

REGULAR MEETING OF THE COUNCIL
CITY OF AMITY, OR

Minutes

Regular Meeting of the City of Amity City Council was held at 7:00 p.m. on Wednesday, September 2, 2020 in the Council Chambers, City Hall, 109 Maddox, Amity, Oregon.

Councilors Present

Councilor Ryan Lehman, Councilor Jenna Goings, Councilor Sandy McArthur, Councilor Napua Ann Rich, Councilor Robert Andrade (came late) and Mayor Michael Cape

Councilors Present via Zoom

None

Councilors Absent

None

Staff Present

City Recorder Natasha Johnson and City Administrator Mike Thomas

CONSENT AGENDA:

Councilor Lehman moved to approve the Consent Agenda. Councilor Goings seconded and with no further discussion motion passed 4-0.

CITIZEN COMMENTS/QUESTIONS:

A. DIG Report: DIG did not submit a report.

OLD BUSINESS:

None

NEW BUSINESS:

- A. Recology Annual Rate Review and Presentation from Recology: Dave Larmouth with Recology gave an update and went over the proposed rates effective November 1, 2020. Mayor Cape asked about bulk items rate and if it is one fee or is it fee with surcharge. Dave explained the bulk item rate further.

Mayor Cape made suggestion for Recology regarding calendar online and making it easier for customers to understand the calendar. Councilor Lehman moved to accept the rate review report as submitted and acknowledge Recology's limited rate increase. Councilor Goings seconded motion and with no further discussion motion passed 5-0.

- B. 1st Reading – Ordinance 665 (Vehicle Towing): City Administrator Thomas went over towing ordinance to Council and did the 1st reading of Ordinance #665. Councilor Rich moved to approve Ordinance 665 as is with this first reading, then complete a second reading at the October 7, 2020 City Council meeting for vote to enact. Councilor Goings seconded motion and with no further discussion motion passed 5-0.

- C. Approval of Resumption of Water Shutoffs: Administrator Thomas went over different options regarding the City resuming water shutoffs. Councilor Lehman moved to resume water shutoffs for option 2 (resuming water shutoffs in October) and direct city staff to initiate option 2 immediately. Councilor Andrade seconded motion. There was discussion with Councilors. Councilor Lehman brought up directing staff to think about resuming shutoffs and for the City to get back to normal, whatever that may be right now.

Councilor Rich brought up that the Governor extended state emergency to November and lots of Amity's customers are still out of work. Administrator Thomas explained that in the past the city has suspended shutoffs for November and December for the holidays. If the City chose option 2 then shutoffs would resume for one month then suspend shutoffs for the holidays. Mayor Cape explained further why in the past the city has suspended shutoffs during the holidays. Mayor Cape said he would be opposed to shutting customers off week of Christmas but not opposed if there is enough time before the Thanksgiving holiday. He agrees with Councilor Lehman that the City needs to get back to normal.

Councilor Lehman discussed that resuming shutoffs Council would need to trust city staff to make decision regarding payment arrangements. City needs to get back to collecting revenue. City Administrator explained to Council roughly how many shutoffs the City does monthly. Councilor Andrade said city staff knows what customers pay and don't pay.

Paul D. with News Register asked for clarification regarding city's shutoffs. Administrator Thomas clarified for him. With no further discussion motion to accept Option 2 passed 5-0.

- D. Presentation of Water System Improvements (WSI) Project Options: Mayor Cape went over background of the Water project. City Engineer Peter Olsen with Keller Associates went over the different options and what changed to make the project approximately double the initial cost estimate. Keller then explained that in order to reduce future costs, they developed three different options the City can go with moving forward. He went over all the pros and cons for each option. He gave handouts of each of the options with further explanation. (City keeps handouts separately.)

Councilor Lehman ask City Engineer why it's now important to move forward with changes regarding electrical systems in the WSI project, but it was fine five years ago. Councilor Lehman doesn't understand why all the changes are suddenly needed when the water treatment plant hasn't changed in five years and that the permitting process hasn't changed drastically from beginning to present. Peter replied to Councilor Lehman's concerns, explaining the events that have transpired over the last few years, event that necessitate the changes. Councilor Lehman asked how they came with their numbers five years ago to now and how those two sets of numbers can so far apart. He asked what company provided the original estimate. Peter explained it was Keller who provided estimate five years ago and now. Peter explained that there have been additions made since beginning of the project that have increased costs.

