



## Harrisburg City Council Minutes February 14, 2018

The Harrisburg City Council met on this date, at City Hall, located at 120 Smith St., at the hour of 6:33pm. Presiding was Council President Mike Caughey. Also present were as follows:

- Kimberly Downey
- Robert Boese
- Adam Keaton
- City Administrator Brian Latta
- City Recorder/Asst. City Administrator Michele Eldridge
- Public Works Director Chuck Scholz
- Finance Officer Tim Gaines

Absent were Councilors Sarah Puls, John Loshbaugh, Mayor Robert Duncan and Youth Advisor Sarah Isom.

Concerned citizen(s) in the audience. No comments were made by audience members.

### The matter of Approving the Consent List

- Keaton **motioned to approve the Consent List, and was seconded** by Downey. **The City Council then voted unanimously to approve the Consent List for February 14, 2018. The Adoption of the Consent List approved the following:**
  1. **The payment of the January 2018 Bills**
  2. **The Minutes of January 10, and January 24, 2018, and**
  3. **The confirmation and appointment of Joseph Crenshaw to serve on the Library Board for a 4-year term, from July 1, 2017 to June 30, 2021**

### The matter of a Discussion(s) with Other Agencies.

**Linn County Sheriff's Office (LCSO) Report:** Sergeant Greg Klein was present this evening in representation of the LCSO. He noted that he was here earlier today for Municipal Court, and they ended up having to transport someone. He described how they felt that they could work that out, in order to make sure someone from LCSO is still here. In this case, the person that was arrested was moved to the end of the schedule, and therefore they were here for everything else on the docket. He went over the monthly report for January, of which both that report, and the monthly bulletin/incident report were located in the Council Appendix. They had provided a total of 333 hours last month, 111 of those being traffic related. He commented that they had hired someone who was able to take the place of Jim Lepin, who was the person who worked with all the Neighborhood Watches, etc. That person will be coming to Council, and will

be working with others. Downey commented that she had citizens asking her when the next Crime Forum meeting might be, so she was glad that position is getting filled.

Council spent some time focusing on the monthly report; Caughey raised some concerns about violations for traffic with no public narrative. The problem was that they couldn't tell if someone had responded to it at all. Did no narrative mean that nobody was available? Or did it mean that they decided not to give a citation. Boese agreed, and pointed out a few places in which we didn't know what the disposition of something was. Sergeant Klein said that he would specifically watch for those. If you see narrative supplied that is italicized, it's his information that was added to the report. There are some issues they are not allowed to report on; such as sexual offenses; sometimes it means the call was transferred to another agency. Caughey was surprised to see names and ages in the report, but Sergeant Klein said that they had media reports that they did, and that information is allowed.

Sergeant Klein also addressed the complaints about traffic not stopping for people using the crosswalks at Smith & 3<sup>rd</sup> St. There is some misunderstanding on how to interpret the state statutes. One said that a person needed to have the intent to proceed with using the crosswalk; in other words, they've started to step out into the crosswalk. But other statutes say that you should be stopping if someone is standing on the sidewalk, and stay stopped until they are across. He would ask the Circuit Court Judges about that interpretation, and which to apply.

Sergeant Klein and Latta also spoke about trucks starting to park in the turn lanes again. Sergeant Klein said that there was no longer a weighmaster; instead, the sheriff's office has taken that function over. They will have their person up and running soon. Latta was told that we could snap a picture of the license plate and truck in the turn lanes, and then turn it in to the sheriff's office for action. Sergeant Klein said that we need to see it, or take a citizens complaint. We would tell someone that an individual cited the complaint; the individual would be the witness, and would need to be present in court. Council and Sergeant Klein discussed this issue, and talked about locations where trucks could stop legally, such as the parking lot behind EZ Stop, or over on Territorial Street, which is designed for truck travel. Everyone was nervous about trucks causing accidents, because people couldn't use the turn lanes, or had to pull into it without being able to adequately see pedestrians.

