

LEBANON CITY COUNCIL AGENDA

July 13, 2016 (6:00 p.m.)

Santiam Travel Station
750 3rd Street, Lebanon, Oregon

Mayor Paul Aziz

Councilor Jason Bolen
Councilor Robert Furlow

Council President Bob Elliott
Councilor Rebecca Grizzle

Councilor Floyd Fisher
Councilor Wayne Rieskamp

MISSION STATEMENT

The City of Lebanon is dedicated to providing exceptional services and opportunities that enhance the quality of life for present and future members of the community.

5:00 P.M. – CALL TO ORDER WORK SESSION: *(City of Lebanon Work Sessions are less formal meetings that enable the Council to focus on and explore in detail a topic with staff and/or consultants. Like regular Council meetings, citizens are encouraged to attend and observe work sessions. Unlike regular Council meetings, work sessions do not include public hearings or other opportunities for citizen comments. Should action be required, that topic would be brought back to the next available regular session, at which time citizens would have the opportunity to comment before a formal action is taken.)*

Water Treatment Plant Update and Bid Alternatives – presented by Ron Whittlatch, Engineering Services Director

ADJOURN WORK SESSION

6:00 P.M. – CITY COUNCIL REGULAR SESSION

CALL TO ORDER / FLAG SALUTE

ROLL CALL

APPROVAL OF COUNCIL MINUTES: June 8, 2016 Regular Session Minutes

CONSENT CALENDAR: *The following item(s) are considered routine and will be enacted by one motion. There will not be a separate discussion of these items unless a Councilor so requests. In this case, the item(s) will be removed from the Consent Calendar and considered separately.*

AGENDA: Lebanon City Council Agenda – July 13, 2016

CONSENT CALENDAR (continued...)

BOARD APPOINTMENTS: Parks Committee/Tree Board –
Names Pending Board Recommendation
Planning Commission –
Brian Daniels & Dave McClain (reappointments),
Brenda Hall (previous alternate), Jeanne Callahan (alternate)
Senior & Disabled Services Advisory Committee –
Henry Chambers

BOARD MINUTES: Bike & Pedestrian Advisory Committee – January 26, February 25
and March 24, 2016
Library Advisory Board – May 17, 2016
Planning Commission – May 18, 2016
Senior & Disabled Services Advisory Committee – January 27, 2016

RESUBMISSION: Correcting typographical error on Resolution No.2016-15

PROCLAMATIONS / RECOGNITIONS:

- Americans with Disabilities Act (July 26) Proclamation, read by Mayor Aziz
- National Night Out (August 2) Proclamation, read by Mayor Aziz

- "If I Were Mayor" Contest Recognition of Award Recipients, presented by Mayor Aziz:
 - 1st Place – Emily Salinas of Green Acres School
 - 2nd Place – Gwen Bjerklund of Pioneer School

PUBLIC COMMENTS: *An opportunity for citizens to comment on items discussed at the earlier Work Session or any other city business. This Council welcomes all respectful comments regarding the City's business. Citizens may address the Council by approaching the microphone, signing in, and stating their name and address for the record. Each citizen is provided up to 5 minutes to provide comments to the Council. The Council may take an additional two minutes to respond. The City Clerk will accept and distribute written comments at a speaker's request.*

REGULAR SESSION:

1) Water Treatment Plant Project Bid Alternative Proposal

Presented by: Ron Whitlatch, Engineering Services Director

Approval/Denial by MOTION

2) Amendment to Park Exclusion Ordinance

Presented by: Tre Kennedy, City Attorney

Approval/Denial by ORDINANCE BILL NO. 2016-13, ORDINANCE NO. 2882

3) Voter Referrals on Local Recreational Marijuana Ban and Taxation

Presented by: Tre Kennedy, City Attorney

Approval/Denial by RESOLUTION NO. 2016-24

Approval/Denial by ORDINANCE BILL NO. 2016-14, ORDINANCE NO. 2883

Approval/Denial by RESOLUTION NO. 2016-25

4) Linn County Lease Agreement

Presented by: Dean Baugh, Finance Director

Approval/Denial by MOTION

5) Amending Resolution No. 2016-16 – Levying Taxes for the City of Lebanon's FY 2016/17 Budget

Presented by: Dean Baugh, Finance Director

Approval/Denial by RESOLUTION NO. 2016-26

6) League of Oregon Cities Legislative Priority Survey

Presented by: Mayor Paul Aziz

Approval/Denial by CONSENSUS

7) City Manager's Report – Council Review

ITEMS FROM COUNCIL

PUBLIC COMMENTS: *An opportunity for citizens to comment on items of city business.*

ITEMS FROM PRESS: *An opportunity for the Press to ask questions pertaining to city business.*

NEXT SCHEDULED COUNCIL MEETING(S)

- August 10, 2016 (6 p.m.) Regular Session
- September 14, 2016 (6 p.m.) Regular Session

ADJOURNMENT

Work Session (5:00 p.m.)

Water Treatment Plant Update
and Bid Alternatives

*Ron Whitlatch,
Engineering Services Division Director*

Carollo Engineers

City Council Work Session

July 13, 2016

Water Treatment Plant Project Update

Purpose

- Update on Bid Package 1
- Bid Package 2:
 - Presentation by Carollo re: Bids vs Estimate
 - Concepts for reducing project cost
 - Update on funding
 - Moving forward - proposal to use CM/GC
 - Respond to Questions
 - Request for City Council Consensus on moving forward

Bid Package 1

- Work progress
- Community notifications/feedback
- Anticipated schedule
- Canal crossing

Bid Package 2 – Bids vs Estimate

- 7 bids ranging from \$28.9 M to \$34.9 M

Stellar J	\$	28,884,160.00
Slayden	\$	29,996,000.00
Rotchsky	\$	30,108,239.91
McClure and Sons	\$	30,592,362.37
JWF	\$	31,207,000.00
Natt McDougal	\$	34,524,999.37
Pacific Excavation	\$	34,875,000.00
Engineer's Est.	\$	20,728,000.00

- Low bid is nearly 40% higher than Engineers estimate!

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The question is why?

Basis for Engineer's Estimate

- **Historical data escalated using a reliable source**
- Two similar recent Carollo plants used as historical basis:
 - Park City, UT - design-bid-build
 - Clifton, CO - Carollo design-build
- Reviewed CH2M planning documents w/ inflation factor applied and checked against similar past Carollo projects
- Reliable source used for inflation factor:
 - Engineer News Record Construction Cost Index (Seattle area) used for escalation of costs:
 - 12% increase in costs from May 2013 to May 2016
 - Proved to be incorrect for building trades on this project
 - Unfortunately the project architect has experienced similar issues on buildings in the PNW

Bid Package 2 – Bids vs Estimate

- Design components in line with estimate:
 - Raw Water Pump Station
 - Intake
 - WTP
 - Process Equipment
 - Site Work

Bid Package 2 – Bids vs Estimate

- Design components not in line with estimate:
 - WTP Building Envelope
 - Wall assemblies
 - Steel stud construction
 - Steel superstructure
 - Building Trades
 - Plumbing
 - Finishes/Coatings
 - HVAC
 - Electrical and Instrumentation

Cost Estimate Comparison

Design Component	Engineer Estimate	Low Bidder or Average from Bids	Percentage Over Engineer Estimate	Reason
HVAC	\$350,000	\$1,200,000	343%	Water vs air system and trades affected by economy
Electrical and I&C	\$4,342,000	\$5,560,000	128%	Sole source equipment (Rockwell IDC with extended 3 year tech support, Endress and Hauser instruments), Smart MCCs
Plumbing	\$100,000	\$400,000	400%	Trades affected by economy and fire suppression estimate low
Protective Coatings	\$106,000	\$465,671	440%	Trades affected by economy and possibly low unit cost or quantity
Concrete (WTP Bldg only)	\$497,446	\$1,351,691	272%	Material cost affected by economy and constructability (depressed chemical containment area)

Cost Estimate Comparison

Design Component	Engineer Estimate	Low Bidder or Average from Bids	Percentage Over Engineer Estimate	Reason
Metals	\$473,000	\$2,007,160	424%	Trades affected by economy and possibly low unit cost or quantity
Woods, Plastic, Wall Panels, and Roofing	\$181,700	\$1,056,400	581%	Cost of dual wall spray applied membrane, trades affected by economy, quantity low
Doors and Windows	\$192,700	\$458,144	238%	Trades affected by economy
Specialties (Panel signage, lockers, toilet and bath accessories, fire extinguishers)	\$27,650	\$86,736	314%	Trades affected by economy
Total	\$6,270,496	\$12,585,802	200%	

Additional Factor on Cost Estimate

- Expandability of WTP
 - Process equipment rated for 4.5 mgd
 - Membrane feed and finished water pumps
 - Space for future expansion to 6 and 8 mgd
 - Process components rated for 8 mgd
 - Conveyance piping and strainer
 - Membrane feed wet wells
 - Chemical storage tanks, pumps, and flash mix
 - Chlorine contact basin (additional 7' in height)
 - Membrane system
 - Components sized per rack hydraulic capacity and flux
 - Blowers, CIP system, compressors, backwash pumps
 - Space in building for future membrane racks

Initial Concepts to Reduce Cost

- WTP Building - \$1.9 M - \$2.3 M reduction
 - Change to metal building
 - Reduce footprint
 - Change to slab on grade for containment areas
- Electrical & Instrumentation - \$400,000 - \$600,000 reduction
 - Use standard vs smart electrical gear
 - Reduce level of SCADA – use membrane system controls
 - Reduce extended service requirement
- HVAC - \$100,000 - \$400,000 reduction
 - Change to less efficient conventional air system
- Process changes - \$1,600,000 to \$1,700,000 reduction
 - Remove hot water system for membrane cleaning
 - Delete solids settling basins – use dewatering bags
 - Relocate raw water pumps to intake structure

Total Anticipated Project Cost Reduction: \$4 - \$5 Million

Update on Funding

- Construction cost in current market conditions is about \$25 M
- \$22 M funding currently available
- Additional funding needed:
 - Oregon Infrastructure Authority (IFA) – Meeting in August to request additional funds
 - Cheadle Lake URD – Proposed in the URD Amendment
 - Internal Loan from Street SDC
- Staff will bring additional Funding Package to City Council for approval in Fall of 2016.

Moving Forward

- Two Options to Move The Project Forward:
 - Design/Bid/Build – Standard Project Delivery
 - Requires a major re-design effort to implement the Value Engineering ideas identified to date
 - Additional time to complete re-design
 - No contractor input on additional Value Engineering ideas
 - Likely to not have as many bidders due to this being the second time the project would be advertised for public bidding.
 - It does get the lowest initial price from the pool of contractors who opt to bid the project.

Moving Forward Cont.

- Construction Manager/General Contractor (CM/GC) – Alternative Project Delivery
 - Requires Contracting Review Board (City Council) to declare an exemption from competitive bidding.
 - CM/GC is selected by RFP
 - Bid Experience demonstrates the need for Contractor to be on board for accurate construction pricing.
 - Two phase CM/GC approach will be used

Moving Forward Cont.

- Two phase CM/GC approach:
 - Phase 1:
 - CM/GC led value engineering work
 - No re-design time loss - Value Engineering will be done based on the current design.
 - Innovative ideas from the Contractor on how to bring costs down and complete the project.
 - Development of a guaranteed maximum price for construction with City and designer input. This includes real time pricing for all elements of the project. This will be essential in making decisions regarding cost.
 - Phase 2:
 - Execution of work w/in GMP
 - Low risk for change orders as the contractor has been involved in the process.
- Why not used initially – provides best value not necessarily lowest cost. At this point though, we believe it is the best option for controlling the costs moving forward to fit within the budget constraints.

Process for using CM/GC

- Publish findings document addressing 14 items in ORS 279C
- Conduct public hearing re: why exemption from bidding is being considered
- Contracting Board exemption from competitive bidding / authorization to use CM/GC
- Competitive selection of CM/GC firm:
 - Receipt of proposals
 - Interviews

Schedule

- July 25 - publish findings document (14 day public notice period)
- August 10 conduct public hearing
- August 10 Contracting Board exemption from competitive bidding / authorization to use CM/GC
- Mid-August through September – CM/GC selection process
- October 12 Council approval of CM/GC selection

Discussion / Questions

Approval of Minutes

LEBANON CITY COUNCIL
MINUTES
June 8, 2016

Council Present: Mayor Paul Aziz and Councilors Jason Bolen, Bob Elliott, Floyd Fisher, Robert Furlow and Rebecca Grizzle

Staff Present: City Attorney Tré Kennedy, City Manager Gary Marks, City Clerk Linda Kaser, Police Chief Frank Stevenson, Finance Director Dean Baugh and Engineering Services Director Ron Whittlatch

CALL TO ORDER: Mayor Aziz called the Regular Session of the Lebanon City Council to order at 6:00 p.m. in the Santiam Travel Station Board Room.

ROLL CALL: Roll call was taken with Councilor Rieskamp being absent.

APPROVAL OF CITY COUNCIL MINUTES

Councilor Grizzle moved, Councilor Elliott seconded, to approve the May 11, 2016 Regular Session and May 25, 2016 Noon Session Minutes as presented. The motion passed unanimously.

CONSENT CALENDAR

AGENDA: City of Lebanon Council Agenda – June 8, 2016
APPOINTMENTS: Bike & Pedestrian Advisory Board – Jim Ruef (reappointment)
Library Advisory Board – JonLee Joseph & Jim Ruef (appointments),
Delvin King (reappointment)
Senior & Disabled Services Advisory Committee – Angie Kutsch
(reappointment)
BOARD MINUTES: Planning Commission – April 20, 2016
LIQUOR LICENSE: Ma's Restaurant, On-Premises Sales, 2416 S. Santiam Hwy.

Councilor Elliott moved, Councilor Bolen seconded, to approve the Consent Calendar as presented. The motion passed unanimously.

PUBLIC COMMENTS

Adam Kirkpatrick, 40455 Hilltop Drive, Lebanon dentist, stated that his research has shown that fluoridation is extremely valuable and well-established. Many of the proposed negative effects are based on studies that question its safety because the studies open the door to the idea. It is common to include a vagueness to conclusions because of the nature of the research and to show that more research is needed. The association does not mean there is a negative effect. Because of this vagueness, someone could use a study to support his or her claims. Even with all of his specialized schooling, he sometimes has difficulty interpreting the information so he looks to professionals to make these public health decisions. His recommendation is that the City continues to ensure that the water is fluoridated because he wants this community to stay healthy. He made himself available to anyone who has questions.

Wyatt King, 224 2nd Street, Lebanon, distributed information and spoke on behalf of his mother, who feels very strongly that fluoridation of the City's water was very beneficial to her children; she would also like her grandchildren to have healthy teeth. He recommends that people speak with Dr. Kirkpatrick and other experts in the field and do what is best for the community.

Councilor Grizzle explained that the Council already decided to continue to fluoridate the water. She understands there is an anti-fluoride campaign to put this on the ballot and she wondered if an education committee would present the other side of this debate. Mr. King stated that he and his mother would be very willing to help with a counter effort, if needed.