Councilor Andrade asked Peter of Keller if his company included contingencies in their initial cost estimates, stating that the cost increases now being addressed are a considerable overlook. Councilor Andrade wants to know who is at fault for that and why do the citizens of Amity have to pay for on Peter's company's possible mistake. Peter explained he doesn't minimize the fact that this is a huge problem for the City and attempted to further explain the cost reduction strategies available.

Councilor Rich asked City Engineer if they included verifications of the costs and engineering work in the original cost estimate. Peter explained what they accomplished. Mayor Cape went further into the background of the project and some of the issues that have come up during the five years. Administrator Thomas explained to the Councilors that contingency funding is included, because Keller adds in 10% for additional things that come up. The Administrator stated that the City has already used some of the contingency money. Councilor Andrade explained the 10% makes sense but that would be around \$500,000 not the near doubling in cost.

Councilor Lehman asked City Engineer how many change orders there have been for the reservoir project and how much that cost the City. Peter explained there was one change for an additional \$15,000. The Administrator explained the need for the change order. Since the change order involved locating and then digging to remove and replace piping, Councilor Andrade asked why the company would not verify pipe locations first, before digging. Administrator Thomas explained the contractor went off what the City provided regarding the location for the trench work. Peter explained further that the plans were the official ones on record with the City, so there was no reason to doubt that.

Councilor Lehman asked how many change orders there were for the water filter project and how much that cost the City. Administrator Thomas said there were around 7 change orders and cost additionally around \$35,000. He explained further why the change orders were needed. Councilor Lehman asked how long the filter train was not working. Peter said not very long. Councilor Lehman asked if there were always 2 filter trains running and what prompted the need for the work initially. Peter explained with the reservoir offline and the valving available, the system needed repairs to meet demand. Bryan Phinney, also with Keller, explained further regarding the trigger for the emergency filter train repair work.

Councilor Lehman asked Peter again why the initial cost of the project that was sold to the City five years ago was wrong and now the project is may require additional \$4 million. Peter explained initial amount was an estimate. Then he continued with his presentation and going over the three options.

Mayor Cape asked what reduced redundancy means and if City Engineer could explain further. Bryan and Peter with Keller then answered the Mayor's questions.

Mayor Cape asked if City Engineer could explain the different amounts regarding option 1C. Peter explained that one amount is just the construction cost and the other amount is the additional funding. Peter again continued his presentation and different options.

Mayor Cape asked City Engineer to explain phase 2 amount today's dollars or five years from now. Peter explained the amount incorporates a certain amount of inflation. Mayor Cape explained to Council pros for Option 3. At this point, Administrator Thomas read and went over Public Works Superintendent comments regarding the project.

Mayor Cape asked City Engineer about the quality of equipment. Peter explained not top of the line but not the cheapest.

Councilor Lehman asked if there is a possibility to get 4 million dollars in a loan with USDA on top of what we already have. Administrator Thomas said yes that USDA would fund the City. He went onto explain regarding the City would likely only get loan amounts and explained what that would do to our base water rate. Initial estimates with USDA would be that we would see an 14-16 dollars a month added to water base rate. The city would need to do a water and

sewer rate study. He explained estimate base rate would be around \$130 month. Councilor Lehman asked how much water could be included to the customers in the base rate. Administrator Thomas explained that he doesn't know at this time but would hopefully come with the rate study.

Councilor Andrade asked how much Keller will absorb of their cost, as a loss, since this was apparently their mistake. Peter attempted to answer, but Councilor Andrade left the meeting due to a conflicting personal obligation. Councilor Lehman asked City Engineer what their company will do to make it right with the City of Amity. He is ready to let Keller go as the City Engineer. Peter validates the Council's frustration. He went onto explain their cost and that they have lost over \$400,000 already and they are staying with their original fee because that is what they committed too. Peter further clarified their fee is a lump sum and they are committed to the project; therefore, they have accepted the cost overruns as losses. Councilor Goings explained City is their client and they need to make right since they were the ones who under bid, regardless of their losses.

