 2014

Mayor Grutzmacher called the meeting to order at 6:00pm in executive session according to ORS 192.660(2), concerning (a) to consider the employment of a public officer, employee, staff member or individual agent.

Councilors present: Jackie Kauffman, Jill Lyon, Alma Baxter, Jack Dunaway, and Council President Terri Strom, Councilor excused: Michele Johnson.

Staff present: City Attorney Wes Chadwick and City Manager Pro Tem Don Munkers.
Visitor present: Jennie Messmer of Local Government Solutions.

Executive Session

Council, staff and Messmer reviewed the applications received for the vacant City Manager position. Mayor Grutzmacher called for a recess at 6:43pm.

Regular session

Mayor Ralph Grutzmacher resumed the meeting of City Council in regular session at 7:00pm.
Councilors present: Jackie Kauffman, Jill Lyon, Alma Baxter, Michele Johnson, Jack Dunaway, and Council President Terri Strom.

Staff present: City Manager (CM) Don Munkers, City Attorney (CA) Wes Chadwick, Fire Chief (FC) William Ewing, Library Director (LD) Deborah Trusty and City Recorder (CR) Nancy Bryant.

Visitors present: Bill Rendall, Rockne Tors, and Dave Morgan.

Motion- It was moved and seconded (Kauffman/Strom) to authorize the reception and interviews of the top five applicants for the City Manager position, authorize payment for lodging and the expenditure of \$500 in travel expenses and direct the City Manager to find the appropriate funding. **Motion passed: 7-0.**

Visitors/Public Comment

There was none.

Consent Calendar

Motion- It was moved and seconded (Strom/Baxter) to approve the consent calendar consisting of the invoice list dated June 27, 2014, Council minutes of June 10, 2014 & June 18, 2014.
Motion passed 7-0.

Discussion and Information Items

Committee Updates

There were none.

League of Oregon Cities 2015 Legislative Recommendations

CM Munkers provided a notice from the League of Oregon Cities (LOC) requesting that each city review the recommendations of the policy committees and provide input to the LOC Board of Directors as it prepares to adopt the league's 2015 legislative agenda. He suggested that Council members review the priority list indicating their top four issues that they would like the League to focus on in the 2015 session and return to him by July 20, 2014.

City Council/Port of Toledo Joint Meeting Agenda Items

CM Munkers noted that the Port of Toledo has asked for agenda items for the joint meeting to be held July 23, 2014. Council will provide suggestions at its next work session.

Decision Items

Proposed Resolution Authorizing Staff to Apply for the 2014-2015 State of Oregon Coastal Zone Management Grant

CM Munkers explained that the proposed resolution authorizing staff to apply for the 2014-15 Oregon Coastal Zone Management Grant is routine and that for many years the City has successfully obtained funds from this program to support the Planning Department's day-to-day services.

Public Comment:

There was none.

Motion-It was moved and seconded (Lyon/Kauffman) to adopt **Resolution No. 1354**, a Resolution authorizing the City of Toledo to apply for the 2014-2015 Coastal Zone Management Grant. **Motion passed 7-0.**

Request to Close Main Street for an Antique Street Fair

CM Munkers reported that the Toledo Chamber of Commerce is requesting approval to close Main Street in its entirety from 7pm August 2, 2014 until 8pm August 3, 2014 for the purpose of holding an Antique Street Fair.

Public Comment:

Bill Rendall stated that the Chamber has put together a variety of events for the day including antiques, art, and agriculture. He also noted that antique cars may also be a part of the event. He asked that the City have a booth at the event to represent its public safety services.

Motion-It was moved and seconded (Baxter/Johnson) to approve closure of Main Street in its entirety from 7pm Saturday August 2nd, 2014 until 8pm Sunday August 3, 2014 contingent on the Chamber of Commerce providing insurance for the event. **Motion passed 7-0.**

Request to Close Industrial Park Way for the Toledo Summer Festival Event

CM Munkers reported that the Toledo Summer Festival Committee is requesting that a portion of Industrial Park Way be closed to traffic that is not related to the festival and the properties located west of the closure during the festival event.

Public Comment:

There was none.

Motion-It was moved and seconded (Dunaway/Lyon) to approve partial closure of Industrial Park Way from Thursday July 24, 2014 to Sunday July 27, 2014 at 7pm for Toledo Summer Festival setup, staff, fire and ambulance vehicle parking contingent on the committee providing proof of insurance. **Motion passed 7-0.**

Request to Authorize the Toledo Police Chief to Write a Letter of Interest for the Wrongful Convictions Demonstration Project Grant Funding

PC Enyeart explained that the Oregon Criminal Justice Commission is inviting Letters of Interest from local law enforcement jurisdictions for the Wrongful Convictions Demonstration Project. Funding for this project is through federal Byrne JAG "local" allocated dollars that were unspent

in Oregon during 2012. The deadline for submitting a Letter of Interest is July 9, 2014. Selections are expected to be announced in August 2014. The funding request will be approximately \$2,000 and there is no cost to the city. This funding will cover the cost of three cameras, monitors and recording devices.

Public Comment:
There was none.

Motion- It was moved and seconded (Lyon/Baxter) to authorize the Toledo Police Chief to write a Letter of Interest for the Wrongful Convictions Demonstration Project grant funding.

Motion passed 7-0.

Request to Authorize the Fire Chief to Apply for an Assistance to Firefighter Grant for Funding New Breathing Apparatus, and Authorize the City Manager to Execute All Documents

FC Ewing reported that staff is requesting authorization to apply to the Assistance to Firefighter Grant program for the purchase of breathing apparatus. The application amount requested will be \$250,000 and will require a 2% match from the City which is currently funded in the City budget. He asked that Council permit staff to apply for this annual grant program for the next three years or until successful. Any award will be presented to Council for approval.

Public Comment:
There was none.

Motion- It was moved and seconded (Baxter/Johnson) to authorize the Fire Chief to apply for an Assistance to Firefighter grant for funding new breathing apparatus for up to three years and authorize the City Manager to execute all documents. **Motion passed 7-0.**

Request to Authorize the City of Toledo to Issue “Request for Proposals” for a new Type VI Engine Duty Truck.

PC Ewing reported that the department is currently using a 2006 Chevy one ton with a commercial service body for a duty truck. This vehicle is overloaded and not designed for the needed use. The department will surplus a 2001 Ford pickup and the 2006 will move into the service capacity. The proposed new duty truck is designed to store and utilize all needed equipment without overburdening the chassis and endangering the occupants. Staff anticipates opening bids on July 24th and returning to Council on August 6, 2014 with a recommendation.

Public Comment:
There was none.

Motion- It was moved and seconded (Baxter/Lyon) to authorize the City of Toledo to issue “Request for Proposals” for a new Type VI Engine Duty Truck. **Motion passed 7-0.**

Request for Closure of a Portion of NW ‘A’ Street and Main Street for a Kid’s Parade

CM Munkers explained that the Toledo Summer Festival Committee has applied for a Parade Permit for the Annual Kid’s Parade and Train that signifies the beginning of the Toledo Summer Festival. The Committee is requesting closure of a portion of NW ‘A’ Street from the Library to

Business Hwy 20, continuing to the South end of Main Street from 6pm to 7pm on Friday July 25, 2014. The application has been approved by the appropriate City departments.

Public Comment:
There was none.

Motion- It was moved and seconded (Strom/Baxter) to approve the closure of a portion of NW 'A' Street from the Library to Business Hwy 20 continuing to the south end of Main Street from 6pm to 7pm on Friday July 25th for a kid's parade. **Motion passed 7-0.**

Invoice List for Ace Hardware

CM Munkers reported that the proposed invoice list of expenditures for Toledo Ace Hardware is a routine item on the agenda each month and is separate from the consent calendar. Separating this invoice from the consent calendar allows Councilor Strom to vote on the consent calendar while refraining from voting on the proposed invoice list because of her conflict of interest. Councilor Strom declared an actual conflict of interest stating that she is an owner of Toledo Ace Hardware.

Public Comment:
There was none.

Motion- It was moved and seconded (Dunaway/Baxter) to approve the invoice list for Ace Hardware dated May 28, 2014. **Motion passed 6-0**, noting that Councilor Strom abstained from voting.

Reports and Comments

Department Reports

LD Trusty thanked Councilor Lyon and Mayor Grutzmacher for attending the Poetry/Music event at the Library last Friday. The Library will host a similar event during the end of July. She reported that there were 162 children who attended last weeks Summer Reading Program event.

PC Enyeart reminded all to enjoy the July 4th holiday and remember what it is about.

FC Ewing reported that Toledo Fire Division Chief Monroe was involved in the recent 'Burn to Learn' project in Newport. He noted the current dry weather conditions and he asked that everyone use caution with fireworks.

City Manager's Report

- He provided a report to Council regarding the Mill Creek Water Shed. He informed Council that Trout Mountain received a \$20,000 grant on the City's behalf for work to be performed in the Mill Creek area. The City will be required to match the grant funding in the amount of \$5,000. He asked that Council read through the report for discussion at the next Council work session.
- Staff participated in a preconstruction meeting with representatives from the Rail Road and its contractor regarding the repair of three rail crossings. The repairs include the crossing at Butler Bridge Road, the crossing near the Post Office building as well as the crossing near the Less Schwab building. The road will be completely closed during the Butler Bridge

crossing repair and a partial closure is planned for the 'A' Street crossing repairs. The anticipated date is August 23, 2014 and the contractor has agreed to provide the City with an estimate for repairs to the portion of the road that is within the City's right of way. He noted that Georgia Pacific has been included in the project because of the affect the road closure will have on truck traffic to the mill.

- The City has received assurance from the National Marine Fisheries Service (NMFS) that the evaluation on the Siletz River Intake will be done by the week of the July 7th. Congressman Schrader sent a letter to the NMFS asking them to complete the evaluation as quickly as possible. If NMFS does not complete the report by the week of July 7th the City may incur a substantial financial burden until the construction begins.

Council Comments

Councilor Johnson said that community members have told her that they do not know who the City's officials are. FC Ewing noted that the Fire Department is engaged in events like the Summer Festival; Councilor Lyon noted that three Council members marched in the Festival Parade last year, and PC Enyeart noted that the annual 'National Night Out' event is scheduled for August 3rd this year at the Skate Park.

Councilor Baxter thanked Mayor Grutzmacher and staff for getting the Rail Road Company to take a look at the rail crossings.

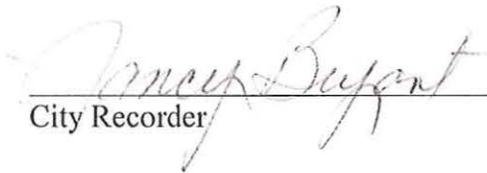
Mayor Comments

Mayor Grutzmacher had no additional comments.

Adjournment:

Mayor Grutzmacher adjourned the meeting at 8:13pm.

ATTEST:



City Recorder

APPROVE:



Mayor

TOLEDO CITY COUNCIL MINUTES
WORK SESSION
July 8, 2014

Mayor Ralph Grutzmacher called the Toledo City Council work session to order at 6:15pm. Councilors present: Michele Johnson, Alma Baxter, Jill Lyon, Jack Dunaway, Jackie Kauffman and Council President Terri Strom.

Staff present: City Manager Pro Tem (CM) Don Munkers, City Attorney (CA) Wes Chadwick, Police Chief (PC) Dave Enyeart, Public Works Director (PWD) Marc Howatt, and City Recorder (CR) Nancy Bryant.

Visitors present: Dave Morgan and Debbie Adams.

Visitors Comments:

Debbie Adams of the Four Square Church in Toledo stated that the Church will be holding a food drive on August 9th from 12pm to 3pm at the Memorial Field. She asked for volunteers to participate in a dunk tank event to help collect food for Toledo Food Share. Councilors Johnson, Baxter, and PWD Howatt volunteered to participate.

Discussion and Information Items

Committee Updates

Councilor Lyon reported that all of the County Fire and Law Enforcement agencies met to sign off on the construction of the County Simulcast Radio System so it is officially now in the hands of the agencies. She said there are a few issues but it is more or less done and everyone is happy with it. She noted that there is \$22,000 remaining of the grant funding which will likely be spent on back up equipment for the County. PC Enyeart stated that Toledo has not signed off and the frequency for Toledo is incomplete. The Toledo Police Department has not received funding and he was told that there is no remaining funding from the grant. PC Enyeart said he will follow up on the issue.

Councilor Dunaway asked for an update on the most recent Area Commission on Transportation meeting. PWD Howatt stated that the group discussed tsunami/disaster preparedness information.

Councilor Baxter announced that the nine-hole Disk Golf Course project, located behind the Toledo Library and Swimming Pool, will be completed on July 12th.

Mayor Grutzmacher reported that a tour group of 40 visitors from Sacramento will be in Toledo on July 17th. He also reported the City of Newport has expanded its Airport Committee membership and he has been appointed to that Committee. He said that the City of Newport is seeking to expand the fiscal responsibility for Airport; they want the region to kick in on handling the \$300,000 subsidy. Councilor Dunaway stated that there have been many efforts to make the airport work but it seems to be a sink pit for money. He said that the concept of subsidizing a regional airport service is a good idea but sometimes you have to say no.

Water Master Plan Improvement Updates

Marc Howatt reported that the Public Works department continues to work on the punch list items for the new water storage tank on Skyline Drive. The tank is online and working but there is some

minor leakage and a drop in psi issues to work out. He said the project will not close out until there is zero water loss from the tank. This project should be complete within a few weeks.

CM Munkers noted that the most recent information received from National Marine Fisheries Services is that the evaluation for the Siletz River Intake should be complete by the end of this week.

Surplus Bond Proceeds Update

CA Chadwick provided Council with a priority list of the Phase 3 projects that may be completed with the bond surplus funding. The City's engineer of record has recommended the Ammon Road storage tank rehab as the #1 priority. Because this project is warm weather dependent staff will need a decision soon.

The projects listed on the priority list are as follows:

1. Ammon Road Storage Tank Rehabilitation, estimated cost \$358,500
2. Distribution piping- Arcadia Drive from Burgess 700lf new 8" WL, estimated cost \$125,000
3. Distribution piping- N Bay Blvd- Replace 6" AC line on bridge, estimated cost \$180,000
4. Distribution piping- N Nye St./NE 12th St./NE Alder St., estimated cost \$132,500
5. Add – N Nye St. North ~450lf, estimated cost of \$81,150
6. Add – SE Alder Ln from Maple to ex'6" WL ~ 750lf, estimated cost \$81,150
7. Distribution piping- Sturdevant Road to Hillvale and up Hillvale 1600lf, \$275,000
8. Distribution piping- SE Ammon Road to SE Maple St., estimated cost \$135,000
9. Add – SE Alder Ln from Maple to ex-6" WL ~ 750lf, estimated cost \$135,450
10. Distribution piping- NE 5th St./NE Alder St., estimated cost \$99,000

CA Chadwick also noted that previous discussions regarding expenditure of the surplus bond proceeds included the installation of GPS water meters. He stated that there is a cost to purchase the meters, install the meters as well as an ongoing cost for license renewal and/or update requirement. The total 20 year life cycle cost could sum as high as \$1,103,457. He advised that using the bond proceeds for this project should be weighed against the completing the projects for the City's water distribution system. PWD Howatt recommended not investing in the satellite meters because the City's system is small and the return investment would be minimal compared to investing the funding in the distribution system.

Councilor Dunaway noted that the City may have a fair amount of risk exposure in spending the surplus bond proceeds because there may be unforeseen costs associated with the current projects. CM Munkers stated his concern is that there could be significant construction penalties related to the lateness of the National Marine Fisheries Services' evaluation on the Siletz River Intake project.

By consensus Council agreed that it is no longer interested in using the surplus bond proceeds to fund the satellite metering system.

By consensus of Council and contingent on the outcome of the National Marine Fisheries Service evaluation, Council agreed to move forward with the Ammon Water Tank rehab and directed staff to develop a request for proposal for all six of the listed distribution projects in two or three bid packages with an option not to award if the prices come in over the surplus bond proceeds balance.

Ordinance Review-Medical Marijuana Dispensary

CA Chadwick provided Council with a second draft of a Medical Marijuana Dispensary regulation ordinance. He noted changes in Section 8 (TMC 5.20.070) where various crimes were added to the list in subsection E. He also noted that subsection C was changed to delete everything on the 1000 foot distance requirement that was not in the Oregon State Code as well as the removal of the exemption license nature of the ordinance. Section 8, subsection K is incomplete; he is recommending a \$5.00 per transaction fee to be appropriated to law enforcement monitoring and activities for this ordinance. He then provided a map of the City noting the allowable areas of acceptable locations for dispensaries.

Council discussed the proposed ordinance and agreed to the changes. PC Enyeart noted that the proposed ordinance does not provide language that would require surveillance cameras or burglary alarms in the facility. Councilor Lyon suggested adding the language requiring video surveillance. Council directed CA Chadwick to move forward with the above mentioned changes.

Review of City Council Meetings

CA Chadwick reminded Council about being cautious that microphones are live prior to and after each regular session meeting.

Additional Council Comments

Councilor Dunaway stated that he would like community partners to be invited to Council meetings. He suggested representatives from Georgia Pacific Toledo, Lincoln County School District, US Forest Service Supervisor, as well as the Oregon Department of Transportation regarding the Hwy 20 project.

Councilor Lyon noted that there are twelve new leaders within Lincoln County and the Economic Development Alliance of Lincoln County has organized a reception July 24th from 5:30pm to 7:30pm at the Columbia Bank in Newport.

City Manage Comments

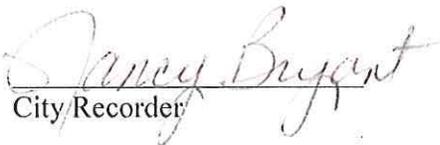
CM Munkers asked Council for suggested agenda items for the joint meeting with the Port of Toledo on July 23, 2014. Council suggested a discussion regarding a kayak boat ramp at the port facility.

Councilor Lyon reminded Council to contact Jennie Messmer of Local Government Solutions if they have interview questions to add for the City Manager applicant interviews.

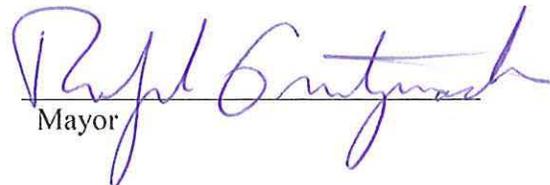
Adjournment:

Mayor Grutzmacher adjourned the meeting at 7:35pm.

ATTEST:


City Recorder

APPROVE:


Mayor

TOLEDO CITY COUNCIL MINUTES
EXECUTIVE SESSION
July 16, 2014

Mayor Grutzmacher called the meeting to order at 6:30pm in executive session according to ORS 192.660(2), concerning (a) to consider the employment of a public officer, employee, staff member or individual agent.

Councilors present: Jackie Kauffman, Alma Baxter, Michelle Johnson, Jill Lyon, Jack Dunaway and Council President (CP) Terri Strom. Staff present: City Manager Pro Tem (CM) Don Munkers, and City Attorney (CA) Wes Chadwick.

Executive Session

Council, and staff discussed participation and preparations for the City Manager selection process. Mayor Grutzmacher called for a recess at 7:05pm and announced that a regular session will follow.

TOLEDO CITY COUNCIL MINUTES
REGULAR SESSION
July 16, 2014

Mayor Grutzmacher resumed the meeting in regular session at 7:10pm. Councilors present: Michelle Johnson, Jackie Kauffman, Jill Lyon, Alma Baxter, Jack Dunaway, and Council President (CP) Terri Strom.

Staff present: City Manager Pro Tem (CM) Don Munkers, City Attorney (CA) Wes Chadwick, and City Recorder (CR) Nancy Bryant.

Visitor present: Brett Quick, Stu Strom, David Kizffer, Jason Haynes, Toledo Police Officer Britney Crocker, Sergeant Michael Pace, Aidan Hidalgo, and Toledo Dispatcher Jovita Ballentine.

Visitors/Public Comment

Brett Quick of Siletz informed Council of concerns regarding Toledo's contract Code Enforcement Officer Dustin Kittel. He stated that he has been renovating a 150 year old home, located at 224 SE 2nd Street in Toledo, since 2009. Since that time he has had asbestos shingles removed, hired an architect to design the basement, a contractor to lift the home, excavate beneath, pour a new basement and then replace the home on its foundation. Other improvements include installation of concrete retaining walls, removal of an old fence, replaced thirteen windows, exterior rewiring, replaced studs in exterior walls, and poured new sidewalks in the front of the home. He has continued to make improvements to the home to date.

He said, on July 3, 2011 he received an unpleasant call from Dustin Kittel informing him that he needed to take care of debris in the yard. His wife passed away three days later but Kittel continued to question when the debris would be cleared from the property. On June 9, 2013 he received a notice of violation regarding an improperly maintained building indicating that he had fifteen days to bring the property into compliance. He then received a citation for \$1,000 on June 29, 2013. He said that he has been in the Toledo Municipal Court three times regarding this issue.

On June 26, 2014 Judge Parsons fined him \$50 and stated if the siding is not completed within six months the City will begin the process all over again.

He said that he has put over \$90,000 dollars into this property over the last five years. He also said that he knows that Dustin Kittel has been harassing the residents of several cities in the county. He believes that Officer Kittel should be dismissed from his position with the City of Toledo as the City Code Enforcement Officer and replaced by someone better suited for the job; a person who wants to help the residents of the city make changes for the better but not one who tries to strong arm, or harass the residents of the city.

CP Strom said that she walks past this house regularly and has never thought of it as a nuisance but rather a home that was receiving improvements and starting to look better. She said that she sees homes a lot worse than this around town. Her concern is that Kittel may be going after every homeowner who is in the process of remodeling their property.

Councilor Dunaway thanked Quick for his presentation and said that he is sorry for Mr. Quick's loss. He noted that this is the first time that a complaint has been delivered to City Council. He believes that Kittel has made a big difference in cleaning up problem properties in this community.

Mayor Grutzmacher stated that the current monthly report shows that 85 cases have been opened in 2014 and of those 38 have been worked to completion. He said that he drives by this property frequently. He said Mr. Quick is being asked to be responsible in six month increments and he does not regard that as unreasonable. He said that Mr. Quick needs to accept some of the responsibility in this case.

Councilor Johnson stated that she has had numerous complaints about Mr. Kittel. She said it takes a lot to go against the city as one person and she thanked Mr. Quick for coming forward. She said that Kittel bullies and pushes people around; he uses cuss words and intimidates citizens; he is not a good image for the City and she does not see this property as a nuisance. She said if it was up to her Mr. Kittel wouldn't be working for the City. Councilor Kauffman agreed with Councilor Johnson's statements.