Dr. Kirkpatrick added that he would love to help because he believes very strongly in this. Because bringing public health issues to the public is complicated and because of the drama associated with it, he thinks it would be wise for the Council to make this decision and continue doing what the City is doing. Councilor Grizzle confirmed that this is what the Council has done but the people have a right to put this on the ballot.

Nathan Tolman, 21 Cascade Drive, Lebanon dentist, stated that he also feels that fluoridation has been a great benefit in preventing tooth decay. As he provides dental services around the world, he has found that fluoridation would greatly benefit those civilizations that have a high sugar intake since it is the cause of quite a bit of rampant decay. Much of the information on fluoride's negative effects is misconstrued; worthy studies have shown this not to be true, so it would be wise to consider keeping fluoride in our water supply.

PUBLIC HEARING(S)

1) Revised City Fees Schedule

Mayor Aziz opened the Public Hearing at 6:20 p.m. and asked for the staff report.

City Manager Marks presented proposed changes to the City Fees Schedule. Staff annually reviews these fees to ensure that services provided are supported by those fees so they do not have to be subsidized with general tax dollars. He called out the changes as outlined in the packets.

Mayor Aziz asked for public comments.

Joseph Holt, 1620 S. 2nd Street, Lebanon, spoke about the tall weeds and grass abatement fee change, specifically the striking out of "if not abated within 7 days." He brought up situations where it may be difficult to mow within a certain timeframe. He asked Council why the seven-day abatement period was cut and requested that it be reinstated or modified.

Mayor Aziz closed the Public Hearing at 6:26 p.m.

Marks clarified that there is no requirement that a lawn must be mowed every seven days. He explained that once receiving notice, the resident has seven days. Police Chief Stevenson stated that he is not sure why this portion was struck out. He explained that tall weeds and grass abatement enforcement is complaint-based. The Code Enforcement Officer works with the property owner to get them in compliance. There is no fee if done within the seven-day period. If nothing is done, it becomes a fire hazard and the City has to take action for the community's safety; the fee would then be imposed.

City Attorney Kennedy stated that this might have been struck out because it was redundant in the City ordinance.

Stevenson confirmed for Councilor Furlow that, in certain situations, it could go beyond seven days without being imposed a fine; it is on a case-by-case basis. Kennedy added that this applies to most of the code enforcement issues; this is something to fall back on, in case there is no compliance.

Regarding replacement of a meter box, Councilor Furlow asked how the City differentiates between normal wear-and-tear and vandalism. Marks stated that he has never seen a case where a lid became non-functional from wear-and-tear since they are cast iron. Finance Director Baugh stated that damage is usually from someone driving a car on the lid. Many of these fees are for cases where a property owner or contractor request to move or install meter boxes.

Kennedy read the title of RESOLUTION NO. 2016-13. ***Councilor Elliott moved, Councilor Furlow seconded, to APPROVE RESOLUTION NO. 2016-13, A RESOLUTION AMENDING FEES AND CHARGES FOR CITY SERVICES AND REPEALING EXHIBIT A "FEE SCHEDULE" OF RESOLUTION NO. 2016-3. The motion passed unanimously.***

2) State Revenue Sharing

Mayor Aziz opened the Public Hearing at 6:33 p.m.

Finance Director Baugh explained the process and requested approval of a resolution, which certifies that the City is eligible to receive revenue sharing funds, and approval of an ordinance, which states that the City elects to receive those funds. The approved budget for 2016-17 has budgeted revenue of \$160,000 in the General Fund. Marks added that these funds are put into the General Fund to fund City services.

Hearing no public comments, Mayor Aziz closed the Public Hearing at 6:35 p.m.

Kennedy read the title of RESOLUTION NO. 2016-14. ***Councilor Furlow moved, Councilor Bolen seconded, to APPROVE RESOLUTION NO. 2016-14, A RESOLUTION CERTIFYING THE CITY OF LEBANON PROVIDES MUNICIPAL SERVICES FOR ELIGIBILITY IN RECEIVING STATE SHARED REVENUE PAYMENTS. The motion passed unanimously.***

Kennedy read the title of ORDINANCE BILL NO. 2016-12, ORDINANCE NO. 2881. ***Councilor Fisher moved, Councilor Bolen seconded, to APPROVE ORDINANCE BILL NO. 2016-12, ORDINANCE NO. 2881, A BILL FOR AN ORDINANCE DECLARING THE CITY OF LEBANON'S ELECTION TO RECEIVE STATE REVENUES. The motion passed unanimously.***

3) Adoption of FY 16/17 Approved Budget

Mayor Aziz opened the Public Hearing at 6:37 p.m.

Marks stated that the FY 2016/17 City budget of \$66,057,436 is what was approved by the Budget Committee. The \$26.7 million increase seems drastic but it is due to the expectation of building a water treatment plant (about \$24.55 million) this coming fiscal year.

Overall contingencies are up 31%. The General Fund balance has met the 12% contingency goal. The operating budget is actually down six-tenths of 1%. Levels of service are maintained, but the need for materials and services are somewhat less than the prior year. Capital investment is up 252% due to the water treatment plant; excluding that, all other capital is seeing a 7% increase. Even with this increase, many infrastructure needs will still not be met. Nine strategic action plan items are part of the budget.

Property taxes for the general obligation debt are down \$134,000, which is a savings to the taxpayers, and not to the City, so we will be levying less for payment of this debt (for construction of the Justice Center and Library). Bonds were refinanced last year at a lower interest rate creating that savings.

Responding to Mayor Aziz's question, Marks indicated that total taxpayer savings over the life of the bond is \$8 or \$9 million.

Marks confirmed the increase of 31% contingency throughout the entire budget. For the General Fund, he believes it is actually at 13% or 14%, but the goal was a minimum of 12%. Baugh added that there is also a 2% working contingency.

Marks offered the Council a synopsis budget report, which will also be posted on the City website. Baugh reported that all State requirements were met.

Stevenson confirmed for Councilor Furlow that the budget approved in May included the School District's portion of funding for the School Resource Officer even though it was not confirmed at that time.

There were no public comments and the Hearing was closed at 6:46 p.m.

Baugh stated that staff is requesting a levy of \$5.1364 per \$1000 assessed value, which is the maximum allowed. In addition, the City is requiring the \$1.341 million for payment on the Library/Justice Center bond. He also noted that those amounts shown as X's would be filled in and brought back as an amended resolution at the July Council meeting.

Hearing no public comments, the Hearing was closed at 6:48 p.m.

Kennedy read the title of RESOLUTION NO. 2016-15. ***Councilor Grizzle moved, Councilor Elliott seconded, to APPROVE RESOLUTION NO. 2016-15, A RESOLUTION ADOPTING THE CITY OF LEBANON'S BUDGET AND MAKING APPROPRIATIONS FOR FISCAL YEAR 2016-17. The motion passed unanimously.***

Kennedy read the title of RESOLUTION NO. 2016-16. ***Councilor Grizzle moved, Councilor Elliott seconded, to APPROVE RESOLUTION NO. 2016-16, A RESOLUTION LEVYING TAXES FOR THE CITY OF LEBANON'S BUDGET FOR FISCAL YEAR 2016-17. The motion passed unanimously.***

Mayor Aziz temporarily adjourned as the Lebanon City Council and convened as the Urban Renewal Agency Board.

4) Adoption of FY 16/17 NW Lebanon Urban Renewal District Approved Budget

Baugh stated that the NW Lebanon Urban Renewal District budget amount is the same as what was approved by the Budget Committee. The City is asking for the maximum amount of revenue that may be raised by dividing of taxes under State laws.

There were no public comments.

Kennedy read the title of RESOLUTION NO. 2016-17. ***Councilor Furlow moved, Councilor Bolen seconded, to APPROVE RESOLUTION NO. 2016-17, A RESOLUTION ADOPTING THE NW LEBANON URBAN RENEWAL DISTRICT BUDGET AND MAKING APPROPRIATIONS FOR FISCAL YEAR 2016-17. The motion passed unanimously.***

Kennedy read the title of RESOLUTION NO. 2016-18. ***Councilor Furlow moved, Councilor Fisher seconded,***

to APPROVE RESOLUTION NO. 2016-18, A RESOLUTION LEVYING TAXES FOR THE CITY OF LEBANON'S NORTHWEST URBAN RENEWAL DISTRICT BUDGET FOR FISCAL YEAR 2016-17. The motion passed unanimously.

5) Adoption of FY 16/17 North Gateway Urban Renewal District Approved Budget

Baugh stated that the budget amount of \$933,300 is the same as approved by the Budget Committee. The City is asking for the maximum amount of the approved levy.

There were no public comments.

Kennedy read the title of RESOLUTION NO. 2016-19. *Councilor Furlow moved, Councilor Bolen seconded, to APPROVE RESOLUTION NO. 2016-19, A RESOLUTION ADOPTING THE NORTH GATEWAY URBAN RENEWAL DISTRICT BUDGET AND MAKING APPROPRIATIONS FOR FISCAL YEAR 2016-17. The motion passed unanimously.*

Kennedy read the title of RESOLUTION NO. 2016-20. *Councilor Elliott moved, Councilor Fisher seconded, to APPROVE RESOLUTION NO. 2016-20, A RESOLUTION LEVYING TAXES FOR THE CITY OF LEBANON'S NORTH GATEWAY URBAN RENEWAL DISTRICT BUDGET FOR FISCAL YEAR 2016-17. The motion passed unanimously.*

6) Adoption of FY 16/17 Cheadle Lake Urban Renewal District Approved Budget

Baugh stated that the budget amount of \$447,500 is the same as approved by the Budget Committee. The City is asking for the maximum amount of the revenue that may be raised by dividing of taxes under State ordinances.

There were no public comments.

Kennedy read the title of RESOLUTION NO. 2016-21. *Councilor Grizzle moved, Councilor Bolen seconded, to APPROVE RESOLUTION NO. 2016-21, A RESOLUTION ADOPTING THE CHEADLE LAKE URBAN RENEWAL DISTRICT BUDGET AND MAKING APPROPRIATIONS FOR FISCAL YEAR 2016-17. The motion passed unanimously.*

Kennedy read the title of RESOLUTION NO. 2016-22. *Councilor Grizzle moved, Councilor Bolen seconded, to APPROVE RESOLUTION NO. 2016-22, A RESOLUTION LEVYING TAXES FOR THE CITY OF LEBANON'S CHEADLE LAKE URBAN RENEWAL DISTRICT BUDGET FOR FISCAL YEAR 2016-17. The motion passed unanimously.*

Mayor Aziz adjourned as the Urban Renewal Agency Board and reconvened as the Lebanon City Council.

REGULAR SESSION

7) Water Treatment Plant Project Contract Award

Engineering Services Director Whittlatch presented for discussion the Water Treatment Plant Project contract. The low bid was roughly \$29 million, which is about \$9 million more than expected. In an effort to reduce costs, staff has been working with Carollo Engineering and Stellar J Construction to value engineer the project to fit the City's funding limits. To date, the overall price has been reduced but not by an adequate amount.

Whittlatch presented pros and cons of options to consider:

Option 1 – Award the contract to Stellar J Construction for the reduced price based on the value engineering process, but the cost is still several million dollars off and figures have not been verified for functionality or quality.

Option 2 – Staff recommends rejecting all bids and redesigning the project to be more in line with the funding package. Because the City owes it to the ratepayers, this would allow more time to look for further cost savings. The belief is that much of the cost is from the building so staff is looking at a more industrial versus nicer structure. Staff can also look at different bid delivery systems but need to evaluate those options. The City is not in jeopardy of losing funding, but there is no guarantee that additional funding will not be needed. This may still be the final cost but he needs to know himself before moving forward. The only risk in rejecting the bids is from inflation and economy; this project may be put back out in January or February.

Councilor Grizzle stated that Option 1 seems terribly irresponsible. Whitlatch confirmed that he feels fairly confident that this can be regrouped in six months because it is not a complete redesign. The bulk of the design is complete but staff needs time to determine the efficiency of what can be built. He would like to have a work session in July to discuss different bid delivery systems and to present a recommendation.

Mayor Aziz stated that it appears that the cost difference is not due to any one big item. He asked how the consultant could be so far off. Whitlatch stated that economy and scale were factors; there have been large increases with different trades (HVAC, electrical). Responding to Mayor Aziz's question, Whitlatch stated that time of the year was potentially a factor but this is a large project. Bids from seven contractors tells him the economy is not that big. Prices have increased so staff needs to go through the value engineering process.

Mayor Aziz agreed with Councilor Grizzle that Option 1 is very irresponsible. The only way this could happen is if there were rate increases, so he does not see any option there. Whitlatch reiterated that this may end up being the price and the only option but he would like the opportunity to look at all available funding options. He discussed a couple of ideas but again stated that many things are still unknown at this point.

Councilor Elliott commented that he hates to see an eight to ten-month delay but he agrees that Option 2 is best.

Councilor Furlow asked whether discussions about using a different engineering firm (and its associated cost) will be considered if moving forward with Option 2. Whitlatch stated that another firm could look at the overall project and help with value engineering, if the Council would like to go in that direction, but the cost would depend on the extent of that help. Councilor Furlow stated that he is not asking the Council to support this but he would want staff to consider that possibility. Whitlatch stated that he trusts Carollo Engineering. There are things that were missed. The economy has grown. This building type was not necessarily the most economical. He reiterated that many things are unknown at this point.

Councilor Furlow expressed concern about Carollo presenting a project like this, amid being in a tight market, citizen concerns about rates, and available funding. Whitlatch shared that Carollo did build a similar plant that was in the \$13 million to \$15 million range. Until going through the value engineering process, staff will not know the answer to this question. Mayor Aziz and Councilor Furlow expressed their disappointment in the engineering firm's estimate being so far off. Councilor Grizzle stated that she would only feel comfortable using a second firm if, after looking into it further, this was staff's recommendation.

Councilor Fisher agreed with discussing this further at a work session after Whitlatch has time to gather more information.

Councilor Furlow moved, Councilor Elliott, to reject all bids and schedule a work session to discuss options. The motion passed unanimously.

8) Water Treatment Plant Off-Site Utilities Contract Award

Whitlatch presented staff's recommendation to award the New Water Treatment Plant – Off-Site Utilities Project contract to Emery & Sons Construction for \$3,576,527.25, which is well below the engineer's estimate. This project would put all utilities in so it will be ready when the treatment plant is built.

Responding to Councilor Elliott's question, Whitlatch stated that the City has worked with them on many projects, so he is very confident in their abilities.

He confirmed for Councilor Furlow that approving this award would lock in the price. He also confirmed for Mayor Aziz that nothing in this project would affect the value engineering on the Water Treatment Plant project.

Councilor Elliott moved, Councilor Furlow seconded, to award the Water Treatment Plant Off-Site Utilities Contract contract to Emery & Sons Construction. The motion passed unanimously.