The matter of Considering Revisions to the City's Municipal Code Provisions Regarding Municipal Court and Adopting Ordinance No. 958, "AN ORDINANCE OF THE CITY OF HARRISBURG AMENDING MUNICIPAL CODE SECTION 2.05.010 TO INDICATE THAT COURT FEES ARE ESTABLISHED BY COUNCIL RESOLUTION, AND REPEALING ORDINANCES 740 AND 742."

**Staff Report:** Latta said that this is a simple fix in which we will no longer have a justice court, and don't have juries. The issue in regards to court fees will stay in HMC 2.05.010, as a place holder until we start expanding court again.

- Downey **motioned to approve Ordinance No. 958, "AN ORDINANCE OF THE CITY OF HARRISBURG AMENDING MUNICIPAL CODE SECTION 2.05.010 TO INDICATE THAT COURT FEES ARE ESTABLISHED BY COUNCIL RESOLUTION, AND REPEALING ORDINANCES 740 AND 742."** She was **seconded** by Keaton. **The Council then voted unanimously to approve Ordinance No. 958, and therefore amending HMC 2.05.010.**

The matter of Reviewing for Adoption the Linn County Natural Hazards Mitigation Plan (NHMP), and Approving Resolution No. 1182

**Staff Report:** Latta reported that the plan identifies how we would mitigate and compensate for specific disasters, such as volcanoes, earthquakes, flood and tornadoes. Although it's a 400 page document, the Harrisburg portion of this is only a 14-page section. Both he and Chuck

had attended a few meetings; and if Council remembers, we asked Council if they wanted to be part of this, and you agreed to participate. By adopting this plan, we will be eligible to accept disaster funding from FEMA.

- **Boese motioned to approve Resolution No. 1182, "A RESOLUTION ADOPTING THE CITY OF HARRISBURG REPRESENTATION IN THE UPDATES TO THE LINN COUNTY MULTIJURISDICTIONAL NATURAL HAZARDS MITIGATION PLAN." He was seconded by Downey, and the City Council voted unanimously to approve Resolution No. 1182, and therefore participating in the Linn County Jurisdictional Natural Hazards Mitigation Plan.**

The matter of Discussing the Fiscal Year 2016-2017 Audit Report with the Auditor, Steve Tuchscherer

**Auditor's Report:** Steve Tuchscherer had arrived, so this subject was moved up on the agenda. He essentially recapped the letter that is located in the front of the audit reports, and what his job entailed. (The Audit Report is on file in the City Records office, and is also available on the website. A copy can also be purchased for a fee.) There are no material misstatements for the City. Most of what is in the audit report are things required by government and accounting standards. They will see information in regards to PERS; those figures were provided by PERS, as those numbers are audited by an independent auditor. Those numbers are very complicated, made so due to all the variables that could apply. Just a small change of 1% can dramatically change the final figures.

There are a lot of statements and schedules included in this report which will not be similar to what Council is accustomed to seeing. We address capital assets, and especially, depreciation factors. He is also required to be audited himself, in something called a peer review. The only issue that auditor brought up is that unlike some other cities, we don't audit what titles people had, and title positions. That's apparently a trend, which is related to clarity. His overall standpoint as the City Auditor, is that Harrisburg is in a very healthy financial position. That reflects all of the hard work you do on how you spend the money that is entrusted to you.

Downey asked if he spoke customarily to Brian when he's doing his audit? We do performance reports on the City Administrator, and on the budget part, she's not sure how to judge that. Tuchscherer said that he generally works with Tim Gaines. Everyone is great in their responses to him. Latta filled out a questionnaire on a fraud, segregation of duties and responsibilities, etc., such as; 'is the person cutting the checks the same person who is doing receipting'. Downey was happy about that. Tuchscherer said that you can always question controls; however, you don't have enough staff, and it's harder to separate tasks. At all levels, you keep your eyes on staff, and he views the Council as a higher level of that. You are doing your job, everytime you answer questions. We don't have any specific procedures on who can sign. Downey asked Latta about that, and he told her that Mike, Bobby, himself, Michele, and Tim, are all signers on the checking accounts. He generally signs the checks, but if he isn't here, Michele does instead. If we both aren't here, Tim goes to Bobby, and then Mike. Caughey said that he always substantiates signing with an invoice. There was only one time he had questions, and it was ok. Downey said it used to be Bobby, or the Council President who signed all the checks. (Eldridge confirmed that.) Downey asked Tuchscherer if he thought that would be better?