Introduction of volunteers of the Toledo Police Explorer Post

Sergeant Pace introduced Jason Haynes of the Toledo Explorer program and thanked him for his involvement in the program. Jason has graduated from High School and will be moving onto College. Sergeant Pace then introduced program advisors David Kizffer, Officer Crocker and Dispatcher Jovita Ballentine as well as new Explorer recruits Eli Hansen and Aidan Hidalgo. He noted that the department is preparing for the National Night Out event at the Toledo Skate Park on August 5, 2014. Council thanked the Explorers and the employees who work with the program.

Consent Calendar

Motion- It was moved and seconded (Strom/Kauffman) to approve the consent calendar consisting of the invoice list dated July 11, 2014, Council minutes of July 2, 2014 and a record destruction list of July 10, 2014. **Motion passed 7-0.**

Discussion and Information Items

Committee Updates

Councilor Dunaway stated that he will no longer pursue researching wetland conservation agencies that may be interested in the City's wetland properties.

Request to Close a Portion of 'A' Street and Main for the Summer Festival Grande Parade

CM Munkers reported that the Summer Festival Committee has requested closure of a portion of Business Hwy 20 beginning at Ace Hardware and continuing to the South end of Main Street from Noon to 1pm on Saturday, July 26th for the Toledo Summer Festival Parade

Public Comment: There was none.

Motion-It was moved and seconded (Baxter/Lyon) to approve closure of a portion of Bus. Hwy 20 beginning at Act Hardware and continuing to the South end of Main Street from Noon to 1pm on Saturday, July 26th for the Summer Festival Parade. **Motion passed 7-0.**

Reports and Comments

Department Reports

There were none.

City Manager's Report

- The Siletz River Intake construction permits are complete. The contractors should be ready to begin construction next week.
- He will be away from the office for the next few weeks but he will be in contact by email and phone. CA Chadwick will help fill in during his absence. If the new city manager is on board by the first of September he may not be returning to the office.
- He has drafted a memo to the new city manager regarding information on the different projects that the City is involved in.

Council Comments

Councilor Baxter reported that the disk golf course was vandalized the day after the baskets were installed. Posts were pulled up before the concrete dried and some posts were snipped off. Efforts are being made to replace the damaged equipment.

Councilor Strom made a complaint about briars and vegetation that has been allowed to grow over sidewalks within the City. She was advised to contact the code enforcement officer. Councilor Strom suggested placing an article in the City newsletter reminding the public of their obligation to keep the sidewalks free and clear of debris and vegetation.

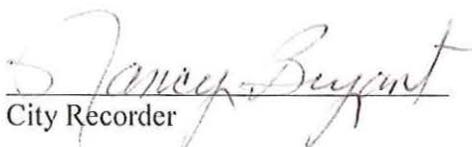
Mayor Comments

Mayor Grutzmacher asked that Council members provide shirt sizes.

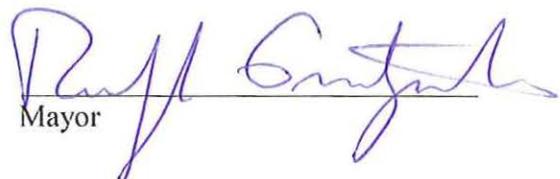
Adjournment:

Mayor Grutzmacher adjourned the meeting at 8:04pm.

ATTEST:


City Recorder

APPROVE:


Mayor

TOLEDO CITY COUNCIL MINUTES
EXECUTIVE SESSION
August 1, 2014

Mayor Grutzmacher called the meeting to order at 8:00am in executive session according to ORS 192.660(2), concerning (a) to consider the employment of a public officer, employee, staff member or individual agent.

Councilors present: Jackie Kauffman, Alma Baxter, Michelle Johnson, Jill Lyon, Jack Dunaway and Council President (CP) Terri Strom. Staff present: City Attorney (CA) Wes Chadwick.

Visitors present: Jennie Messmer of Local Government Solutions, LLC.

Executive Session

City Council conducted interviews of Jay Baughman, Robert Layman, William Kohbarger, and Eric Chambers for the vacant City Manager position.

Mayor Grutzmacher called for a recess at 1:49pm and announced that a regular session will follow.

TOLEDO CITY COUNCIL MINUTES
REGULAR SESSION
August 1, 2014

Mayor Grutzmacher resumed the meeting in regular session at 1:54pm. Councilors present: Michele Johnson, Jackie Kauffman, Jill Lyon, Alma Baxter, Jack Dunaway, and Council President (CP) Terri Strom.

Staff present: City Attorney (CA) Wes Chadwick.

Visitor present: Jennie Messmer of Local Government Solutions, LLC.

Motion- It was moved and seconded (Dunaway/Baxter) to direct CA Chadwick to make an offer to the top candidate for the city manager position, using the parameters discussed, and to negotiate a contract pending satisfactory background check. **Motion passed 7-0.**

Adjournment:

Mayor Grutzmacher adjourned the meeting at 1:54pm.

ATTEST:

APPROVE:

City Attorney

Mayor

TOLEDO CITY COUNCIL MINUTES
REGULAR SESSION
August 6, 2014

Council President Teri Strom called the meeting to order at 7:00pm. Councilors present: Jackie Kauffman, Jack Dunaway, and Michele Johnson.

Councilors excused: Alma Baxter, Jill Lyon, and Mayor Ralph Grutzmacher.

Staff present: City Attorney (CA) Wes Chadwick, City Recorder (CR) Nancy Bryant and Public Works Director (PWD) Marc Howatt.

Visitor present: Stu Strom, Billie Joe Smith, Dani Palmer, Nancy McFerran, Dave Morgan, and Sharon Kanareff.

CP Strom called for a motion to add an agenda item regarding hiring Toledo Fire Department volunteers as temporary city employees for conflagration.

Motion-It was moved and seconded (Dunaway/Kauffman) to add an agenda item authorizing the City Manager or his designee to sign a personnel action form to hire temporary firefighters for the Oregon wildfires. **Motion passed 4-0**, noting the absence of Councilors Baxter and Lyon and Mayor Grutzmacher.

Visitors/Public Comment

Stu Strom of 361 Graham Street, Toledo thanked the City and the Toledo Fire Department for hosting the City Manager Candidates reception. He stated that he spoke to the citizens and staff who attended and there was an obvious choice for a top candidate. H noted the local candidate who grew up in Toledo, went away for his education and career and is willing to return. He said that he hopes that Council will consider this candidate.

Councilor Dunaway stated that all of the candidates were impressed by the civic involvement at the reception. He said it was a good show by the community.

Consent Calendar

Motion- It was moved and seconded (Kauffman/Dunaway) to approve the consent calendar consisting of the invoice list dated August 1, 2014, Council minutes of July 8, 2014 & July 16, 2014. **Motion passed 4-0**, noting the absence of Councilors Baxter and Lyon and Mayor Grutzmacher.

Discussion and Information Items

Committee Updates

Councilor Dunaway provided Council with a copy of an email reviewing the Congressional Action on Federal Transportation Bill. He said the most notable is that this transportation bill will greatly reduce the potential transportation funding that the city competes for.

Water Master Plan Improvements Update

PWD Howatt reported the following:

- Construction is in progress on the Silte River Intake project. Currently the contractor is locating bedrock to anchor the structure. In answer to Council question he noted that he has not received indication that the City will incur additional costs because of the delay in starting the project.
- The water tank on Skyline Drive is online and at approximately 80% to close out.
- Phase III distribution projects located at Arcadia Drive, North Bay Road, and North Nye Street are currently in design. He is hopeful that the three projects can be completed during the winter months if weather permits.
- It has been determined that the Ammon Road water tank rehab project identified in Phase III will not be completed with the bond surplus funding because of time constraints. He will provide an alternative project for council review in the near future.

Wastewater Master Plan Update

PWD Howatt reported that the Wastewater Master Plan is complete and ready for review by Council. Because of the document size he will be providing Council with information in summary as well as a link to review the plan online. He provided a copy of Section 4.0 which includes a description of the existing wastewater conveyance and treatment facilities as well as an evaluation of their condition and capacity. He noted that the I & I report indicates issues of ground water infiltrating within the collections system. Those issues will be a high priority as well as pump station and treatment plant upgrades.

Decision Items

Award for the Roberts Sanitary Sewer Line Replacement Project

PWD Howatt reported that Council authorized this project approximately twelve months ago; staff budgeted accordingly, and recently received bids. Public Works has solicited four general contractors pursuant to replace the Roberts Sanitary Sewer Mainline that is now dilapidated. This sewer main is at almost complete failure and takes in large volumes of I & I. Of the four contractors solicited, two responded for this project. The low bid was received from Ray Wells, Inc. in the amount of \$106,942.

Public Comment: There was none.

Motion-It was moved and seconded (Dunaway/Kauffman) to award the contract to Ray Wells, Inc. in the amount of \$106,942.00 (apparent low bidder) for the Roberts Sanitary Sewer Line Replacement Project. **Motion passed 4-0**, noting the absence of Councilors Baxter and Lyon and Mayor Grutzmacher.

Purchase of a Utility Vehicle for the Public Works Department

PWD Howatt reported that the Public Works department is requesting to replace a Chevrolet four door sedan with the proposed replacement vehicle, an F-150 pick-up truck. The replacement vehicle is budgeted for 2014 at \$25,000. Purchase of this vehicle meets budget requirements set forth for this year and the state contract price keeps the purchase under the threshold/budgeted dollar amount.

Public Comment: There was none.

Motion-It was moved and seconded (Kauffman/Johnson) to approve the purchase for a state contract utility vehicle F-150 at the price of \$24,652. **Motion passed 4-0**, noting the absence of Councilors Baxter and Lyon and Mayor Grutzmacher.

Invoice List for Ace Hardware

CA Chadwick reported that the proposed invoice list of expenditures for Toledo Ace Hardware is a routine item on the agenda each month and is separate from the consent calendar. Separating this invoice from the consent calendar allows Councilor Strom to vote on the consent calendar while refraining from voting on the proposed invoice list because of her conflict of interest. Council President Strom declared an actual conflict of interest stating that she is an owner of Toledo Ace Hardware.

Public Comment: There was none.

Motion- It was moved and seconded (Dunaway/Kauffman) to approve the invoice list for Ace Hardware dated July 16, 2014. **Motion passed 3-0**, noting that Council President Strom abstained from voting and the absence of Councilor Lyon and Mayor Grutzmacher.

Authorize the City Manager Pro Tem to hire Temporary firefighters for Conflagration

CA Chadwick reported that during the fire season some of the Toledo volunteer firefighters are called upon to assist other agencies with conflagration throughout the state. In the absence of a City Manager it is necessary for Council to authorize the City Manager Pro Tem to hire employees.

Motion- It was moved and seconded (Johnson/Dunaway) to authorize the City Manager Pro Tem or his designee to hire one or more firefighters as temporary employees to help with fighting wildfires within the state of Oregon. **Motion passed 4-0**, noting the absence of Councilors Baxter and Lyon and Mayor Grutzmacher.

Reports and Comments

Department Reports

CR Bryant announced the deadline for candidacy filing is August 26, 2014.

CA Chadwick reported that the Wastewater Master Plan will be a discussion at the August work session and a joint meeting with the Lincoln County Commissioners is scheduled for August 27th. He asked that Council consider agenda items for the joint meeting.

City Manager's Report- There was no City Manager report.

Council Comments

Councilor Johnson asked that the contract for Toledo's Code Enforcement Officer be brought back to Council for review. She would like the public have an opportunity to come forward to discuss any issues regarding the services provided by Mr. Kittel. She said that she made a mistake by voting in favor of authorizing his contract because she did not have the information that she now has. She asked that the contract not be signed before Council has a chance to review the topic again. CP Strom agreed with the request to review the contract and noted that Kittel has gone above what Council wanted him to do and it concerns her. CA Chadwick said he believes the

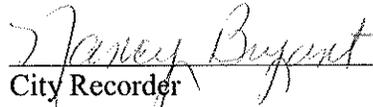
contract has been signed but it can be terminated at anytime. He suggested the item be placed on the September work session agenda. Councilor Johnson and CP Strom agreed to the September work session for reviewing the contract.

Executive Session: There was no executive session.

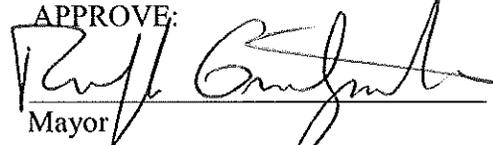
Adjournment:

CP Strom adjourned the meeting at 7:37pm.

ATTEST:



City Recorder

APPROVE:


Mayor

TOLEDO CITY COUNCIL MINUTES
WORK SESSION
August 12, 2014

Mayor Ralph Grutzmacher called the Toledo City Council work session to order at 6:18pm.
Councilors present: Michele Johnson, Alma Baxter, Jill Lyon, Jack Dunaway, Jackie Kauffman
and Council President Terri Strom.

Staff present: City Attorney (CA) Wes Chadwick, Public Works Director (PWD) Marc Howatt,
Library Director (LD) Deborah Trusty, Aquatic/Recreation Manager (ARM) Joe Andrews, and
City Recorder (CR) Nancy Bryant.

Visitors present: Dave Morgan, Ann Learned-Ellis, and Sharon Kanareff.

Visitors Comments:

There were no visitor comments.

Discussion and Information Items

Committee Updates

Councilor Dunaway provided an analysis of opportunities to sell parcels 8G & 9G (City owned property inventory) AKA "East Slope Road" wetlands. He said the most likely partner for this property is the Oregon Department of Transportation. This agency buys wetlands to "bank" as mitigation for future construction projects. He suggested allowing grazing on the property to keep the vegetation down until another use is determined.

Councilor Lyon reported that State Representative Gomberg has passed on issues for the Lincoln County Telecom Committee to look at regarding cellular capacity during tourist times as well as continuing to map broadband services throughout the county.

Water Master Plan Improvement Updates

PWD Howatt reported the following:

- Siletz River Intake Project-due to the delay of the construction start date the contractor has indicated that there will be a change order in the amount of \$22,000. He noted that it seems a just change order.
- Phase III Water Distribution Projects- the Nye Street, Arcadia Drive and Bay Blvd water line projects will remain in design. The Ammon Road Water Tank Rehab project has been dropped because of time constraints to finish the project within the bond funding requirements. He will ask to reallocate the funding for the water tank rehab to repairing the sludge collectors in the sedimentation basins at the Water Treatment Facility. He noted that the Water Master Plan does include improvements to the Water Treatment Plant.
- Notifications have been circulated for the Highway 20 water pipeline project to begin August 11th. The contractor has delayed the start date because of supply order mishaps. The tentative start date for this project is now August 25th.

Councilor Dunaway stated that he would like a letter sent to the congressional office and the National Marine Fisheries Service indicating the impact of the delay and how it affected Toledo. Councilor Lyon agreed. CA Chadwick agreed to pass the request onto CM Munkers.

Wastewater Master Plan Update

PWD Howatt reported that the Wastewater Facilities Plan is complete and has been approved by the Oregon Department of Environmental Quality. He noted that the document is comprehensive and addresses the wastewater collection system and its history, pump stations, wastewater treatment plant, flow data, etc. He noted that the projects are listed by priority rather than phases. The inflow and infiltration will be the first priority. He noted that funding the projects will need to be addressed. CA Chadwick iterated PWD Howatt's comment stating that the wastewater system is in disrepair and there are some significant issues that need to be addressed sooner than later. He said Council will be asked to review and adopt the plan which will be the first step to identifying funding options. He also noted that the City has a number of funding issues that will become more pressing as time goes on.

In answer to Council questions PWD Howatt responded as follows:

- The industry materials used today compared to 60 or 70 years ago are slotted to last two to three times longer.
- The total cost of the plan is approximately \$10,000,000.
- He shares the opinion of previous staff that the I & I issues are a high priority because of compliance issues with regulatory agencies. The City is not unique in I & I issues.
- Private lateral lines are currently located when as-built designs are filed.
- The plan does not include mapping the storm water system.

Mayor Grutzmacher stated that he would like to see some effort in locating the areas where the storm system is leaking into the collections system. He said that one of the areas identified are the access covers that are leaking. PWD Howatt noted that he would like chose a section of town and experiment by repairing manholes to determine the impact. He stated that it would make an impact on the I & I volume but it would not have the impact of mainline repair and replacement. He said mapping and documenting waterlines will be part of the project.

Councilor Dunaway requested a hard copy of the plan.

Mill Creek Forest Stewardship Update

PWD Howatt reported that he met with Matt Fehrenbacher of Trout Mountain Forestry regarding the Mill Creek Forest Stewardship plan. Trout Mountain has secured grant funding in the amount of \$14,755 to plant trees and other vegetation along the Mill Creek watershed. The actual project cost is \$19,755 and Trout Mountain is asking the City to fund the remaining \$5,000. They have until the end of 2015 to complete the project.

Councilor Dunaway noted that previously Trout Mountain was asked to provide a definitive opinion of the slope instability indicators. The Oregon Department of Forestry has a geotechnical specialist who can evaluate this issue in great detail and at no cost to the City. That type of evaluation will indicate any risk from harvesting timber in that area. He would like the City to pursue that option.

Toledo Transportation Plan Code Amendments Ordinance Review

CA Chadwick stated that after many hours of review and revisions by the Toledo Planning Commission, Council approved the Toledo Transportation System Plan in December of 2013. The plan adopted by Council identified arterial roads, and non arterial roads, and standards the City will need to implement. The Code Amendment Ordinance before Council implements that plan by

making changes to the municipal code. The draft ordinance was emailed to Council on August 11th. He asked that Council review the document.

There was some discussion regarding the type of changes proposed. Councilor Dunaway noted that the draft does not show what language has changed. CA Chadwick agreed to provide Council with a new draft that shows the mark-up changes within the document.

Council agreed to review the ordinance and make comments to CA Chadwick. If all comments are received in time the ordinance will come back to council for approval on September 3rd.

Council thanked the Planning Commission and staff for their work on this project.

Swimming Pool Facility Update

ARM Andrews reported that Toledo should be proud that it has a swimming pool. The swimming pool facility analysis is underway and so far there have been no surprises. The general comments have been that it is in better condition than initially anticipated. The next step is to coordinate a roofing contractor for maintenance while the engineer is present to evaluate its condition. He anticipates the report will be completed in October. ARM Andrews also reported that after issues with the facility's boiler it was suggested to keep parts on hand to avoid shut downs. Staff has been notified that the manufacturer is no longer producing this boiler nor the parts.

ARM Andrews also reported that summer swimming lessons were good this year and the Arcadia Park, Swimming Pool, and Library are seeing the effect of the lack of summer youth programs. He noted that he has been in contact with other organizations to potentially coordinate future summer programs.

Agenda Items for Joint Meeting with the Lincoln County Commissioners

CA Chadwick noted that a joint meeting with the Toledo City Council and the Lincoln County Board of Commissioners has been scheduled for August 27th at 6pm at the Toledo City Hall Council Chambers. He asked if Council members had suggestions for agenda items for that meeting.

Agenda items for the joint meeting with the Lincoln County Board of Commissioners were suggested as follows:

- Total Solar Eclipse on Aug 21, 2017
- Future of the Lincoln County Fairgrounds
- Update on Dispatch Service Contract with Willamette Valley Dispatch
- Post release inmate care
- Childcare afterschool and summer
- Outlook for business expansion in Lincoln County
- Status of road maintenance funding (rural communities)
- Railroad improvements update

Additional Council Comments

Councilor Dunaway stated that Council didn't properly handle the recent public complaint regarding the City's Code Enforcement Officer. He said that Council should listen to any criticism but should not render judgment at that time. Councilor Johnson said that she is pleased to know that the City can terminate the Code Enforcement Officer's contract if something really did go bad. She said that she is in favor of code enforcement but she is not happy with what she is hearing of how the current officer is portraying Toledo. Councilor Baxter stated that she does not know that a public forum is the right place to discuss that much depth of performance. Mayor

Grutzmacher noted that there is a policy to consider about discussing the performance of someone who is not one of Council's direct employees.

CA Chadwick noted that the contract for Code Enforcement Services has been added to the September Council work session. He said Police Chief Enyeart will be in attendance to help address any issues.

Councilor Johnson noted that she is a part of this community; she is in the dark about issues and then gets bombarded by the community. She said there is a perception in the community that if people speak up no one will do anything about the issue. She is trying to change that perception by encouraging people to complete a city complaint form.

Councilor Kauffman noted that the City's code enforcement officer is perceived as an employee, a police officer as well as an employee of the planning commission representing the City. She said that misinformation needs to be acknowledged and the public needs to know who to go to for a complaint. She said if this situation is dealt with properly even the process will prove that something is being done and people will come forward with their issues. She also noted that a lot of people are watching this issue to see how it comes out.

Councilor Strom reported that the Port of Toledo Wooden Boat Show event is this weekend. She encouraged all to attend.

Councilor Lyon reported that she attended the recent Mayors Conference and attended a session regarding Strategic Communication. It involved discussion about how to get good information to the vast majority of people in local communities. Councilor Johnson suggested placing the City newsletter at local restaurants and businesses within the community. CA Chadwick noted that an electronic reader board will be going up in Toledo soon.

Councilor Baxter stated that City employees are doing a great job. She recently attended the Poetry Reading event at the Library as well as the National Night Out hosted by the Toledo Police and Fire Departments. She said she enjoyed connecting with the youth at the Skate Park.

Councilor Dunaway inquired on the status of the new City Manager. CA Chadwick stated that September 8th is the designated start date. He is currently drafting a contract to send to Mr. Baughman.

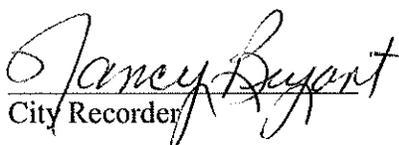
Mayor Comments

Mayor Grutzmacher commented as follows asked if park equipment at the Branstiter Park is being rehabilitated. PWD Howatt stated that the equipment is being replaced with new equipment and the equipment removed was not salvageable. Mayor Grutzmacher said he recalls that the equipment is purchased with excess fence money.

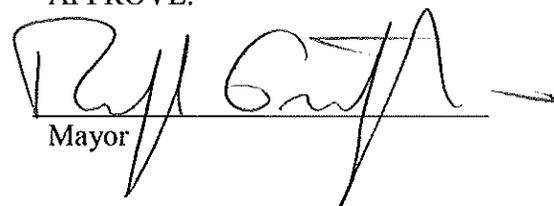
Adjournment:

Mayor Grutzmacher adjourned the meeting at 8:04pm.