9) Water Treatment Plant Special Inspection and Testing Contract Award

Whitlatch recommend rejecting the two bids received until the Water Treatment Plant Project moves forward.

Councilor Furlow moved, Councilor Elliott seconded, to reject all bids. The motion passed unanimously.

10) City of Albany/Lebanon Canal Agreement(s)

Whitlatch provided background on the Albany/Lebanon canal discussions and brought attention to key points in the Water Delivery and General Agreements. No dollar figures changed since Council's last update. Staff's recommendation is that Council approve the resolution authorizing execution of the agreements.

Councilor Grizzle commended staff for their hard work. Whitlatch stated that he enjoyed working with Jeff Blaine and Chris Bailey. Mayor Aziz thanked staff and the City of Albany. Whitlatch noted that the two attorneys finalized the agreements.

Kennedy read the title of RESOLUTION NO. 2016-23. ***Councilor Grizzle moved, Councilor Fisher seconded, to APPROVE RESOLUTION NO. 2016-23, A RESOLUTION AUTHORIZING EXECUTION OF TWO INTERGOVERNMENTAL AGREEMENTS WITH THE CITY OF ALBANY FOR SHARED USE OF THE SANTIAM-ALBANY CANAL. The motion passed unanimously.***

11) Lebanon Downtown Association Contract

Marks stated that one of the focus areas of the Vision is to make downtown the heart of activity and commerce. Under that category, one of the strategic plan action items is to strengthen the Lebanon Downtown Association (LDA) who is following a proven model for downtown revitalization through the Oregon Main Street Program. He requested Council approval of a contract between the City and Partners for Progress, Inc., dba LDA for funding of \$20,000 from the Lebanon Transient Room Tax Fund.

Dala Johnson spoke about the Oregon Main Street Program and shared that the LDA is in its first year of the transformation phase of this program. Funds from this contract will enable them to hire a part-time manager for a year, provide a suitable office, and attend mandatory conferences. She also spoke about the projects that the LDA/Main Street Manager will be working with the City on and their plans for the future.

Mayor Aziz asked about the structure of the LDA. Ms. Johnson stated that they have nine board members and follow by-laws.

Councilor Grizzle commented that she is glad that LDA has been a very cohesive downtown group. She liked having the Chamber manage a large part of the tourism dollars because they are accountable and provide an annual report, so she was glad to see that this was included in the LDA contract. Because the contract was written for one year, she asked if this is going to be an annual request. Ms. Johnson stated that the manager will be critical in building funding; their hope is to obtain grants so that they will not have to request funding. If they do, her hope is that it be half that amount.

Councilor Furlow remarked that this leverages a modest amount of money into a tremendous community effort. He commended the group and felt that the Council's support is appropriate.

Councilor Elliott stated that he is fully behind this effort but he is concerned because the previous Partners for Progress' part-time manager did not work out. Ms. Johnson explained that they now have a new board, who is an open book and who is held completely accountable; this is why they rebranded to the LDA. Councilor Grizzle shared her concern that the previous funding had no accountability.

Mayor Aziz felt that the rebranding focuses on downtown and that the Main Street Program is very specific. He is excited to see that this is part of the Vision.

Councilor Elliott stated that downtown is one of his heartfelt projects and offered his help. Mayor Aziz also offered to help.

Councilor Furlow moved, Councilor Bolen seconded, to approve the contract with Partners for Progress dba Lebanon Downtown Association. The motion passed unanimously.

12) City Manager's Report – Marks provided updates:

Employee Wellness – Out of 44 applicants, Samaritan Health awarded the City with its 2016 All-Star Employer Award for Employee Wellness. The award was presented to Mayor Aziz at the Oregon State Beavers baseball game. Marks recognized HR Generalist Debi Shimmin for helping to provide our employees with cutting-edge wellness opportunities.

Blue Zones Meeting – Marks encouraged everyone to attend the meeting tomorrow evening at COMP-Northwest to learn more about this program that advances and promotes general community health and well-being. Other communities have seen remarkable improvements to their overall community health. The City has been selected to consider being a part of the program, which appears to be a great fit with the Vision's healthy community focus.

Recreational Marijuana Tax – Responding to Kennedy's question, *there was Council consensus for Kennedy to explore and present information on a recreational marijuana tax for the November ballot.*

ITEMS FROM COUNCIL – *There were none.*

PUBLIC COMMENTS

Bill Sullivan, PO Box 2506, stated that when he worked around the trades, many contractors would take jobs to keep their crews busy when things were slow [in reference to the Water Treatment Plant bids].

ITEMS FROM PRESS

Mayor Aziz shared that there will be a ceremony honoring former Mayor Scott Simpson on Sunday at 1:00 p.m.

NEXT SCHEDULED COUNCIL MEETING(S)

- June 22, 2016 (Noon) Tentative Meeting
- July 13, 2016 (6 p.m.) Regular Session

ADJOURNMENT

Mayor Aziz adjourned the meeting at 7:42 p.m.

[Minutes prepared by Linda Kaser & Donna Trippett]

Minutes Approved by the Lebanon City Council on
this 13th day of July 2016.

Paul R. Aziz, Mayor
Bob Elliott, Council President

ATTESTED:

Linda Kaser, City Clerk

Consent Calendar

Appointments



Administration

City Clerk/Recorder

MEMORANDUM

To: Lebanon City Council **Date:** June 30, 2016
From: Linda Kaser, City Clerk
Subject: City Council Advisory Boards/Committees Re/Appointments

Mayor Aziz is happy to appoint the following advisory board members at the July 13, 2016 City Council Meeting:

Parks Committee/Tree Board – On July 12, the Board will be reviewing the three applications received and recommend two out of the three applicants for appointment at the July 13 City Council Meeting.

Planning Commission – **Brian Daniels (reappointment), Dave McLain (reappointment), Brenda Hall (previously an alternate), and Jeanne Callahan (new alternate)** were recommended by the Planning Commission for re/appointment to a four-year term.

Senior & Disabled Services Advisory Committee – **Henry Chambers** was recommended for appointment by the Committee to a three-year term.

Council Action: Mayoral appointments are confirmed by the Council through the Consent Calendar.

C: Mayor Paul R. Aziz
Board/Committee Chairs
Department Directors

/lgk

Board & Committee
Meeting Minutes

Lebanon Bicycle & Pedestrian Advisory Board

1/26/16

Called to order by Chair Damon Tempey at 7:05 p.m.

Members in attendance: Damon Tempey, Bob Thomas, Jim Ruef, Kevin Hart, Roger Munk

Barbi Thomson has submitted her resignation from the committee to Damon. He will contact Linda Kaser about advertising for a replacement.

Bob moved, Jim seconded to approve 11/19/15 minutes

Damon reported that Shelly Garrett of the Lebanon Chamber of Commerce agreed to host a physical activity database on the Chamber website. The intention is for this database to provide a comprehensive list of contact information for different organizations and businesses that promote physical fitness opportunities in our community. Kim Calsadillas is the contact person at the Chamber, and Bob Thomas agreed to work with Kim on development of the database.

TSP Report: Jim Ruef is our representative on the TSP committee. He reported that there hadn't been a meeting yet, and in his conversation with city staff, they don't have a lot of information yet.

After discussion by committee members, who are all supportive of what they have read about the Oregon Bicycle & Pedestrian Plan, Damon will send a letter of support for the Oregon Bicycle & Pedestrian Plan.

Next meeting will be held on February 25th, at 7 p.m. at the Travel Station.

Meeting adjourned at 7:27 p.m.

Lebanon Bicycle & Pedestrian Advisory Board

2/25/16

Meeting called to order by Damon Tempey at 7:05 pm.

Members present: Damon Tempey, Jim Ruef, Bob Thomas, Roger Munk

Minutes of 1/26/16 meeting approved unanimously.

Damon let us know that if a member of the committee resigns, that member needs to send a resignation letter to the city.

Damon let us know that two have applied to replace the positions vacated by Barbi Thomson and Linda Martin.

Bob Thomas reported the Shelly Garrett from the Chamber of Commerce stated that she was just going to list Chamber members on the Health & Wellness resource page of the Chamber website. It was agreed by all present that we may need to look into other options for a Lebanon Health & Wellness resource locator website. Our goal is to have a "one stop shopping" site for citizens and tourists to find businesses, organizations, and activities that promote exercise opportunities in and around Lebanon. Possibly the City could host something like this? Bob will look for similar sites for other cities to help determine sponsors and format for such a website.

Damon will ask Linda Kaser to send out applicant questionnaires to prospective members of the Bike & Pedestrian Committee.

Jim reported that the City will hold five transportation system plan advisory committee meetings over fifteen months. They haven't held any meetings yet. We discussed goals for increasing ability to walk and bike in town.

Next meeting will be held March 24th at 7:00 pm.

Adjourned at 7:40 pm.

Lebanon Bicycle & Pedestrian Advisory Board

3/24/16

Called to order @ 7:05 pm by chair Damon Tempey

Attending: Damon Tempey, Bob Thomas, Michael Mattingly, Roger Munk

Minutes of 2/25/16 meeting approved unanimously.

Members discussed meeting schedule-group decided to change meetings to every other month.

Longer-term members shared the committee's areas of focus with new member Michael Mattingly-reviewing and giving input to the city on planning, and promoting and facilitating connectivity for bicycle users and pedestrians in Lebanon.

Committee was informed that Kevin Hart resigned, City will look to replace him in May.

Bob Thomas gave an update on the proposed Health/Wellness website/page.

-Bend Chamber has a webpage called Play that Bob liked, and had many of the features that we had discussed would be desirable for people looking for physical activities in an area.

-Several city Chambers have similar pages, Bob may get back in touch with Lebanon Chamber to encourage them to look at other Chamber sites to see the kinds of things are possible.

Next meeting scheduled for May 26th @ 7 pm

Adjourned @ 7:35 pm

Lebanon Public Library Advisory Board Meeting

May 17, 2016

4:30 – 5:30 pm

LPL Community Room

55 Academy St.

Call to order: Meeting was called to order at 4:33 by Garry Browning, chair.

Present: Garry Browning, chair; Virginia Cloyd; Delvin King; Kathy Pointer; Sue Spiker; Carol Dinges, library director.

Approval of minutes: Minutes of the April 12, 2016, meeting were approved.

Library manager's report:

April statistical reports:

Circulation statistics indicate that the circulation of physical items remains almost exactly the same as last year when the library was closed on Mondays. Comments from patrons and daily “gate counts” suggest that not everyone is aware that the library is again open on Mondays, which used to be the busiest day. On the other hand, circulation of downloadable resources remains very high – many people access the library electronically, as opposed to coming in to check out physical items. Wifi usage is very high. More patrons use wifi at the library than the patron-access computers. Attendance at storytimes is the highest ever this year, averaging 30 children and 20 adults at every session.

Updates:

The Budget Committee approved the proposed 2016-17 budget, which increases the materials and supplies budget, but keeps the staffing level the same as this year. The City Council will vote on the budget at the June meeting.

Grants:

We expect to hear whether our application for a Samaritan Social Accountability grant has been accepted sometime in June. We've requested funding to prepare kits and purchase resources for children, teens and their parents on “sensitive subjects” – telling a child that he/she was adopted, dealing with divorce and death, etc.

Our application for a Trust Management grant was accepted – we've received a check for \$9,995.00 to purchase a new microform scanner/reader, software, and computer station for the genealogy room.

Technology:

Three additional security cameras are being installed, and we're setting up wireless printing so that patrons will be able to print directly from their wireless devices.

Programs:

The Summer Reading Program begins in June. This year we've added a “movement storytime” every Tuesday morning and two additional book clubs – a “tween” club for kids 8-13 and a graphic novel club in addition to the teen book club.

Friends of the Library report:

Virginia presented a report comparing this year's income and expenditures to last year's. The Friends increased their donation for the Summer Reading Program to \$2,400.00 this year compared to \$2,200.00 last year.

Communications: none

Committee reports: none

Unfinished business: none

New business:

One application was received for the three board positions that will be open as of July 1. The board reviewed the application and unanimously approved recommending the appointment.

Three positions expire June 30. Delvin King expressed interest in reapplying. Board members will encourage potential candidates to apply for the remaining open position.

Carol recommended modifying the Passport card policy to require that applicants be at least 18 years of age. Motion was made, seconded and unanimously approved to make this change.

Public comments: none

Announcements: Sue Spiker and Kathy Pointer will be “retiring” from the board on June 30 after many years of service.

Adjournment: The meeting was adjourned at 5:28 pm. The next meeting will be on June 14 at 4:30 pm in the library’s Community Room.



City of Lebanon
Planning Commission
Meeting Minutes
May 18, 2016

Members Present: Chairman Jeremy Salvage, Vice-Chair Don Robertson, Commissioners John Brown, Brian Daniels, David McLain and Walt Rebmann.

Staff Present: Community Development Director Walt Wendolowski, AICP

NOTE: The following minutes may have minor omissions due to failure of the recording equipment.

1. FLAG SALUTE / CALL TO ORDER

Chairman Salvage called the meeting of the Lebanon Planning Commission to order at 6:00 pm in the Santiam Travel Station Board Room at 750 3rd Street.

2. ROLL CALL

Roll call was taken, Commissioner Cornell was absent. A quorum was declared.

3. APPROVAL OF MEETING MINUTES

The April 20, 2016 Meeting minutes were approved as submitted.

4. CITIZEN COMMENTS - None

5. PUBLIC HEARING - Planning File 16-04-09 - An application by Research Mannikins for a Conditional Use to construct a storage warehouse.

Chairman Salvage opened the hearing. Community Development Director Wendolowski announced that the quasi-judicial hearing procedures apply and outlined the hearing process. Chairman Salvage asked if there were any ex parte contacts, conflicts or bias. None were declared and staff was directed to proceed.

Wendolowski provided the staff report. He located the property for the Commission, stating the property was zoned Central Business Commercial. The applicant wishes to construct a 3,240 square foot structure on the southeast corner of the site. The structure will be used for storage - no other changes are planned.

While some manufacturing is allowed in the zone, this did not apply to the existing business, and was therefore a non-conforming use. However, the Development Code allows expansion of a non-conforming use through the conditional use process.

In reviewing the application, Wendolowski noted the proposed building met all applicable setback, height limitation and area coverage requirements. Additional parking was not required nor were landscaping improvements. The location on the southeast corner of the site places the structure next to railyard and across from Scroggins Mill. Overall, this location reduces potential impacts on residential uses to the west. The only significant public improvement was the need to replace the sidewalk and driveway entrance along the frontage.

Based on these factors, Wendolowski recommended the Commission approve the Conditional Use application, subject to the findings and conditions noted in the Staff Report.

Commissioner McLain asked about what would be stored on site. Wendolowski responded it was basically product storage. Applicant Greg Hogan added some wood would also be stored. Vice-Chair Robertson asked about a "triangle" located at the southwest corner of the building. Wendolowski responded that was part of the driveway entrance.

Chairman Salvage asked the applicant if he wished to testify. Stating he did not, Salvage noted there was no one in the audience and so closed the public testimony portion of the hearing.

