

TOLEDO CITY COUNCIL MINUTES
REGULAR SESSION
September 6, 2017

Mayor Billie Jo Smith called the meeting to order at 6:30pm. Councilors present: Jackie Kauffman, Deanne Dunlap, Michele Johnson, Joshua Smith and Council President (CP) Terri Strom.

Staff present: City Manager (CM) Craig Martin, Police Chief (PC) Dave Enyeart, Finance Director (FD) Polly Chavarria, Public Works Director (PWD) Michael J. Adams, City Recorder (CR) Nancy Bryant, and Library Director (LD) Deborah Trusty.

Visitors present: Rod Cross, William Dalbey, Joan Brown, Bill Farley, and Ralph Grutzmacher.

Council Vacancy Interviews

City Council interviewed Rod Cross, applicant for the City Council vacancy.
City Council interviewed William Dalbey, applicant for the City Council vacancy.

Visitors/Public Comment

Ralph Grutzmacher of 829 SE Fir St. Toledo, encouraged Council to appoint Rod Cross to fill the Council vacancy.

Consent Calendar

Motion-It was moved and seconded (Strom/JSmith) to approve the consent calendar consisting of the City Council minutes of August 8, 2017, August 16, 2017 and August 23, 2017 and the records destruction list dated August 24, 2017. **Motion passed: 6-0.**

Discussion and Information Items

Committee Updates

Mayor Smith asked if any of the Council members have registered for the League of Oregon Cities Annual Conference. Hearing none, she noted that there will be no voting delegate at the conference this year.

CM Martin reported that a meeting with representatives of the Greater Toledo Pool Recreation District has been scheduled for September 14, 2017 at 6pm in the City Hall Council Chambers. He noted that Councilor Joshua Smith and Council President Strom are on the committee to discuss the proposed intergovernmental agreement for the jurisdictional transfer of the swimming pool facility. He said the meeting will be posted for public information.

Mayor Smith reported that the Lincoln County Commissioners office has requested that Council forward agenda items that it would like to discuss at the September 20, 2017 joint work session. Council chose the following agenda topics:

- Housing for the homeless
- Affordable housing
 - Work Force Housing Task Force report

- Code incentives for alternative housing programs
- Highway 20 safety issues
- Clarification of the Lincoln County Building Permit/Inspection procedures
- Joint effort in securing the viability of the City's truck route

Decision Items

Appointment to the City Council Vacancy

CM Martin noted that Council has conducted interviews of both of the vacancy applicants. Mayor Smith thanked both applicants for their willingness to serve on City Council and encouraged the person who is not appointed to run for office during the election of 2018. Council then voted by written ballot to fill the current City Council vacancy.

The ballots cast were as follows:

Councilor Dunlap voted for William Dalbey
 Councilor Kauffman voted for William Dalbey
 Mayor Smith voted for William Dalbey
 Councilor Johnson voted for William Dalbey
 Council President Strom voted for William Dalbey
 Councilor Smith voted for Rod Cross

William Dalbey received the majority votes cast to fill the Council vacancy for a term ending December 31, 2018.

Public Comment:

There was no public comment.

CR Bryant officiated the oath of office to William Dalbey as the newly appointed City Councilor. Councilor Dalbey joined Council at the dais.

Butler Bridge Force Main Repair Contract

CM Martin referred the presentation to PWD Adams as the lead staff member on this project. PWD Adams reported that the project has been identified in the City's Wastewater Facility Plan. The project is the replacement of 1377 lineal feet of 14 inch sewer force mainline, and abandonment of the existing 12 inch line, that has had breaks and needs to be replaced. He stated that on or about August 2, 2017 the City publically solicited construction bids for this project and on August 28, 2017 the city received, opened, and read aloud official bids submitted by four (4) qualified bidders interested in constructing this project: Pacific Excavation at \$411,570.00; BRX Inc. at \$392,080.00; Trenchline Excavation Inc. \$397,750.00; and Kizer Excavation Company at \$387,255.00.

PWD Adams then noted that this is an important project, has been identified as such, and it needs to be replaced. If this project is awarded at the low bid amount it will reduce the wastewater reserve fund to approximately \$60,000. This will prevent the ability to fund other projects identified in the 2017/2018 fiscal year budget, from this line item. He also noted that the pipe material is a petroleum product and about 40% of this product comes from Houston, Texas. Providers have published notices that they are not guaranteeing delivery. He stated that if Council chooses to move forward with the bid award and the contractor places an order it could take a long time to get the product.