ATTEST:


City Recorder

APPROVE:


Mayor

TOLEDO CITY COUNCIL MINUTES
REGULAR SESSION
August 20, 2014

Mayor Ralph Grutzmacher called the meeting to order at 7:02pm. Councilors present: Jackie Kauffman, Jack Dunaway, Jill Lyon, and Council President (CP) Terri Strom.
Councilors absent: Michele Johnson and Alma Baxter.

Staff present: City Attorney (CA) Wes Chadwick, City Recorder (CR) Nancy Bryant, Library Director (LD) Deborah Trusty and Public Works Director (PWD) Marc Howatt.

Visitor present: Kevin Lindsted, Billie Jo Smith, and Dani Palmer.

Visitors/Public Comment

Kevin Lindsted Chairman of the Toledo Summer Festival Committee reported that the clicker count of attendance at this year's festival event was over 80,000. To date the festival committee has brought back \$8,000 into the community and that number will rise with the coming holidays. The committee will hold a wrap up BBQ meeting on August 28th at 6pm at the Oregon Coast Bank. The committee will discuss a theme and ideas for next year's festival. He invited all to attend to meet the committee members and provide input.

Consent Calendar

Motion- It was moved and seconded (Strom/Kauffman) to approve the consent calendar consisting of the invoice list dated August 15, 2014, Council minutes of August 1, 2014 & August 6, 2014. **Motion passed 5-0**, noting the absence of Councilors Johnson and Baxter.

Discussion and Information Items

Committee Updates

There were no committee updates.

Water Master Plan Improvements Update

PWD Howatt reported the following:

- The waterline improvement along NE Wagon Road, NE Burgess Road, and NE Hwy 20 (between Burgess Road and Clark Loop) will begin on August 25th.
- A change order has been submitted for the Siletz River intake project in the amount of \$133,000. After exploring the river embankment the engineer and contractor was unable to locate adequate bedrock to anchor the structure. Therefore, the contractor will be installing steel sheet piling at an additional cost for materials and labor. He stated that he will review the change order in detail to ensure that the additional cost is a fair amount. He noted that the construction continues and if the change order doesn't appear to be a fair amount then the City will get a credit on the change order amount. He will report any additional information at the next City Council meeting.

Mayor Grutzmacher said that he wants Civil West's signature on the change order before Council agrees that it is the right idea.

Wastewater Master Plan Update

PWD Howatt reported that the final Wastewater Master Plan is now on the City website. He asked that Council review the document. The plan will be a future agenda item for formal adoption.

Kevin Lindsted asked for a copy of the receipt of bids for the Water Treatment Plant improvement. PWD Howatt agreed to provide the requested documents.

Decision Items

Filling the Vacant Assistant to City Recorder Position

CR Bryant reported that Susan Thompson resigned from her position of Assistant to City Recorder effective July 17, 2014. The Recorder's office received nineteen applications during the recruitment process. Five individuals were interviewed and Melodi McGee scored highest of all other applicants. The anticipated start date is August 25, 2014. City Manager Pro Tem Don Munkers has approved the hire but must have permission from Council to complete the process.

Public Comment:
There was none.

Motion-It was moved and seconded (Lyon/Dunaway) to authorize Don Munkers City Manager Pro Tem to hire Melodi McGee to fill the vacant Assistant to City Recorder position contingent on a successful criminal history check. **Motion passed 5-0**, noting the absence of Councilors Johnson and Baxter.

Employment Contract for City Manager

CA Chadwick provided a copy of a draft employment contract negotiated with Jay Baughman and consistent with the terms provided by Council. The start date is September 8, 2014. He noted that the only variance from Council direction is in regards to Section 5.10 Moving and Relocation Expenses; Council directed moving expenses up to \$5,000. Mr. Baughman has provided moving company quotes for moving himself and his family from Arizona to Toledo. The quotes range from \$8,000 to \$10,000. Mr. Baughman has requested the moving expense reimbursement be increased from \$5,000 to \$8,000. CM Chadwick also noted that the negotiated salary is \$82,000 per year.

After review by Council the following changes were made:

- Section 3.2 Severance- The language "any leave" is changed to "vacation leave".
- Section 3.3- gender correction.

Mayor Grutzmacher noted that this is a three year agreement subject to six month probation period, subject to termination for cause under specified conditions, and with automatic renewal after three years unless the City provides notice on non renewal. There also includes a four month salary severance for involuntary termination. CA Chadwick added the contract includes a four month and six month performance review as well as an annual review, PERS retirement, insurance, paid leave, technology stipend of \$75.00 per month, car allowance in the amount of \$300.00 per month, general expenses for dues, and moving and relocation expenses. Section 7 indicates that it is strongly encouraged that the City Manager will be a resident of the City of Toledo within twelve months of hire.

Public Comment:
There was none.

Motion-It was moved and seconded (Dunaway/Lyon) to authorize the Mayor to sign a City Manager employment contract with a start date of September 8, 2014 with Jay Baughman as negotiated by City Attorney Wes Chadwick. **Motion passed 5-0**, noting the absence of Councilor Johnson and Baxter.

Reports and Comments

Department Reports

LD Trusty reported the following:

- The Summer Reading Program has been very successful. She will be providing an intensive report to the State reviewing what the Library has done this year and she will share that report with Council at a later date. She noted that the youth ranging in ages ten to twelve have not participated as they have in the past. She plans to reach out to that population and provide services that they might be interested in. A teen corner has been established at the Library and participants have been enjoying that space. This year the Reading Program has emphasized on helping kids interpret what they are reading through art. A reception is scheduled for August 30th to allow the kids to show their program art work.
- She suggested a book titled "What Then Must We Do". She stated that it provides local solutions for small city problems.
- She will be joining a Untied Way group in September that is looking at ways to do more community building.

CR Bryant reported the following:

- The deadline for candidacy filing is August 26, 2014.
- A joint meeting with the Lincoln County Board of Commissioners is scheduled for August 27th.
- The Lincoln County Board of Commissioners have scheduled a public meeting September 8th from 6pm to 8pm in Toledo City Hall council chambers regarding the future of the Lincoln County Fair Grounds
- A City Hall Week event is scheduled for September 9th at 12pm in Yachats.

City Manager's Report- There was no City Manager report.

Council Comments

Councilor Lyon reported that she, Mayor Grutzmacher and PWD Howatt met with representatives from Central Lincoln PUD regarding installing LED lights in the City of Toledo street lights. She stated that the project would be good for both the City of Toledo as well as Central Lincoln PUD and that Toledo is a good location because it does not have the marine air that many of the costal communities have. She the financial savings in LED lights is not as dramatic as first anticipated and PUD will be providing actual data in the dear future. She said we aren't going to do anything that will cost the City money up front; the idea is that potentially PUD will buy the fixtures and the City will pay it back through the regular street light fee and eventually lower the street light utility fee to the residents. Since the energy saving is not very high it will take longer than anticipated for this to happen. She also noted that there may be other funding sources for this type of project and she will continue to be in contact with PUD and report back to Council.

Councilor Lyon also stated that the 21st annual Toledo Art Walk is scheduled for August 30th, 31st and September 1st.

Councilor Dunaway encouraged people to file candidacy for City Council. He said no matter what the person's background is they can make a positive impact on how the city government runs.

Deborah Trusty invited all to a book release reception honoring Donald A Davis and sponsored by the Newport Chamber of Commerce. The event will take place on September 5, 2014 from 2pm to 4pm at the Newport City Council Chambers

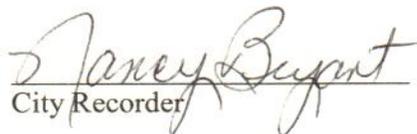
Mayor

- The Fish People open house and grand opening was last Friday at Port Station One. It was a fun event and there is a fairly high energy folks behind this company. There are five local family wage jobs in Toledo generated by this company. He welcomed the company to the community.

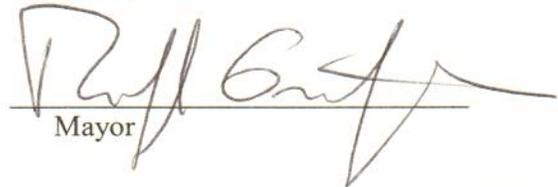
Adjournment:

CP Strom adjourned the meeting at 7:46pm.

ATTEST:


City Recorder

APPROVE:


Mayor

TOLEDO CITY COUNCIL MINUTES
REGULAR SESSION
September 3, 2014

Council President Teri Strom called the meeting to order at 7:00pm. Councilors present: Terri Strom, Jackie Kauffman, and Jack Dunaway. Councilors excused: Alma Baxter, Michele Johnson and Jill Lyon.

Staff present: City Attorney (CA) Wes Chadwick, City Recorder (CR) Nancy Bryant and Public Works Director (PWD) Marc Howatt, Police Chief (PC) Dave Enyeart, Planning Secretary (PS) Arlene Inukai, Library Director (LD) Deborah Trusty, and Aquatics and Recreation Director (ARD) Joe Andrews.

Visitor present: Jerry Seth, Crystal Poling, Craig Banyasz, Billie Jo Smith, and Geoff Wilkie.

Visitors/Public Comment

Craig Banyasz of 118 NE Skyline Drive, Toledo provided Council with a petition signed by thirteen residents of Skyline Drive, Sequoia Drive, Wagon Road and Magnolia Street demanding correction of the water pressure issues in that area and that the pressure be restored to the average 50 to 70 PSI. He noted that the water pressure dropped to about 30PSI or less when the City began filling the new water tank off Magnolia Street. He also noted that the new fire hydrant installed on Magnolia is labeled out of service due to lack of water pressure. He said that when the new tank was installed water wasn't coming out of it because the pumps that were installed were only 30PSI pumps which means that the water pressure in the line had to be lowered to 20 to 25 PSI in order to get the water to come out of the tank. He believes a larger pump should be installed at the new water tank. He said that he has been in contact with the Public Works Director but the problem has not been resolved. He stated that PWD Howatt has suggested the City provide a booster pump for his home. Mr. Banyasz suggested using that money to purchase a larger pump at the tank.

PWD Howatt stated that the City continues to work with the trouble spots, the clay valves and actuators on the existing line in an effort to restore the water pressure in that area. He asked for a little more patience from the residents that are affected by this issue in hope that it will be resolved within a few weeks. Mr. Banyasz noted that he has been patient throughout the project and the valves that PWD Howatt is referring to will not increase pressure.

Mayor Grutzmacher instructed Mr. Banyasz and PWD Howatt to continue contact until the issue is resolved.

Crystal Poling stated that she has questions regarding the proposed ordinance No. 1356 regulating medical marijuana dispensaries. She said that there is a lot of cancer in this area. She is an herbalist and has been in the field for a very long time. She is currently treating a Toledo citizen who is very ill. She said that she understands why Toledo would want a family focus here and she would like to have a dialog for whomever decides to open a dispensary in Toledo. She said that it is very important that it stay on the medical side. She then noted that it is in the best interest of Toledo to have this discussion and understand the level of sickness that is in this community; the lack of options to do it in the right way, and to not be considered druggies.

Ms. Poling noted that the draft ordinance prohibits advertising statements representing the use of marijuana that has curative or therapeutic affects. She said that is hurtful to her.

Mayor Grutzmacher acknowledged that City Council is in favor of the ordinance and that the ordinance has gone through at least three drafts in three public meetings to put the Oregon policy in place in this community and allow medical marijuana dispensaries. He said Council has shown no judgment of people who use medical marijuana. The effort has been to prevent medical marijuana dispensaries spilling into the unauthorized distribution of marijuana. Ms. Poling stated that she disagrees with the manner in which it is done.

Ms. Poling asked why the City did not protect the City and apply for a moratorium. CA Chadwick responded that it was a policy decision. Mayor Grutzmacher stated that the City wanted to allow folks who have a medical marijuana card to have access to medical marijuana if someone wants to open a business in accordance to the zoning restrictions in this community.

Ms. Poling then referred to the five dollar fee per transaction requirement in the draft ordinance. She noted that the charge would be a hardship for those who need the product.

Mayor Grutzmacher suggested that Ms. Poling attend the Planning Commission meeting on September 10th as well as the City Council public hearing when the ordinance is on the agenda for adoption. He also agreed to discuss the issue with Ms. Poling after this meeting.

Consent Calendar

Motion- It was moved and seconded (Strom/Kaufman) to approve the consent calendar consisting of the invoice list dated August 27, 2014, Council minutes of August 12, 2014 & August 20, 2014 and surplus property from the Swimming Pool department. **Motion passed 4-0**, noting the absence of Councilors Baxter, Johnson, and Lyon.

Discussion and Information Items

Committee Updates

There were none.

Water Master Plan Improvement Updates

PWD Howatt reported that the Highway 20 waterline replacement project will mobilize in the next few days. The Arcadia water main replacement, SE Nye and 11th/12th Street projects in Phase III of the Water Master plan will be in design in early fall and he is hopeful to break ground this winter.

Mill Creek Stewardship Plan

PWD Howatt reported that Matt Fehrenbacher of Trout Mountain Forestry will be at the next Council work session to provide a presentation and to clarify the next steps for the Mill Creek Stewardship Plan. He said that Mr. Fehrenbacher will explain the grant and what funding they are requesting from the City. Councilor Dunaway noted that a more important part of the discussion should include concerns regarding the slope stability issue. PWD Howatt agreed to include the slope stability issue in the discussion.

Mayor Grutzmacher stated that he is pleased with the railroad crossing improvements. He would like to include a photo presentation at the next regular session. PWD Howatt confirmed that the City incurred a cost for approximately 200 feet of paving costs associated with the crossing

improvements. Councilor Dunaway thanked Mayor Grutzmacher for his work on the project as well as the Railroad Company who provided the improvements.

Public Hearing

Mayor Grutzmacher opened the public hearing at 7:40 pm regarding a proposed Ordinance No. 1355, Amending Ordinance No. 1301B (Toledo Municipal Code Title 16) and Ordinance No. 1286 (Toledo Municipal Code Title 17) to Revise Land Use Regulations. Mayor Grutzmacher then called for declaration of conflict of interest, exparte contact or bias; seeing none, he read the statement of rights and relevance, and the right to appeal.

Staff Report:

CA Chadwick read the staff report provided by the previous contract City Planner as on file. He said staff recommends adoption of the proposed ordinance.

Applicant testimony:

The City of Toledo is the applicant and there was no further applicant testimony.

Proponent testimony: There was none.

Opponent testimony: There was none.

Other interested parties or Government Agencies: There was none.

Rebuttal by applicant: There was none.

Questions by Council:

Mayor Grutzmacher asked if the comments provided by DLCDC regarding street sections have been resolved. PS Inukai confirmed that the comments were resolved. He noted that the Subdivision Section imposes a requirement for bicycle parking spaces. He asked if that is a State requirement. PS Inukai stated that it is a Transportation Growth Management requirement. Planning Commission President Jerry Seth stated that the Planning Commission negotiated many changes in the transportation plan and the bicycle parking requirement was scaled back to the minimum requirement. PS Inukai suggested that he Planning Commission may have discretion to pull that back.

Mayor Grutzmacher proposed removing the credit provision for providing two bicycle spaces in lieu of one vehicle parking space. He stated that he thinks bicycle parking spaces should be provided but not in place of vehicle parking spaces. Seeing no additional Councilor interest he dropped the matter.

Mayor Grutzmacher closed the public hearing at 7:55pm.

Decision Items

Ordinance Amending Ordinance 1301B (Toledo Municipal Code Title 16) and Ordinance 1286 (Toledo Municipal Code Title 17) to Revise Land Use Regulations

Public Comment: There was none.

Motion-It was moved and seconded (Strom/ Kaufman) based on testimony received, the staff report, and the evidence and arguments before the City Council at the public hearing on September 3, 2014, the City Council finds that the request by the City of Toledo (ZOA-2-14) to amend Ordinance 1301B (TMC Title 16) and Ordinance 1286 (TMC 17) complies with the criteria identified in TMC 19.20.070(A)-(D). The City Council hereby adopts the staff report findings and the other evidence in the record as findings supporting the decision. In addition, the City Council adopts Ordinance No. 1355 (an Ordinance amending Ordinance 1301B (Toledo Municipal Code Title 16) and Ordinance 1286 (Toledo Municipal Code Title 17) to revise land use regulations. **Motion passed 4-0**, noting the absence of Councilors Baxter, Johnson, and Lyon.

Mayor Grutzmacher thanked those who worked on this project. PS Inukai noted that Council will be required to approve an amendment to the Transportation System Plan at a future date.

Change Orders for the Siletz River Intake Project

PWD Howatt reported that the Siletz Intake Structure project began July 2014; approximately ten business days post original planned start date. Antiquated mapping, best-guess/speculation on a portion of the raw water line that had been excavated and found to be one size in the filed, vs the plans reflected a different diameter. The assumption was that at a point in the water main it transitioned to a 12" in diameter. In the field it was found that in fact the raw water main near Siletz River is 18" in diameter all the way up to the parallel running along Highway 229. The above changes as well as piping installation in the river to mount the new intake structure comes to a total of \$230,307 in change order costs. Staff is recommending approval of the change order.

Mayor Grutzmacher asked if staff has discussed the changes with the residents across the river from the intake site. PWD Howatt stated that he spoke to the residents and that they are ok with the changes.

Councilor Dunaway voiced his disappointment that the City Engineer of Record isn't attending Council meetings to provide project updates. PWD Howatt stated that the Engineer of Record offered to come to the meeting but he refused their offer and told them it wasn't necessary. Dunaway said that he would like to have had the opportunity to ask the engineer of if they are confident and satisfied with the change order.

Mayor Grutzmacher then referred to City Council meeting minutes of the August 20th when he requested that Civil West sign off on the change order before it came back to Council for approval. He noted that there is no signoff signature from Civil West and he would like approval of the change order to be conditional to Civil West signing off on the changes.

Mayor Grutzmacher noted an additional concern of changing from pilings on bedrock to pilings in mudsills. He asked if the engineer of record is happy for the next 40 or 50 years that the pilings will stay attached. PWD Howatt said yes; the sheet piling life span is 45 to 50 years and concrete foundation and footings can last with a maintenance component. He also noted that the City has only a few weeks to complete the project.

Public Comment: There was none.

Motion-It was moved and seconded (Dunaway/Kaufman) to approve the proposed change orders from 2KG Contractors, Inc. as recommended by staff in the amount of \$230,307, condition upon

the signature of the licensed engineer of record. **Motion passed 4-0**, noting the absence of Councilors Baxter, Johnson and Lyon.

Authorizing an Improvement Project for the Water Treatment Plant

PWD Howatt reported that the Water Treatment Plant's sludge/settling basins need a massive overhaul. Gear boxes, sprockets, chains, associated beams; brackets, etc. have all lived their life. Three (3) general contractors in the State of Oregon were contacted to respond to our solicitation for this project. Two responded; DSL Builders with proposed bid of \$149,175, and Koontz Machinery with a proposed bid of \$133,209.

Councilor Dunaway noted that this improvement will be funded with surplus bond proceeds and asked about the risk of future change orders that might exceed the project contingency. PWD Howatt stated that he does not anticipate any additional change orders on the Siletz project. CA Chadwick noted that staff does not propose to spend all of the surplus bond proceeds just in case there are additional change orders. He stated that the total amount of surplus bond proceeds is \$900,000. Mayor Grutzmacher asked if the cost for the intake project change orders is within the contingency funding for that project. PWD Howatt confirmed the proposed change orders will be funded with the Siletz Intake project contingency funds and not from the surplus bond proceeds.

Public Comment: Craig Banyasz asked if there is State or Federal grant funding that could be used for these projects. Mayor Grutzmacher stated that the City chose to use a revenue bond for the projects because of the time constraints for improving the intake and because it was done during the time that the market was favorable.

CP Strom questioned the discrepancy in the amount of the two bids. PWD Howatt noted that Koontz Machinery specializes in water treatment plant rehabs and DSL Builders, LLC. is a general contractor. Koontz personnel spent more time in evaluating the needed improvements and he believes it is a more accurate bid.

Motion-It was moved and seconded (Kauffman/Dunaway) to approve a contract between the City of Toledo and Koontz Machinery for \$133,209.00 to perform improvements to the City's Water Treatment Plant reflecting the quote submittal dated August 8, 2014. **Motion passed 4-0**, noting the absence of Councilors Baxter, Johnson and Lyon.

Invoice List for Ace Hardware

CA Chadwick reported that the proposed invoice list of expenditures for Toledo Ace Hardware is a routine item on the agenda each month and is separate from the consent calendar. Separating this invoice from the consent calendar allows Councilor Strom to vote on the consent calendar while refraining from voting on the proposed invoice list because of her conflict of interest. Council CP Strom declared an actual conflict of interest stating that she is an owner of Toledo Ace Hardware.

Public Comment: There was none.

Motion- It was moved and seconded (Dunaway/Kauffman) to approve the invoice list for Ace Hardware dated August 22, 2014 in the amount of \$705.90. **Motion passed 3-0**, noting that Council President Strom abstained from voting and the absence of Councilors Baxter, Johnson, and Lyon.

Reports and Comments

Department Reports

LD Trusty reported that the Walnut trees located in front of the Library will be cut down on September 11th and 12th. Oregon Coast Community Forestry Association (OCCFA) will remove the trees on September 13th and 14th. OCCFA will store the trees until staff develops a marketing and distribution program for the wood.

PC Enyeart reported that the newest Toledo Police Officer will be returning to work on September 8th on light duty after an accident at the academy. Toledo has been awarded the "Wrongful Conviction" grant in the amount of \$2,500 for electronics for the Police Department interview room. He also reported that the department will soon take possession of the new vehicle funded in last year's budget.

ARD Andrews reported that a valve had failed at the Swimming Pool causing some leakage. In the process water was sprayed onto the boiler which made it nonoperational. The department had a part on hand and was able to get the equipment operational. The boiler is approximately fifteen years old and near the end of its lifespan. If it shuts down again parts will not be available and will cause the Swimming Pool to shut down until a new boiler can be ordered, delivered and installed. Due to the vulnerability of the boiler equipment he will be researching the cost to replace the equipment. He also reported that the Swimming Pool facility analysis is 50% complete. He then thanked Council for its support of the facility and added that the fact that Toledo has this facility is something to be proud of.

CR Bryant reported that the newly hired Assistant to City Recorder Melodi McGee began working on August 25th and staff is looking forward to the arrival of the new City Manager on September 8th.

City Manager's Report- There was no City Manager report.

Council Comments

Councilor Strom stated that the newly installed metal power poles near the Toledo East Junction of Hwy 20 are ugly. She also noted that old power poles that were replaced around town are still on the ground and sections of sidewalk have not been repaired. CA Chadwick stated that staff will contact Central Lincoln PUD regarding removal of the poles and repair of the sidewalks.