Salvage asked the Commissioners if there were any issues or concerns. There were no additional comments or questions from the Commission. Having no further discussion, Salvage asked for a motion.

Commissioner McLain moved and Vice-Chair Robertson seconded, to approve Planning File 16-04-19, adopting the findings and recommended conditions of approval.

The motion passed unanimously.

6. WORK SESSION – (None)

7. COMMISSION BUSINESS & COMMENTS

Wendolowski provided an update on current activities with the following highlights:

- Issues surround the industrial wetlands were reviewed, with Wendolowski noting the City is in the process of contracting with a wetland specialist to begin the project.
- Building fees were updated, with the Department exceeding expected revenue by about 60% with still a month to go.
- The old Ford dealership will be redeveloped. Approximately one-half of the building will be demolished and repurposed. A smaller retail building will be constructed along South Santiam Highway and house a Starbucks and AT&T store. The developer plans on submitting an application within a few weeks. The review is at the staff level.

- In response to a question, there is no further information to share regarding the Weyerhaeuser site.

8. ADJOURNMENT:

There being no further business, the meeting was adjourned at 6:23 pm.

[Meeting minutes prepared by Walt Wendolowski, AICP]



Senior Center
80 Tangent Street
Lebanon OR 97355
(541) 258-4919 ~ fax (541) 258-4956
www.ci.lebanon.or.us

ADVISORY BOARD MEETING

January 27, 2016

MINUTES

Members Present: Alice Unger, Darlene Johnson, Angie Kutsch, Cleora Wymore, Mac McNulty and Kindra Oliver

Absent: Bob Elliott, Fran Bonnarens

1. WELCOME:

Alice opened the meeting at 10:00 a.m.

2. MINUTES:

Darlene moved, Cleora seconded to approve the minutes from December 9th, 2015, Advisory Board meeting. Motion passed unanimously.

3. CHAIRPERSON'S REPORT:

- Alice said taxes are right around the corner and they've been busy preparing for all of the appointments.

4. Board Application Review:

- We received a record number of applications to fill the vacancy on the board. We have lots of people that are genuinely interested in serving, which is fantastic.
- The group reviewed the applications and recommended to appoint Anita Johnson to the advisory board. Kindra will forward the board's recommendation to the City Council to consider at their February 10th City Council meeting.
- There were several others who applied who would be a nice addition to the group, so we'll reflect in the letters sent back that we may have one or two more openings come June, when terms expire.

6. ADJOURNMENT:

Darlene moved, Cleora seconded to adjourn.

RESUBMISSION

(Typographical Error Corrected)



MEMORANDUM

Finance Department

To:	Mayor and City Council	Date: 6/30/16
From:	Dean Baugh, Finance Director	
Subject:	Typo on Resolution 2016-15, Budget Appropriations for FY2016-17	

During the pre-audit process a typo was discovered on the FY2016-17 budget appropriations resolution number 2016-15. After speaking with the auditors and the State budget office the recommendation was to notify Council at the next available council meeting that page 2 will be corrected on the resolution previously signed by the Mayor on June 8.

Below is the special revenue section of resolution 2016-15, original and update versions. The two changes are bold and underlined. The total amount appropriated by council at the June 8th council meeting is not changing.

Original

SPECIAL REVENUE FUND

Special Revenue	\$4,123,097
Inter-fund Transfers	1,737,683
Contingency	562,213
Special Revenue Fund Total	\$5,156,401

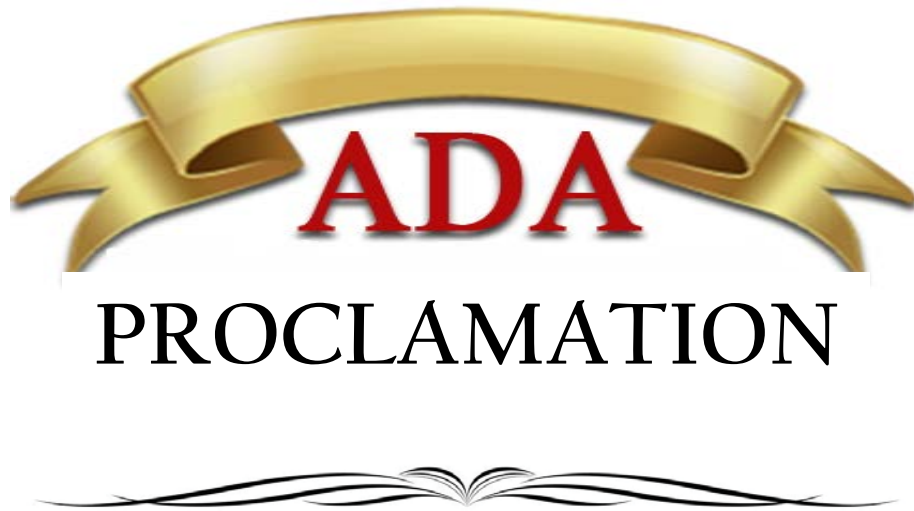
Updated

SPECIAL REVENUE FUND

Special Revenue	<u>\$3,556,211</u>
Inter-fund Transfers	<u>1,037,977</u>
Contingency	562,213
Special Revenue Fund Total	\$5,156,401

Finance Department

Proclamation/Presentation/
Recognition

A graphic featuring a golden ribbon at the top with the letters "ADA" in red. Below the ribbon, the word "PROCLAMATION" is written in a large, black, serif font. At the bottom of the graphic is a decorative flourish.

ADA PROCLAMATION

On July 26, 1990, President George H.W. Bush signed into law the Americans with Disabilities Act (ADA) to ensure the civil rights of people with disabilities. This legislation established a clear and comprehensive national mandate for the elimination of discrimination against individuals with disabilities. On July 26, 2016, we will celebrate the anniversary of the signing of the ADA.

The ADA has expanded opportunities for Americans with disabilities by reducing barriers and changing perceptions, and increasing full participation in community life. However, the full promise of the ADA will only be reached if we remain committed to continue our efforts to fully implement the ADA.

On the anniversary of the Americans with Disabilities Act, join the City of Lebanon in celebrating and recognizing the progress that has been made by reaffirming the principles of equality and inclusion and recommitting our efforts to reach full ADA compliance.

NOW THEREFORE, I, Paul R. Aziz, Mayor of the City of Lebanon do hereby reaffirm to continue to work toward full ADA compliance.

Paul R. Aziz, Mayor
City of Lebanon, Oregon

*In witness whereof, I hereunto affix this seal of the City of Lebanon
on this 13th Day of July, 2016.*

Linda Kaser, City Clerk



"National Night Out"
August 2, 2016"

PROCLAMATION

WHEREAS, the National Association of Town Watch (NATW) is sponsoring a unique, nationwide crime, drug and violence prevention program on August 2, 2016, entitled "National Night Out"; and

WHEREAS, annual "National Night Out" provides a unique opportunity for Lebanon, Oregon to join forces with other communities across the country in promoting cooperative, police/community crime prevention efforts; and

WHEREAS, the City of Lebanon plays a vital role in assisting the Lebanon Police Department through local joint crime prevention efforts and by supporting "National Night Out 2016" in Lebanon; and

WHEREAS, it is essential that all citizens of Lebanon be aware of the importance of crime prevention programs and the impact that their participation can have on reducing such crimes; and

WHEREAS, police/community partnerships, neighborhood safety, awareness and cooperation are important themes of the "National Night Out" program;

NOW, THEREFORE I, Paul R. Aziz, Mayor of the City of Lebanon, do hereby proclaim Tuesday, August 2, 2016 as "**NATIONAL NIGHT OUT**" in our city and call upon all citizens of Lebanon to join the Lebanon Police Department and the National Association of Town Watch in supporting annual National Night Out.

Paul R. Aziz, Mayor
City of Lebanon, Oregon

In Witness Whereof, I Hereunto Cause the Great Seal of the
City of Lebanon to be affixed on this 13th Day of July 2016.

Linda Kaser, City Clerk

“IF I WERE MAYOR”
AWARD RECIPIENTS

1st Place: Emily Salinas (Green Acres)

2nd Place: Gwen Bjerklunk (Pioneer School)

Agenda Item 1



MEMORANDUM

Engineering Services

To: Mayor Aziz and City Council

Date: July 6, 2016

From: Ron Whitlatch, Engineering Services Manager

Subject: **APPROVAL TO PURSUE ALTERNATIVE BID DELIVERY – CM/GC**
New Water Treatment Plant Project No. 10706 WTP

RECOMMENDATION

I recommend that City Council pass a motion authorizing City staff to pursue a Construction Management/General Contractor (CM/GC) Contract for the New Water Treatment Plant Project.

BACKGROUND

The bids for the New Water Treatment Plant that were received in May 2016 were substantially over the Engineers Estimate for overall project cost. During the past five weeks since the bid opening, Staff has been working with Carollo Engineers to determine how best to proceed with the project.

After much investigation, it is our recommendation that the City pursue a CM/GC Contract to move the project forward. Below are several bullet points explaining why it appears that a CM/GC Contract is the best choice in moving ahead in lieu of a Design (in this case re-design) Bid:

- A CM/GC contract will allow for a more in depth Value Engineering process with a construction manager while obtaining actual prices for the work. Innovative and fresh ideas to bring costs down will be a major scoring point in our proposed RFP.
- The plans and specifications for the project have been completed. From these we will work with a CM/GC to do a complete Value Engineering of the project. This will save valuable time over completing a re-design and bid process.
- The process is open book. The initial contract with CM/GC contains the fixed markup percentage (for the entire project) and the up-front costs for Value Engineering.
- All aspects of the project (accept for the Construction Management – which is the fixed markup) are put out for competitive quotes.

Engineering Services

- At the end of the Value Engineering a Contractor submits a Guaranteed Maximum Price for the work. This greatly minimizes the risk for potential change orders since the contractor has been a part of the team to Value Engineer.

Below is a proposed timeline should the City Council approve a motion to move forward with this process:

- Per ORS 279C.335, the City must prepare a findings report and make it available to the public 14 days in advance of a public hearing. We would propose that the public hearing be held at the August 10, 2016 City Council Meeting. An exemption from competitive bidding would be recommended to City Council at the findings hearing.
- August 15, 2016 - Advertise an RFP for a CM/GC Contract. The RFP would weigh heavily on previous experience and innovative ideas the contractor plans to bring to the table to reduce the price of the project.
- September 2016 – Review and score RFP's. If scoring is close we would propose to hold interviews to make final selection.
- October 12, 2016 – Recommend City Council award CM/GC Contract.
- January/February 2017 – City Council approval of the Guaranteed Maximum Price for the project.

The process will be covered in depth at the City Council Work Session on July 12, 2016. Staff will be prepared to answer question and/or concerns during the meeting.

Agenda Item 2



Legal

John Kennedy, City Attorney

MEMORANDUM

To: City Council

Date: 7/6/2016

From: John Kennedy, City Attorney

Subject: Amendment of LMC 12.14.040

This ordinance was amended last month. After review with the Police Department and City Prosecutors, it was agreed that one minor additional change was necessary. The one change simply adds a designee of the Chief of Police in one section to be consistent with the remaining provisions.

**A BILL FOR AN ORDINANCE AMENDING SECTION) ORDINANCE BILL NO. 2016-13
12.14.040 OF THE LEBANON MUNICIPAL CODE)
REGARDING EXCLUSION FROM CITY PARKS FOR)
VIOLATION OF THE LEBANON MUNICIPAL CODE) ORDINANCE NO. 2882
AND DECLARING AN EMERGENCY)**

WHEREAS, LMC 12.14.040 provides for exclusion from parks and public facilities for individuals who violate certain laws of the City of Lebanon or the state while in a Lebanon park or public facility; and

WHEREAS, the City Council has heard the report of the Lebanon City Attorney and the Lebanon Police Chief and comments from staff; and

WHEREAS, the City Council hereby finds that a person who violates any Lebanon Municipal Ordinance or law of the state of Oregon while in a public park or public facility should be excluded from the park or public facility for a period of 30 days; and

WHEREAS, the City Council finds that an exclusion order should be extended for an additional 180 days if a person who is excluded violates the exclusion notice by entering a city park or public facility; or an additional 365 days if a person violates the laws of the City of Lebanon or the State in a City Park or Public Facility while an exclusion order is in place; and

WHEREAS, the City Council finds that such an exclusion order should be authorized if issued by a police officer or any designee of the Chief of Police.

NOW, THEREFORE, BE IT RESOLVED:

Section 1. Lebanon Municipal Code Section 12.14.040, Exclusion of persons from parks and public facilities, is hereby amended to read as follows:

- A. If a police officer, or designee of the Chief of Police, has probable cause to believe that a person has violated any section of the Lebanon Municipal Code, or any laws of the state of Oregon, while in a public park or public facility, a police officer or designee of the Chief of Police may exclude that person from any or all parks or public facilities for a period of not more than thirty days in accordance with the following procedure:
 - 1. Written notice shall be given to the person to be excluded from a park or public facility. The exclusion period shall take effect immediately upon the giving of the notice.
 - 2. The notice shall prominently specify the beginning and ending dates of the exclusion period.
 - 3. The notice shall prominently display a trespass warning describing the potential consequences of unlawful behavior after receipt of an exclusion notice and for entering a park or public place during the exclusion period.
 - 4. At any time within the exclusion period, a person having received a notice may apply in writing to the Chief of Police, or his designee, for a temporary waiver from the exclusion for good reason shown.

5. At any time within the exclusion period, if an individual violates the exclusion order by entering a city park or public facility, the exclusion order should be extended for an additional 180 days.
 6. At any time within the exclusion period, if an individual violates the laws of the City of Lebanon or the State in a City Park or Public Facility the exclusion order should be extended for an additional 365 days.
- B. Any person receiving an exclusion notice may appeal the issuance of such notice by appealing to the City Manager in a form provided for that purpose. Such written notice shall be delivered within three business days from the date of its issuance to the City Manager's Office. The City Manager shall conduct a due process hearing on the appeal within ten business days after receipt of the notice. At such hearing, the City Manager shall offer an opportunity for the appellant to offer evidence. The Chief of Police may appear at such hearing to provide evidence, or may supply the City Manager with any written reports concerning the reason for the exclusion order. The Oregon Rules of Evidence shall not apply at such hearing, but the City Manager may rely upon such evidence as is allowed in administrative proceedings under Chapter 183 of the Oregon Revised Statutes.
 - C. After hearing such evidence as may be offered, the City Manager may modify, affirm or reverse the decision of the Chief of Police as to any exclusion order made. Notice of such decision shall be sent to the appellant, in writing, at the address given by the appellant for such purpose. The decision of the City Manager shall be made within five business days of the hearing.
 - D. The decision of the City Manager shall be final and not appealable by the Chief of Police or by the appellant.
 - E. The exclusion order shall remain in effect pending the decision of the City Manager.

Section 2. Because the exclusion of individuals from parks and public facilities who violate certain laws within the City is necessary for the peace, health and safety of the people of the city of Lebanon, an emergency is declared to exist, and this ordinance is effective upon its passage by the City Council.