Council and staff discussed potential issues resulting from awarding the proposed project, considering the wastewater reserve fund balance. PWD Adams noted that this is a project that was identified for a number of years and has not been done. The City could take a chance and cancel this project and rebid it in the future.

Councilor Dalbey asked if it is the specification of this project that the specific pipe materials are used or is it the particular contractor that has chosen the materials. PWD Adams stated that the materials that were originally engineered was a different type of PVC pipe but he requested the (HDPE) High Density Polyethylene.

Councilor Smith asked what the cost was of the recent repair of this pipeline. PWD Adams stated that the break a few months ago cost the City approximately \$12,000. It was also noted that the City has incurred significant cost because of the failure of the Butler Bridge Pump Station. PWD Adams stated that the current wastewater reserve budget also includes the purchase of a bypass pump which is not included in the proposed project. He said the proposed pipeline location is from the Butler Bridge Pump Station, under the railroad tracks, and to the other side of Butler Bridge Road.

In answer to Council questions posed to FD Chavarria, she stated this project is in the current fiscal budget in the amount of \$275,000, if the project moves forward, two of the projects in the wastewater reserve fund that will not be funded this year are the bypass pump acquisition in the amount of \$40,000 and the Butler Bridge Pump Station replacement in the amount of \$100,000. CM Martin noted that the City incurred approximately \$14,000 in costs to rent a bypass pump when the A Street Pump failed.

Councilor Smith asked what staff believes to be most important; spend \$387,000 on the force mainline or do the other projects. PWD Adams said all of it. Councilor Smith then asked which project is an emergency and which can be postponed to next year. PWD Adams stated that there are things that the City will have to buy this fiscal year and coming from the sewer reserve line item. If this project is delayed it will be at the risk of another winter of multiple breaks or no breaks.

Mayor Smith asked if the City will need the bypass pump if the repairs to the pump station are completed. PWD responded affirmative. He said it is good procedure to have a bypass pump. He then noted that he is working with a vendor/supplier of bypass pumps to potentially negotiate a trade of storage space for the vendor's equipment, to be dispatched out from the City's shop yard, in exchange for having a pump on site to pay for only when needed.

Mayor Smith stated that the Butler Bridge Pump Station has been a problem for a long time and she sees it as a huge priority.

Councilor Dalbey asked if the 14 inch pipe is specified for future capacity. PWD Adams stated that the 14 inch pipe was identified in the Wastewater Facility Plan, adopted in 2014. Councilor Dalbey asked if PWD Adams had a feel for what portion of the total cost of the project is the cost of the pipe material. PWD Adams did not have that information.

Councilor Smith noted that the engineer's estimate for the work was \$291,000 but the project bids jumped up almost \$100,000 for revisions to the plans during the bidding process and coordination

costs for permitting with the railroad. He asked how those charges could cost almost \$100,000. PWD Adams noted that most of the additional cost is in the pipe that he requested in the bid process. He stated that he does not know how the engineer came up with the \$291,000. He noted that staff received communication that the project has to be done with ODOT Rail Division to make sure that it wouldn't require the City to do any special permits to go under the rail line, which it is not.

Councilor Smith stated that if Council does not move forward with this project the City has \$200,000 worth of projects to be done, versus a \$387,000 project, which would leave \$187,000 in contingency funds available for emergencies.

Councilor Kauffman asked what has cost the City more; the pump station or the line breaks. FD Chavarria stated that this is the wastewater funding situation that staff has been warning about. She noted that the City must address the whole picture. She stated that the budget document's Capital Expenditure Detail states that there were two line breaks in the year 2015 which caused overflow into the local drains and into the Yaquina River. She noted that the City is currently being fined for overflow. FD Chavarria noted that she is not the sewer expert but that what she can tell is that all of the projects are dire needs. The City cannot afford to do all of the projects and it goes deeper than the proposed projects for this fiscal year. She said it is very scary to reduce the sewer contingency fund to almost zero.

Councilor Kauffman asked if this project is connected to the DEQ agreement. PWD Adams said it is not and that the storm water inflow and infiltration (I & I) has exceeded the permit requirements. He noted that the City will need to look at other ways to get funding to complete all of the sewer and I & I projects.

Council and staff briefly discussed potential funding options including loans and rate increases.

Mayor Smith said it doesn't seem reasonable to go ahead with this bid award. The Butler Bridge pump is a very high priority as well as the I & I issues and should be done in this fiscal budget.

Public Comment:

There was no public comment.