Tuchscherer said it depends. Cities that have electronic checks, can't do that. There are internal controls, like approvals by department managers, making sure the checks are going out according to how they should. Checks under \$200 are really immaterial to the process, and don't need to be perfect. A person who is stealing would likely be after far more than that. You have to consider what your actual risk is. A better policy would be that all checks over a certain

amount, have documentation. That would be a great policy. You guys that are watching those checks, probably know what's going on; you can ask them. There is no perfect way; you should always think about risk to the City, and what would be a good way to prevent things like fraud or misstatements. Downey wasn't sure about that, because she knows of several instances in which there was repeated theft in other places, and it was repeatedly small checks. It adds up to thousands of dollars over time. Tuchscherer told her he was only talking about the fraud that happens all the time, all over the place. It doesn't happen here. There is really very little fraud that an auditor could detect. We watch for it, but it's not our focus. The best policy to detect fraud, is a whistleblower policy. You identify yourself on a hotline, because you know someone is doing something wrong. It's the best prevention for fraud.

- Downey **motioned to approve the City's Fiscal Year 2016-2017 Audit Report, as presented by the Auditor Steve Tuchscherer. She was seconded by Keaton, and the City Council voted unanimously to approve the Audit for FY 2016-2017.**

**The City Council meeting was then recessed at 7:34pm, so that the HRA Board could meet.**

**The City Council exited recess, and re-opened the Council meeting at 8:02pm.**

The matter of Reviewing 2018-2022 City Strategic Plan and Approving Resolution No. 1183

**Staff Report:** Latta briefly went over the main changes to the plan, which includes setting as a priority Objectives #8, #14, and #22. He had also amended Objective #22 with some of the changes that Council requested.

- Caughey said that he had a handout for everyone. (Please see Addendum No. 1) We need to attract businesses, and home builders to town to build up our tax base. He is proposing that we hire a publicist who works with cities, in order to get our name and information out there to attract developers. However, he feels that we should wait until after the Smith & 2<sup>nd</sup> St. improvements are completed, and some sort of construction on the water system is started. We would need to include budgeting for it in the next budget cycle; although he should note that talking to Scholz, he didn't think we'd be doing construction until the end of 2019. That puts us into 2020. Putting this out too soon, would be shooting ourselves in the foot, because we need to have some important projects done.

Council discussed this briefly, and liked the idea of promoting the town in this way. Downey suggested that we might be able to get a grant for this; Boese agreed with some advertising we could do to promote town. Caughey envisioned doing that through business journals, magazines that go to developers, and builders. We would need to know what we want to accomplish, give it a time frame, and a budget. Keaton suggested touching base with David Smid, since he's a realtor. Latta said he would reach out to some other cities as well. Keaton agreed that we shouldn't be jumping the gun, and especially, construction is already really tight for the remainder of this year. Caughey said perhaps looking at this in early 2019; we need to know what our expectations are, and our budget. Latta said that the community and economic development fund had a project line in it, that was somewhere around \$40,000 to \$50,000. That would be a good place to put that expense in.

- Downey **motioned to approve Resolution No. 1183, "A RESOLUTION ADOPTING THE CITY'S 2018-2022 STRATEGIC PLAN AND REPEALING RESOLUTION NO. 1154." She was seconded by Boese, and the City Council voted unanimously to approve the adoption of the 2018-2022 Strategic Plan.**

The matter of Considering an Expansion of the Harrisburg Enterprise Zone, and Approving Resolution No. 1184

**Staff Report:** Latta remarked that Junction City is a co-sponsor of our Enterprise Zone, and they have businesses that would like to expand and construct off of Meadowview Road, which is somewhat south of the prison. The number of tax lots being added is just under 1 sq. mile. Our current zone is only 2.2 square miles, and since Enterprise Zones are allowed to be 15 square miles, we still have plenty of room left to expand. The businesses here might have an ancillary effect on our City. Because Junction City is now going outside their UGB, they will need to have Lane County join them as a co-sponsor. Therefore, we'll have 4 co-sponsors of the Harrisburg Enterprise Zone.