Passed by the Lebanon City Council and executed by the Mayor on this 13th day of July, 2016 by a vote of ____ yeas and ____ nays.

CITY OF LEBANON, OREGON

 Paul R. Aziz, Mayor
 Bob Elliott, Council President

ATTESTED BY:

 Linda Kaser, City Clerk

Agenda Item 3



Legal

John Kennedy, City Attorney

MEMORANDUM

To: City Council

Date: 7/2/2016

From: John Kennedy, City Attorney

Subject: Marijuana Tax Ordinance and Referrals to Voters

Presented to Council is one ordinance and two resolutions regarding recreational marijuana.

Resolution No. 2016-24 refers the issue of recreational marijuana in Lebanon to the voters of Lebanon. It asks the voters to decide whether the ban passed by the City should remain in effect. It applies to recreational marijuana processing sites, recreational marijuana producers, recreational marijuana processors, recreational marijuana wholesalers and recreational marijuana retailers. It does not affect medical marijuana establishments.

Ordinance Bill No. 2016-14, Ordinance No. 2883, sets forth a three percent tax on the sale of recreational marijuana. It only goes into effect if the voters reject the ban on recreational marijuana and pass the referendum imposing the tax.

Resolution No. 2016-25 refers the issue of a City of Lebanon three percent tax on recreational marijuana sales to the voters of Lebanon.

A RESOLUTION APPROVING REFERAL TO THE) RESOLUTION NO. 2016-24
ELECTORS OF THE CITY OF LEBANON THE)
QUESTION OF BANNING RECREATIONAL)
MARIJUANA PRODUCERS, RECREATIONAL)
MARIJUANA PROCESSORS, RECREATIONAL)
MARIJUANA WHOLESALERS, AND)
RECREATIONAL MARIJUANA RETAILERS)
WITHIN THE CITY OF LEBANON)

Whereas, section 134 of HB 3400 provides that a city council may adopt an ordinance to be referred to the electors of the city prohibiting the establishment of certain state-registered and state-licensed marijuana businesses in the area subject to the jurisdiction of the city;

Whereas, the City of Lebanon city council adopted Ordinance No, 2863, which prohibits the establishment of recreational marijuana processing sites, recreational marijuana producers, recreational marijuana processors, recreational marijuana wholesalers and recreational marijuana retailers in the area subjection to the jurisdiction of the City of Lebanon;

NOW, THEREFORE, THE CITY OF LEBANON RESOLVES:

MEASURE. A measure election is hereby called for the purpose of submitting to the electors of the City of Lebanon a measure prohibiting the establishment of certain marijuana activities in the area subject to the jurisdiction of the city.

ELECTION CONDUCTED BY MAIL. The measure election shall be held in the City of Lebanon on November 8, 2016. As required by ORS 254.465, the measure election shall be conducted by mail by the County Clerk of Linn County, according to the procedures adopted by the Oregon Secretary of State.

DELEGATION. The City of Lebanon authorizes the City Manager or the City Recorder, designee, to act on behalf of the city and to take such further action as is necessary to carry out the intent and purposes set forth herein, in compliance with the applicable provisions of law.

PREPARATION OF BALLOT TITLE. The City Attorney is hereby directed to prepare the ballot title for the measure, and deposit the ballot title with the City Recorder within the times set forth by law. Attached hereto as Exhibit 1 and hereby approved by the City of Lebanon City Council is the Ballot, containing the approved Ballot Title, Question, Summary and Explanatory Statement.

NOTICE OF BALLOT TITLE AND RIGHT TO APPEAL. Upon receiving the ballot title for this measure, the City Recorder shall publish in the next available edition of a newspaper of general circulation in the city a notice of receipt of the ballot title, including notice that an elector may file a petition for review of the ballot title.

FILING WITH COUNTY ELECTIONS OFFICE. The City Recorder shall deliver the Notice of Measure Election to the county clerk for Linn County for inclusion on the ballot for the November 8, 2016 election.

EFFECTIVE DATE. This resolution is effective upon adoption.

Passed by the Lebanon City Council by a vote of ___ for and ____ against and executed by the Mayor on this 13th day of July, 2016.

City of Lebanon, OREGON

Paul Aziz, Mayor
Bob Elliott, Council President

ATTEST:

Linda Kaser, City Recorder

Exhibit 1 to Resolution Referring Recreational Marijuana Ordinance

BALLOT TITLE

Prohibits certain marijuana registrants and/or licenses in Lebanon, Oregon.

QUESTION

Shall Lebanon, Oregon prohibit recreational marijuana producers, processors, wholesalers, and retailers in Lebanon, Oregon?

SUMMARY

State law allows operation of registered medical marijuana processors, medical marijuana dispensaries and licensed recreational marijuana producers, processors, wholesalers, and retailers. State law provides that a city council may adopt an ordinance to be referred to the voters to prohibit the establishment of any of those registered or licensed activities. Approval of this measure would prohibit the establishment and operation of recreational marijuana producers, processors, wholesalers, and retailers within the area subject to the jurisdiction of the City of Lebanon.

If this measure is approved, the city will be ineligible to receive distributions of state marijuana tax revenues and will be unable to impose a local tax or fee on the production, processing or sale of marijuana or any product into which marijuana has been incorporated.

EXPLANATORY STATEMENT

Approval of this measure would prohibit the establishment and operation of certain marijuana activities within the city. ORS 475B.005 to 475B.399 provides that the Oregon Liquor Control Commission will license recreational marijuana producers (those who manufacture, plant, cultivate, grow or harvest marijuana), processors, wholesalers, and retailers.

A city council may adopt an ordinance prohibiting the establishment of any of those entities within the city, but the council must refer the ordinance to the voters at a statewide general election. The City of Lebanon City Council has adopted an ordinance prohibiting the establishment and operation of recreational marijuana producers, processors, wholesalers, and retailers within the City of Lebanon and, as a result, has referred this measure to the voters. If approved, this measure would prohibit recreational marijuana producers, processors, wholesalers, and retailers within the City of Lebanon.

Approval of this measure has revenue impacts. Currently, ten percent of state marijuana tax revenues will be distributed to cities to assist local law enforcement in performing their duties under ORS 475B.760(2). If approved, this measure would make the city ineligible to receive distributions of state marijuana tax revenues.

Currently, under ORS 475B.345, a city may impose up to a three percent tax on the sale of marijuana items by a marijuana retailer in the city. However, a city that adopts an ordinance prohibiting the establishment of recreational marijuana producers, processors, wholesalers, or retailers may not impose a local tax or fee on the production, processing or sale of marijuana or any product into which marijuana has been incorporated. Approval of this measure would therefore prevent a city from imposing a local tax on those activities.

**AN ORDINANCE OF THE CITY OF LEBANON
IMPOSING A THREE PERCENT TAX ON THE
SALE OF MARIJUANA ITEMS BY A MARIJUANA
RETAILER AND REFERRING ORDINANCE**

) Ordinance Bill No. 2016-14
)
) Ordinance No. 2883
)

Whereas, ORS 475B.345 provides that a city council may adopt an ordinance to be referred to the voters that imposes up to a three percent tax on the sale of marijuana items by a marijuana retailer in the area subject to the jurisdiction of the city;

Whereas, the Lebanon city council wants to impose a tax on the sale of marijuana items by a marijuana retailer in the area subject to the jurisdiction of the city;

NOW THEREFORE, BASED ON THE *FOREGOING*, THE CITY OF LEBANON ORDAINS:

Section 1. DEFINITIONS.

- (1) "Marijuana item" has the meaning given that term in ORS 475B.015(16).
- (2) "Marijuana retailer" means a person who sells marijuana items to a consumer in this state.
- (3) "Retail sale price" means the price paid for a marijuana item, excluding tax, to a marijuana retailer by or on behalf of a consumer of the marijuana item.

Section 2. TAX IMPOSED. As described in ORS 475B.345 the City of Lebanon hereby imposes a tax of three percent on the retail sale price of marijuana items by a marijuana retailer in the area subject to the jurisdiction of the city.

Section 3. COLLECTION. The tax shall be collected at the point of sale of a marijuana item by a marijuana retailer at the time at which the retail sale occurs and remitted by each marijuana retailer that engages in the retail sale of marijuana items.

Section 4. REFERRAL. This ordinance shall be referred to the electors of Lebanon at the next statewide general election on November 8, 2016.

Section 5. Effective Date. This ordinance will be effective 30 days following the date of its passage by the City Council. However, no tax can be imposed or collected unless the voters reject (i.e. do not approve) the prohibition (ban) of recreational marijuana retailers at the next statewide general election held on Tuesday, November 8, 2016.

Passed by the Lebanon City Council by a vote of ___ for and ___ against and executed by the Mayor on this 13th day of July, 2016.

CITY OF LEBANON, OREGON

ATTEST:

Paul Aziz, Mayor
Bob Elliott, Council President

Linda Kaser, City Clerk/Recorder

EFFECTIVE DATE. This resolution is effective upon adoption.

Passed by the Lebanon City Council by a vote of ____ for and ____ against and executed by the Mayor on this 13th day of July, 2016.

City of Lebanon, OREGON

Paul Aziz, Mayor	<input type="checkbox"/>
Bob Elliott, Council President	<input type="checkbox"/>

ATTEST:

Linda Kaser, City Recorder

Exhibit 1 to Resolution Referring Recreational Marijuana Ordinance

BALLOT TITLE

Imposes city tax on marijuana retailer's sale of marijuana items

QUESTION

Shall Lebanon, Oregon impose a three percent tax on the sale in the City of Lebanon of marijuana items by a marijuana retailer?

SUMMARY

Under state law, a city council may adopt an ordinance to be referred to the voters of the city imposing up to a three percent tax or fee on the sale of marijuana items in the city by a licensed marijuana retailer. Approval of this measure would impose a three percent tax on the sale of marijuana items in the City of Lebanon by a licensed marijuana retailer. The tax would be collected at the point of sale and remitted by the marijuana retailer.

EXPLANATORY STATEMENT

Approval of this measure would impose a three percent tax on the sale of marijuana items by a marijuana retailer within the City of Lebanon. The amount of potential revenue from this tax is not known nor subject to reasonable estimates. There are no restrictions on how the City may use the revenues generated by this tax. Under Measure 91, adopted by Oregon voters in November 2014 and amended by the Legislature in 2015, the Oregon Liquor Control Commission must license the retail sale of recreational marijuana. The 2015 Legislation provides that a city council may adopt an ordinance imposing up to a three percent tax on the sale of marijuana items (which include marijuana concentrates, extracts, edibles, and other products intended for human consumption and use) by retail licensees in the city, but the council must refer that ordinance to the voters at a statewide general election. The City of Lebanon City Council has adopted an ordinance imposing a three percent tax on the sale of marijuana items by a retail licensee in the City, and, as a result, has referred this measure to the voters.

**A RESOLUTION APPROVING REFERAL TO THE) RESOLUTION NO. 2016-25
ELECTORS OF THE CITY OF LEBANON THE)
QUESTION OF IMPOSING A THREE PERCENT)
TAX ON THE SALE OF MARIJUANA ITEMS BY A)
MARIJUANA RETAILER WITHIN THE CITY OF)
LEBANON)**

WHEREAS, Section 34a of House Bill 3400 (2015) provides that a city council may adopt an ordinance to be referred to the voters that imposes up to a three percent tax or fee on the sale of marijuana items by a marijuana retailer in the area subject to the jurisdiction of the city;

WHEREAS, the City of Lebanon City Council adopted Ordinance No. 2883 on July 13, 2016, which imposes a tax of three percent on the sale of marijuana items by a marijuana retailer in the area subject to the jurisdiction of the City;

NOW, THEREFORE, THE CITY OF LEBANON RESOLVES:

MEASURE. A measure election is hereby called for the purpose of submitting to the electors of the City of Lebanon a measure imposing a three percent tax on the sale of marijuana items by a marijuana retailer in the area subject to the jurisdiction of the City.

ELECTION CONDUCTED BY MAIL. The measure election shall be held in the City of Lebanon on November 8, 2016. As required by ORS 254.465, the measure election shall be conducted by mail by the County Clerk of Linn County, according to the procedures adopted by the Oregon Secretary of State.

DELEGATION. The City of Lebanon authorizes the City Manager or the City Recorder, designee, to act on behalf of the city and to take such further action as is necessary to carry out the intent and purposes set forth herein, in compliance with the applicable provisions of law.

PREPARATION OF BALLOT TITLE. The City Attorney is hereby directed to prepare the ballot title for the measure, and deposit the ballot title with the City Recorder within the times set forth by law. Attached hereto as Exhibit 1 and hereby approved by the City of Lebanon City Council is the Ballot, containing the approved Ballot Title, Question, Summary and Explanatory Statement.

NOTICE OF BALLOT TITLE AND RIGHT TO APPEAL. Upon receiving the ballot title for this measure, the City Recorder shall publish in the next available edition of a newspaper of general circulation in the city a notice of receipt of the ballot title, including notice that an elector may file a petition for review of the ballot title.

FILING WITH COUNTY ELECTIONS OFFICE. The City Recorder shall deliver the Notice of Measure Election to the county clerk for Linn County for inclusion on the ballot for the November 8, 2016 election.

EFFECTIVE DATE. This resolution is effective upon adoption.

Passed by the Lebanon City Council by a vote of ____ for and ____ against and executed by the Mayor on this 13th day of July, 2016.

City of Lebanon, OREGON

Paul Aziz, Mayor	<input type="checkbox"/>
Bob Elliott, Council President	<input type="checkbox"/>

ATTEST:

Linda Kaser, City Recorder

Exhibit 1 to Resolution Referring Recreational Marijuana Ordinance

BALLOT TITLE

Imposes city tax on marijuana retailer's sale of marijuana items

QUESTION

Shall Lebanon, Oregon impose a three percent tax on the sale in the City of Lebanon of marijuana items by a marijuana retailer?

SUMMARY

Under state law, a city council may adopt an ordinance to be referred to the voters of the city imposing up to a three percent tax or fee on the sale of marijuana items in the city by a licensed marijuana retailer. Approval of this measure would impose a three percent tax on the sale of marijuana items in the City of Lebanon by a licensed marijuana retailer. The tax would be collected at the point of sale and remitted by the marijuana retailer.

EXPLANATORY STATEMENT

Approval of this measure would impose a three percent tax on the sale of marijuana items by a marijuana retailer within the City of Lebanon. The amount of potential revenue from this tax is not known nor subject to reasonable estimates. There are no restrictions on how the City may use the revenues generated by this tax. Under Measure 91, adopted by Oregon voters in November 2014 and amended by the Legislature in 2015, the Oregon Liquor Control Commission must license the retail sale of recreational marijuana. The 2015 Legislation provides that a city council may adopt an ordinance imposing up to a three percent tax on the sale of marijuana items (which include marijuana concentrates, extracts, edibles, and other products intended for human consumption and use) by retail licensees in the city, but the council must refer that ordinance to the voters at a statewide general election. The City of Lebanon City Council has adopted an ordinance imposing a three percent tax on the sale of marijuana items by a retail licensee in the City, and, as a result, has referred this measure to the voters.

