

TOLEDO CITY COUNCIL MINUTES
SPECIAL SESSION
August 23, 2017

Mayor Billie Jo Smith called the meeting to order at 7:00pm. Councilors present: Deanne Dunlap, Joshua Smith, and Council President (CP) Terri Strom. Councilor Michele Johnson joined the meeting via telephone at 7:00pm. Councilor Jackie Kauffman arrived at 7:01pm.

Staff present: City Manager (CM) Craig Martin, City Attorney (CA) Paul Osterlund, Police Chief (PC) Dave Enyeart, Finance Director (FD) Polly Chavarria, City Recorder (CR) Nancy Bryant, Police Officers Michael Henderson, Michael Pace, Aaron Pitcher, Matthew McCandless. Dispatcher Cassie Griffith, Library Director Deborah Trusty, and Public Works Director Michael Adams.

Visitors present: Jerry Seth, Joan Brown, Andrew Applegate, Brenda Brown, Ralph Grutzmacher, and Rod Cross.

Visitors/Public Comment

There were no visitor comments.

Decision Items

City's Purchase of Real Property Located at 222 NE Highway 20, Toledo Oregon

CM Martin reported on a request for council action form that the City became aware of an opportunity to acquire the Columbia Bank building for use as a Public Safety building in late December 2016. With consensus of the City Council, staff began negotiations for the purchase of the property beginning February 2017. The City initially executed a first "Right of First Refusal" on the property on February 6, 2017, given the property was under a pending sales and purchase agreement with a private party. The private party purchase and sales agreement expired and on March 2, 2017 the City made an offer to purchase the property to which the seller made a counter offer that the City tentatively agreed to accept. On April 28, 2017, the City entered into a purchase and sale agreement to purchase the property. The agreement contained an inspection contingency provision to allow the City a 90 day review of the terms of the agreement, inspection of the premises, and determination of the general feasibility of the property for use as a Public Safety Facility. The purchase of the property was conditioned upon final approval/ratification of the City Council. The original inspection contingency period ended July 27, 2017, however, the seller upon the City's request agreed to an extension of time for the review period until August 27, 2017. If the City does not reject the purchase agreement prior to this date, the City will forfeit refund of the \$10,000.00 earnest money deposit specified in the agreement, and the sale will become final per the terms of the agreement. The agreement also contains a confidentiality provision that binds the City to keep the terms of the agreement as well as any results of inspections in confidence until such time the transaction is complete. He stated that given this confidentiality provision of the agreement, the City Council met in several executive sessions with City staff to review the provisions of the agreement as well as the findings and recommendations of the inspections and architectural and structural feasibility of the building for use as a public safety building.

CM Martin then noted that if Council chooses to cancel the purchase, the City will receive its earnest money deposit in full and shall not disclose any of the terms of the proposed purchase. If the City finalizes the purchase, the details of the purchase and sale agreement as well as the inspection contingency and architectural and structural feasibility reviews will be released after closing of the transaction.

CM Martin also noted that the City has expended approximately \$8,000.00 in architectural, structural and inspection services related to the purchase of this property. Immediate funding of the renovation of the facility could result in financial constraints on other City services and or programs. A decision to purchase the property will also cause the city to lose approximately \$18,600.00 annually in property tax and water utility revenue.

Public Comment:

Rodney Cross of 931 NE Alder Street, Toledo stated that he understands the need for the building. When the police station was moved into the current building the city was under the crunch. He said the city had funding in place to complete the project and it made the transition quicker and seamless for the citizens of Toledo. He recommended that City Council get the majority of the funding in place before purchasing the building.

Andrew Applegate resident of Toledo stated that he was working on the public works crew last fall and he witnessed a flood in the area of the police station. He thinks it is necessary to move the police department and he supports the move.

Ralph Grutzmacher of 829 SE Fir Street, Toledo stated that the City of Toledo has been known for its fiscally sound city government. He said one of the hard principals that enables this reputation is that we don't rob Peter to pay Paul. He said that he understands that the fund to purchase the building will come from the wastewater reserve fund. CM Martin stated that no utility funds are identified as potential funding; the city will seek grants for some renovation and some funding that the City can explore that are not utility funds; potentially aggregate the funds for the renovation.