Motion-It was moved and seconded (JSmith/Kauffman) to reject all bids and re-advertise at a later time. **Motion passed 7-0.**

Councilor Johnson asked FD Chavarria if the City gets a loan to pay for this sewer line will the City have enough funds to set aside for future maintenance. FD Chavarria noted that it depends on where the funding is coming from. If the Council approves a rate increase that is only the amount needed to repay the debt service then no, there would be no additional funding to place in reserve. Councilor Johnson noted that she would like to see reserve funds established for infrastructure so that the cost of repair is not put upon future generations. FD Chavarria noted that these are considered twenty five year projects and thirty to forty year financing will automatically defer the cost to future generations.

Councilor Dalbey asked if not committing the funds for this force main project will give more latitude in negotiating with DEQ. PWD Adams stated that DEQ will be a little happier. Staff has

indicated to DEQ that this project will take 95% of the City's funds which was used to leverage time with DEQ.

Mayor Smith recommended those who have not read the Wastewater Master Plan to do so.

Reports and Comments

Department Reports

There were no department reports.

City Manager's Report

CM Martin presented Council with a Request for Council Action regarding the Skyline Water Reservoir Slide Repair. He reported that there have been two significant landslides on the hillside to the south and north of the Skyline Water Reservoir during the winter months of 2016-2017. The City Engineer visited the site along with representatives of the geotechnical firm of Foundation Engineering to evaluate the site in March of 2017. After this and upon recommendation of the City Engineer, initial stabilization work on the south side was performed by a contractor but additional work to stabilize the slide area was needed with the on-site supervision of a geotechnical engineer. Upon advice of the City Engineer, the slide sites were left to dry with the understanding of the need to perform a more thorough repair/stabilization during the dry season under the direct consultation of a geotechnical/ soils engineer on site to oversee the repairs. In July 2017 staff engaged the services of Foundation Engineering Inc. to oversee emergency restoration of the original slide area. The personal services agreement with Foundation Engineering Inc. was for time and materials in the amount not to exceed \$13,300 - \$17,000, depending on the extent and time on site necessary to oversee the repair/stabilization by a qualified earthwork contractor; Road & Driveway Co. was retained to complete this phase of the work. This phase of the project will not exceed \$35,000 however, given the nature of this type of repair, staff has not been billed for the work being performed by Road and Driveway. It will likely exceed \$25,000. In addition the estimated engineering oversight and construction cost for repair of the north slide area will exceed \$25,000 as follows: Foundation Engineering Inc. \$30,000 and Road and Driveway Co. \$68,000. CM Martin reported the entire project cost including engineering work is estimated to be at \$150,000.

Councilor Johnson stated that she would like the City to negotiate an agreement with the adjacent property owner to ensure that there is no future earth removal below the reservoir.

FD Chavarria asked if the declaration of an emergency is because the water tank could potentially come down the hill. CM Martin stated that the engineer has stated that it needs to be armored before the rainy weather sets in. Councilor Kauffman stated that she would like more time before deciding on this. PWD Adams stated that if Council does not want to proceed he needs to know now because the contractor is at the site. He said the work on the first slide is complete, the contractor started on the northern slide area on September 1st and costs have occurred.

Public Comment:

There was no public comment.

Motion- it was moved and seconded (JSmith/Johnson) to acknowledge the report of the City Manager authorizing emergency geotechnical slide repairs to the Skyline Reservoir property in an amount not to exceed \$150,000. **Motion passed 7-0.**

Council Comments

Councilor Dunlap reported that the “Walk Signal” on the City traffic light is not working. She also reported that the Thursday Market is cancelled for this week. She stated that she will be absent the next Council work session.

Councilor Dalbey stated that he is pleased to be a member of City Council and he looks forward to working with the members.

CP Strom reported that the Council received a trophy and prizes from Wooden Boat Show event.

Councilor JSmith requested that the bid documents, including the breakdown of costs, to be added to the information provided to Council for all future bid awards.

Councilor Johnson noted that the Fire Station building is looking good and well maintained.

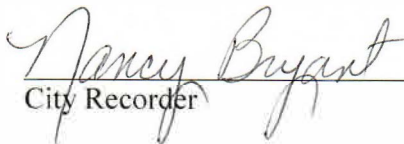
Mayor Comments

Mayor Smith had no comment.

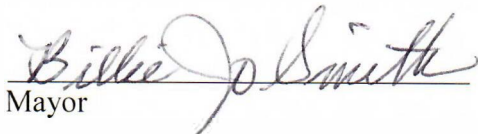
Adjournment:

Mayor Smith adjourned the meeting at 8:55pm.

ATTEST:


City Recorder

APPROVE:


Mayor