Agenda Item 4



MEMORANDUM

Finance Department

To:	Mayor and City Council	Date: 7/13/2016
From:	Dean Baugh, Finance Manager	
Subject:	Approving County Justice Court Lease	

Attached is the proposed commercial lease agreement with the County for the Lebanon Justice of the Peace Court. The follow section of the proposed lease have been updated from the current lease agreement, all other sections are unchanged.

Section 1

- a. the initial term shall begin on July 1, 2016 through June 30, 2017
- b. Renewal shall be automatic annually unless terminated pursuant to Section 1c

Section 2

- a. Monthly rent will increase to \$567 per month from 7/1/16-6/30/17 and adjusted thereafter by the consumer price index

Section 13

- a. Section 13 landlord default clause is a new section requested by the county, this section gives the tenant some rights in the event the City default on the lease

Section 15

- a. The tenant was added to this section at the request of the county to allow the tenant to terminate the lease in the event of a default of the lease agreement

The County Commissioners have reviewed and approved the lease at their June 22, 2016 meeting

Council Action: Staff request Council approval of the proposed Lease agreement for the Lebanon Justice Court

Finance Department

LINN COUNTY BOARD OF COMMISSIONERS



JOHN K. LINDSEY
Commissioner

WILL TUCKER
Commissioner

ROGER NYQUIST
Commissioner

*Linn County Courthouse
P.O. Box 100, Albany, Oregon 97321
(541) 967-3825 FAX: (541) 926-8228*

RALPH E. WYATT
Administrative Officer

June 22, 2016

Gary Marks, City Administrator
City of Lebanon
925 Main St
Lebanon OR 97355

RE: Commercial Lease Agreement

Dear Mr. Marks:

Enclosed are two original Commercial Lease Agreements between the City of Lebanon and Linn County effective July 1, 2016 through June 30, 2017.

Please **sign one original and return to my attention** as soon as possible; **keep** the other original for your records.

Sincerely,

A handwritten signature in blue ink that reads "Marsha Meyer". The signature is fluid and cursive, with a long horizontal stroke at the end.

Marsha Meyer
Senior Administrative Assistant

Enclosures

COMMERCIAL LEASE AGREEMENT

Lebanon Justice of the Peace Court

This Commercial Lease Agreement (Lease) is entered into by and between City of Lebanon (Landlord) and Linn County, a political subdivision of the State of Oregon, by and through its Board of Commissioners for the Central Linn Justice Court (Tenant). Landlord is the owner of land and a building located at 925 Main Street, Lebanon, Oregon, formerly used as City Hall. Landlord makes available for lease a portion of this building, including, but not limited to, office space currently used by the Landlord that has been used as a multi-use facility, including use as a courtroom (Courtroom) for Landlord and Tenant (Premises).

Landlord and Tenant desire to enter into a lease for the Premises for the term, at the rental and upon the provisions set forth herein.

THEREFORE, in consideration of the mutual promises contained herein, and for other good and valuable consideration, it is agreed:

1. Term.

- a. **Initial Term.** The Initial Term of the Lease shall begin on July 1, 2016, and shall continue through June 30, 2017.
- b. **Renewal.** After the initial term, the Lease shall automatically renew annually, from July 1 through June 30, unless terminated pursuant to Section 1.c.
- c. **Notice of Intent to Terminate** – Notice of intent to terminate shall be provided by either party not less than six months prior to the June 30 termination date. It is, however, understood that Tenant's continued tenancy is dependent on the yearly appropriation of funds for the maintenance of the Justice Court's office through the Tenant budget process. If Tenant funding is terminated through the budget process, Tenant shall endeavor to give Landlord 60 days notice of this action and its intent not to continue its occupancy. Tenant shall advise Landlord in writing of a Tenant funding cut back as soon as it is officially adopted, however in such an event Tenant, regardless of the provision of notice or not, shall not be liable for any rent after the end of the occupancy.
- d. **Loss of Funding.** It is further agreed that this lease may be terminated by the Tenant for loss of available funding by the mailing of written notice specifying the cause to the Landlord at the Landlord's address given herein.

2. Rent.

- a. **Rental Amount** - The Tenant shall pay Landlord a base monthly rent in the amount of \$567 per month from 7/1/16 – 6/30/17. Effective upon the July 1 renewal each year the base monthly rent shall be adjusted based upon the annual Consumer Price Index for the calendar year ending prior to the lease renewal. Payments shall be made at the following address:

City of Lebanon
925 Main Street
Lebanon, Oregon 97355

The rental payment amount for any partial calendar months included in the lease term shall be prorated on a daily basis.

- b. In addition to the base monthly rent, the Tenant will pay 23% of the average monthly utility (electrical, water, sewer, and garbage) costs. The average monthly costs shall be based upon the billings received during the preceding calendar year. Annual adjustments to the amounts paid for utility costs will take effect July 1st of each year for the following twelve (12) months (to coincide with the Tenant's budget year). Information on the annual adjustment amounts will be provided annually in March to the Tenant.
 - c. Payments will be due by the 10th day of each month.
3. **Use of Premises.** Tenant shall use the Premises located at 925 Main Street, Lebanon, Oregon (and more particularly described in building layout in Attachment 1 to this agreement as a 3354.30 square feet portion of Lebanon City Hall, consisting of a portion of the second floor of the City Hall and one room of the main floor of City Hall) as the office and Courtroom of the Linn County Justice Court. Tenant shall not use or permit the Premises' use for any other purpose without the written consent of Landlord, nor in any manner prohibited by the laws of the State of Oregon. Landlord shall provide parking spaces for court personnel in the parking lot on the south side of the

building.

4. **Sublease and Assignment.** Tenant shall not sublease all or any part of the Premises, or assign this Lease in whole or in part without Landlord's consent, such consent not to be unreasonably withheld or delayed, except that any Tenant program or department may use the demised Premises for any purpose permitted in this agreement without prior written notification to Landlord.
5. **Obligations.**
 - a. **Tenant's Obligations** – Tenant shall be responsible for:
 - i. Repair of interior walls, ceilings, doors and windows and related hardware in spaces exclusively used for court purposes where such repairs are necessitated by the acts or omissions of court personnel.
 - ii. Any repairs necessitated by the negligence of the Tenant, its employees, agents and invitees.
 - iii. Any repairs or alterations required under the Tenant's obligation to comply with laws and regulations.
 - iv. All other repairs to the Premises which the Landlord is not required to make by this agreement.
 - v. Custodial services, phone and fax lines on the Premises serving the Justice Court.
 - b. **Landlord's Obligations** – Landlord shall be responsible for:
 - i. Repairs and maintenance of the roof and gutters, exterior walls (including painting), bearing walls, structural members and foundation.
 - ii. Repair of sidewalks, driveways, curbs and parking area.
 - iii. Repair and maintenance of water, sewage, gas, and electrical services including light fixtures (but not bulbs or fluorescent tubes, unless such bulbs or tubes are located in the Premises exclusively used by the Tenant, in which case Tenant will bear the costs of replacement and Landlord will replace at a reasonable time following notice by Tenant), switches, wiring and plumbing in the Premise.
 - iv. Repair and ordinary maintenance of the heating system and the air conditioning system within the Premises. Repair of interior walls, ceilings, doors and windows and related hardware except as provided in sub-paragraph(5)(a)(i) above.
 - v. Providing, at no cost to Tenant, maintenance of the yard and grounds around the leased Premises in good condition; keeping the parking areas clean and free of debris; and, removing ice, snow, debris and obstructions from the property to the extent necessary to provide reasonably safe access to the Premises. ,
 - vi. The Landlord shall be responsible for all maintenance issues relating to the building structure, the roof, heating and air conditioning, plumbing, electrical (see exception and terms in (5)(b)(iii)).
6. **Alterations and Improvements.**
 - a. Tenant, at Tenant's expense, shall have the right, upon obtaining Landlord's consent, to remodel, redecorate, and make additions, improvements and replacements of and to all or any part of the Premises from time to time as Tenant may deem desirable, provided the same are made in a workmanlike manner and utilizing good quality materials. Tenant shall have the right to place and install personal property, trade fixtures, equipment and other temporary installations in and upon the Premises, and fasten the same to the Premises. All personal property, equipment, machinery, trade fixtures and temporary installations, whether acquired by Tenant at the commencement of the Lease term or placed or installed on the Premises by Tenant thereafter, shall remain Tenant's property free and clear of any claim by Landlord. Tenant shall have the right to remove the same at any time during the term of this Lease provided that Tenant shall repair, at Tenant's expense, all damage to the Premises caused by such removal.
 - b. Landlord reserves the right to alter, repair or improve the building, or add thereto and for that purpose may erect scaffolding and all other necessary structures about or upon the Premises and for that purpose the Landlord and it's representatives, contractors and workmen may, subject to legal requirements, enter in and about the Premises with such materials as Landlord may deem necessary therefore provided that such actions are done in a manner calculated to interfere as little as is reasonably possible with Tenant's use of the Premises. Landlord shall provide Tenant with notice of its intent to alter, repair or improve the building and not less than 10 court days notice of the commencement date of any alteration, repair or improvement to the building.
 - c. No use of the Premises shall result in (1) waste on the Premises, or (2) a finding by a court of competent jurisdiction that a public or private nuisance exists on the Premises.
7. **Insurance.**
 - a. **Risk of Loss** – Landlord bears the risk of loss from fire or other casualty to the building and any furnishings or appliances left or located by Landlord therein. Tenant shall bear the risk of loss for the contents of the Premises and any improvements, alterations or fixtures it installs thereon.
 - b. **Insurance Required** - Landlord shall maintain fire and extended coverage insurance on the Building and the Premises, as well as comprehensive general liability insurance, in such amount as Landlord shall deem appropriate. Tenant shall be responsible, through the provisions of its blanket property insurance maintained

- through Tenant, for fire and extended coverage insurance on all of its personal property, located in the Premises, and for comprehensive general liability insurance.
- c. **Waiver of Subrogation** – Neither party shall be liable to the other for loss arising out of damage to or destruction of the Premises, or the contents thereof.
 - d. **Indemnification** – The parties each agree to indemnify and defend the other from any claim, loss, or liability arising out of or related to the indemnifying party’s sole negligent or intentional acts or omissions.
8. **Signs.** Tenant may, subject to review and approval of Landlord, which approval not be unreasonably withheld, erect and maintain outdoor signs identifying the entrance to the building at 30 East Maple Street as the location of the “Linn County Justice Court, District 4A.” Such signs and lettering thereon shall be of sufficient size to include other pertinent information and be visible to passers-by in motor vehicles as well as afoot, provided that such signs shall comply with or are exempted from ordinances of the Landlord. Such signs may be attached to the building or placed upon posts set in the grounds of the Premises.
 9. **Entry.** Tenant’s utilization of the Premises for the provision of justice services requires that the confidentiality and privacy of litigants be maintained. Accordingly, Landlord agrees to limit its right of entry to the property to only business hours following 24 hours notice of intent to enter. Non-business hour entry, except in an emergency, shall only occur upon seven days written notice and written approval of Tenant, which approval shall not be unreasonably withheld. Emergency entry without notice may occur only in cases where such action is necessary to prevent injury to persons or to prevent damage to the Premises or building.
 10. **Parking.** Subject to the provisions of paragraph 3(a), during the term of this Lease, Tenant shall have the non-exclusive use in common with Landlord, other tenants of the Building, their guests and invitees, of the common automobile parking area, driveway, and pedestrian ways, subject to rules and regulations for the use thereof as prescribed from time to time by Landlord. Subject to the provisions of paragraph 3(a), Landlord reserves the right to designate parking areas on the Premises for Tenant and Tenant's agents and employees.
 11. **Damage and Destruction.** Except as otherwise provided in this agreement, if the Premises or any part thereof or any appurtenance thereto is so damaged by fire, casualty or structural defects, such damage or defects not being the result of any act of negligence by Tenant or by any of Tenant's agents, employees or invitees, that the same cannot be used for Tenant's purposes, then Tenant shall have the right within 45 days following damage to elect by notice to Landlord to terminate this Lease as of the date of such damage. In the event of minor damage to any part of the Premises, and if such damage does not render the Premises unusable for Tenant's purposes, Landlord shall promptly repair such damage at the cost of the Landlord. In making the repairs called for in this paragraph, Landlord shall not be liable for any delays resulting from strikes, governmental restrictions, inability to obtain necessary materials or labor or other matters which are beyond the reasonable control of Landlord. Tenant shall be relieved from paying rent and other charges during any portion of the Lease term that the Premises are inoperable or unfit for occupancy, or use, in whole or in part, for Tenant's purposes. Rentals and other charges paid in advance for any such periods shall be credited on the next ensuing payments, if any, but if no further payments are to be made, any such advance payments shall be refunded to Tenant. The provisions of this paragraph extend not only to the matters aforesaid, but also to any occurrence which is beyond Tenant's reasonable control and which renders the Premises, or any appurtenance thereto, inoperable or unfit for occupancy or use, in whole or in part, for Tenant's purposes.
 12. **Tenant Default.** Tenant shall have breached this lease and shall be considered in default hereunder if Tenant fails to pay rent when due and does not make the delinquent payment within 10 days after receipt of notice thereof by the Landlord directed to the Board of Commissioners for Linn County, or Tenant fails to perform or comply with any of the covenants or conditions of this lease and such failure continues for a period of 20 days after the Board of Commissioners’ receipt of notice thereof from Landlord. Landlord shall use reasonable efforts to mitigate its damages.
 13. **Landlord Default.** Landlord shall have breached this lease and shall be considered in default hereunder if Landlord fails to perform or comply with any of the covenants or conditions of this lease and such failure continues for a period of 20 days after Landlord’s receipt of notice thereof from Tenant. Tenant shall use reasonable efforts to mitigate its damages.
 14. **Waiver.** No waiver of any default of Landlord or Tenant hereunder shall be implied from any omission to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. One or more waivers by Landlord or Tenant shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition.
 15. **Remedy.** In the event of a default the lease may be terminated at the option of Landlord or Tenant respectively by notice in writing. If the lease is not terminated by election of the non-breaching party, the non-breaching party shall be entitled to recover damages for default. If the lease is terminated, liability for damages shall survive such

termination. In the event of default by Tenant, Landlord may reenter, take possession of the Premises, and remove and persons or property as allowed by law.