Mr. Grutzmacher stated that the purchase of this building has been a discussion for the past six years. City Council and 20 different citizens have had this discussion and each time came to the conclusion that it would be fiscally irresponsible and it would not fit the City's needs by purchase, by lease or by donation. He said that it is true that the Police department and dispatch services need to be moved out of the tsunami zone, however the department has special needs and deserves a purpose built building. Banks are purpose built buildings with glass walls, police stations do not have glass walls. The cost to make the bank building functional for the police department will be very expensive while the City's budget is extremely tight. He agreed with Mr. Cross in that going down this venture without a particular plan in place is not a wise idea but seriously bad idea. He stated that this Council has provided no evidence of facts that would change the conclusion that the City does not need this building.

Toledo Police Sergeant Michael Pace stated that he has been a resident of Toledo for the past two years and he likes working at the Police department because of its innovation. The department has implemented city wide surveillance cameras and was the first local department to initiate body cameras for patrol officers. He stated that he has witnessed area flooding when the station almost flooded and it caused a distress to the department to function at its best ability. He believes that proposed location provides adequate space and an iconic view for visitors coming into town. The department would have the ability to provide EOC for Lincoln County if it were inundated in a tsunami; Toledo could pick up that lack in service.

Officer Matt McCandless of 404 Main Street, Toledo stated that the current building is a renovated bank building which does not have ballistic glass or hardened structure for personnel safety. He also stated that the current location is in the flood plain; it is the only dispatch in Lincoln County and will be needed for local communication if the Salem dispatch center fails during a major event.

Brenda Brown stated that she lives in the Toledo area and receives dispatch services. She said years ago when the bank building was closing the bank manager was one of the Lincoln County Board of Commissioners. There was some buzz about the city purchasing the bank building and the manager contacted her to let her know that the building has some issues. The City has been told about the water issue in the basement. Later on, the City looked at the building and again decided against it. Others have turned down the purchase because of structural issues. The Fire Station structure was set up so that dispatch can be located out of that building. She understands that is still a possibility. She stated that she has experienced a flood issue in her home and what she found out was that the tide-gates are broken and it has a bearing on the issues as well.

Mayor Smith stated that this Council has done due diligence. Council has toured the building, an architect has done a thorough investigation of the building. Council is aware of the problems and opportunities as well as the property and the value. She said, we are not doing this blindly.

Mayor Smith also noted that when Council has made decisions against staff opinions it has been accused of not listening. She said it is not that Council doesn't listen but it may agree or disagree.

Motion-It was moved and seconded (Strom/Kauffman) to confirm the terms of the purchase and sale agreement executed April 28, 2017 between the City of Toledo and Columbia State Bank for the purchase of property located at 222 NE Highway 20, Toledo, Oregon 97391, and to authorize City staff to complete all actions necessary to complete the purchase of the property.

Motion passed 5-1, noting that councilor Smith voted no.

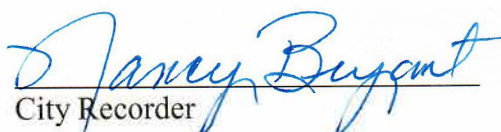
Councilor Smith stated that he was giving a voice to the no votes. He said it looks like we are trying to buy a fixer upper with no money in the bank and it doesn't seem like a smart idea to him.

Mayor Smith noted that the City has received two applications for the City Council vacancy. Council agreed to begin interviews at 6:30pm, prior to its regularly scheduled session on September 6, 2017 in the City Hall Council Chambers.

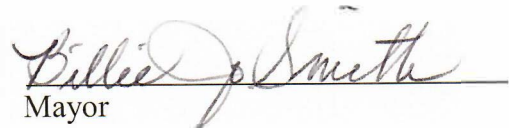
Adjournment:

Mayor Smith adjourned the meeting at 7:35pm.

ATTEST:


City Recorder

APPROVE:


Mayor