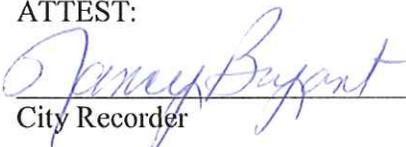
Mayor

- He is looking for a City Hall team of five bowlers to challenge Newport City Hall on October 10th, 5pm at Muggly's Bowling. The event is a fundraiser for the Olalla Center and the fee to enter is \$66.00 per team. Councilor Strom agreed to be on the team.
- He welcomed the kids back to school.

Adjournment:

CP Strom adjourned the meeting at 8:50pm.

ATTEST:


City Recorder

APPROVE:


Council President

TOLEDO CITY COUNCIL MINUTES
WORK SESSION
September 9, 2014

Mayor Ralph Grutzmacher called the Toledo City Council work session to order at 6:18pm.
Councilors present: Michele Johnson, Alma Baxter, Jill Lyon, Jack Dunaway, Jackie Kauffman
and Council President Terri Strom.

Staff present: City Manager (CM) Jay Baughman, City Attorney (CA) Wes Chadwick, Public
Works Director (PWD) Marc Howatt, Police Chief (PC) Dave Enyeart, Library Director (LD)
Deborah Trusty, Treasurer Polly Chavarria, and City Recorder (CR) Nancy Bryant.

Visitors present: Matt Fehrenbacher, Jerry Seth, and Billie Jo Smith.

Visitors Comments:

There were none.

Discussion and Information Items

Mill Creek Forest Stewardship Update

PWD Howatt provided Council with a copy of the Mill Creek Forest Stewardship Plan and introduced the City's contract Forester Consultant Matt Fehrenbacher of Trout Mountain Forestry. Mr. Fehrenbacher explained that there are a few issues to harvesting the Mill Creek Forest areas; the Alder stand has some significant road rehabilitation costs associated with the lower valued species. It would still be a net positive revenue generator for the City but there is no urgent need to harvest that stand now. The stand continues to gain value in volume but it will start to decline in the next five to ten years. The second stand that has been proposed for harvest is a ten acre stand, primarily conifer that would generate significant more revenue and would have less costs. There is some concerns regarding the potential slope stability as there have been slides on adjacent lands. A geotech assessment can be done at the site for providing a professional opinion on that issue. The conifer stand is more of a regeneration harvest with some retention for wildlife and buffers along the water. He noted his professional opinion is that there is some risks in harvesting the conifer stand but he doesn't know what that is.

Councilor Dunaway stated that a risk analysis will be helpful in moving forward with harvest decisions. He noted that Council and staff want to manage this property very conservatively at the same time taking advantage of the economic opportunities that it provides. He would like a slope stability study done.

Councilor Lyon asked if it is a realistic expectation that there is enough harvest material given the issues to make harvesting profitable. Mr. Fehrenbacher stated that the limitations for thinning on the sites are that there are only seven to ten acres that can be accessed by cable operation and the Alder can't be selectively harvested. The two harvest opportunities will be small variable retention harvest on the Conifer site and a more aggressive harvest of the Alder stands. The scattered Conifer within the Alder stand will be retained. He noted that the project will be less than industrial clear-cut because it is a municipal watershed which has other values.

He recommended that harvest of the Alder stand is at least five years out. An additional issue with harvesting the Alder stand is that the Forest Service owns most of the road access into it and they

will be improving their roads in the next few years. There will need to be some road improvements on the City property as well. He also recommended pursuing the geotech analysis before moving forward with a harvest plan.

Mr. Fehrenbacher then reported that in 2013 Trout Mountain submitted and received a grant on behalf of the City from the Alsea Stewardship Group for a \$20,000 project. The grant amount is \$15,000 and the project is for restoration of five acres around Mill Creek and the Mill Creek Reservoir. The project objective is to remove some of the Alder and encourage Conifer growth streamside in the areas that are not accessible for harvest. The general location of the project has been identified but the specific sites have not. There is a \$5,000 grant match owed by the City for the project. The project is designed to span two calendar years. The City will be required to enter into a contract with Cascade Pacific Resource Conservation + Development (CPRC+D) who acts as a fiduciary for the funds. The matching funds will pay for Trout Mountain's service in project managing hours. He said the project is scheduled to begin late winter 2014. He noted the two actions needed from the City are the signed agreement with Cascade Pacific Resource Conservation + Development and to authorize the funds for Trout Mountain to do the work.

CA Chadwick noted that the funding for the Mill Creek projects has historically come from the City's water fund. Staff recommends that any proceeds from the Mill Creek Stewardship projects be returned to the water fund. Council and staff then discussed whether the revenue should be designated to the general fund or the water fund. Mayor Grutzmacher and Councilor Dunaway noted their preference that harvest revenues go to the City's general fund. Councilors Kauffman, Johnson, and Lyon indicated their preference is that the revenue should be designated to the water fund. Mayor Grutzmacher stated that the City needs to continue in the direction of capital budgeting.

By consensus Council agreed on the following:

- The Mill Creek Forest harvest revenue should be expended on capital projects as opposed to operational funding.
- The designated fund for Mill Creek Forest harvest revenue will be the water fund. This designation should be reviewed every five years.

CA Chadwick stated that staff will provide the contract with CPRC+D for formal approval at a future date.

Code Enforcement Contract

PC Enyeart reported that the City's Contract Code Enforcement Officer Dustin Kittel is currently in Nicaragua but he continues to provide code enforcement services to the City. PC Enyeart then reviewed the case involving property located at 224 SE 2nd Street in Toledo. Owner Brett Quick recently appeared before Council regarding his issues with this property and his dealings with Dustin Kittel. PC Enyeart noted that Mr. Quick was first notified of code violations in 2011. After working with this property owner for over three years without resolve he was fined \$1,000. The fine amount was then reduced by Toledo's Municipal Judge to \$50.00. He said that the owner stated that he will appeal the fine as he felt it was unjust and he was being unfairly treated by the City and the code enforcement officer. PC Enyeart then provided Council with a photo of the property taken September 9, 2014. He noted the front of the house still looks like it did three years ago with the exception of some new siding on the bottom section. He then stated that the point is that something is getting done. The department receives more citizen complaints about code enforcement violations than any other police service. He said the owner has every right to appear before Council with his complaint but what about the number of neighbors who are complaining

throughout the three years that the City isn't doing anything about the unfinished building. He then reviewed language in the standard letters that are sent to the property owners regarding code violations and noted that very few of the code enforcement cases go to court.

Councilor Johnson noted that her concern is what people are telling her about Mr. Kittel's attitude when dealing with citizens. Councilor Kauffman indicated that she has the same concern. CP Strom stated that Mr. Quick indicated that the correspondence he received from Officer Kittel was not civil.

Council and staff then discussed the process for Toledo citizens to make a formal complaint. It was suggested that citizens don't submit a formal complaint because of fear of becoming a target. PC Enyeart stated that if citizens don't come forward with specific complaints then it is difficult for him to respond. He said the majority of code enforcement complaints received are from citizens complaining about the condition of nuisance properties. He suggested that the code enforcement officer wear a body camera when on duty so that there is a record of the officers contact with citizens.

PC Enyeart then noted that a person who does not live in Toledo has been notifying staff and Council regarding her code enforcement issues that involve property in Newport and not Toledo. He said that her only objective is that the City not renew the contract with Dustin Kittel. He said that Dustin likes working with this community and would like to know how he can conduct himself differently if needed.

Council agreed that requiring the code enforcement officer to wear a body camera is a good idea.

Additional Council Comments

Councilor Lyon reported on the recent Lincoln County Telecom Committee meeting. She said the Committee discussed the County's fire and County Sheriff's simulcast radio system. She said that Toledo got left out of extra funding remaining at the end of the project that has now gone to additional equipment at the County level. The conversion to narrow banding from twenty five kilohertz channels to twelve and a half kilohertz channels created some gaps in coverage. The County Sheriff's office has received an additional grant to create a sixth site in the County system located at the Jail. This will extend additional coverage from Seal Rock to Otter Rock and into portions of Toledo. The Committee is also continuing its effort to map all of the various broadband service sources within Lincoln County. The Telecom Committee is expanding its membership to include private entities who also use telecommunication services.

Councilor Dunaway noted that he will be absent the next council meeting.

Councilor Johnson inquired about selling the City owned property near Memorial Field because she has been approached by someone who is interested in the property. Mayor Grutzmacher stated that the property will be available for lease but it has not been declared surplus. He also noted that the Port of Toledo's acquisition of its Connect Oregon grant expansion project is going to put a fair amount of pressure on everyone to service the ripple effect businesses. The City owned property in the industrial area is an excellent candidate for supporting something that happens in association with the expanded Port facilities. He would like to gather a group of stakeholders to meet monthly to discuss the process to avoid spinning off the property for purposes that do not support the port expansion. He suggest that the City not entertain any offers on the Toledo Industrial Property until the supporting businesses from the port expansion are identified. Councilor Dunaway noted that the City does need to keep the City owned vacant land issue

moving forward and suggested that this topic be discussed regularly. Councilor Lyon noted that there are other City owned properties that have been identified as available for sale.

In answer to questions posed by Council CA Chadwick reported the following:

- The Planning Commission will review the portion of the Medical Marijuana Ordinance that pertains with zoning change at its meeting on September 10th. The draft ordinance will come before Council on November 19th for adoption.
- The surplus of City owned real property will come before Council on October 1st.

City Manager Comments

CM Baughman stated that he is glad to be in Toledo and honored to be the selection for the City Manager position. He is working toward familiarizing himself on various issues. He then noted that the Public Library and Swimming Pool will be closed on Thursday and Friday for tree removal on the Library grounds.

Mayor Comments

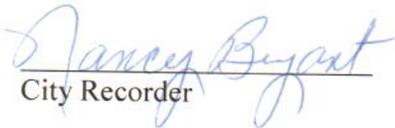
Mayor Grutzmacher reported that the City Recorder, City Manager, and he went to the City Hall Day event in Yachats. The event was sponsored by the League of Oregon Cities to discuss the Leagues legislative agenda for the coming year. He said it was a good meeting because it brought together people from two legislative districts from as far south as Coos Bay and north to Tillamook. House Representatives David Gomberg and Caddy McKeown were in attendance as well as a representative from Senator Arnie Roblon's office.

Mayor Grutzmacher also reported that tomorrow at 3:30pm Central Lincoln PUD will assist in placing the world's biggest wooden flag pole at the Railroad Museum and the event is extended to Saturday when the Museum will have entertainment and hotdogs.

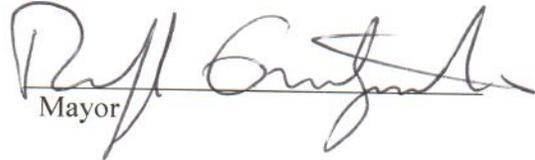
Adjournment:

Mayor Grutzmacher adjourned the meeting at 7:40 pm.

ATTEST:


City Recorder

APPROVE:


Mayor

TOLEDO CITY COUNCIL MINUTES
REGULAR SESSION
September 17, 2014

Mayor Grutzmacher called the meeting to order at 7:00pm. Councilors present: Jackie Kauffman, Alma Baxter, Jill Lyon, Michele Johnson, and Council President Terri Strom.

Councilors excused: Jack Dunaway

Staff present: City Manager (CM) Jay Baughman, City Attorney (CA) Wes Chadwick, City Recorder (CR) Nancy Bryant and Public Works Director (PWD) Marc Howatt, Police Chief (PC) Dave Enyeart, Fire Chief (FC) Will Ewing, Library Director (LD) Deborah Trusty, and Aquatics/Recreation Director Joe Andrews.

Visitor present: Jerry Seth, Dani Palmer, Billie Jo Smith, and Geoff Wilkie.

Visitors/Public Comment

There was none.

Consent Calendar

Motion- It was moved and seconded (Strom/Kauffman) to approve the consent calendar consisting of the invoice list dated September 12, 2014, Council minutes of September 3, 2014.

Motion passed 6-0, noting the absence of Councilor Dunaway.

Discussion and Information Items

Committee Updates

There were none.

Water Master Plan Improvement Updates

PWD Howatt provided the following update for the Water Master Plan improvement projects:

- The Arcadia Drive waterline; a 700 lineal feet of water line is currently being surveyed.
- Directional boring and survey is scheduled for tomorrow for the North Bay Road waterline project.
- North Nye Street, 12th Street and Alder Street waterline projects should have survey and detail sheets wrapped up within the next few days. Staff anticipates the projects will be open for public bid by October 15th.
- The Business Hwy 20 waterline improvements is underway and on schedule.
- The Siletz River water intake project is underway. Sheet piling has been installed and concrete poured.

Railroad Crossing Improvements Update

PWD Howatt reported that three railroad crossings along Sturdevant and Butler Bridge Road as well as "A" Street have been improved. He noted that the City worked with Georgia Pacific to re-route truck traffic during the improvement process and the Railroad Company was able to complete the bulk of the work on the weekend. He provided photos of the completed projects and noted that the improvements included an eight inch section of pavement in all of the areas. The City also incorporated some right-of-way paving into the project as well.

Councilor Lyon asked if the crossing at First and A Streets will improve the situation of water that flowing to that area during the rainy period. PWD Howatt stated that it won't worsen it. He said the pavement is sloped to shed off the water.

Mayor Grutzmacher inquired about an invoice for Angell Flight Asphalt & Seal for resurfacing railroad crossings. PWD Howatt stated that the pavement was extended on the City right-of-way to accommodate a smooth transition to the existing roadway.

Decision Items

Ordinance Amending Ordinance 1301B (Toledo Municipal Code Title 16) and Ordinance 1286 (Toledo Municipal Code Title 17) to Revise Land Use Regulations

CA Chadwick reported that Council did not read the title of the proposed ordinance twice at the previous City Council meeting. Staff recommends Council adopt the Ordinance by reading the title twice

Public Comment: There was none.

Motion-It was moved and seconded (Lyon/ Baxter) to adopt Ordinance No. 1355, by reading the title twice, (an Ordinance amending Ordinance 1301B (Toledo Municipal Code Title 16) and Ordinance 1286 (Toledo Municipal Code Title 17) to revise land use regulations. **Motion passed 6-0**, noting the absence of Councilor Dunaway.

Purchase of One Fire Duty Truck

FC Ewing reported that staff was previously granted permission to publish a request for proposals for a new duty truck. The proposals have been received and the lowest complaint bid on the specifications for Toledo Fire Department duty truck as submitted was Kovatch Mobile Equipment. The proposed bid amount is \$179,485 and with qualified prepayment the cost to Toledo as submitted is \$177,147. This apparatus is specifically designed for Toledo Fire Department and for the uses encountered by the Toledo Fire Department duty officers.

FC Ewing noted that the purchase of the proposed duty truck will enhance fleet management, increase durability and dependability, increase tactical capabilities as well as added safety for personnel.

Councilor Johnson inquired about the useful life expectancy of the vehicle. FC Ewing stated that the service body is designed to be removable so when the chassis is no longer useful the service body can be placed on a new chassis. This will save the cost of a new vehicle in the future.

Public Comment: There was none.

Motion-It was moved and seconded (Lyon/Baxter) to authorize the City Manager to purchase a Type VI engine/Duty Truck from Kovatch Mobile Equipment for a purchase amount not to exceed \$178,000 and authorize the City Manager to execute all documents. **Motion passed 6-0**, noting the absence of Councilor Dunaway.

Surplus of One 1984 Pierce Fire Engine

FC Ewing reported that in 2012 the City of Toledo purchased a new fire engine to replace the proposed surplus engine. The new engine is in service and has passed all the trial operations satisfactorily. The 1984 Pierce may bring a small revenue; however given the age of the apparatus

it may be hard to sell. If the apparatus does not sell staff suggests that the City donate the vehicle to the Toledo Rural Fire Protection District for the inventory they are establishing in the Eddyville area. He suggested declaring the 1984 Pierce Fire Engine surplus and placing it up for bid with a minimum of \$10,000.

Public Comment: There was none.

Motion-It was moved and seconded (Strom/Kauffman) to declare the 1984 Pierce fire engine as surplus equipment. (VIN No. 1P9CT10D4EA040594). **Motion passed 6-0**, noting the absence of Councilor Dunaway.

Appointment of City Manager as Voting Delegate for the City of Toledo at the 2014 League of Oregon Cities Annual Conference

CM Baughman reported that the League of Oregon Cities has requested that the City designate a voting delegate for the annual conference held September 25-27, 2014 in Eugene.

Public Comment: There was none.

Motion- It was moved and seconded (Kauffman/Strom) to appoint City Manager Jay Baughman as the voting delegate for the City of Toledo at the League of Oregon Cities annual conference. **Motion passed 6-0**, noting the absence of Councilor Dunaway.

Appointment of City Manager as the City of Toledo Representative on the Lincoln County Solid Waste Advisory Committee

CM Baughman reported that a new appointment to the Lincoln County Solid Waste Advisory Committee is necessary to replace the previous appointed representative, Michele Amberg.

Public Comment: There was none.

Motion- It was moved and seconded (Strom/Lyon) to appoint Jay Baughman to represent the City of Toledo on the Lincoln County Solid Waste Advisory Committee. **Motion passed 6-0**, noting the absence of Councilor Dunaway

Purchase of Public Works Vehicles

PWD reported that the Public Works department is requesting a one ton F350 cab and chassis to replace an aging flatbed truck. The proposed purchase is a four wheel drive vehicle to be utilized by the crew during storms, water main breaks and to haul spoils. The current vehicle is two wheel drive and is not effective in the winter months nor for heavy hauling. The second vehicle purchase request is for one F-150 model utility truck to replace the current vehicle used for meter reading. The current vehicle is near 20 years of age and there are significant mechanical problems with the vehicle.

Public Comment: There was none.

Motion- It was moved and seconded (Kauffman/Baxter) to approve the purchase on Oregon State Contract price pursuant to two (2) utility vehicles \$18,597 for a 2014 Ford 150 model, and \$26,478 for a 2015 Ford 350 Super Duty vehicle. **Motion passed 6-0**, noting the absence of Councilor Dunaway.

Reports and Comments

Department Reports

ARD Andrews reported the following:

- In an effort to gather information regarding replacement of the main swimming pool boiler equipment he had an onsite meeting with a representative of the Energy Trust of Oregon. It was indicated that if the replacement unit meets certain efficiency standards the City will be eligible for rebate funding.
- The last component of the Swimming Pool facility structure analysis has had some delay but should be complete by the end of this week along with some roofing repair.
- The Swimming Pool facility is closed for annual maintenance. During this process a housing unit for the original valve used to fill the pool was found to be deteriorated and was not performing as it should. The valve has been replaced as well as other regular maintenance performed in an effort to preserve and extend the life of the facility. Staff anticipates reopening by September 29th.

LD Trusty reported that a "Poetry Night" event is scheduled at the Library for Friday evening from 6:30pm to 8:30pm. She also reported that the Walnut trees in front of the Library have been removed. She thanked PWD Howatt for his aid in the tree removal process.

PC Enyeart reported that the Police department has taken possession of the newly purchased Ford Explorer.

City Manager's Report-

CM Baughman reported the following:

- This is his first City Council meeting as City Manager and he is glad to be here.
- The City has been notified by its workers compensation insurer, State Accident Insurance Fund (SAIF), that it will receive a dividend in excess of \$19,000.
- He plans to attend the Poetry event at the Library on Friday.

Council Comments

Councilor Johnson asked if anyone knows what the plan is for the property adjacent to Branstiter Park now that the trees have been removed. It was noted that it is private property and the plan for future use is unknown.

Councilor Lyon stated that she will not be the next City Council meeting.

Mayor Comments

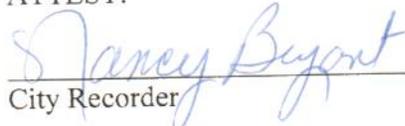
Mayor Grutzmacher reported the following:

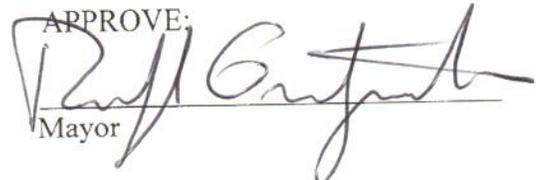
- He asked for one volunteer for the Toledo/Newport bowling challenge on Oct 10th at 5pm at Muggly's bowling alley. PWD Howatt agreed to participate.

Adjournment:

Mayor Grutzmacher adjourned the meeting at 7:59pm.

ATTEST:


City Recorder

APPROVE:

Mayor

TOLEDO CITY COUNCIL MINUTES
REGULAR SESSION
October 01, 2014

Council President Teri Strom called the meeting to order at 7:03 pm. Councilors present: Terri Strom, Jackie Kauffman, Alma Baxter, and Jack Dunaway.

Councilors excused: Councilor Jill Lyon and Mayor Ralph Grutzmacher

Staff present: City Manager (CM) Jay Baughman, City Attorney (CA) Wes Chadwick, Assistant to City Recorder (ACR) Melodi McGee, Public Works Director (PWD) Marc Howatt, Police Chief (PC) Dave Enyeart, Finance Director (FD) Polly Chavarria and Library Director (LD) Deborah Trusty.

Visitors present: Jerry Seth, Billie Jo Smith, Deanne Dunlap, Bill Rendall and Geoff Wilke.

Visitors/Public Comment

Bill Rendall, Secretary of the Toledo Rotary provided feedback on the 22nd Annual Toledo Show and Sale on the Main Street, indicating that the event was successful, and thanked the City for their support. He explained that the Toledo Rotary is allotted two seats on the Lincoln County Foundation, one of which will potentially be vacant in the next year. He also expressed an interest in a Toledo Main Street Historic Renovation project which may include “Victorian style” façade and frontage improvements. He said he is seeking involvement from the City and he is interested in securing grants, from stakeholders and through the Toledo Rotary Club. He explained that this item is on the agenda for the October 24th meeting of the Lincoln County Foundation. He acknowledged previous efforts to restore Main Street, and suggested a contract and legal outline for this project to be developed to alleviate prior issues. He proposed that any event occurring in the City of Toledo should get stipend from the City and called for future support from the City. He also indicated that the Toledo Rotary may support the efforts for the Toledo Main Street Historic Renovation through the Lincoln County Foundation and thus would be responsible for the financial aspect of the project, with the City providing supervision.

Council President Strom asked that Mr. Rendall keep the City Council informed of future developments on this matter.

Presentation

Deanne Dunlap of the Toledo Arts Guild provided a presentation regarding “Little Free Libraries”. She stated that the “Little Free Library” is a small, enclosed structure that has been adopted by the Toledo Arts Guild. She said there will be eleven “Little Free Libraries” in Lincoln County, with five already installed. She indicated that she is seeking permission to use the lawn space outside of City Hall. She explained that the idea of the “Little Free Library” is that it is free and open to the public, with anyone being able to contribute or take a book, with the purpose of giving all people access to free books.