Council asked some questions about the property located near the Interstate. Latta said that there is property there, near the truck business, and the airfield. That's why Linn County is also a co-sponsor. Keaton also questioned the date on the last map section listed on Exhibit A on page 36. Latta felt that those were the assessor's map date. He's not certain why they would include the dates.

- **Downey then motioned to approve Resolution No. 1184, "A RESOLUTION AMENDING AND EXPANDING THE HARRISBURG ENTERPRISE ZONE BOUNDARY." She was seconded by Keaton, and the City Council voted unanimously to approve Resolution No. 1184, and thereby the expansion of the Enterprise Zone Boundaries.**

The matter of Discussing Water Bond Financing Options

**Staff Report:** Latta explained the two tax laws that come into play with the financing we will be obtaining for the water bond, as explained in the agenda bill. Because the bond budget is heavy on construction costs, and construction may not finish in 3-years, we do need to look at how we want to structure the finances for this. In getting this information, he spoke with the bond company, our bond counsel, and Tim Gaines. He then discussed the two different options, and the pro's and con's of each. One of the main con's, is that we don't know what the rates will do between now and next year.

- Keaton expressed concern that the only direction rates will go at this time, is up.
- Latta asked the bond company what has happened with rates over the past year. They told him that with last year's short term borrowing, the rates went up, but the long term borrowing remained flat. So he asked them what they expected in the next year or so. They told him that we can expect a short term raises, and long term rates could stay in the same realm, but could waiver up or down a little bit. We do also know that it takes 10 to 16 weeks for the issuance of the bonds.
- Caughey thought it was closer to 10 weeks.
- Latta said that if we see a trend of rates going up, we can ask them to start the work, and lock in the rates at that time. However, again, we can't get all the money right away. We will have to wait 9 months to a year to borrow the larger amount. The question for Council, is do you want two issuances of bond funds, or only one? If you want one, then we will need to do an interfund transfer from the sewer reserve for a quarter million in order to put the money in the water reserve fund, where we can pay for the engineering and design work. That will need a resolution.
- Gaines thought we need to call it a loan, rather than a transfer. We can decide to charge interest, or not.
- Caughey asked why we would charge ourselves interest?
- Gaines told him that it's a philosophical thing, because they are different funds.

- Downey said it depends on the money we are borrowing. She really didn't want it to be sitting in an account, incurring interest.
- Gaines said that he would bring that to a future meeting; the resolution will call it a loan.
- Latta commented that once we received the bond issuance funds, we would want to reimburse all the money to the water fund, and then have the water fund reimburse the sewer fund. You aren't losing money, because it gets reimbursed. He added that staff is recommending that we have only one bond issue.
- Keaton asked how long do we have? We have citizens who have voted to allow us an opportunity to issue the bonds; do we have a timeline in place?
- Latta said that when the bonds are issued, the 30-year time period starts. If that occurs in year two, then the 30-year timeframe starts from that point, not from when the citizens voted. We do have to make sure that we contact the county, and direct them to not collect the taxes in that year. That way, the citizens get taxes closer to when the actual improvements are constructed.
- Downey, Keaton, and Caughey all agreed that would be better.
- Keaton said that he worries about the fact that now we'll have the fire bond, water bond, and school bond, all running at the same time.
- Downey added though, that the old school bond is actually sunsetting.
- Latta said that it's a good selling point for the school board. They are asking for \$1.50 per thousand in their bond, but the one that is sunsetting is .99 cents per thousand. Technically, they are only asking for .51 cents more than the current bond.
- Downey then **motioned to Direct Staff to Prepare a Resolution for an Inter-Fund Loan to Move Money from the Sewer Reserve Fund to the Water Reserve Fund to pay for the 1st Year's Expenses of the Water Improvement Project.** Keaton **seconded the motion, and the City Council voted unanimously to approve the preparation of a resolution that will allow an inter-fund loan between the sewer reserve and water reserve funds, in order to cover the 1<sup>st</sup> Year's expenses for the water improvement project.**

