

REGULAR SESSION
February 1, 2017

Mayor Billie Jo Smith called the meeting to order at 7:00pm. Councilors present: Jerry Seth, Jackie Kauffman, Josh Smith, Deanne Dunlap, Michele Johnson and Council President (CP) Terri Strom.

Staff present: City Manager (CM) Craig Martin, Police Chief (PC) Dave Enyeart, Finance Director (FD) Polly Chavarria, City Recorder (CR) Nancy Bryant and City Attorney/Planner (CA) Mike Adams.

Visitors present: Glen Kearns and Callie Hair.

Visitors/Public Comment

There was no visitor comments.

Mayor Smith announced that there will be a discussion regarding the Government Finance Officers Association Award.

Consent Calendar

Councilor Smith suggested a grammatical correction to the Council minutes of January 11th as well as a correction to the resignation date of the Assistant to the City Recorder in the January 18th minutes.

Motion-It was moved and seconded (JSmith/Dunlap) to approve the consent calendar consisting of the City Council minutes of January 10th, 11th, & 18th, 2017 with corrections.

Motion passed 7-0.

Discussion and Information Items

Committee Updates

Councilor Smith reported that he attended the Cascades West Area Commission on Transportation (CWACT) meeting. He noted that the regional transportation project list has been prioritized by the Commission and forwarded to the Oregon State legislation for funding.

Mayor Smith attended the Cascades West Council of Governments (CWCG) Board meeting. She noted that the City's dues will increase by 5% to add funding for special projects. She also noted the organization has had a deficit in funding the "Meals on Wheels" program; thus a fundraiser is being organized to help fund that program. CWCG is also concerned about State budget cuts to the "Aging and People with Disabilities" program.

CM Martin reported that there are two vacancies on the Planning Commission, three vacancies on the Budget Committee, and one vacancy on the Public Utility Commission.

Councilor Seth reported that he and Councilor Smith attended the Swimming Pool transition meeting with staff and members of the Keep Our Pool Open (KOPO) community group. He noted

that the KOPO group will be asking the city to fund the Swimming Pool operations through February of 2018 because, if approved by voters, district funding will not begin until November of 2017. He added, if the Pool is going to be operated by a Recreation District, anything the City can do to further its chance for success is helpful. He also noted that the KOPO representatives at the transition meeting are not the directors of the district so these meetings are merely discussion of options with no commitments. Councilor Smith noted that this was a very preliminary meeting to provide input from both parties. Councilor Seth also noted that the group discussed options for the transfer of real property as in lease or purchase by the district.

CM Martin reported that the City Attorney is working on a draft memorandum of understanding based on the discussion of both parties at the transition meeting. Staff will bring that information before Council for review at its February 15th regular session.

Annual Financial Report

Glean Kerns of Accuity, LLC Certified Public Accounts presented the City of Toledo Annual Financial Report dated June 30, 2016.

Highlights were as follows:

- The report is an unmodified opinion, meaning that there were no issues in controls or other areas that would cause modifying. The City's finances are in good shape.
- All finance and contracting compliance areas are in good order.
- He suggested that the City consider a lap-over of employment when preparing for the retirement of FD Chavarria. He noted that the finance department is very well organized and meets or exceeds his expectations.

FD Chavarria noted that the City's positive net change was something that was a positive influence for the City when it recently sold bonds. She then expressed her appreciation of Carma McCaslin and Briana Lane of the Finance Department as well as Mr. Kearns and his agency.

Government Finance Officers Association Presentation (GFOA)

FD Chavarria announced that the City received the GFOA's Distinguished Budget Presentation Award for the second year in a row.

CM Martin read aloud information that accompanied the award as follows:

"The Government Finance Officers Association of the United States and Canada (GFOA) is pleased to announce that City of Toledo, Oregon has received the GFOA's Distinguished Budget Presentation Award for its budget. The award represents a significant achievement by the entity. It reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting. In order to receive the budget award, the entity has to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well an entity's budget serves as: a policy document, a financial plan, an operations guide, and a communications device. Budget documents must be rated "proficient" in all four categories, and the fourteen mandatory criteria within those categories, to receive the award. When a Distinguished Budget Presentation Award is granted to an entity, a Certificate of Recognition for Budget presentation is also presented to the individual or department designated as being primarily responsible for its having achieved the award. This has been presented to Polly Chavarria, Finance Director."

FD Chavarria also noted that CR Bryant and Assistant to the City Recorder Melodi McGee also put a number of hours into creating the document.