Council President Strom inquired about how to place the structure to help facilitate the program. CM Baughman stated that the City would have to determine an appropriate space for the “Little Free Library”, to check for underground lines, but once the space was secured the Toledo Arts Guild could complete the installation, with the City providing supervision.

Council President Strom suggested the matter be discussed at the City Council Work Session on October 14. CM Baughman agreed.

Council President Strom asked Ms. Dunlap if there was a design in place for the structure. Ms. Dunlap explained that the structure is prebuilt and ready for installation. She stated that it is mounted on a 4x4 post, and that the structure is shingled, sealed and very durable.

Councilor Baxter indicated that she has heard positive feedback from the program.

Council President Strom stated that the matter would be discussed further at the October 14, 2014 City Council Work Session, to allow time to determine proper logistics for placing the Library. She also asked about how the Library would be monitored to prevent inappropriate material being made accessible to children. Ms. Dunlap indicated that she would take responsibility for monitoring the content of the Library.

CA Chadwick explained that typically when requests are made of Council, prior to approval, it is discussed at the next City Council Work Session to ensure that the City Staff has had the opportunity to review it, prior to Council making a decision on the item.

CM Baughman asked Council to provide him with feedback on the project, stating that he would have Staff review the proposal and prepare a report including potential locations, supervision and guidelines, prior to the Work Session.

Ms. Dunlap expressed that she was hoping for approval of the project sooner but would wait for the Council to discuss it at the Work Session. She thanked the Council for their time and support of the “Little Free Library”.

Consent Calendar

Motion- It was moved and seconded (Baxter/Johnson) to approve the Consent Calendar consisting of the invoice list dated September 26, 2014, Council minutes of September 9, 2014 & September 17, 2014. **Motion passed 5-0** noting the absence of Councilor Lyon and Mayor Grutzmacher.

Discussion and Information Items **Committee Updates**

There was none.

Water Master Plan Improvement Updates

PWD Howatt provided Council with an update on the Water Master Plan Improvement. He explained that the projects are progressing as scheduled and the in-water work on the Siletz River Intake was completed October 1, 2014. He also provided an update on the Highway 20 Water Line Project and noted that it is also on schedule.

He stated that the Phase 3 work of the project (Nye St., 12th St., Arcadia and Bay Rd) is in the queue, and he will provide drawings, topo and survey information to Council at a future meeting.

Councilor Dunaway asked when the current phase of the projects will be completed. PWD Howatt responded that the concrete needs to cure for at least 21 days prior to installing pumps and estimated completion of the project within 30 days. He also stated that because the in-water work is now complete, they will be disassembling the coffer dam around the intake, with the next project phase being the installation of HDPE raw water lines.

Decision Items

Authorizing a Contract with Cascade Pacific Resource

Public Comment: There was none.

PWD Howatt presented the proposed contract for the repair of the riparian zone at Mill Creek Watershed. He referenced the Grant Application from Trout Mountain, as well as the contract from Cascade Pacific Resource and Conservation and Development. The contract is a grant match obligation from the City of Toledo for \$5,000, to facilitate the completion of restoration efforts at Mill Creek Watershed, which he said involves harvesting of Alder grove to be replaced with conifers and Douglas Firs, to reduce tannic acid in the soil.

Councilor Dunaway asked PWD Howatt for clarification on the project, indicated he understood it to be removal of Alders to allow the conifers to grow. He stated he didn't think the project actually involved harvesting or sales of timber. PWD Howatt responded that his understanding of the project involved the removal of the Alder grove and replantation of conifers at a later date. He also stated the City would not be involved in any sales of timber as a result of the process. Council President Strom asked for further clarification. Councilor Dunaway indicated that in his understanding of the project, there would be no timber removal. CA Chadwick referred the Council to Exhibit 1 (WY M14-18 Work Plan Payment Schedule) in the packet, which provided an explanation of the actions that will occur in the project process in regards to the vegetation on the hillside close to the water. He indicated the schedule lists planting, site preparation and spraying.

Councilor Strom asked for further questions or comments. PWD Howatt indicated that the \$5,000 match was obligated over a year ago and that with this contract the project would reach completion. He proposed that the Council make a motion to enter into the contract.

Council Strom asked PWD Howatt if there is more than one stage of the project. PWD Howatt responded that it was his understanding that this is the first of a potentially multi-part restoration effort.

Motion-It was moved and seconded (Dunaway/Johnson) to authorize the City of Toledo to enter into a contract with Cascade Pacific Resource Conservation and Development (Grant # USFS 13-SA-1161 200-29 Mod 1) and to authorize the expenditure of \$5,000 in matching grant funds for this project.

Motion passed 5-0 noting the absence of Councilor Lyon and Mayor Grutzmacher.

Reports and Comments

Department Reports

LD Trusty invited the Council, Staff and Public to the upcoming library event "Fall Pie Social". She explained there would be music provided by Frank Jones, a mystery activity and free pie at the library on Friday, October 17, 2014 at 6:30 pm. She hopes the event will encourage participants to learn more about library services and the resources available. She also provided a recap of the last library event, "Poetry in the Park" which was held Friday, September 17, 2014. She said the event exceeded expectation with 53 people in attendance and also receiving large coverage in the press.

CA Chadwick presented Council with a letter from Crystal Polling, dated October 1, 2014, as well as "Final Rules for the Medical Marijuana Dispensary Program with Proposed SB 1531 Rules". He asked Council to read the letter and review the materials for discussion at the October 14, 2014 City Council Work Session and next Council meeting. He also noted that he would like to discuss additional provisions for Recreational Marijuana legislation in response to the upcoming November 4th General Election Ballot Measure 91, which if passed would eliminate the City's ability to tax the sales of Recreational Marijuana in the future. The issue will be discussed in detail at the October 14, 2014 Council Work Session. Further, he suggested that the October 15, 2014 Regular Session City Council meeting be rescheduled to October 29, 2014 in order to provide time for the necessary Public Notice and consideration of the proposed ordinance.

Motion-It was moved and seconded (Dunaway/Johnson) to reschedule the upcoming Regular Session of City Council from October 15, 2014 to October 29, 2014 at 7:00 pm.

Motion passed 5-0 noting the absence of Councilor Lyon and Mayor Grutzmacher.

City Manager's Report

CM Baughman reported that he attended the League of Oregon Cities Conference in Eugene, September 25-27, 2014. He stated his experience positive and the conference speakers, classes and workshops were informative.

He presented information to Council about an upcoming LOC "Council, Managers and Staff Relations" training at the City Council Chambers in Newport on Tuesday, November 18, 2014 from 9am to 4pm. He indicated at the focus of the workshop is how the Mayor, City Council and Staff work together to accomplish goals and he invited interested Council Members to contact him to arrange attendance.

CM Baughman also announced that Council Hall now has WiFi (wireless internet) access in the Council Chambers.

Council Comments

Council President Strom asked PWD Howatt for an update on the Skyline Water Pressure issue, asking if there was any improvement. PWD Howatt stated that there was some progress, indicated that PW would be working on properties in the area, moving the lines to a different service line. He also explained that there had been some confusion and misinterpretation on how residents were being surveyed, indicated that some residents thought the survey was regarding rates, rather than water pressure, therefore he felt that the derogatory information received from the residents was

inaccurate. He indicated that action was being taken to remove lines from the problem main to another main line and he believes that will restore some level of quality service in the area.

Council President Strom asked PC Enyeart about the increasing crime problems in Siletz, as shown on social media. PC Enyeart indicated that County had called the Toledo Police Department for backup and they have responded to several incidents in Siletz.

Mayor

There was none.

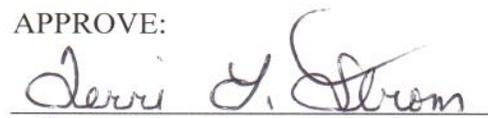
Adjournment:

CP Strom adjourned the meeting at 7:46 pm.

ATTEST:


Assistant to City Recorder

APPROVE:


Council President

TOLEDO CITY COUNCIL MINUTES
WORK SESSION
October 14, 2014

Mayor Ralph Grutzmacher called the Toledo City Council work session to order at 6:15pm. Councilors present: Michele Johnson, Jill Lyon, Jack Dunaway, Jackie Kauffman and Council President Terri Strom. Councilors absent: Alma Baxter.

Staff present: City Manager (CM) Jay Baughman, City Attorney (CA) Wes Chadwick, Police Chief (PC) Dave Enyeart, Detective Tom Harrison, Library Director (LD) Deborah Trusty, Finance Director (FD) Polly Chavarria, Aquatics/Recreation Director (ARD) Joe Andrews, and City Recorder (CR) Nancy Bryant.

Visitors present: Jerry Seth, Ed Johnston, Laura Walker, Christopher Weaver, Dani Palmer, and Billie Jo Smith.

Visitors Comments:

Ed Johnston presented a video titled "Arresting a Corrupt Lawyer/Bureaucrat" regarding a perception of Oregon laws pertaining to operating a motor vehicle and required operator drivers licenses. He noted that insurance by Oregon State law is voluntary and each person is responsibility for their own liability. He thanked Council for allowing the video to be played at this meeting.

Christopher Walker provided information regarding his perception of Oregon law pertaining to the power of the people of the state of Oregon including the natural rights of citizens to travel on public highways, bonds and licenses of city officers, and the requirements of municipal courts.

Laura Walker informed Council that there is a national movement to form a common law grand jury. She provided a pamphlet and stated that she will be available if anyone would like more information.

Discussion and Information Items

Committee Updates

Councilor Dunaway reported that there will be a meeting of the Cascades West Area Commission on Transportation on October 23rd. He suggested that Council appoint a representative to attend the meeting with him.

Mayor Grutzmacher reported that he attended the Newport Airport Commission meeting on this date. The Commission is looking at a January 2015 start date to develop a regional airport committee. The purpose is to revise the business plan and the capital improvement plan for the Newport Airport.

Little Lending Library

CM Baughman reported that Deanne Dunlap, on behalf of the Toledo Arts Guild, has requested placement a Little Lending Library structure in front of City Hall. Staff is recommending the landscape area in front of the wooden deck on Main Street as an appropriate placement location. The Toledo Art Guild has agreed to maintain the landscape as well as the library structure. A

memorandum of understanding will be in place indicating that the Art Guild will also be responsible for dealing with any vandalism or damage to the structure.

By consensus Council agreed on the site in front of the wooden deck on Main Street for the placement of the Little Lending Library by the Toledo Arts Guild.

Swimming Pool Facility Update

ARD Andrews reported that the pool is currently operating on a reduced fall program schedule. There are currently about 200 active pass holders and 435 member records. The department is run by one full time director and 10 part-time casual staff. Short term goals include; another year of school swim lessons, optimize swim pool schedule to maximize utilization of resources, partner with community and other agencies to foster a summer youth program, develop and implement a community recreational needs assessment, and continue to seek opportunities to facilitate reasonable and cost efficient improvements to the overall quality of life in Toledo.

The pool facility maintenance projects completed during the 2014 closure include; pool tank patching and painting, painting of the shower room walls, roofing repair, and maintenance of water pipes and valves. He then noted the major pool needs including; roof replacement, pool boiler replacement, resurfacing of the pool shell, and implementation of the findings from the current structural analysis.

Council and staff briefly discussed improvement needs at the swimming pool.

Future of the Toledo Swim Poll Facility

This item was cancelled because of the absence of Councilor Baxter.

Recreational Marijuana Regulation and Taxation Ordinance

CA Chadwick noted that many cities are adopting an ordinance regarding taxation of recreational marijuana in the event that the current ballot measure #91 passes during the November 4th 2014 general election. It is hoped that such an ordinance will be not be prohibited if ballot measure #91 passes. He provided a draft copy of Ordinance No. 1356 for Council review.

Council and staff reviewed the proposed ordinance. CA Chadwick noted that the rates will be set by resolution which will be included on the October 29th Council meeting agenda along with the proposed ordinance.

Council and staff discussed the difference between charging a fee or tax on both recreational and medical marijuana sales. Mayor Grutzmacher stated that he would like the initial percentage set in the ordinance with a provision to set subsequent changes by resolution. He also stated that he would prefer a fee schedule for medical marijuana and a percentage rate for recreational marijuana sales. Councilor Kauffman stated that she would prefer that the ordinance stipulate a percentage tax as opposed to a fee for both the medical and recreational marijuana regulations. Councilor Dunaway stated that he would like the assessment to be the same for medical and recreational.

Visitor Billie Jo Smith stated that a medical marijuana dispensary should be considered a pharmacy. The City will be taxing sick people and adding more cost for them to get what they need for their medication. She said it will be unfair to tax a medication when other legal drugs are not taxed by the City. She said that she is not opposed to taxing recreational marijuana but asked that Council not pass an ordinance taxing medical marijuana.

PC Enyeart stated that this is still federally illegal. He said that he understands Smith's opinion but medical marijuana is not sold by a pharmacist but legal drugs are. If the City is going to put a fee on something it can always be changed later. The citation is still a DUI (driving under the influence) if driving impaired.

By consensus council agreed to set a tax at three percent for both recreational marijuana and medical marijuana sales with provisions in the respective ordinances to allow the amount to be amended by resolution.

Medical Marijuana Dispensary Regulation Ordinance

CA Chadwick reported that he previously delivered a letter to Council from Crystal Poling regarding proposed Ordinance No. 1358 regulating medical marijuana dispensaries. He asked if Council had questions or would like a discussion regarding the author's request for changes in the proposed ordinance.

Council and staff discussed the requested changes by Ms. Poling. By consensus Council agreed to change proposed Ordinance No. 1358 to require background checks of dispensary employees to a limit of within ten years.

CA Chadwick noted that proposed Ordinance No. 1356 regulating a taxation of recreational marijuana will be on the October 29th City Council meeting agenda. Ordinances No. 1357 and No. 1358 will come before Council on the November 19th City Council meeting agenda.

Additional Council Comments

Councilor Dunaway asked if Council could pass a motion correcting the aberration of the odd Tuesday/Wednesday meetings that happen in the same week. Councilor Lyon suggested changing the language to reflect that the Council work sessions will be regularly scheduled for the Tuesday between the two Wednesday meetings each month. CA Chadwick noted that the Council Rules govern when the Council meetings occur. Council can amend the Council rules to reflect the change in language.

Councilor Dunaway also stated that he would like to resume invitations to local important cooperators to council meetings.

Councilor Lyon announced that there will be a second "Dickens" event in December. She also asked if Council or staff had written a letter of thanks to the previous City Manager Pro Tem. Seeing that no one has done so she agreed to write the letter.

City Manager Comments

CM Baughman reported the following

- The vacant bank building located on the corner of Business Hwy 20 and NE 1st Street is coming up for auction. It is a two story, 9,629 square foot building with a 37,000 foot site. The building is zoned commercial and the current property taxes and water meter cost total approximately \$2,000 per month. The published auction reserve on this property is \$365,000. He noted that since the City has discussed purchasing this property it is important to provide Council the opportunity to discuss the fact that it is now up for auction. He stated that placing a bid on this building would require all of the cash set aside in the City Hall, Police Department and Undesignated Reserve Funds just to make the minimum bid. Council and staff

briefly discussed the condition of City Hall and the Police Station as well as the City's options. Council chose not to move forward at this time. CM Baughman noted that there will be a walk through of the vacant bank building on Wednesday October 22nd and Sunday November 9th and the auction date is scheduled for November 19, 2014.

- The US Coast Guard has indicated its intention to close the helicopter operation in Newport. He asked if council is interested in a show of support to keep the helicopter service in Newport. Council and staff discussed the importance of the helicopter service located in Newport and the fact that it is helpful with land based incidents as well. Mayor Grutzmacher noted that a circulated petition has received 11,000 signatures and there is an informational meeting on Monday October 20th at the Oregon Coast Community College. CM Baughman agreed to draft a letter of support.
- The Lincoln County District Attorney's office is requesting participants in a local public safety coordinating council.
- There is an emergency readiness fair sponsored by local public safety agency partners at the Lincoln County Fairgrounds on Oct 25th from 11am to 2pm.

Mayor Comments

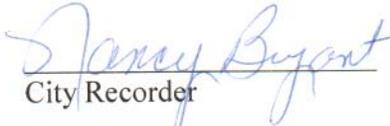
Mayor Grutzmacher commented on the following:

- He asked if Mr. Banyasz's concern of the lack of water pressure on Skyline Drive has been resolved. CM Baughman noted that static and flow readings have been conducted and most of the tests showed good water pressure. Some of the residents stated that the petition may have been misrepresented to them and they were actually complaining about the water rather rate than the water pressure. Staff is working on a solution with Mr. Banyasz to increase his water pressure.
- The Newport Airport will hold a reopening celebration for the new runway on Saturday October 18th.

Adjournment:

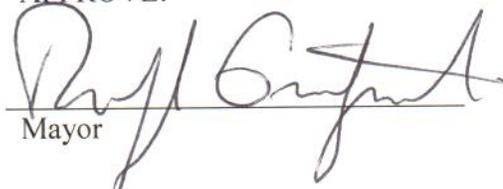
Mayor Grutzmacher adjourned the meeting at 9:00 pm.

ATTEST:



City Recorder

APPROVE:



Mayor



TOLEDO CITY COUNCIL MINUTES
REGULAR SESSION
October 29, 2014

Mayor Ralph Grutzmacher called the meeting to order at 7:00pm. Councilors present: Jackie Kauffman, Jack Dunaway, Alma Baxter, Michele Johnson and Jill Lyon and Council President Terri Strom.

Staff present: City Manager (CM) Jay Baughman, City Attorney (CA) Wes Chadwick, City Recorder (CR) Nancy Bryant and Public Works Director (PWD) Marc Howatt,.

Visitor present: Jerry Seth, Crystal Poling, Julie Rockwell, Billie Jo Smith, Melissa Neal, David Neal, Donna Amundsen and Cynthia George.

Visitors/Public Comment

Melissa Neal of 455 NE Douglas Street, Toledo stated that she is concerned that she must pay for a business license because she owns five small rental houses. She has hired Dolphin Realty to manage her rentals and she believes that it is unfair to require both herself and Dolphin Realty to obtain a business license. She ask that Council reconsider the business license requirement for rental property owners.

David Neal, son of Melissa Neal, stated that he speaks in support of Melissa's concerns. He noted that she does not run her rental business and she has paid hundreds of thousands of dollars in taxes through the years. He believes it is unfair to charge her for a business license.

Consent Calendar

Motion- It was moved and seconded (Strom/Kauffman) to approve the consent calendar consisting of the invoice list dated October 14, 2014 & October 24, 2014 and Council minutes of October 1, 2014 & October 14, 2014. **Motion passed 7-0.**

Discussion and Information Items

Committee Updates

Mayor Grutzmacher reported that the Newport Airport has reopened its runway.

Water Master Plan Improvement Updates

CM Baughman reported on the following water improvement plan update:

- Water Treatment Plant-sludge basin project. The equipment has been replaced and repaired and the remainder of the project will be complete in two weeks.
- Siletz River Intake- the concrete structure is near completion. Once it is complete pumps will be installed at the top of the structure which will then convey raw water from the structure along the pipeline to the City's water treatment plant. This project is on schedule with the in-water work complete.
- Highway 20 Waterline Project- this project will create a loop water system in the area that will meet fire flow requirements, improve quality of service and provide for future growth. The underground boring across the slough from Highway 20 to Sturdevant Road is complete.
- Phase 2B Arcadia Drive, Nye, 12th and Alder Streets waterline replacement- the request for bid due date for this project is November 19th.

Decision Items

Ordinance No. 1356 Establishing a Tax on the Sale of Marijuana and Marijuana-Infused Products in the City of Toledo and Adding a new City Code Chapter 3.16

CA Chadwick reported that currently no law in Oregon prohibits a local government from taxing marijuana. The proposed ordinance presented to Council levies a gross receipts tax on the retail and medical sale of marijuana. The rate of the gross receipts tax equals 3% on the sale of medical marijuana and 3% on the sale of recreational marijuana (if legalized). He said it is important to note that although there is nothing in Oregon law that prohibits a City from taxing marijuana; Measure 91 does contain language that would prohibit local governments from taxing retail marijuana if the measure passed on November 4, 2014. He also noted that at this time it is not legally clear whether such a tax would be preempted by the state measure that prohibits a local government from taxing marijuana.

Public Comment:

Donna Amundsen stated that she is a caregiver for a patient that uses medical marijuana. She does not believe there should be a tax on medical marijuana because the city does not tax drug stores for medications. She stated that it is not fair and the patients cannot afford the 3% tax.

Cynthia George stated that she thinks that revenue would be better implemented as a business license for the dispensary as well as for the grower. She said there is no reason to tax patients and their medicine. She said she has no problem taxing recreational marijuana but Toledo should not tax medical marijuana.

Julie Rockwell of 309 N Main Street, Toledo urged City Council to strike medical marijuana tax from the proposed ordinance. She said the people who need medical marijuana are unable to pay the tax. She then questioned the cost to fight any ruling that will prohibit the City from taxing marijuana.

CA Chadwick acknowledged the concerns expressed by the citizens and the fact that some of the concerns have been discussed by the council at the recent work sessions. He said there are some cities that are taxing both medical and recreational marijuana and some only recreational. It is yet to be seen if the tax will be prohibited by the courts. He noted that if the city does not adopt this ordinance on this date and ballot measure 91 passes the city may not have the ability to impose a tax in the future.

Councilor Lyon clarified that Section 42 of ballot measure 91 only applies to recreational marijuana and that council will have the ability to amend the tax rate at any time by resolution. She also noted that medical marijuana is not sold as a pharmaceutical and is not regulated as medicine sold in pharmacies.

Councilor Johnson inquired about the cost to the City to implement the taxing program and if the revenue received will cover all costs. CA Chadwick noted that the business owner will be obligated to provide the required information and the cost and the amount of revenue is unknown at this time.

Councilor Dunaway noted that this ordinance serves as a placeholder so that the City will have the means to implement a tax if ballot measure 91 passes. He said it preserves the city's option for the future.

Councilor Johnson stated that some citizens see this as an opportunity for the City to continue raising the tax even though that may not be Council's intention. Councilor Lyon noted that because dispensaries are so new to the State the cities do not know what the costs will be to have them in place.

Mayor Grutzmacher inquired as to who pays the tax. CA Chadwick stated that the seller will pay the tax to the City and may decide to pass it onto the customers.

Motion-It was moved and seconded (Baxter/Lyon) to adopt Ordinance No. 1356, by reading the title twice, adding chapter 3.16 to the Toledo Municipal Code relating to a tax on marijuana and marijuana-infused products.