The matter of Approving the Annual Evaluation, Proposed Contract Amendment, and Bonus for City Administrator/Planner Brian Latta

**Personnel Committee Report:** Downey told the council that she was surprised with how long it had been since the Personnel Committee last met, but we did go over the wonderful review for Brian. She thanked the City Council for turning in their evaluations on time. She wanted to make sure that they all looked at the memorandum that Brian wrote, and see his list of accomplishments. He's been doing a fantastic job, and we are very thankful for it. We have a point system, which worked out to an average of 3.6 out of 4 points. That's a very high score. We are not going to increase his contract pay, but we would like to give him a bonus.

- Eldridge added that we also had a few little amendments to his employment contract.
- Keaton, who was the only councilor present who wasn't a part of the committee, said that he was surprised to see a bonus structure. It must be an industry standard, because he doesn't really understand that.
- Downey said that the City Administrator doesn't get rate increases (cost-of-living), so we wanted to make sure that he received a bonus for his performance.
- Keaton thought we had given Brian a bonus last year too.
- Downey said we did, but Brian very generously shared that with his management staff members who assisted him with those big events.
- Gaines said that he had a question. He and Michele had a discussion, and he misunderstood what we were talking about. (In relation to the funds available in the administrative expense line). We can pay that bonus immediately. However, we aren't

budgeted for it. So the worst case scenario is that in May, we might need to come to Council to in order to do a transfer, so that we don't go over budget. He doesn't think it would happen, but he wanted them to be aware of it.

- Downey told him if it happens, to let them know.
- Gaines noted that we could also give him the bonus in July. It's not a problem to do it as a resolution. There can be some odd variables, but there is only a 2% cushion in the general fund. He doesn't think it will be a problem, but he wanted them to know.
- Downey said that we could give the money in next year's budget if we need to.
- Gaines said that we could put together a resolution if needed; he doesn't think it's a big deal.
- Latta said that we do need to watch that. We are at 48% of our personnel services, which the three of us (Latta, Eldridge & Gaines) get paid out of. We have half a year to go yet. While the \$5,500 is not budgeted, it may cause us to go over. We do have some buffer in personnel services, and in the general fund, that we always have a budget for, but haven't used. We have good confidence that it won't be an issue, but if we do go over, we'll bring it to you to make it right.
- Downey said that next year, perhaps instead of a bonus in the current year, it should automatically be budgeted for the following year.
- Caughey said that in 2018-2019, perhaps we should put money into a fund for bonuses for our employees, including the City Administrator.
- Downey thought we could do something like that.
- Gaines agreed, and said that we kind of address that with what we are doing with streets.
- Latta added that in personnel services, we put a buffer in the general fund, which is smaller than what we do in water and sewer. We have less overtime in the general fund. However, we can pad that to accommodate bonuses for him or others. There are different strategies we can employ, instead of needing a resolution.
- Downey then **motioned to:**
  - 1. Approve the Annual Evaluation for City Administrator/Planner Brian Latta at a Score of 3.6 out of 4; and,**
  - 2. Approve the Amendments to the City Administrator Employment Contract, and to Authorize the Mayor to Sign such an Agreement; and,**
  - 3. Approve the Issuance of a \$5,500 Bonus to the City Administrator based on his Performance over the Last Year.**
- **Downey was seconded** by Boese, and the **City Council voted unanimously for all three motions, thereby acknowledging the great performance by the City Administrator, the amendments to his employment contract, and approving the \$5,500 bonus based on his performance over the previous year.**