Councilor Lehman explained that the project was sold to citizens at original cost for the whole project. With all the different staff/council change over it is up to current council and staff how to complete the project and how the city is going to get the additional 4 million. Mayor Cape asked Renata Wakeley with COG to step in and explain the project's history with funding. Renata went over background. They will look for grant money and getting extra funding and help the city. Councilor Lehman asked what the likelihood of getting \$4 million. Renata explained USDA will provide the funding. Currently the city is 60% grant funding and 40% loan funding. She would hope they would honor that but cannot commit. Mayor Cape explained to Council that the city has already gone thru the difficult process with USDA. The city is going out to bid in March instead of November. The Administrator stated there is not a better time to take out a loan. The rates are at an all time low. Administrator Thomas said it would be about 2.5% interest rate now and if we wait a few years the rates would be at around 4%.

Mayor Cape explained not a fan of option 1C. Option 2 he is not a fan of because you would lose out of archaeological and we have done a lot of work regarding it. Option 3 he is not a fan of because of the cost and he does not like the phased approach.

Councilor Goings asked if they could get rough estimate what the difference would be between the different options for rate increases. Administrator Thomas said could go from \$16 to \$12 possibly. Councilor Rich asked if the city could use any of the CARES act funding money to go towards this project to offset costs. Peter explained where the funding is going. He hasn't seen anything regarding infrastructure. Mayor Cape explained that the CARES act doesn't do infrastructure. The Hero's act does but the US Senate hasn't passed it for the President's signature into law. Administrator Thomas explained USDA has loan forgiveness for COVID, if the City is spending their money, but the City is not using their money right now.

City Engineer Peter went over the next steps. Mayor Cape asked the Council what they want to do. He gave some options. The Mayor stated Council could postpone or pick option and direct staff to move forward with project. Councilor Lehman asked City Engineer Peter what he would do regarding the three sub-options within Option 1. Peter said he would do option 1B. Administrator Thomas explained further between the options and what you get and what Public Works needs. Councilor Goings asked what happens if they don't get the lab. Administrator Thomas said would just have to send them out and not do the work in-house. Councilor Goings asked if the lab would pay for itself in the next couple of years doing it in house, the Administrator did not know. Mayor Cape said the things Public Works could take out is the bathroom and the lab. Mayor Cape said he would do option 1A with adding

redundancy measures. Administrator Thomas explained the floor plan differences. Peter explained further what the City gains by leaving out the bathroom and lab.

Mayor Cape asked City Engineer Peter how certain the numbers are presented now. Cost increase is a huge issue. Peter said he can't guarantee the price, but they are confident with these estimates. Mayor Cape explained that these numbers would have to be it. This would most likely be the final decision and the numbers would have to not change. Administrator Thomas explained should do a buffer with the loan, asking the Council to "round up."

Councilor Goings asked if the City could get a 2nd opinion regarding the cost estimate. Administrator Thomas said that it can be done but it would cost the city. Mayor Cape explained that changing City Engineers at this time would not be a good thing. A new engineer would have to start over and would not use Keller's work and not continue with what they have.

Councilor Rich doesn't think this is a decision we should make tonight, because it is not an easy decision. Councilor Rich motioned to move the decision to October and direct city staff to look into grants and loan options. Mayor Cape asked if there is a second to Councilor Rich motion. Councilor McArthur asked if Council picks option soon, can there be a special meeting. Mayor said yes, that is possible, but we will have to discuss it when motion not on the table. Mayor Cape asked if there is a second to the motion. There was no second.

Motion failed due to no second to the motion.

Administrator Thomas let Council know USDA will not give the city final answer until the city knows what the city needs. He said regardless of the decision, city staff will get the process started regarding loan options tomorrow.