16. **Quiet Possession.** Landlord covenants and warrants that upon performance by Tenant of its obligations hereunder, Landlord will keep and maintain Tenant in exclusive, quiet, peaceable and undisturbed and uninterrupted possession of the Premises during the term of this Lease.
17. **Condemnation.** If any legally, constituted authority condemns the Building or such part thereof which shall make the Premises unsuitable for leasing, this Lease shall cease when the public authority takes possession, and Landlord and Tenant shall account for rental as of that date. Such termination shall be without prejudice to the rights of either party to recover compensation from the condemning authority for any loss or damage caused by the condemnation. Neither party shall have any rights in or to any award made to the other by the condemning authority.
18. **Subordination.** Tenant accepts this Lease subject and subordinate to any mortgage, deed of trust or other lien presently existing or hereafter arising upon the Premises, or upon the Building and to any renewals, refinancing and extensions thereof, but Tenant agrees that any such mortgagee shall have the right at any time to subordinate such mortgage, deed of trust or other lien to this Lease on such terms and subject to such conditions as such mortgagee may deem appropriate in its discretion. Landlord is hereby irrevocably vested with full power and authority to subordinate this Lease to any mortgage, deed of trust or other lien now existing or hereafter placed upon the Premises of the Building. Tenant agrees that it will from time to time upon request by Landlord execute and deliver to such persons as Landlord shall request a statement in recordable form certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as so modified), stating the dates to which rent and other charges payable under this Lease have been paid, stating that Landlord is not in default hereunder (or if Tenant alleges a default stating the nature of such alleged default) and further stating such other matters as Landlord shall reasonably require.
19. **Security Deposit.** No security deposit has been collected nor shall be required of Tenant.
20. **Notice.**
 - a. Any notice required or permitted under this Lease shall be deemed sufficiently given or served if sent by United States certified mail, return receipt requested, addressed as follows:
Landlord: City of Lebanon, 925 Main Street, Lebanon, Oregon 97355
Tenant: Linn County, PO Box 100, Albany, OR 97321
 - b. Landlord and Tenant shall each have the right from time to time to change the place notice is to be given under this paragraph by written notice thereof to the other party.
21. **Headings.** The headings used in this Lease are for convenience of the parties only and shall not be considered in interpreting the meaning of any provision of this Lease.
22. **Final Agreement.** This Agreement terminates and supersedes all prior understandings or agreements on the subject matter hereof. This Agreement may be modified only by a further writing that is duly executed by both parties.

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and date written below.

LANDLORD – Agreed to by City of Lebanon on _____, 2016, by

Attest:

Gary B. Marks
City Manager

Paul R. Aziz
Mayor

TENANT – Agreed to by Linn County Board of Commissioners on June 22, 2016, by

Roger Nyquist
Roger Nyquist, Chairperson

John Lindsey
John Lindsey, Commissioner

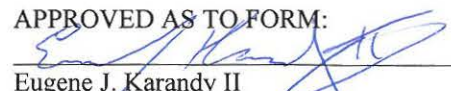
William C. Tucker
William C. Tucker, Commissioner

APPROVED AS TO CONTENT:



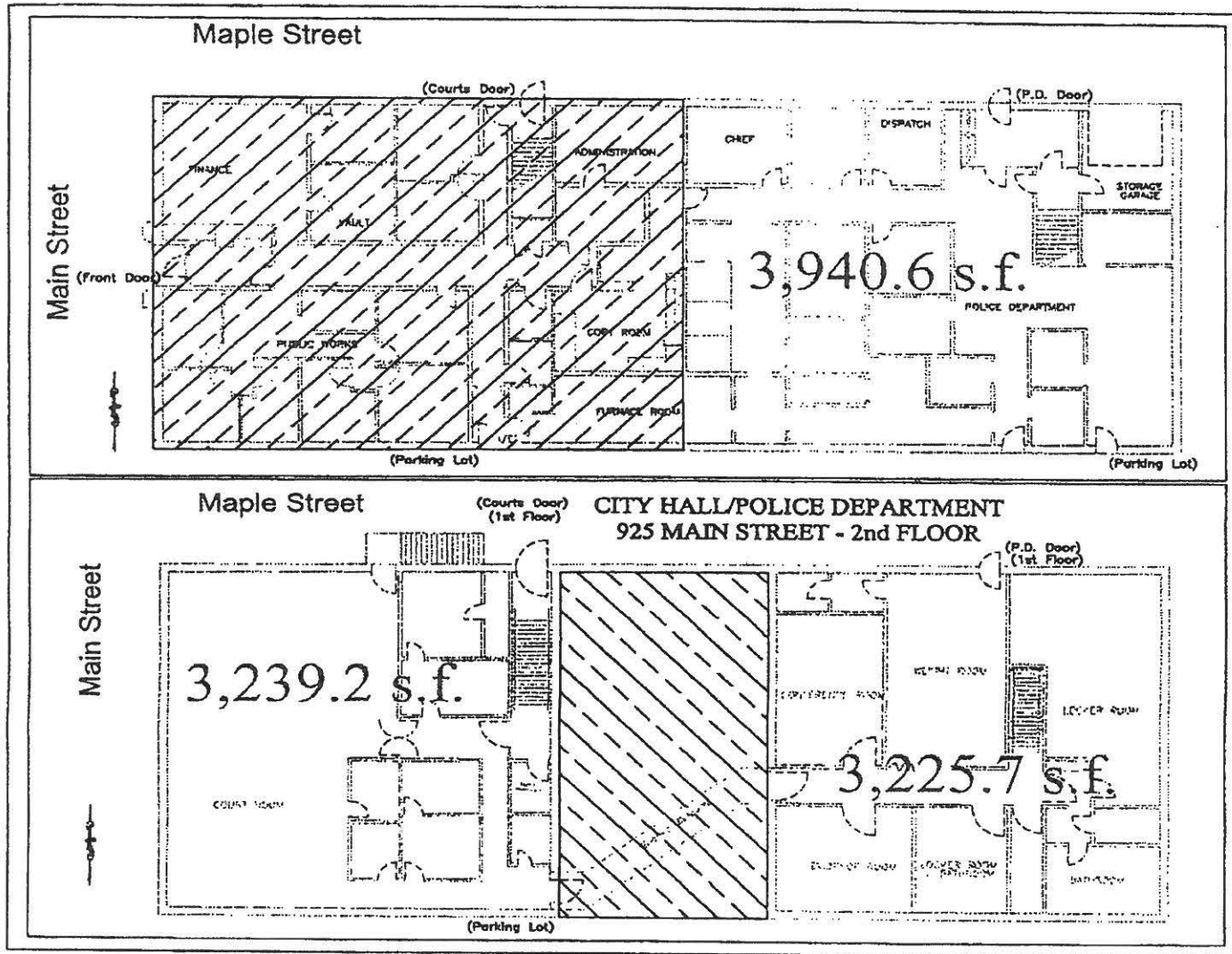
Ralph E. Wyatt
County Administrative Officer

APPROVED AS TO FORM:



Eugene J. Karandy II
County Attorney for Linn County

ATTACHMENT 1



down stairs Room 114 s.f.

Agenda Item 5



MEMORANDUM

Finance Department

To:	Mayor and City Council	Date: July 1, 2016
From:	Dean Baugh, Finance Director	
Subject:	Budget Resolution Levying Taxes	

Per Sandy at the Linn County Assessors office, the State of Oregon requires the delinquent sewer and storm drain charges to be listed on the resolution levying taxes. The problem is the resolution levying taxes needs to be approved by the City Council by June 30 each year and the amount of the delinquent sewer and storm drain charges are not available until July 1 each year. This will require the City to approve the resolution levying taxes in June and then amend the resolution each July.

We are amending Resolution No. 2016-16 to reflect the delinquent sewer and storm drain assessments. All other provisions of Resolution No.2016-16 remain in effect as of the date of its passage.

This resolution is effective immediately upon its passage.

Council action: Staff requests Council approval of the resolution amending Resolution 2016-16.

Finance Department

**A RESOLUTION AMENDING SECTION 1 OF)
RESOLUTION NO. 16 (2016 – LEVYING TAXES)
FY 2016-17) TO INCLUDE DELINQUENT)
SEWER AND STORM DRAIN ASSESSMENTS)**

RESOLUTION NO. 2016-26

THE CITY OF LEBANON ORDAINS AS FOLLOWS:

Section 1. Section 1 of Resolution No. 16, approved by the Lebanon City Council on June 8, 2016, is amended to include the following as described in attached Exhibit A and B:

	<u>Subject to the General Governmental Limitation</u>	<u>Excluded from the Limitation</u>
Delinquent Sewer Charges		\$ 56,805.53
Delinquent Storm Drain Charges		\$ 4,252.84

Section 2. All other provisions of Resolution No. 16 remain in effect as of the date of its passage.

Section 3. This Resolution is effective immediately upon its passage.

Passed by the Lebanon City Council and executed by the Mayor on this 13th day of July, 2016 by a vote of ____ yeas and ____ nays.

CITY OF LEBANON, OREGON

Paul R. Aziz, Mayor
Bob Elliott, Council President

ATTESTED BY:

Linda Kaser, City Clerk



STATE OF OREGON
County of Linn
City of Lebanon

CERTIFICATE

I, Dean Baugh, do hereby certify that I am the duly appointed Finance Director and acting for the City of Lebanon, Oregon.

The attached hereto is a complete list of property descriptions upon which the City of Lebanon, Oregon claims lien for unpaid sewer service charges as of January 1, 2015 by virtue of Municipal Code Section 13.04.010 and 13.04.090 of the City of Lebanon and amendments thereto. Such are hereby certified to the Assessor of Linn County, Oregon by virtue of said Ordinance and under and pursuant to Oregon Revised Statutes ORS 454.225 for collection.

The total amount of said unpaid charges, including interest as of June 30, 2016 is \$61,058.37. ✓

That notice to the property owners or their agents of said delinquencies has been given.

That I have made this certificate under my oath of office and have affixed my signature and the Seal of the City of Lebanon hereto on this 1st day of July, 2016.

Dean Baugh, Finance Director
City of Lebanon
Linn County, Oregon

DB/th

Updated 6/30/16

City of Lebanon / Sewer Use Certification List / July 1, 2016

County Number	Map	Lot	Tax Code	Sewer Lien	Storm Water	Penalties	Total	Customer Number	Name	Service Address
169207	12-2W-03A	1200	9-53	0.00	126.84	106.26	233.10	2700.008	Spires	Santiam Hwy Lot 1200
169306	12-2W-03A	1800	9-53	0.00	126.84	106.26	233.10	2700.009	Spires	Santiam Hwy Lot 1800
169314	12-2W-03A	1900	9-53	0.00	126.84	106.26	233.10	2700.010	Spires	33374 S Santiam Hwy
169322	12-2W-03A	2000	9-53	0.00	126.84	106.26	233.10	2700.011	Spires	33366 Santiam Hwy
171161	12-2W-10AA	400	9-77	0.00	37.62	106.38	144.00	21531.000	Owner/Church	91 W Mary St
171914	12-2W-10AB	2002	9-77	349.74	37.62	456.58	843.94	22183.000	Beaver	305 W Olive St
172383	12-2W-10AB	6100	9-5	75.84	8.16	106.66	190.66	18327.007	Clark	505 Tangent St
172912	12-2W-10AC	1900	9-5	543.60	37.62	631.24	1212.46	2358.001	Butler	480 Tangent St
173514	12-2W-10AD	1500	9-5	738.54	37.62	788.50	1564.66	15147.000	Brown	294 2nd St
174942	12-2W-10BC	300	9-5	971.82	37.62	476.18	1485.62	19320.001	Schlitzkus	150 S 11th St
175113	12-2W-10BC	1800	9-5	971.82	37.62	630.04	1639.48	17852.000	Martinez	445 S 12th St
175139	12-2W-10BC	2000	9-5	971.82	37.62	486.98	1496.42	4611.000	Pettner	355 12th St
175204	12-2W-10BC	2700	9-5	971.82	37.62	446.36	1455.80	4791.000	Comber	170 S 12th St
175212	12-2W-10BC	2800	9-5	334.51	0.00	100.00	434.51	4791.001	Comber	180 S 12th St
176020	12-2W-10BD	3000	9-5	143.31	0.00	100.00	243.31	3068.000	Guiron	890 W Isabella St
177499	12-2W-10CC	1200	9-5	971.82	37.62	353.24	1362.68	14577.000	Horner	1071 W Oak St
178752	12-2W-10DA	2700	9-5	297.42	3.33	100.00	400.75	22972.000	Mitchell	620 S Main St
180618	12-2W-10DB	12500	9-5	349.74	37.62	295.30	682.66	22535.000	Dalziel	492 W Grant St
181095	12-2W-10DC	3200	9-5	816.30	37.62	652.48	1506.40	10444.005	Boje	410 W Oak St
181640	12-2W-10DC	8300	9-5	349.74	37.62	516.20	903.56	686.000	Reynolds	350 W B St
182309	12-2W-10DD	3400	9-5	349.74	37.62	646.16	1033.52	15675.000	Aburto	1164 S 2nd St
185708	12-2W-11BD	3600	9-5	690.54	136.50	627.92	1454.96	15781.001	Kemper	430 E Dodge St
185757	12-2W-11BD	4000	9-5	971.82	37.62	652.06	1661.50	4702.000	Thayer	198 Hiatt St
186011	12-2W-22BD	6400	9-5	660.78	37.62	691.70	1390.10	18680.001	Eiquihua	320 E Isabella St
186110	12-2W-11BD	7300	9-5	67.96	7.31	106.38	181.65	23300.000	Wolfenbarger	478 E Isabella St
187852	12-2W-11CB	5600	9-5	478.20	136.50	353.98	968.68	16136.003	Schilling	727 S Main St
191458	12-2W-11DB	7000	9-5	113.42	15.69	129.76	258.87	14624.003	Lawrence	735 Walnut St
192019	12-2W-11DC	3100	9-5	349.74	37.62	544.62	931.98	1091.000	Miller, Estate of D	750 E Oak St
192571	12-2W-12C	700	9-21	0.00	37.62	106.90	144.52	20332.000	Ridgeway Butte LLC	Berlin Rd Lot 700
192605	12-2W-13	200	9-21	0.00	68.16	108.72	176.88	20332.001	Ridgeway Butte LLC	37888 E Grant St
192613	12-2W-13	300	9-22	0.00	51.36	100.00	151.36	22987.000	Ridgeway Butte LLC	Berlin Rd Lot 300
193587	12-2W-14BA	300	9-5	349.74	37.62	779.18	1166.54	11004.007	Teeter	1258 Eddie St
193629	12-2W-14BA	700	9-5	971.82	37.62	495.02	1504.46	1032.000	James	1350 Eddie St
194213	12-2W-14BA	6001	9-5	393.14	71.02	375.64	839.80	17288.000	Samihan	387 E Milton St
195012	12-2W-14BA	13400	9-5	971.82	37.62	650.74	1660.18	16482.001	Butera	624 Harden Dr
197307	12-2W-14BD	500	9-5	349.74	37.62	553.18	940.54	249.000	Miller, Esate	626 Ralston Dr
201828	12-2W-15AB	1700	9-5	349.74	37.62	326.38	713.74	11826.004	Weirich	571 W D St
201844	12-2W-15AB	1900	9-5	678.87	56.34	100.00	835.21	704.000	Flanagan	531 W D St
201885	12-2W-15AB	2300	9-5	278.86	0.00	100.00	378.86	21909.000	Cronin/BofA	451 D St
202545	12-2W-15AB	8400	9-5	349.74	37.62	651.54	1038.90	20498.000	Batey	371 F St
203139	12-2W-15AD	2900	9-5	349.74	37.62	387.60	774.96	16177.010	Duckett	1669 S 2nd St
204079	12-2W-15BA	4700	9-5	0.00	37.62	106.54	144.16	20297.000	Greiner	955 F St