#### **Others:**

- Latta told the Council that the City is currently collaborating with seven other cities, on a rural opportunity initiative grant from Business Oregon. It's created to help rural communities build capacity for entrepreneurs. It helps to connect them with resources that may be available. We submitted a letter of intent, which was signed by him and Mayor Duncan, as well as all of the other mayors in the other cities. This is a very competitive process; the funds available are \$750,000, and the state has had requests for over \$5,000,000 so far. We were selected to apply for \$50,000, which is decent for us in the concept stage. There are three different levels of funding. We anticipate that we will get funded for that. The purpose is to hire a catalyst, through R.A.I.N. (the Regional Accelerator & Innovation Network), who will be a full-time employee. This

person goes around and hosts networking meetings, stakeholder meetings, etc., to generate entrepreneurship, and identify resources. This is all at a conceptual level. We are asking counties to give \$20,000 towards that, and the cities are raising \$20,000 as well. The costs are parceled out by population levels. Harrisburg will pay \$2,000, while Lebanon will pay \$9,000. Our share will come from the community and economic development fund money. This is well worth the \$2,000 investment, to leverage \$110,000 for a program like this. They can really do great things for the City.

- Keaton was enthused that we were already cracking on that.
- Latta said that we'll need to establish a MOU (Memorandum of Understanding) between the cities for managing the grant. Lebanon will be the fiscal agent, while Monroe is the lead applicant.
- Caughey asked if he needed a consensus from Council.
- Latta told him no, he just wanted to make sure that there were no objections.
- Keaton was glad that we aren't sponsoring it. We have enough going on right now.
- Latta said as towards that, we haven't heard back from the CDBG grant (Community Development Block Grant) He knows that there were 5 applicants for \$2,000,000. We should get that, and we are the lead agency on that, as well as a fiscal agent.
- Latta stated that he is also working with the Cascades West Council of Governments (CWCOG), and they've decided through the OCCMA (Oregon City –County Managers Association) that they would like to advocate on behalf of all the cities in the region to the legislative assembly. We aren't big enough to hire a lobbyist, so we came up with a collaborative model to do that for us. As the manager, he's responsible for communicating your concerns to the board. The topic he has been assigned, is something we all have a common interest in; wetlands. The solution he is working on is a quick fix, and he thinks it's one that will get broad support. When UGB's are approved, they have to submit a buildable land inventory. Properties that are in flood plains, those that have water bodies, and steep sloped property, are not included as buildable lands. Local wetlands that aren't locally significant are also a huge problem for us. A person wanting to develop property would need to buy 1 credit, and 1 acre can cost \$80,000. It's really not buildable land. If we can add wetlands to the administrative list, they could get a 100% discount, or probably, it would be more palpable as a 75% discount. He thinks that will be what he pushes, so he's in the process of writing a white paper. If we want to expand the UGB more, we could probably do that, because a lot of our lands are wetlands. He will bring these things up more as we identify more things to talk about, including what we plan to advocate with the legislature. It likely won't happen until next year.

**With no further business to discuss; the City Council adjourned at the hour of 8:55PM.**

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Mayor

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City Recorder



## Proposal to the Harrisburg City Council

As a follow up to our recent discussions pertaining to our revised five year projects list, specifically encouraging new businesses and especially home construction, I would like to suggest a plan to accomplish those tasks.

The Community and Economic Development Budget has some money and perhaps some from the HRA to hire a publicist to design a campaign to put our city into appropriate publications and in front of companies that might be a fit for Harrisburg. We seem to all agree that we need to show builders and businesses that we are a viable alternative to more crowded and expensive cities for their expansion. (*This fits with our Objective #22*)

The City has several major projects in the works or planning stages. The roads, water and new Fire Station as well as the proposed improvements to the Harrisburg Schools.

I believe it would be advantageous to wait until our new water system construction is well underway and Smith and Second Street projects are completed. Perhaps the future 100 Acre Park plan could be included. This would show what we are and will be, as far as infrastructure and appearance.

Another step might be to assist the less-attractive properties on 3<sup>rd</sup> St. to spruce up and improve appearances.

We should capitalize on these to help increase our tax base and share the costs of our great City.

We are approaching budget time, and although this may not be appropriate for this budget year, looking forward we may want to plan for this expense.

Mike Caughey  
City Councilor  
14 February 2018