Councilor Lehman made motion to direct staff to execute Option 1A at \$4 million from Keller Associates. Councilor Goings seconded motion. Councilor Lehman feels the option will complete the project and gives the city ending point. Mayor Cape let Council know that during the phone calls he was involved with working with Keller that he did ask a lot of the same questions that Council asked. He is not happy with the dollar increase but it is time to get the project done. Councilor Lehman let Peter know that he appreciates all the work Keller has done but just frustrated that the City has to get more money and sale to community. He looks forward to working with them through the project. There was no more discussion. Motion passed 3-1 oppose, with 1 abstain.

Department Reports:

City Administrator Report:

Administrator Thomas submitted his report and added update to Library staff changes. Head Librarian Robbins resigned, and he promoted Jenkins to her positions. Councilor Lehman asked about the magic show and the turn out. Administrator Thomas said it was a good show and good turnout. There was a grant that paid for the entertainment. There were no more comments for City Administrator.

City Recorder/Treasurer Report: Recorder Johnson submitted her report and had nothing to add. There were no more comments for City Recorder.

Public Works Report: Public Works Supt. Mathis was not present at the meeting but submitted

his report. There were no comments for Public Works.

Law Enforcement Report: YCSO Deputy had no report to submit. Mayor Cape said he received an email from the YCSO office letting him know that the IT department has been busy, and they have not had time to get the report that the city is asking for. There were no more comments for YCSO.

Library Report: Head Librarian Robbins did not submit her report and was not present at the meeting. Citizen (name not audible) asked if there was a Library committee. Mayor Cape explained there is not a committee assigned to the Library. There were no more comments for the Library.

City Engineer Billing Report: Billing report submitted and there were no comments.

City Attorney Billing Report: Billing report submitted and there were no comments.

City Planner Billing Report: Billing report submitted and there were no comments.

BUSINESS FROM THE MAYOR & CITY COUNCILORS:

Mayor's Report by Mayor Michael Cape: Mayor Cape went to submit his report and his city table stopped working. He is concerned regarding his records that are on the table and if cannot get the table to work how to recover his records. There were no comments for Mayor Cape.

Councilor Ryan Lehman & Finance Committee Report: Councilor Lehman submitted his report and had nothing to add. There were no comments for Councilor Lehman.

Councilor Sandy McArthur & Ordinance Committee Report: Councilor McArthur submitted her report and had nothing to add. There were no comments for Councilor McArthur.

Councilor Robert Andrade & Public Works Committee Report: Councilor Andrade submitted report and left the Council meeting early. There were no comments for Councilor Andrade.

Councilor Jenna Goings & Community Engagement Committee Report: Councilor Goings submitted report and added that the City Wide Clean Up will most likely be on October 10. Mayor Cape asked how close to getting that finalized. Administrator Thomas said the date is set but need to rent port a potty and keep facility closed and check that Recology can have a dumpster for us. Also, will need to pay some overtime to Public Works for being there helping. Mayor Cape said he brought it up because there has been comments on Facebook. The sooner the city could get it advertised and coordinate with the hazard waste event. Also, to check with the YCSO about getting jail crew to help.

City Recorder Johnson let Councilor Goings know that zoom meeting will be setup for Tourism Meeting but needs to know how she wants city staff to run the meeting. Someone will have to physical be here to run the meeting on zoom. Councilor Goings and Councilor Lehman will physically be at the meeting. Recorder Johnson said someone from city staff will be there to get the meeting ready for them. There were no more comments for Councilor Goings.

Councilor Napua Ann Rich & Business Development Outreach Committee Report: Councilor Rich submitted her report and had nothing to add. There were no comments for Councilor Rich.

Councilor Goings mentioned looking into pumpkin event and what the city can do for it.

Vacant & Public Outreach, Education and Communication Committee Report: There was none.

Mayor Cape closed public hearing and read executive session script. Council met in Executive Session to closeout of ORS 192.660 (2)(b) to hear complaints or charges brought against, a public officer, employee, staff member or individual agent.

Mayor Cape opened public hearing back up.

Councilor Lehman moved to adjourn meeting at 10:30. Councilor Goings seconded and without further discussion motion passed 4-0.

Approved by City Council October 7, 2020

Michael Cape, Mayor

Attest:

Natasha Johnson, City Recorder