Council discussion:

Councilor Dunaway stated that the impact is unknown and having two different rates for the sale of marijuana will make it more complicated. He said that he has no strong opinion regarding taxing medical marijuana but he does believe it is important to have the option. Councilor Lyon agreed with Councilor Dunaway. She stated that this has been discussed by Council for many months and the proposed tax rate was agreed by consensus of Council at its meeting a few weeks ago.

Motion- It was moved and seconded (Strom/Johnson) to amend proposed Ordinance No. 1356 by removing Section 4 (B) (1) of 3.16.020 Definitions.

Motion failed 4 to 3, noting that Councilors Lyon, Dunaway, Baxter and Mayor Grutzmacher voted No.

Motion on the floor-Mayor Grutzmacher called for a vote on the motion to adopt Ordinance No. 1356, by reading the title twice, adding chapter 3.16 to the Toledo Municipal Code relating to a tax on marijuana and marijuana-infused products.

Motion passed 4-3, noting that Councilors Johnson, Strom and Kauffman voted no.

Temporary Closure of Main Street for a Halloween Activity

CM Baughman reported that a request has been made by the Toledo Downtown Association (TDA) requesting temporary closure of Main Street to ensure the safety of the families participating in a Halloween Trick-or-Treat activity. TDA is requesting closure spanning from the intersection of Main Street and Business Highway 20 and south to the end of Main Street. The event will go from 4pm to 5pm on Friday, October 31, 2014. As TDA is the body representing merchants on Main Street, it is understood by the City that this closure is done with the understanding and consent of Main Street merchants. TDA has provided the City with its proof of liability insurance and the request has been reviewed by the Public Works Director, Police Chief, Fire Chief and the City Manager.

By Consensus Council determined that, to provide adequate safety for participants of the event, Main Street should be closed from 3:30pm to 5:30pm on the requested date. It was noted that the street closure timeframe does not change the time of the proposed Trick-or-Treat event.

Public Comment: There was none.

Motion-It was moved and seconded (Lyon/Strom) to approve the request for temporary closure of Main Street from 3:30pm to 5:30pm on October 31, 2014 for the Toledo Downtown Association and merchant's Halloween Trick-or-Treat event. **Motion passed 7-0.**

City Council Rules

CM Baughman reported that Council has requested a change to the Council Rules to address the issue of the irregularity of the odd Tuesday work session/Wednesday Council meetings that happen in the same week. However, there is no specific date for work sessions identified in the Council Rules. Section 1(D) of the City Council rules states "the meeting date and time shall be determined by consensus of the Council".

By consensus, Council agreed to address the issue each year during the approval of the annual City Council meeting calendar.

CM Baughman also noted that Council previously agreed, by consensus, to cancel all regular meetings that land on a holiday. However, City Council rules Section 1(A) already addresses this issue stating: "On recognized City holidays which fall on a Wednesday, the Council will meet on the following Thursday". There are now two conflicting directives.

No changes were made to the City Council Rules.

Ace Hardware Invoice List

CM Baughman reported that the proposed invoice list of expenditures for Toledo Ace Hardware is a routine item on the agenda each month and is separate from the consent calendar. Separating this invoice from the consent calendar allows Councilor Strom to vote on the consent calendar while refraining from voting on the proposed invoice list because of her conflict of interest.

Council President Strom declared an actual conflict of interest stating that she is an owner of Toledo Ace Hardware.

Public Comment: There was none.

Motion-It was moved and seconded (Baxter/Kauffman) to approve the invoice list for Ace Hardware dated September 29, 2014. **Motion passed 6-0**, noting that Council President Strom abstained from voting.

Reports and Comments

Department Reports

There were none.

City Manager's Report

CM Baughman reported the following:

- The registration deadline for the League of Oregon Cities' training titled Council/Manager/Staff Relations is November 4, 2014.
- He provided a letter of support regarding retention of the Newport Coast Guard Helicopter.
- The City's website has a new look thanks to Assistant to City Recorder Melodi McGee.
- The "Pie Social" at the Toledo public Library was a success. It was a great gathering for the community.
- The next City Council meeting is scheduled for November 5th at 7pm.

Council Comments

Councilor Baxter stated that the Central Coast Child Development Center was at risk of closure after receiving notice from the School District that the current facility will no longer be available. The Center's new home will be the Floweree Center. The non-profit organization serves approximately 40 families in the area including infant/toddler and after school programing. A fundraising event is scheduled for November 7th from 5pm to 8pm at the Muggly's Bowling.

Councilor Lyon reported that she, Mayor Grutzmacher and CM Baughman recently met with the Cascades West Council of Governments (COG) Director Fred Abousleman and County Commissioner Bill Hall to discuss services that the COG provides to this area. She said the group suggested that COG is doing a good job providing senior services in the area but is somewhat lacking in aid for economic development within Lincoln County

Councilor Lyon also reported that she has finished a draft letter to the previous City Manager Pro Tem Don Munkers and she will circulate it to Council.

Councilor Dunaway reported that he is receiving a lot of spam email.

Mayor

- Pig Feathers Restaurant is sponsoring a "Science Talk" on Wednesday next week at 6pm.

Adjournment:

CP Strom adjourned the meeting at 8:12pm.

ATTEST:



City Recorder

APPROVE:


Mayor

TOLEDO CITY COUNCIL MINUTES
REGULAR SESSION
November 5, 2014

Mayor Ralph Grutzmacher called the meeting to order at 7:00pm. Councilors present: Jackie Kauffman, Jack Dunaway, Alma Baxter, Michele Johnson and Jill Lyon and Council President (CP) Terri Strom.

Staff present: City Manager (CM) Jay Baughman, City Attorney (CA) Wes Chadwick, Finance Director (FD) Polly Chavarria, Library Director (LD) Deborah Trusty, Police Chief (PC) Dave Enyeart, and City Recorder (CR) Nancy Bryant.

Visitor present: Billie Jo Smith, Stuart Strom, Craig Banyasz, and Geoff Wilkie.

Visitors/Public Comment

Craig Banyasz stated that he previously submitted a petition signed by himself and other residents on Skyline Drive requesting a resolution to the low water pressure issues. He said that the issue has not been resolved and that he has had little contact with city staff. He noted that city staff has proposed installing a new water line from the new water tank directly to his residence but that this solution will not resolve the pressure issue for the other residences near his property. He would have liked this issue to be resolved before the holidays.

CM Baughman noted that city staff conducted static readings for everyone who signed the petition. He was told that some of the residents who signed the petition were opposing the water rate more than the water pressure. It was his understanding that Mr. Banyasz's situation was in the process of resolution but he will look into the matter further.

Consent Calendar

Motion- It was moved and seconded (Strom/Baxter) to approve the Council minutes of October 29, 2014. **Motion passed 7-0.**

Discussion and Information Items

Committee Updates

There were none.

Decision Items

Resolution Transferring Funds

FD Chavarria reported that in the fall of 2014, the Fire Department assisted the State of Oregon with wild land fire fighting. The State of Oregon will reimburse the City for all expenses incurred, but as these expenses were not anticipated at the time the budget was prepared and adopted there is no appropriation in the budget to cover the expenses. The proposed resolution will transfer funds from the contingency line item to provide enough appropriation to cover these expenses and continue with the ability to cover the regular budgeted salaries.

Public Comment: There was none.

Motion-It was moved and seconded (Lyon/Dunaway) to adopt **Resolution No. 1355**, a Resolution Transferring Funds. **Motion passed 7-0.**

Usage of the Stabilization Fund for Offsetting PERS Retirement Costs

FD Chavarria explained that every two years the Public Employees Retirement System (PERS) issues an actuarial valuation report setting the rates each employer will pay for the following two years. Toledo recently received the report which includes the employer contribution rates for July 1, 2015 through June 30, 2017. The City's new rates for 2015-2017 will be 9.38% for Tier 1/Tier 2, 2.13% for OPSRP, and 6.24% for OPSRP Police/Fire.

The City has been setting money aside in the stabilization account to offset volatility in retirement expenses since fiscal year 2002-2003. Originally the City put money into the reserve any time that rates were lower than 6.3 percent and draw funds out any time rates exceeded that threshold. Over the years the stabilization fund has grown to approximately \$524,000. The fund is earning approximately \$3,000 per year in interest.

In February 2013, City Council raised the percentage that triggers a withdrawal from the fund from 6.3 percent to 6.65 percent effective July 1, 2013 and to 7 percent effective July 1, 2014. The City's contribution rate fell below the trigger percentage both of those years and additional money was transferred to the reserve. Council also decided to review the percentage every two years when new rates are released.

FD Chavarria noted that leaving the percentage at 7 percent for the following two years would result in the City drawing approximately \$10,000 per year out of the stabilization funds. She stated that although this is a slight increase in rates, the City is still very fortunate to have such low rates in comparison to other agencies. The system-wide average rate for all PERS covered entities is projected to be 17.46 percent of payroll for the upcoming two years. She said staff is recommending that Council leave the percentage that triggers withdrawal from the fund at 7%.

Council and staff discussed where the funds are invested as well as how the return investments affect the rate.

Public Comment: There was none.

Motion-It was moved and seconded (Dunaway/Kauffman) to set the percentage threshold that will trigger usage of the retirement funds set aside in the Stabilization Fund for the period of July 1, 2015 through June 30, 2017 at 7%. **Motion passed 7-0.**

Ace Hardware Invoice List

CM Baughman reported that the proposed invoice list of expenditures for Toledo Ace Hardware is a routine item on the agenda each month and is separate from the consent calendar. Separating this invoice from the consent calendar allows Councilor Strom to vote on the consent calendar while refraining from voting on the proposed invoice list because of her conflict of interest.

Council President Strom declared an actual conflict of interest stating that she is an owner of Toledo Ace Hardware.

Public Comment: There was none.

Motion-It was moved and seconded (Kauffman/Johnson) to approve the invoice list for Ace Hardware dated September 29, 2014. **Motion passed 6-0**, noting that Council President Strom abstained from voting.

Reports and Comments

Department Reports

PC Enyeart reported that the Toledo Booster Club's electronic reader board has been installed on Highway 20 in the Police Station landscape area.

City Manager's Report

CM Baughman reported the following:

- There will be Council Committee vacancies due to the November 4th election results as well as expired terms. Staff will provide Council with a list of those vacancies in future meetings.

Council Comments

Councilor Johnson inquired as to why the water pressure issues remain at Skyline Drive. CM Baughman stated that he will seek an expert opinion on the matter. Mr. Banyasz suggested making sure that all of the valves are operating properly. Mayor Grutzmacher stated that he would like to be in on the conversation with the engineer.

Councilor Baxter reported that the Child Development Center is moving to the Flowerree Center. A fundraiser is scheduled for Friday at Muggly's Bowling.

CP Strom thanked all those who supported her in the recent general election.

Mayor

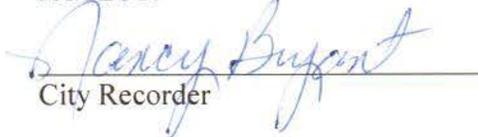
Mayor Grutzmacher reported the following:

- The public is invited to the Chinook Winds Casino Pow Wow event on the November 15th.

Adjournment:

CP Strom adjourned the meeting at 7:27pm.

ATTEST:


City Recorder

APPROVE:


Mayor

TOLEDO CITY COUNCIL MINUTES
REGULAR SESSION
November 19, 2014

Mayor Ralph Grutzmacher called the meeting to order at 7:00pm. Councilors present: Jackie Kauffman, Jack Dunaway, Jill Lyon and Council President (CP) Terri Strom. Councilors excused: Michele Johnson and Alma Baxter.

Staff present: City Manager (CM) Jay Baughman, City Attorney (CA) Wes Chadwick, Finance Director (FD) Polly Chavarria, Police Chief (PC) Dave Enyeart, Contract Planner Jay Sennewald, and City Recorder (CR) Nancy Bryant.

Visitors present: Adam Denlinger, Teresa Denlinger, Julie Rockwell, Catherine Enyeart, Stu Strom, Crystal Poling, Ben Poling, Dani Palmer, Billie Jo Smith, Ann Hendrickson, and Geoff Wilke.

Visitors/Public Comment

Ben Poling owner of 139 Main Street, Toledo addressed Council regarding issues with the city parking lot located next to his building on Main Street. He stated that a deck located directly behind his building is rotting and it is dangerous for him coming in or out of his back door. He also stated that the benches in the lot are of need of repair and the clock near the street is covered with a black garbage bag. He noted that he found no easement regarding the deck that is associated with his property.

CM Baughman noted that the deck is on city property but the ownership is unknown because it only provides access to the back of Mr. Poling's building. He stated that the City can remove the deck if it is a danger.

Mr. Poling also stated that the ground surface of the parking lot has been sinking over time and it is causing water drainage issues to his building as well as the sidewalk below. He would like the parking lot issues to be addressed. He also stated that he has offered to pay for fixing the issues at the parking lot if Council would consider not taxing medical marijuana.

Ann Hendrickson of Toledo asked for an update on the status of the Dog Park. CA Chadwick stated that there is an agreement that is in negotiation with Georgia Pacific for the use of their property for the Dog Park. He agreed to follow up on the agreement progress.

Consent Calendar

Motion- It was moved and seconded (Dunaway/Strom) to approve the invoice list of November 14, 2014 and Council minutes of November 5, 2014. **Motion passed 5-0**, noting the absence of Councilors Johnson and Baxter.

Discussion and Information Items

Committee Updates

Mayor Grutzmacher reported that the Newport Airport Commission met on Tuesday. He noted that the Toledo Airport is considered the diversion airport to Newport. It was suggested that the

Toledo Airport provide ground transportation to larger cities as well as a weather indicator showing whether the runway is clear.

Water Master Plan Updates

CM Baughman reported the following water master plan updates:

- Water Treatment Plant sludge basin project is complete.
- The Siletz River intake project is ongoing; the pump house is being prepared for construction and the project is running on schedule. The City has requested permission from the Division of State Lands and Oregon Department of Fish and Wildlife for permission to remove sheet pilings. If the request is approved the work will begin in December 2014.
- Olalla Reservoir crossing; on November 11, 2014 the line constructed across the reservoir was pumped full of water allowing it to sink to the bottom as designed. The time slotted for tie-in to the City's raw water system is the week of November 17th.

In answer to Council question CM Baughman reported that the City's engineer of record is looking at the water pressure issue on Skyline Drive and he will meet with the engineers on Monday. Mr. Banyasz has been notified that staff is working on the issue.

Public Hearing

Mayor Grutzmacher opened the public hearing at 7:20 pm regarding a zoning ordinance amendment to the Toledo Municipal Code relating to the regulation of medical marijuana dispensaries and declaring an emergency. He called for declaration of conflict of interest, ex-parte contact, a bias by Councilors or those who have conducted a site visitation. Hearing none the statement of rights and relevance and the right to appeal were then read.

Staff Report

CA Chadwick reported that Council will consider Ordinance No. 1357 following this public hearing. The proposed ordinance amends the city's zoning code. If adopted it will add a definition to the zoning code for medical marijuana dispensaries and provide that medical marijuana dispensaries be classified as conditional use, both in the commercial and light industrial zones. It will also prohibit medical marijuana dispensaries as a home occupation. The Planning Commission did not meet the quorum requirement on November 12th as scheduled for a public hearing but held a public hearing on November 13, 2014. After accepting the facts and findings the Planning Commission recommended that Council adopt the proposed ordinance. He provided the staff report as provided to the City Planning Commission at its public hearing on November 13, 2014.

Applicant Testimony

The City of Toledo is the applicant. There was no additional applicant testimony.

Proponent Testimony

There were none.

Opponent Testimony

Crystal Poling testified that she has been sending email to Council members. She stated that she is trying to open a medical marijuana facility at 139 Main Street, Toledo. She said the conditional use does not make sense and that the Oregon Health Authority also uses the commercial zone that is already established on Main Street Toledo as an out-right use. She said that passing Ordinance No. 1357 does not provide enough time for the business owner, of a medical marijuana

dispensary, to work with the city regarding the conditional uses. She asked that Council postpone the adoption of Ordinance No. 1357 or vote no.

Ben Poling stated that he owns the building located at 139 Main Street, Toledo. He said that the City is asking for a type III permission permit and that type of permit would change the special district rules of the Main Street District. He said that it calls for a change of use for his site; his building has three floors and the dispensary will only be using one floor. He believes that Ordinance No. 1357 would change the uses allowed in his building. He stated that the City does not need the conditional use and that other cities are allowing the dispensaries as an outright use. He said that the current code allows an application for a dispensary as a similar use so if that is the case why does the City need a conditional use. He also said that the conditional uses are not yet defined and will probably come in the next draft.

Other Interested Parties

There were none.

Rebuttal by Applicant

CA Chadwick noted that this public hearing is not an opportunity to discuss the Poling's business license application. He said that Mr. Poling is correct in that the conditions attached to the business license for a medical marijuana dispensary will come from the zoning code and not the business license application process. He also noted that Toledo has the opportunity to have more than one siting of medical marijuana dispensaries in areas other than Main Street.

Contract Planner Jay Sennewald stated that he has had communication with Mr. and Mrs. Poling at which time he explained that under the current code, if a use is proposed in a particular zone and it is similar to other existing uses that are allowed outright or conditionally, an applicant can submit a request for a conditional use permit for something that is not specifically listed in the code. He noted that the City has advised the Polings that they could submit an application for a conditional use permit by tomorrow which will allow the City adequate time to post a public hearing notice for a Planning Commission to consider a conditional use permit application on December 10th.

Questions by Council

Councilor Lyon clarified that the current code is set up so that if an outright use is not listed then it must be considered conditional use and until this ordinance is passed there is no way to have a medical marijuana facility in Toledo. The design of the proposed ordinance is to create a way within the zoning code to allow these businesses. She said that Council has been discussing this issue since April and working on a way to make it easier for people. She also said this is an old fashion way of zoning. Cities like Portland have types of zoning uses where parameters are established for noise, smell, and or vibration. She said that Council has asked for those kinds of zoning use parameters in the past, but the City has not been able to accomplish that.

Mayor Grutzmacher asked, without the adoption of Ordinance No. 1357, what the process is for getting a conditional use under the existing conditions.

CA Chadwick stated that if a use is not listed as an outright use in the commercial zone then it is a conditional use process where it is listed as a similar use either permitted or outright

Mayor Grutzmacher clarified that zoning deals with uses not structures. Contract Planner Sennewald agreed that a conditional use may be required for one portion of the building but other portions may have unrestricted for uses that are permitted outright.

Public Hearing Closed-Mayor Grutzmacher closed the public hearing at 7:49pm.

Deliberations

Mayor Grutzmacher stated that this does a limited amount of things like a particular use or function as a listed conditional use in the zoning ordinance. It also prohibits as a home occupation. He believes this is the most minimal of conditions and Council has been working on the details of this even before April of this year. He said that the proposed ordinance does not change the playing field for anyone and it makes it more specific in what the zoning rules are. He suggested adoption of the proposed ordinance.

Councilor Strom agreed with Mayor Grutzmacher's suggestion to adopt the proposed ordinance.

Decision Items

Ordinance No. 1357, an Ordinance Amending Sections 17.04.020, 17.16.030, 17.20.030, and 17.46.080 of the Toledo Municipal Code Relating to the Regulation of Medical Marijuana Dispensaries

Public Comment: There was none.

Motion-It was moved and seconded (Strom/Lyon) to approve amending the Toledo Municipal Code based on the testimony received, the findings within the staff report, and the evidence and arguments before the City Council at the public hearing on November 19, 2014. The City Council determines that the request by the City of Toledo (ZOA-3-4) to amend Sections §17.04.020, 17.16.030, 17.20.030, and 17.46.080 of the Toledo Municipal Code complies with the criteria identified in TMC 19.20.070(A)-(D) as stated in the findings contained in the Staff Report. The City Council hereby adopts the staff report as findings and the other evidence in the record as findings supporting its decision and approves application ZOA-3-14. In addition, to adopt (by reading the title twice) **Ordinance No. 1357**, an ordinance amending Sections 17.04.020, 17.16.030, 17.20.030, and 17.46.080 of the Toledo Municipal Code relating to the regulation of medical marijuana dispensaries; and, declaring an emergency. **Motion passed 4-1**, noting that Councilor Kauffman voted no and the absence of Councilors Johnson and Baxter

Ordinance No. 1358, Adopting Chapter 5.20 of the Toledo Municipal Code Relating to the Licensing and Regulation of Medical Marijuana Dispensaries; and Declaring an Emergency

CA Chadwick reported that, to address some of the concerns about medical marijuana dispensaries, the 2013 Oregon Legislature passed HB 3460 which established uniform registration and licensing procedures for the dispensaries. Additionally in 2014, the Oregon Legislature passed SB 1531 which authorized local governments to enact measures related to medical dispensaries regulating reasonable time, place, and manner regulations. The proposed ordinance for Council's consideration implements reasonable time, place, and manner regulations on medical marijuana dispensaries operating within the City of Toledo.

CA Chadwick noted three changes made to the ordinance since Council's last review. He identified those changes as follows:

- Section 6 (E) - this section clarifies that where provisions of the Section 5.04 and 5.20 conflict, the provisions of 5.20 shall apply. He noted that if there is anything in this section that does not deal with the licensing of businesses Section 5.40 would fill in the gaps.
- Section 8 (B) - the following language was added "Except to the extent that marijuana is classified as a Schedule I controlled substance under federal law, the person or entity shall comply with all federal, state, and local laws applicable to the business." A business license under this Chapter does not protect a person or entity from possible criminal prosecution under federal law." He noted this language was placed in the ordinance to protect the City's liability from someone doing something that is against federal law.
- Section 10 (E) - talks about advertising that must contain the following warnings. Part 4 of that section previously said for use only by adults age 21 and older but has been changed to "Keep out of reach of children". The language was changed because it was suggested that persons under the age of 21 may be prescribed medical marijuana.
- Section 15 (A) 5 - also changes language regarding the violation of State, Federal or local law.

Public Comment:

Stu Strom of 361 Graham Street, Toledo commended Council for passing the previous ordinance and encouraged adoption of this proposed ordinance. He said the City needs rules to regulate this.

Crystal Poling said that she is trying to open a medical marijuana facility at 139 Main Street, Toledo. She said that proposed Ordinance No. 1358 is an insult to the sick, diseased and dying in this community. She does not agree with the proposed advertising restrictions. She stated that the proposed ordinance goes beyond the State regulations. She believes that the City is taking instruction from the League of Oregon Cities regarding the proposed regulations. She said that she trusts the City Council to take care of the citizens and use this opportunity to stop this ordinance and start over. She suggested focusing on recreational marijuana regulations and said that adoption of this ordinance will make her business unsustainable.