Decision Items

PERS Rate Review and Stabilization Fund Threshold

FD Chavarria reported that the City has been setting money aside in a stabilization account to offset volatility in retirement expenses since fiscal year 2002-2003. Originally the City would 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 retirement stabilization fund has grown to approximately \$563,000. The fund is earning about \$5,000 per year in interest. In 2013, the City Council passed Resolution No. 1335 outlining when the Stabilization Fund can be used. One of the uses of the fund is "To offset the excess amount of the employer portion of retirement expenses as determined by the Council each time a new PERS employer rate is set for the City." At that time, Council asked that each time a new rate is released that staff make a recommendation on the rate that would trigger the stabilization fund based on a ten year look forward to protect the fund. The current threshold is set at 7%; leaving the percentage at 7% for the following two years would result in the City drawing approximately \$30,000 per year of stabilization funds. Staff is not recommending any increase in the threshold at this time.

Mayor Smith thanked FD Chavarria and noted that there are very few public agencies that have been able to do this.

Councilor Johnson noted that she believes that there should be an overlap of employment when preparing for FD Chavarria's retirement.

Motion- it was moved and seconded (JSmith/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, 2017 through June 30, 2019 at 7%. **Motion passed 7-0.**

Reports and Comments

Department Reports

CM Martin reported the following for public works:

- Greg Springman will begin employment as the Public Works Director on February 13, 2017.
- There has been additional slide activity at the Water Reservoir area. It has been nothing significant but in an effort to mitigate any issues the water in the Reservoir has been reduced to ease the load on the foundation. This may cause some pressure issues for some residents. The department is continuing to monitor the situation.
- An adjusted work schedule for maintenance workers was established for the winter months so that there is someone available to plow or sand during the early weekday morning hours.
- The department will move forward with phase two of the 2016 Street Improvement Projects as soon as weather permits.
- The department will also be moving forward with a reduction program for Inflow and Infiltration (I&I) issues.

CA Adams reported that the Planning Commission will meet next week at its regular scheduled meeting to follow-up on the Tree Board/Tree Plan, Arbor Day event planning. The Commission will also discuss Tiny Houses and Parklets.

He also reported that he attended a Regional Water meeting, with Mayor Smith and CM Martin, in Newport. He said the group continues to discuss identifying resources and ways to collaborate resources; the discussion has been about process but not much on the solution.

Council and staff had a brief discussion regarding Parklets.

City Manager Report

CM Martin reported the following:

- The swimming pool facility transition/understanding document will come before Council on February 15th.
- He is working on draft goals based on the goal setting session. He will bring it to Council at the next work session.
- He has been busy dealing with public works sewer issues.
- The High School Swim Team program is wrapping up with a District Championship event February 9th and 10th. He will be away from the office on those dates.
- A Swimming Pool In-service training day is scheduled for February 7th. He will be there to answer any questions of staff regarding the facility transition and potentially recertify his lifeguard certification.

Council Comments

CP Strom inquired about how the City is responding to people living in commercial buildings. She noted that because of the housing shortage it would be a shame to make people move.

CA Adams stated that the Commercial Zone allows one accessory dwelling with a commercial use. If there is an operating business in the building then one residence is allowed. Individuals who wish to reside in a building zoned commercial and without a business located in the same building can apply to the planning commission for a conditional use.

CM Martin noted that housing was identified in the recent goal setting session with some focus on Main Street.

Councilor Smith reported the following:

- He is registered for “City Day” at the State Capital on February 8th. He stated that anyone not attending can forward questions or concerns to him before he leaves for the event.
- The recent League of Oregon Cities bulletin included information needed for a Street Condition Survey to be used for advocating transportation funding during the legislative session. He noted that the City of Toledo has not responded and the deadline is February 17th.
- He thanked staff for the City Facilities tour.

Councilor Kauffman reminded all that Councilor’s need to be up to date with all FEMA ISO trainings.

Mayor Comments

Mayor Smith commented the following:

- She is starting “Chat with the Mayor” sessions again this year, beginning at Kawanda’s Tea Room on Main Street from Noon to 3pm on Monday afternoons.
- She thanked staff for the City Facilities tour.
- The goal setting session was wonderful.
- Applications to the Contribution Committee need be submitted to City Hall.

Mayor Smith called for a brief recess at 8:11pm and announced an executive session will follow according to ORS 192.660(2) (e) to conduct deliberations with persons designated by the governing body to negotiate real property transactions.

She 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."

Executive Session:

Council resumed in executive session at 8:22pm. Council and staff discussed the potential sell and purchase of real property.

Adjournment:

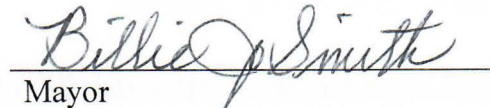
Council returned to regular session and no action was taken.

Mayor Smith adjourned the meeting at 9:18pm.

ATTEST:


City Recorder

APPROVE:


Mayor