Ben Poling stated that it is almost impossible for his wife to operate this business without being in violation of this ordinance. He said the City is asking for labeling beyond what is required by the State. He believes the proposed regulations are unreasonable and overly restrictive.

Julie Rockwell of 309 N. Main Street, Toledo questioned why the City would require the language that medical marijuana is not curative. She said that she doesn't understand including that language in the ordinance when doctors are prescribing it as medication. She believes it is more restrictive than the State regulations and she had hoped that the language had been removed. CA Chadwick noted that this topic has been discussed by Council at its work sessions. It was determined that the state statute talks about medical marijuana as a relief for suffering and it does not say that it cures.

Councilor Lyon stated that she does not take instruction from the League of Oregon Cities. She noted that the City is a member of the League because there are over 200 other cities within the state who are members. She noted that the League provides expert opinions when needed. She also noted that the initial draft of this ordinance was significantly more restrictive and Council has worked in a sincere effort to keep this process as simple as possible as well as less expensive. She

also stated that the ordinance language does not require any additional labelling, reading that section aloud.

Councilor Dunaway objected to the tenor of some of the public comments. He said the City Council had no intention of demeaning or bias against people who use medical marijuana. He said Council's effort has been to embrace this process by soliciting a robust discussion from both sides before making an opinion.

Councilor Kauffman clarified that the proposed ordinance regulates advertising and does not require additional labeling.

CP Strom asked what is so hard with the proposed ordinance. Crystal Poling stated that the nature of the ordinance is insulting to sick people and it goes beyond what is required by the State.

Mayor Grutzmacher noted that he believes that the business license procedure is not difficult. One of the goals of this process was to put all of the provisions in one place within the municipal code. The notices are with respect to advertising and not labeling. He noted that he is in favor of passing the proposed ordinance with the following amendments; removal of 5.20.070 (E) and 5.20.140 (A) 5. Councilor Lyon noted that she does not agree with the Mayor's suggested changes.

Motion-It was moved and seconded (Lyon/Strom) to adopt **Ordinance No. 1358**, (by reading the title twice) an ordinance adopting Chapter 5.20 of the Toledo Municipal Code relating to the licensing and regulation of medical marijuana dispensaries; and declaring an emergency.

Motion passed 5-0, noting the absence of Councilors Johnson and Baxter.

Due to an interruption by the audience, Mayor Grutzmacher called for a recess at 8:43pm the meeting resumed at 8:47pm.

Resolution Fixing the Rates to be paid by the Seal Rock Water District for the Purchase of Treated Water

CM Baughman reported that the request before Council is to set the rates and charges to be paid by the Seal Rock Water District for the purchase of treated water. Treasurer Chavarria reported that in 2012 the City entered into an agreement with the Seal Rock Water District for the treatment and delivery of water from the City to Seal Rock at a wholesale rate. The agreement requires the rate to be adjusted annually on January 1st based on a formula using the City's actual expenses for treatment and delivery. The calculated rate is \$3.41 per thousand gallons of water delivered. This is an increase of 3.3 percent from the current rate of \$3.30 per thousand gallons.

Adam Denlinger, General Manager of Seal Rock Water District, addressed Council. He noted that he recently attended the annual meeting with City staff to begin the process of implementing the new water rate. He noted that the increase, while small, is higher than the national average for cost per thousand units but he trusts that the City Manager and staff are doing what is prescribed in the agreement.

Public Comment: There was none.

Motion-It was moved and seconded (Dunaway/Kauffman) to adopt **Resolution No. 1356**, A Resolution Fixing the Rates and Charges to be paid by the Seal Rock Water District for the Purchase of Treated Water. **Motion passed 5-0**, noting the absence of Councilors Johnson and Baxter.

Setting a Salary Rate for a New City Employment Position

CM Baughman reported that a fire staff position was added to the FY 2014/15 budget at roughly \$35,000 to replace a position that is currently filled by a temporary employee. In addition, \$30,000 was included in the budget for a solution to address City facilities maintenance needs. Seeing an overlap between the skillsets of the Fire position (building safety and pre-fire planning) and a facilities maintenance position, staff has combined these two functions into one position; a Fire Admin/Facilities Coordinator. He noted that the salary for this position is requested at Grade 35 with a six step range from \$3,645 to \$4,382 per month. This salary range is consistent with the current fire department division chief salary range.

In answer to Council questions, staff stated that the skillsets for the different duties in this position will not be hard to find. In fact, many of the current fire department volunteers could qualify. Adding this position to the fire department will free up time for existing staff to accomplish fire marshal duties.

Public Comment: There was none.

Motion-It was moved and seconded (Kauffman/Lyon) to approve the rate of pay for the new Fire Assistant Chief/Facilities Coordinator employment position at Grade 35 on the City's non-union salary schedule. **Motion passed 5-0**, noting the absence of Councilors Johnson and Baxter.

Planning Commission Vacancy

CM Baughman reported that there is one vacancy on the Planning Commission caused by the resignation of Jerry Seth effective November 6, 2014. The vacant position term will expire on December 31, 2015. Staff recommends the vacancy deadline as open until filled. He noted that Jerry Seth has reconsidered his resignation and would be willing to be reappointed.

Mayor Grutzmacher stated that there are other committees that will have vacancies as of the end of December. He challenged each Councilor to recruit at least one community member to apply for a committee vacancy. Councilor Dunaway requested the committee vacancies be placed on the Booster's electronic reader board. Staff agreed to email the list of committee members to Council.

Public Comment: There were none.

Motion-It was moved and seconded (Lyon/Kauffman) to establish the planning commission vacancy recruitment timeline as open until filled. **Motion passed 5-0**, noting the absence of Councilors Johnson and Baxter.

Reports and Comments

Department Reports

There were none.

City Manager's Report

CM Baughman reported the following:

- The City's new contract planner Jay Sennewald started on Monday. He currently provides contract services for the City of Garibaldi, Rockaway Beach and has worked for Lincoln County Planning Department for a number of years. He has local knowledge and experience within Lincoln County.
- Earlier this week Larry Robeson of the Toledo Fire Department, as part of the Lincoln County rope rescue team, recovered and transported the body of a man who had fallen approximately 200 feet down an embankment in Tillamook County.
- Library Director Deborah Trusty was successful in receiving a grant from the Lincoln County Cultural Coalition grant program in the amount of \$1,300. The grant funds will be used to support a new program called the Creativity Camp which will provide fine arts activities for youth ages ten through seventeen.
- He attended the Council/Manager Staff Relations training provided by the League of Oregon Cities.

Council Comments

Councilor Lyon reported that she has completed a thank you letter to Don Munkers and it is signed by five Council members.

Councilor Dunaway reported that he and CM Baughman met with Mike Rundell of Plum Creek Timber Company. He noted that the company owns approximately 500,000 acres of timberland headquarters in Toledo. He then thanked the Toledo Boosters and the City of Toledo for the installation of the electronic reader board at the Police Station.

Mayor Grutzmacher reported the following:

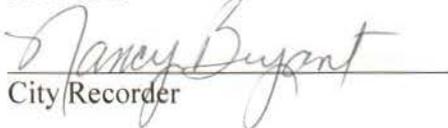
- The Toledo team received a certificate of appreciation for its participation in the Olalla Center's Strike A Challenge for Mental Health Fundraiser.

Stu Strom apologized for the previous interruption of this meeting.

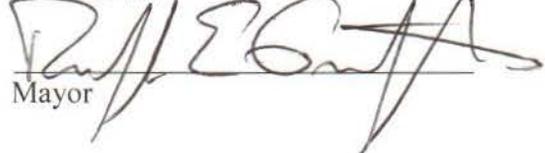
Adjournment:

CP Strom adjourned the meeting at 9:12pm.

ATTEST:


City Recorder

APPROVE:


Mayor

TOLEDO CITY COUNCIL MINUTES
REGULAR SESSION
December 3, 2014

Mayor Ralph Grutzmacher called the meeting to order at 7:00pm. Councilors present: Jackie Kauffman, Jack Dunaway, Jill Lyon, Michele Johnson and Alma Baxter. Councilor excused: Council President (CP) Terri Strom.

Staff present: City Manager (CM) Jay Baughman, City Attorney (CA) Wes Chadwick, Police Chief (PC) Dave Enyeart, and City Recorder (CR) Nancy Bryant.

Visitors present: Wayne Plourde, Sarah Plourde, Dani Palmer, Michael Starnes, and Geoff Wilke.

Visitors/Public Comment

There was none.

Consent Calendar

Motion- It was moved and seconded (Lyon/Dunaway) to approve the invoice list of November 26, 2014, Council minutes of November 19, 2014, Records Destruction List dated November 19, 2014, and the 2015 City Council meeting schedule calendar. **Motion passed 6-0**, noting the absence of CP Strom.

Discussion and Information Items

Committee Updates

Councilor Dunaway acknowledged that his position on the Cascades West Area on Transportation will be vacant upon his departure at the end of December.

Setting a Date for the 2015 Budget/Goal Setting Session

CM Baughman reported that in preparation for the fiscal year 2015/16 budget he would like to schedule a meeting with the Mayor, City Council, the Budget Committee, and City staff to discuss spending priorities for this next fiscal year. Council and staff discussed the proposal and agreed that the Budget Committee vacancies may not be filled in time to be included in the goal setting session therefore Council will meet with staff in January. Council members agreed to email the City Manager with a preferred date for the January goal setting session. Council also agreed to meet with the budget committee at a later Council work session.

Decision Items

Request to Close Main Street for the Dickens Christmas Annual Event

CM Baughman reported that Wayne Plourde of the "Dickens Christmas" event group has requested a street closure of Main Street for the 3rd annual event scheduled for December 6, 2014 from 2pm to 9pm. Previous years have had in excess of 500 participants and the organizers are expecting a large crowd again this year. They have requested a complete closure of Main Street from Business Hwy 20 to 2nd Street SE for the safety of the pedestrians participating in the event. Approval of the outdoor event permit is contingent on the City's receipt of proof of liability insurance.

Wayne Plourde stated that the Dickens Christmas group would like to change the requested street closure time to 3pm through 7pm. He then thanked the City for helping to place the 20 foot tree, which was donated by Miller Farms.

Public Comment: There was none.

Motion-It was moved and seconded (Dunaway/Johnson) to approve the closure of Main Street from Business Hwy 20 to 2nd Street SE on Saturday, December 6, 2014 from 3pm to 7pm for the Toledo Dickens Christmas event. **Motion passed 6-0**, noting the absence of CP Strom.

Amendment to an ODOT Local Agency Agreement/Emergency Relief Program for a Business Hwy 20 Project

CM Baughman explained that a portion of Business Hwy 20 experienced notable settling because of severe storms in January of 2012. This section of roadway is just east of 3rd Street NE, affecting a large portion of the eastbound lane of Business Hwy 20. This section of road qualifies for funding through the Federal Highway Administration. The original agreement with Oregon Department of Transportation (ODOT) was signed in July of 2012.

The requested amendments to the agreement are as follows:

1. The total project cost estimate is changing from \$140,000 to \$238,000. Federal contributions will change from \$125,622 to \$188,433.
2. The point of contact for the City is changing from Public Works Director Adam Denlinger to Jay Baughman, City Manager.

The revised total construction budget provided by ODOT is estimated at \$98,000, which is lower than previous estimates. The City's local share of 10.27% equates to \$10,065. The Federal share of 89.73% is \$87,935. Bids are being opened the first week of December at which time we will know the actual project amount.

Councilor Lyon mentioned that this project has had several steps. Over a year ago, Council agreed to a maximum project cost of \$140,000 to cover the geo-tech study. She noted that Council has not received the results of that study. Michael Starnes, Local Agency Liaison, of Oregon Department of Transportation (ODOT) stated that the report was sent to the City Public Works Director when it was published. CM Baughman reported that he just recently became aware that Council had not received the report which was completed in June of 2014. He then emailed it to Council yesterday evening. Mr. Starnes noted that the report also included recommendations for repair of the roadway. Councilor Lyon expressed her disappointment that \$140,000 has been spent and the recommendation is to grind the road which is what was discussed to begin with. CM Baughman noted that the analysis reported by the engineers provided six options but the residence located below the roadway creates logistical problems for a more extensive repair.

Councilor Kauffman stated that she understood that the City was looking for a permanent fix to the sliding roadway. Mr. Starnes stated that the foundation engineering stage showed that the ground didn't move during the monitoring time period. He said the advice is to have ODOT keep an eye on the roadway and continue to monitor for any movement. Councilor Dunaway noted that the problem with geo-technical issues is that getting to the point of confidence of having a handle on the risk is very expensive as well as the fact that there are many unknowns.

Councilor Lyon stated that if Council approves the amendment it will cost the City an additional \$10,000 to fix the road. She asked if the City could fix the road for a lessor or same amount.

Mayor Grutzmacher stated that he is really upset about the performance of this project. He said when ODOT came to Council there was a discussion about what needed fixing and how it should be done. First was an examination of fixing the road then it turned into an examination of spending money on a geo technical study. He noted that there has been some visible slippage in the roadway but the May 2013 report states that monitoring will continue during the winter months and Council has not been provided with a report of the winter monitoring. Mr. Starnes stated that there was no winter report because of the lack of ground movement during the first monitoring. He said the engineer's advice was that the most feasible option is to grind and overlay that portion of the road.

Mayor Grutzmacher suggested that this is not the City's problem but that it is ODOT's problem. He said that ODOT took federal aid highway funds to rebuild Business Hwy 20. Mr. Starnes explained that Business Hwy 20 is not a federal aid route; it is not on the system but is a local road which qualifies for federal aid.

Mayor Grutzmacher said that he is uncomfortable voting in favor of the amended IGA without knowing how the money has been spent so far and he encouraged his colleagues not to move forward with this until they get some answers. He asked how long the City can go without making the repair. He said he is not impressed with the December bid opening because in part of the requirements in the fourteen page amendment the City is on the hook. He also noted that there are several reminders in the amendment that states no State funding will be used in this project but ODOT built the road. He said he believes the funding has been wasted on the geo tech study. Mr. Starnes noted that all of the project billings have been approved by the Public Works Director on the City's behalf.

Mayor Grutzmacher noted that the increased cost estimate is going up from \$144,000 to \$238,000 but the Federal contribution increases from \$125,622 to \$188,433. He asked, if the City's obligation is 10.27%, who will make up the difference between the federal contribution and the estimated cost. He then noted that there are nine additional pages of federal regulations that he believes the City will have difficulty complying with.

Councilor Kauffman suggested postponing the item to provide for further discussion.

Councilor Dunaway stated that it is his understanding that the City's purchase of Business Hwy 20 was instigated by the City and not ODOT. He said the City asked to take over the responsibility of the road regardless of how it was built. He said that he does not blame ODOT for building an inadequate road on inherently unstable ground. The City must keep in mind that this section of road will always be unstable and in need of repair.

CA Chadwick asked if the City postpones this decision for two weeks what will that do to the project. Mr. Starnes stated that it will cancel the project for now. He said he has worked hard to get this project going. He also stated that the federal highway funding expired on September 30th and that he will be unable to award a bid on December 11th without the signed amendment. He said he does not know what the deadline is for completion of this project. He iterated that he has been providing the previous public work directors and Dave Inman with all of the reports as the project progressed.

Councilor Baxter stated that she understands the Mayor's concerns but she also understands that the City owns the road. Her concern is that the funding will not be available if Council doesn't take action. She noted that enough work has been done to establish the repair is needed and if the roadway worsens then the City has established the need for the project.

Council agreed to suspend action on this item to the next regular session and asked that Dave Inman be present for discussion at the next Council work session.

Mayor Grutzmacher asked that Mr. Starnes find a way to give Business Loop 20 back to ODOT. Mr. Starnes stated that according to the original IGA the City will be on the hook for the full amount if it does not construct on this project.

Setting a Timeline for Accepting Committee Member Applications

CM Baughman provided Council with a list of committee vacancies effective January 1, 2015 as follows: Planning Commission (4) vacancies, Budget Committee (5) vacancies, Public Utility Commission (1) vacancy, Contribution Committee (3) vacancies, Parks and Recreation Committee (3) vacancies, and Cascade West Area Commission on Transportation (1) vacancy.

Councilor Lyon asked if any of the committee members, with expiring terms, are interested in being re-appointed. CM Baughman noted that Jerry Seth is willing to serve on the Planning Commission. He also noted that because the Planning Commission meets regularly it should be a priority for filling vacancies.

Mayor Grutzmacher stated that the Planning Commission and Budget Committee are vetted by City Council but he can do the remaining committee appointments himself. He suggested that each Councilor find people who are willing to serve and bring completed applications to the next work session.

Ace Hardware Invoice List

CM Baughman reported that the proposed invoice list of expenditures for Toledo Ace Hardware is a routine item on the agenda each month and is separate from the consent calendar. Separating this invoice from the consent calendar allows Councilor Strom to vote on the consent calendar while refraining from voting on the proposed invoice list because of her conflict of interest.

Public Comment: There was none.

Motion-It was moved and seconded (Baxter/Kauffman) to approve the invoice list for Ace Hardware dated November 25, 2014. **Motion passed 6-0**, noting the absence of CP Strom.

Lincoln County Clerk's Abstract of Votes for the November 4, 2014 General Election

CM Baughman reported that the Lincoln County Clerk has provided the City with the official abstracts of votes for the November 4, 2014 general election for the positions of Mayor and three City Councilors for the City of Toledo. The official record is on file in the City Records office.

Public Comment: There was none.

Motion-It was moved and seconded (Lyon/Johnson) to accept the Lincoln County Clerk's official abstract of votes for the November 4, 2014 general election. **Motion passed 6-0**, noting the absence of CP Strom.

Reports and Comments

Department Reports

There were none.

City Manager's Report

CM Baughman reported the following:

- The Local Public Safety Coordinating Council for Lincoln County is asking for City representatives to serve. The Council will meet quarterly with the first meeting on January 30th in Newport from 10am to noon. Councilor Jill Lyon volunteered to serve on the committee.
- A body camera has been purchased for the City Code Enforcement Officer and will be worn at all times while on duty.
- Sodium Hydroxide and Sodium Bisulfate are used at the Wastewater Treatment plant to treat the water before it is discharged into the bay. Currently the City purchases the chemicals from Brenntag Company. The City has entered into a five year agreement with Brenntag to replace the large totes that hold the chemicals with tanks that will be safer for employee use. The change will also provide a cost savings.
- In an effort to do all things Oregon; he went crabbing this last weekend. It was cold but fun.

Council Comments

Councilor Johnson noted that she is not happy with the look of the Christmas wreaths displayed on Main Street. She would like to store them herself and maintain them. She agreed to work with the City Manager on the issue.

Councilor Lyon noted that this coming weekend will be a great time to be in Toledo. In addition to the Dickens Christmas event the local artist studios will host open house. She also noted that the Lincoln County Economic Development Alliance Committee will be meeting tomorrow afternoon to make its annual recommendations to County Commissioners on economic grants. There were twenty three applications for the \$100,000 available funds.

Councilor Dunaway encouraged the public to consider applying for the committee vacancies. He said that he was encouraged to get involved five years ago and it has been one of the most remarkable experiences that he has had.

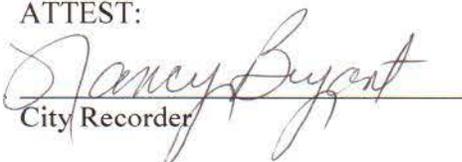
Mayor Grutzmacher reported the following:

- The Yaquina Pacific Railroad Historical Society will have a display December 6th at noon in the building located across from City Hall.

Adjournment:

Mayor Grutzmacher adjourned the meeting at 8:11pm.

ATTEST:


City Recorder

APPROVE:


Mayor

TOLEDO CITY COUNCIL MINUTES
WORK SESSION
December 9, 2014

Mayor Ralph Grutzmacher called the Toledo City Council work session to order at 6:15pm. Councilors present: Michele Johnson, Jill Lyon, Alma Baxter, Jack Dunaway, Jackie Kauffman and Council President Terri Strom.

Staff present: City Manager (CM) Jay Baughman, City Attorney (CA) Wes Chadwick, Finance Director (FD) Polly Chavarria, Assistant Fire Chief/Facilities Maintenance Coordinator (AFCFMC) Dave Inman, and City Recorder (CR) Nancy Bryant.

Visitors present: None.

Visitors Comments:

There were none.

Discussion and Information Items

Committee Updates

Councilor Dunaway reported that there was another serious auto accident on Highway 20 near Eddyville on this date.

CM Baughman reported that he has an application for the Cascades West Council of Governments Area Commission on Transportation for whomever would like to be the City representative.

Council and staff discussed the committee vacancies coming up in January of 2015 as well as positions that are currently vacant. CM Baughman reported that one application has been submitted for the Budget Commission vacancy. Council directed staff to bring the request for committee member reappointments to Council at its December 17, 2014 meeting.

Water Master Plan Improvements Update

There was no update for this meeting.

Swimming Pool Facility Plan

Council and staff discussed the recent Toledo Swimming Pool Structural Analysis Report provided by Young Design.

CM Baughman reported the following:

- The Toledo Swimming Pool was originally opened as an outdoor pool in the 1950s and the structure around the pool was built in the 1970s. It is a simple block structure with steel columns supporting laminated wood beams.
- The City overtook a process to create a building facility plan in 2012. The plan identified approximately \$500,000 in critical maintenance items as well as \$2.4 million in total deficiencies of this facility.
- In 2014, Recreation and Aquatics Director Joe Andrews commissioned a study of the swimming pool facility by Young Design Studio. The report presents structural deficiencies of the building based on current code requirements as well as recommendations for bringing the building into code compliance.

- The Structural Analysis reported that the swimming pool building is in acceptable shape for the City's current uses. He noted that there are issues that must be addressed which can be accommodated within the budget over the next few years.
- The goal is to remedy the structural deterioration and protect people as they get out of the building in an earthquake event.
- Noted facility deficiencies include: perimeter walls will not withstand earthquake movement; inadequate connection of roof to walls; roof inadequately braced to trusses; deterioration of roof, selected wood beams, block walls and steel support posts; roof beams overstressed under code loading conditions; and heating and ventilation system design flaws.

CM Baughman noted that the following are options and estimated costs for moving forward;

- Maintain status quo of the facility at \$200,000.
- Fix structure analysis tasks and critical maintenance items \$751,000.
- Fix everything at approximately \$1.7 – \$2.0 million dollars.
- Build a new swimming pool at \$4.0 million dollars and up.

Staff recommends maintaining the facility at current levels and developing a city-wide capital improvement plan to aid in decisions regarding all City buildings.

In answer to Council questions, ARD Andrews noted that the engineers who completed the study did not mandate fixing the structural issues immediately but, regarding the long term use of the building, they suggested that the structural issues be addressed.

Council and staff discussed the feasibility of swimming pool operations. Council agreed that the issue of maintaining the facility should be considered in a city-wide capital improvement plan.

Mayor Grutzmacher asked for a five-year history of the capital expenditures spent on the swimming pool facility, as well as the overall cost to operate the facility. FD Chavarria noted that funding has been budgeted in the Building & Property Reserves fund for the swimming pool facility. Councilor Baxter agreed with Mayor Grutzmacher and stated that she would also like to know if the City will ever see a return on its investment regarding this facility. Mayor Grutzmacher asked that the information be submitted in writing at the next goal-setting session.

Business Hwy 20/ODOT IGA

CM Baughman reported that the recent information provided to Council regarding the amendment to the ODOT Emergency Relief/Business Hwy 20 Intergovernmental Agreement, has been corrected by ODOT. The total Project cost is estimated at \$238,000. The Project will be financed with Emergency Relief Program (ERP) funds, which are estimated in the amount of \$213,557, and will not exceed that amount without approval of the Federal Highway Administration with the City providing the match and any non-participating costs. The City's match is 10.27%.

In answer to questions posed by Council at its December 3, 2014 meeting CM Baughman reported the following:

- According to the January 2014 report from Douglas Kirkpatrick of OBEC, ODOT's consultant on the project, there has been no measurable movement detected by the instrumentation installed last year by the geotechnical sub-consultant Foundation Engineering, Inc. (FEI).
- Further analysis would be used to justify any of the other five options, but would not be useful for the recommended option of grind/overlay repair and would cost at least \$35,000. The reason for the additional cost is that the other five options are more invasive to the landscape

and would trigger federal requirements for endangered animals and plant species survey reports.

- To date, the City has spent \$1,540.50 for the preliminary engineering work as of August 31, 2012. The City has approved invoices for work totaling roughly \$125,000 to date.
- No expenditures have been made for the construction phase at this point by anyone. Construction phase is estimated at \$98,000 and the bid opening is scheduled for December 11th. There will be no award until the amended IGA has been signed.
- The planning and design phase is estimated to total \$140,000 and the City's portion is 10.27% or \$14,378. Construction phase is estimated to total \$98,000 and the City's portion is 10.27% or \$10,065. Total project estimate is \$238,000 with the City's portion totaling \$24,443. The City Street Fund has a balance of \$959,900 as of 12/9/2014.
- The IGA has been updated to reflect the proper amount of federal funding at 89.73% of the project cost.
- If the City chooses not to follow through with the IGA then the City will be required to pay back all of the costs for preliminary engineering incurred, thus far totaling \$125,000. The City does not have the equipment or adequate number of crew to do the repair and federal funds do not allow the contractor to sub-contract the project.

Mayor Grutzmacher noted that this includes a new federal standards contract that is fourteen pages long. He questioned if the City can comply with the standards. He said that it bothers him that the state won't be paying any money but will be choosing the contractor. Councilor Lyon noted that the state is the federal designee and there isn't any way around that. She also noted that the City is receiving the geotechnical monitoring as well as the street repair for \$24,000. Councilor Dunaway stated that the City let the horse out of the barn a long time ago and it now needs to follow through with the project.

Dave Inman noted that he has requested a cost quote for continued geotechnical monitoring through the heavy rain season.

Council directed staff to bring the item to the December 17th meeting for action.

Setting a Date for the City Goal Setting Session

Councilor Dunaway suggested that it is helpful to provide the Budget Committee members with the meeting dates in advance as well as reminders prior to the meetings.

By consensus Council agreed to meet with City staff on January 20, 2015 at 9am at the Toledo Fire Station for the 2015 City Goal Setting Session.

Reports and Comments

Department Reports

ARD Andrews reported that staff has been compiling data regarding the City's activities related to urban forestry to present in the 21st annual application for the Tree City USA award.

Council Comments

Councilor Dunaway noted that the Wastewater Master Plan (WWMP) has not been reviewed by Council and there are some important infrastructure issues that need to be addressed. He suggested that if the City had meters at all of the pump stations the data would provide information as to where the I & I issues are. Dave Inman stated that, although it wasn't mentioned in the WWMP, installing temporary flow meters has been discussed. He said televising the system will also be needed. He noted that, two years ago, 5000 feet of line was televised in the South East area and

surprisingly that part of the system was in fairly good shape. He also noted that the previous smoke study results provided some of the line placement data. Councilor Dunaway suggested that the City's Engineer of Record can walk Council members and staff through the plan so that Council is well informed of the details.

CM Baughman agreed that this is a topic of priority for the next Public Works Director. FD Chavarria suggested that the City look at the salary market for the Public Works Director position before beginning recruitment to permanently fill the position.

Councilor Lyon noted that the City needs to start working on the public hearing process to surplus city-owned real property. CA Chadwick said that this item is on the December 17th Council meeting agenda.

Councilor Kauffman stated that she would like to start a seasonal decoration committee. She inquired about decorations that were purchased by the Toledo Hometown Committee. It was noted that the decorations referred to were not City property and the location is unknown by staff. Councilor Strom suggested that Councilor Kauffman address the Toledo Downtown Association and the Chamber of Commerce to discuss the suggested committee.

Councilor Baxter announced that the annual Toledo Chamber of Commerce Dinner and Auction event is scheduled for Thursday, December 11th at the Olalla Café.

City Manager Comments

CM Baughman reported the following:

- Lee Ritzman will report to work tomorrow as the interim City's Public Works Director.
- The City Holiday party for staff and elected officials has been scheduled for December 19th at the Muggly's Bowling Alley. Funding for this event is from a portion of the proceeds received from the City's Workers Compensation safety dividend.

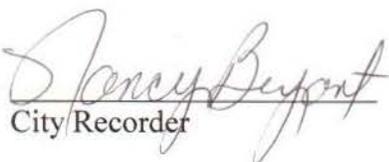
Mayor Comments

Mayor Grutzmacher requested an inventory of unpaved roads within the City of Toledo. CM Baughman agreed to provide the requested inventory at the next Council meeting.

Adjournment:

Mayor Grutzmacher adjourned the meeting at 7:42pm.

ATTEST:


City Recorder

APPROVE:


Mayor

TOLEDO CITY COUNCIL MINUTES
REGULAR SESSION
December 17, 2014

Mayor Ralph Grutzmacher called the meeting to order at 7:05pm. Councilors present: Jackie Kauffman, Jack Dunaway, Jill Lyon, Michele Johnson, Alma Baxter and Council President (CP) Terri Strom.

Staff present: City Manager (CM) Jay Baughman, City Attorney (CA) Wes Chadwick, Interim Public Works Director (PW) Lee Ritzman, Police Chief (PC) Dave Enyeart, and Assistant City Recorder (ACR) Melodi McGee.

Visitors present: Jerry Seth, Billie Jo Smith, Adam Denlinger, Teresa Denlinger

Visitors/Public Comments

There were none.

Consent Calendar

Motion- It was moved and seconded (Strom/Kauffman) to approve the invoice list of December 12, 2014 and Council minutes of December 3, 2014.

Motion passed 7-0.

Discussion and Information Items

Committee Updates

There were none.

Water Master Plan Improvements Update

CM Baughman presented the most recent updates on the Water Master Plan Improvement projects. He stated that the Olalla Reservoir Crossing project was completed on budget at the end of November. He indicated that the Siletz River Water Intake project is slightly behind schedule, but is progressing. He stated that the in-water work was complete and the sheet pilings had been cut. He said that the good news for this project is that because the in-water work is complete, there should not be any further barriers to completion and the budget for the project should stabilize. He also stated that he had visited the site with the new Interim Public Works Director, Lee Ritz man.

CM Baughman gave an update on Phase 2B projects, specifically the water line at Arcadia Drive and Nye Street, as well as the additive alternative project on Nye Street. He explained that the bidding process for the project had taken place on November 19th with Trench Line Excavations Inc. being the apparent low bidder at just under \$300,000. Staff will be recommending that Council award the bid in a separate action.

CM Baughman stated that he had received a call from Ms. Dorothy Ward regarding the vault in which the Arcadia Drive water lines will tie into, that are adjacent to her property. Ms. Ward requested that the hole be closed. CM Baughman explained that the hole cannot be closed until the project is complete, approximately one to two months from now, and that he has informed Ms. Ward of this.

CM Baughman indicated that the City needs to spend more of its bond money to avoid arbitrage. He explained that there is a requirement to have 85% of the bond funds spent by May. He explained the importance of staying on schedule with upcoming bond projects and prioritizing any projects the City wants to use bond funds for. He stated that he met with Civil West and they identified approximately \$100,000 of bond funds that had not been assigned to a project. He mentioned that a list of projects had been brought to Council during the summer and that these projects would need to be discussed in the future.

Council Johnson asked if any of the I+I projects would be related to this issue. CM Baughman responded that the I+I projects would not be eligible for the bond funds.

Councilor Lyon stated that she was aware of the emergency projects, as well as some upcoming Phase 3 projects, but was unsure that the remaining bond funds would be enough to get the projects started. CM Baughman responded that the \$100,000 that needed to be allocated could possibly get one or two of the projects started depending on what projects were the priority. He stated that there is a property on Bay Road near the Port that could be completed in conjunction with and that would benefit the Port's expansion efforts.

Council Dunaway asked for an update on the water pressure issues at Skyline Drive presented by Mr. Craig Banyasz. CM Baughman stated that the City and the Mayor met with Civil West to discuss the issue. He explained that old system, which provided higher water pressure, used a pump that ran full time to provide the higher water pressure and that this method was not ideal. He explained that when the water system transitioned from the force-fed pump to the tank, that the system was now relying on gravity for water pressure. He further explained that with City utilities, residents at the top of the hill were going to have lower pressure than those at the bottom of the hill. He concluded that after the meeting with Civil West, there were three options to address Mr. Banyasz' concerns: running a water line through the property; placing a water pump in the garage or waiting until the project is finished with more lines attached to the water tank, thereby creating a faster turnover and increasing the water pressure. CM Baughman stated that he proposed the options to Mr. Banyasz and that he said he would wait until the project was complete to see if the water pressure issues would be alleviated.

Mayor Grutzmacher asked if the street connection option was being considered to resolve the issue. CM Baughman stated that upon further investigation this was no longer a valid resolution to the water pressure issue because the maps that had originally been used in discussion were not accurate and the location for the connection was below Mr. Banyasz' property. Therefore, it would not resolve his concerns.

CM Baughman further explained that Mr. Banyasz had previously raised concerns about a fire hydrant near his home that he believed had become inoperable after the water tank installation. CM Baughman clarified that this was not actually a fire hydrant, but rather a fire department blow off valve that had a fire hydrant valve placed on it mistakenly. He stated that this would be switched out to alleviate the confusion.

Inventory of Unpaved Roads Within the City of Toledo

CM Baughman provided an inventory of unpaved roads within the City. He stated that the most recent road inventory was completed in June 1999. He explained that Skyline is the only gravel road that has been paved since the study was completed. He stated that because the study is in excess of 15 years old, it does not provide an accurate assessment of City roads in their current

condition. He recommended that if Council wants to pursue this project, the City should conduct a new study to evaluate the condition of all roads within city limits.

CM Baughman stated that according to the most recent study, Toledo has 760 linear feet of unpaved roads that are considered to be in poor condition. He identified these roads as A Street, 11th Street, Spruce Street and Wagon Road, as well a section between 1st and 2nd Street, near Butler Bridge Road. He added that in addition to these roads as identified by the 1999 study, he has learned that Olson Road, near East Slope Road, is also in poor condition. He indicated that the County would be graveling this road, but that this illustrates that a road that may have been in good condition at the time of this study, may be in poor condition now.

Councilor Dunaway stated that he was glad that the City was addressing this issue as well as considering what the best option would be for each street.

Councilor Lyon stated that she would like all streets within Toledo to be paved.

Mayor Grutzmacher stated that this would need to be discussed further because of the issues with the outdated study, as well as the need to identify which roads are City owned versus private or county roads.

Addition to Agenda

Motion- It was moved and seconded (Lyons/Dunaway) to amend the agenda to an add action item to declare a Ford F150 Public Works Vehicle as surplus.

Motion passed 7-0.

Public Hearing

Mayor Grutzmacher opened the public hearing at 7:24 pm regarding the surplus of City owned real property. Seeing no conflict of interest, the statement of rights and relevance was read.

Staff Report

CA Chadwick presented a list of real properties proposed for surplus. He indicated that the properties had been researched, are not needed for public use and therefore are recommended to be deemed surplus and made available for to the public for purchase. He also indicated that the majority of the parcels being made available for purchase are small, thus will likely only be of interest to local buyers.

CA Chadwick recommended the following parcels be deemed surplus and made available for public purchase:

1. .064 acre parcel behind 140 10th Street: very small parcel
2. .294 acre parcel at the top of NE 6th Street: buildable, on steep lot
3. .117 acre parcel at the corner of Skyline and Sunset Dr.: very small parcel, low value
4. .295 acre parcel on East Slope Road: buildable, steep with vegetation
5. .531 acre parcel on East Slope Road: buildable
6. .915 acre parcel on the corner of Olsen Road and East Slope Road: previous interest in the parcel, buildable lot with possible access issues
7. 15.306 acre parcel on East Slope Road: possible use: conservation, park or wildlife refuge; not likely large scale development appropriate

8. 8.170 acre parcel on East Slope Road: conservation, park or wildlife refuge; not likely large scale development appropriate

CA Chadwick noted that there are additional parcels to be declared surplus at a later date. He also stated that the Real Estate Agent of Record is ready to proceed with the sale of the surplus properties as soon as the motion is approved. He also noted that once there are potential buyers for the parcels, there will be a second hearing, pursuant to Toledo Municipal Code, where Council will determine the terms of sale.

Opponent Testimony

There was none.

Questions by Council

There were none.

Mayor Grutzmacher closed the public hearing at 7:33 pm.

Decision Items

Surplus of City Owned Real Property

Public Comment: There was none.

Motion-It was moved and seconded (Dunaway/Lyon) to declare the surplus of the following City owned real property based on the testimony received, the finding that the property is not needed for public use, and the evidence and arguments before the City Council at the public hearing on December 17, 2014 the following real property is identified as:

1. Lincoln County Assessor's Map number 11-10-08-33-00800, Tax Lot 800, also known as the .064 acre parcel behind 140 10th Street (Map ref. 21D)
2. Lincoln County Assessor's Map number 11-10-08-33-09200, Tax Lot 9200, also known as the .294 acre parcel at the top of NE 6th Street (Map ref. 19D)
3. Lincoln County Assessor's Map number 11-10-08-22-00801, Tax Lot 801, also known as the .117 acre parcel at the corner of Skyline and Sunset Dr. (Map ref. 3E)
4. Lincoln County Assessor's Map number 11-10-08-34-2498, Tax Lot 2498, also known as the .295 acre parcel on East Slope Road (Map ref. 10F)
5. Lincoln County Assessor's Map number 11-10-08-4-2499, Tax Lot 2499, also known as the .531 acre parcel on East Slope Road (Map ref. 11F)
6. Lincoln County Assessor's Map number 11-10-17-24-00100, Tax Lot 100, also known as the .915 acre parcel on the corner of Olsen Road and East Slope Road (Map ref. 7G)
7. Lincoln County Assessor's Map number 11-10-17-13-00201, Tax Lot 201, also known as the 15.306 acre parcel on East Slope Road (Map ref. 8G) and
8. Lincoln County Assessor's Map number 11-10-17-42-00100, Tax Lot 100, also known as the 8.170 acre parcel on East Slope Road (Map ref. 9G) is surplus and available for sale.

Councilor Dunaway suggested that upon sale of the surplus property, the System Development Charges be waived to encourage economic development, provided that the homes constructed are stick built rather than pre-fabricated, and completed within a certain time frame from the time of purchase. He stated this would help stimulate the local economy by allowing local contractors the opportunity for the job.

Motion passed 7-0.

Highway 20/ODOT IGA Amendment

CM Baughman reported that this item has been thoroughly discussed in previous meetings. He indicated approving the ODOT IGA Amendment will save the City \$100,000.

Motion-It was moved and seconded (Lyon/Strom) to approve the amendment to the intergovernmental agreement with Oregon Department of Transportation (ODOT) for the City's share of the road repair on Business Highway 20. Doing so will officially transition the project from the preliminary design and engineering phase to the construction phase.

Motion passed 7-0.

Reappointment of Committee Members

CM Baughman provided Council with a list of committee members who have expressed an interest in being reappointed to Committee positions as follows:

- Rod Cross and Bob Deming to the Budget Committee for 3 year terms expiring on December 31, 2017.
- Jerry Seth to the Planning Commission filling a vacant term expiring December 31, 2015.
- Jerry Seth to the Budget Committee filling a vacant term expiring December 31, 2015.

Mayor Grutzmacher suggested Council postpone reappointment to January in order to fill all committee vacancies at once.

Motion-It was moved and seconded (Dunaway/Baxter) to suspend Council rules and reappoint Rod Cross and Bob Deming to the Budget Committee for three year terms expiring on December 31, 2017, Jerry Seth to the Planning Commission to fill a vacant term expiring December 31, 2015 and Jerry Seth to the Budget Committee to fill a vacant term expiring December 31, 2015.

Motion passed 7-0.

Award Bid for Water Master Plan – Phase 2B Water System Improvements

CM Baughman reported that bidding for the Phase 2B Water System Improvements took place in Toledo City Council Chambers on November 19, 2013. He stated that Engineer's Estimate for the project was \$380,000.00 complete with base Bid and Additive Alternate. He recommended that Council award the contract to the apparent low bidder, Trench Line Excavation, Inc for \$205,960.00 base Bid, plus \$93,800.00 for the Additive Alternate for a total of \$299,760.00.

Public Comment: There was none.

Motion-It was moved and seconded (Strom/Kauffman) based on the determination of reasonable bidders, per ORS 279C.375 and the resulting bids, to awarded the bid as follows; Water Master Plan- Phase 2B Water System Improvements, to the apparent low bidder, Trench Line Excavation, Inc for \$205,960.00 for the base bid, plus \$93,800.00 for the Additive Alternate for a total project

cost of \$299,760.00 combined and to authorize the City Manager to execute contract and documents relating to the award of this bid.

Motion passed 7-0.

Declare a 2014 Ford F150 Pick-Up Truck Surplus

CM Baughman reported that funding of \$25,000 was placed in the current FY Budget and on August 6, 2014, Council approved the purchase of a new Ford F-150 truck to replace the Public Work's Director's sedan. He explained that the purchased vehicle did not match the specifications outlined in the budget. He reported the following differences: 4 wheel drive instead of a 2-2 drive, noting that a two wheel drive is sufficient for the vehicle's intended purpose; Standard cab instead of Super cab, noting that four full sized seats are desired to transporting people to work sites; 8' bed instead of 5.5' bed, noting that the longer bed is not suited for Toledo's hilly terrain; silver paint rather than white, noting that the vehicle purchased does not match the City's fleet color of white.

CM Baughman stated that upon approval of surplus, the City intends to sell the current vehicle and purchase a new one with the correct specifications. He stated that because the vehicle was purchased on state contract, the price was \$10,000 below retail. It is a steel frame, which is very desirable due to the change to aluminum frames in Ford's 2015 trucks; thus, the truck should not be difficult to sell for the purchase price. He stated that Staff has confirmed the proper process with the City's Auditor.

Mayor Grutzmacher asked why the vehicle could not be returned to the dealer. CM Baughman explained that because the truck has been titled and plated, it is considered used by the dealership and returning the truck to the dealership would result in a decrease in the vehicle's retail value. He also stated that the truck was purchased in Portland.

Council Johnson asked why the incorrect vehicle was purchased. Councilor Dunaway responded that the purchase was made by a former City employee.

Public Comment: There was none.

Motion-It was moved and seconded (Lyon/Kauffman) to declare a 2014 Ford F150 Truck (VIN #1FTFX1EF3EDF94362) as surplus equipment and available for sale.

Motion passed 7-0.

Reports and Comments

Department Reports

PC Enyeart reported that the Police Department will be out in force on New Year's Eve. He warned citizens not to drink and drive, and encouraged a safe celebration in Toledo.

Councilor Johnson inquired about road blocks. PC Enyeart responded that the City no longer uses road blocks.

Councilor Johnson asked if there was other ways to stop potential drunk drivers. PC Enyeart invited Johnson and the rest of Council to participate in a ride-along to see how the Department operates.

City Manager's Report

CM Baughman reported the following:

- Lee Ritzman is the City's new Interim Public Works Director. Mr. Ritzman brings 37 years of Public Works Administration experience to the City of Toledo.
- The City donated various services to the Chamber of Commerce dinner auction, including: pool passes, two ride-along opportunities with a Toledo Police Officer, two tours of City facilities with the City Manager (sold for \$100 each), lunch with Police Chief Enyeart (sold for \$125) and a 12' section of brass fire pole from the original City of Toledo Fire Station (\$400).
- In October, The City Manager and the City Recorder were interviewed for an article by Dorian Slaybod for the Toledo City Paper out of Toledo, Ohio. Toledo, Oregon was visited as part of an article on other cities named Toledo in the country. The article was published in the November 5th issue.
- City Hall will close at noon on Christmas Eve and will be closed for Christmas Day and New Year's Day.
- December 17, 2014 is Mayor Grutzmacher and Councilor Dunaway's last elected City of Toledo Council Meeting. Ralph was appointed to the Budget Committee March 3, 2010 and then appointed to Council on September 15, 2010. He has contributed 343 hours of reported volunteer time for the City. Jack was first appointed to City Council October 7, 2009. He has contributed 387 reported hours of volunteer time. The hour accrual is the time that the City Recorder has kept track of for Council meetings, Budget Committee Meetings and other reported meetings.

Council Comments

Councilor Johnson commended Mayor Grutzmacher and Councilor Dunaway for their service to the City.

Councilor Lyon thanked Councilor Dunaway for his insight and Mayor Grutzmacher for his leadership.

Mayor Comments

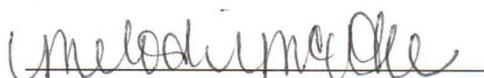
Mayor Grutzmacher reported the following:

- On the second week of each month, on Friday and Saturday, there is a mobile veteran's center in Newport, and on Wednesdays in Florence. They provide services, primarily counseling, to combat veterans with an emphasis on readjustment.

Adjournment:

Mayor Grutzmacher adjourned the meeting at 7:55 pm.

ATTEST:


Assistant City Recorder

APPROVE:

Mayor