Exhibit "B"

204095	12-2W-15BA	4900	9-5	971.82	37.62	587.12	1596.56	16696.000	Zinserling	930 F St
207296	12-2W-15DC	2700	9-5	870.34	0.00	100.00	970.34	18381.000	James	2615 Acorn St
207452	12-2W-15DD	306	9-5	349.74	37.62	674.16	1061.52	15904.000	Rogers	311 Walker Rd
207866	12-2W-15DD	1900	9-47	0.00	37.62	100.00	137.62	22486.000	Phillips	70 Walker Rd
209557	12-2W-22AB	300	9-5	424.55	0.00	100.00	524.55	4671.000	Beck	2761 Birch St
210449	12-2W-22AD	58500	9-5	738.54	37.62	681.76	1457.92	6313.002	Dodge	11 Grace St
210522	12-2W-22BA	100	9-5	0.00	37.62	106.90	144.52	20287.000	Fire Cove Holdings	590 Walker Rd
211025	12-2W-23A	1600	9-47	0.00	341.22	223.20	564.42	20765.000	Deibele	3510 S Santiam Hwy
213427	12-2W-23D	4700	9-47	0.00	37.62	106.62	144.24	21322.000	Thomas Hermans	535 Crowfoot Rd
332011	12-2W-10DA	6601	9-5	349.74	37.62	283.12	670.48	22587.000	Floro	176 W Grant St
359717	12-2W-10CB	900	9-5	349.74	37.62	661.16	1048.52	18517.000	Womack	1173 W Sherman St
363388	12-2W-15DD	331	9-5	669.24	37.62	1111.92	1818.78	16097.000	Lehwald	295 Walker Rd
364204	12-2W-10CB	1208	9-5	349.74	37.62	620.54	1007.90	19950.000	Foster/BofA	1160 W Grant St
383865	12-2W-10AB	7201	9-5	971.82	37.62	556.66	1566.10	2446.000	Greiner	420 W Morton St
387544	12-2W-09DA	6200	9-5	660.78	37.62	327.96	1026.36	13965.009	Shroyer	765 S 16th St
391124	12-2W-10BD	3207	9-5	349.74	37.62	447.62	834.98	21646.000	Owner/Campbell	995 W Vine St
391736	12-2W-10CA	4701	9-5	971.82	37.62	480.42	1489.86	4752.000	Whited	805 W Sherman St
403549	12-2W-22AD	15000	9-5	349.74	37.62	506.42	893.78	21043.000	Parker	3226 Columbine St
411948	12-2W-10CC	3001	9-5	0.00	37.62	105.62	143.24	21079.000	Barnes	1142 W Oak St
440947	12-2W-22BB	808	9-5	302.45	33.73	269.68	605.86	22818.000	Bursey	2766 S 10th St
442448	12-2W-10bd	2307	9-5	971.82	37.62	352.90	1362.34	21258.000	Grater	990 W Academy St
694758	12-2W-22AC	9900	9-5	660.78	37.62	422.28	1120.68	20836.000	Aldrich	3285 S 8th St
849685	12-2W-10CC	5700	9-17	648.72	109.26	100.00	857.98	15921.000	Ramos	975 W D St
851101	12-2W-23BC	6000	9-47	349.74	37.62	652.18	1039.54	19444.000	Chaney	3120 Rooster Ln
881974	12-2W-13	703	9-21	0.00	37.62	107.12	144.74	20328.000	Poland	32777 Berlin Rd
896694	12-2W-15CB	15500	9-5	349.74	37.62	260.32	647.68	16044.006	Rice	1063 Kees St
906094	12-2W-15CD	4900	9-5	349.74	37.62	518.84	906.20	20925.000	Lester	2562 S 7th St
915438	12-2W-14DD	5100	9-47	0.00	37.62	105.92	143.54	22253.000	Owner/Loghides	2424 Mountain River Dr
916622	12-2W-22DA	6600	9-5	0.00	37.62	106.52	144.14	21450.000	Heather Investments LLC	322 W Jadon Dr
918926	12-2W-15CB	902	9-5	0.00	37.62	106.54	144.16	20302.000	IWM LLC	12th St Lot 902
919438	12-2W-22AD	59800	9-5	349.74	37.62	323.28	710.64	22400.000	Lakey	58 Grace St
921094	12-2W-11BD	3701	9-21	0.00	37.62	107.90	145.52	20344.000	Trademark West Properties	Dodge St Lot 3701
928182	12-2W-23A	205	9-47	0.00	750.66	382.32	1132.98	20519.000	Schweinsopf Dev	3111 Burdell Blvd
				29943.33	4252.84	26862.20	61058.37			

Agenda Item 6



MEMORANDUM

Administration

To: Paul Aziz, Mayor
Lebanon City Council
From: Gary Marks, City Manager
Subject: League of Oregon Cities Legislative Priorities

Date: July 1, 2016

I. INTRODUCTION

Prior to each State General Legislative Session the League of Oregon Cities develops a list of legislative priorities to direct the League in its efforts to represent Oregon cities during the session. The list is developed through a process wherein city councils throughout Oregon are asked to provide input on which priorities are most important. The League's report listing 29 proposed priorities (for the upcoming 2017 Legislative Session) has been included with this report.

II. CURRENT REPORT

The League has asked the Lebanon City Council to identify its top four (4) legislative priorities from among the list of 29 and to submit the same so that it may be aggregated with input from other Oregon cities.

I have reviewed the 29 proposed legislative priorities and have indicated seven (7) that, in my professional opinion, appear to be the most important in context with the needs of the City of Lebanon. I recommend the City Council evaluate my list of seven (7) and determine the four (4) that should be submitted to the League as top priorities.

Those seven (7) priorities are as follows (not in priority order):

- Item J, Local Lodging Tax. The proposed bill would provide greater flexibility in the use of lodging tax monies as compared to current law along with other beneficial changes. Given the recent growth in City of Lebanon lodging tax monies and the potential it represents to administer improvements for our local visit industry, I believe this is an important proposal.
- Item L, Marijuana and Vaping Taxes. Given the rise of the marijuana issue and the revenue implications it holds for the City, I believe it will be important for the League to defend against restrictions and preemptions on local marijuana taxes.
- Item M, Restore Recreational Immunity. A recent court decision has effectively voided immunity previously granted to cities in cases of personal injury, death or property damage that arise out of the use of park land for recreational purposes. The lost immunity is what has allowed cities to operate parks and trails without fear of lawsuits.

- Item O. Continue Marijuana Legalization Implementation. This proposal is aimed at allowing civil enforcement of marijuana laws, ensure equitable distribution of marijuana shared revenues, and eliminate limitations on shared revenue use. In light of the recent legalization of marijuana in Oregon and the ballot measures the City Council has previously decided to forward to Lebanon voters concerning recreational marijuana, I believe this proposal may prove beneficial to the City's efforts to collect associated taxes should Lebanon voters decide in favor of recreational use.
- Item S. PERS Reform. Due to actuarial errors made by Oregon PERS actuaries in the 1990s, the PERS System is now facing a \$22 billion unfunded liability. Correcting this error is expected to require employer contribution rates of up to 30 percent in the coming biennium. This proposal seeks adjustments to the system to help ensure a sustainable and adequate pension system. This issue has significant financial implications for the City of Lebanon which warrants the Council's consideration as a top priority.
- Item V. Rights of Way. Private utilities benefit from the use of the City's public right-of-ways in the transmission of their services. Given the private benefit from the use of public space, franchise fees are collected and used by the City to support the City's delivery of services to residents and businesses. Private utilities routinely attempt to have the Oregon Legislature pass laws that limit the City's ability to collect fees and/or to regulate these public spaces. This issue has significant financial implications for the City of Lebanon and should be considered by the Council as a top priority.
- Item Z. Comprehensive, Multi-modal Transportation Funding and Policy Package. This proposal would allow the League to participate in the drafting and advocacy of a comprehensive statewide transportation funding package. A lack of transportation funding prevents the City of Lebanon from addressing a backlog of transportation needs that, if funded, would support the community's growing needs. Lebanon Strategic Plan Action Item 13.2 calls for the updating of the community's transportation plan. The plan will be dependent on adequate funding which would be potentially assisted through the proposed funding package. A package will likely be developed with or without the participation from the League. I believe it will be important to have a voice for local governments at the table to assure funding for local needs. I recommend the City Council consider this proposal as a top priority.

III. RECOMMENDATION

I recommend the City Council evaluate my list of seven (7) proposed legislative priorities and determine the four (4) that should be submitted to the League as top priorities.



Administration

City Clerk/Recorder

MEMORANDUM

To: Mayor Aziz and City Council

Date: June 17, 2016

From: Linda Kaser, City Clerk

Subject: Legislative Priorities for 2017 Oregon Legislative Session

The League of Oregon Cities (LOC) requests that each City participate in their 2017 legislative agenda by submitting a ballot depicting the City Council's top four legislative priorities from the identified objectives enclosed.

Executive Director McCauley's letter further explains the League's efforts in bringing forward collective recommendations to the 2017 Legislative Session.

At the July 13 Council Meeting, each Councilor should articulate his/her opinion of the top four (4) most important issues facing Oregon cities to ultimately reach a consensus of which four to be placed on Lebanon's ballot.

I will mark the ballot accordingly and return it by the July 22 deadline.

Council Action: *Consensus of the top four (4) priorities to be placed on Lebanon's ballot to be submitted for consideration of the League's 2017 Legislative Agenda.*

/lgk



1201 Court Street NE, Suite 200 • Salem, Oregon 97301
(503) 588-6550 • (800) 452-0338 • Fax: (503) 399-4863
www.orcities.org

June 6, 2016

Dear Chief Administrative Official:

For the past three months, eight policy committees have been working to identify and propose specific actions as part of the League's effort to develop a pro-active legislative agenda for the 2017 session. They have identified 29 legislative objectives as set forth in the enclosed ballot and legislative recommendation materials. These objectives span a variety of issues and differ in the potential resources required to seek their achievement. Therefore, it is desirable to prioritize them in order to ensure that efforts are focused where they are most needed.

Each city is being asked to review the recommendations of the policy committees and provide input to the LOC Board of Directors as it prepares to adopt the League's 2017 legislative agenda. After your city council has had the opportunity to review the 29 proposals and discuss them with your staff, please return the enclosed ballot indicating the top four issues that your city council would like to see the League focus on in the 2017 session. **The deadline for response is July 22, 2016.** The board of directors will then review the results of this survey of member cities, along with the recommendations of the policy committees, and determine the League's 2017 legislative agenda.

Your city's participation and input will assist the board in creating a focused set of specific legislative targets that reflect the issues of greatest importance to cities. Thank you for your involvement, and thanks to those among you who gave many hours of time and expertise in developing these proposals.

Do not hesitate to contact me or Craig Honeyman, Legislative Director, with questions.

Sincerely,

A handwritten signature in black ink, which appears to read "Michael J. McCauley". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Michael J. McCauley
Executive Director

INSTRUCTIONS

1. Each city should submit one form that reflects the consensus opinion of its city council on the **top four** legislative priorities for 2017.
2. Simply place an **X** in the space to the left of the city's top four legislative proposals (last pages of the packet).
3. The top four do not need to be prioritized.
4. Return by **July 22nd** via mail, fax or e-mail to:

Paul Aljets
League of Oregon Cities
1201 Court St. NE, Suite 200
Salem, OR 97301
Fax – (503) 399-4863
paljets@orcities.org

Thank you for your participation.

City of: _____

Please mark **4** boxes with an **X** that reflect the top 4 issues that your city recommends be the priorities for the League's 2017 legislative agenda.

Legislation

Community Development	
A. Needed Housing Assistance Program	<input type="checkbox"/>
B. Natural Hazard Land Use Reform	<input type="checkbox"/>
C. DOGAMI Disaster Mapping	<input type="checkbox"/>
D. Floodplain Technical Assistance	<input type="checkbox"/>
Energy	
E. Green Energy Technology Requirement	<input type="checkbox"/>
F. Funding Public Energy Projects	<input type="checkbox"/>
G. Updates to Oregon Energy Code	<input type="checkbox"/>
Finance and Taxation	
H. Property Tax Reform - Market Value / Local Control	<input type="checkbox"/>
I. Property Tax Reform - Fairness and Equity	<input type="checkbox"/>
J. Local Lodging Tax	<input type="checkbox"/>
K. Nonprofit Property Tax Exemption	<input type="checkbox"/>
L. Marijuana and Vaping Taxes	<input type="checkbox"/>
General Government	
M. Restore Recreational Immunity	<input type="checkbox"/>
N. Increase Local Liquor Fees	<input type="checkbox"/>
O. Marijuana Legalization Implementation	<input type="checkbox"/>
P. Mental Health Investments	<input type="checkbox"/>
Q. Qualification Based Selection	<input type="checkbox"/>
Human Resources	
R. Subsidy for Retiree Health Insurance Repeal	<input type="checkbox"/>
S. PERS Reform	<input type="checkbox"/>
T. Arbitration Reform	<input type="checkbox"/>
U. Veterans Preference Clarifications	<input type="checkbox"/>
Telecommunications	
V. Rights of Way	<input type="checkbox"/>
W. Franchise Fees	<input type="checkbox"/>
X. 9-1-1 Emergency Communications	<input type="checkbox"/>
Y. Technology Funding	<input type="checkbox"/>
Transportation	
Z. Transportation Funding and Policy Package	<input type="checkbox"/>
Water/Wastewater	
AA. Funding Water System Resilience	<input type="checkbox"/>
BB. Enhanced Prescription Drug Take-Back	<input type="checkbox"/>
CC. Water Supply Development Fund	<input type="checkbox"/>

Community Development

Legislation	Background
<p>A. <u>Needed Housing Assistance Program</u></p> <p>Create state grants and technical assistance to cities working to develop housing development programs directed at new or innovative means of providing housing solutions for low-income or senior populations.</p>	<p>Cities are looking for new ways to serve the needs of a variety of people needing housing options and putting more resources toward housing projects. However, there is a need for state resources and assistance in implementing these programs. Funds that cities could access could be used to assist in land purchases for leasing for long-term low income housing, incentives for creating single story housing for seniors, tiny housing development, and planned developments that serve a range of incomes. Technical assistance to other cities should help a city determine what programs or planning options are available tools to help cities reach the goals set in the comprehensive plan.</p>
<p>B. <u>Natural Hazard Land Use Reform</u></p> <p>Create process for communities to move the UGB from an identified hazard area to resource lands and planning for replacing significant urban areas lost after a natural disaster.</p>	<p>As science has better located some hazards areas and as regulations impact the expected development of other areas, cities need to find ways to respond more efficiently to address long-term planning for development. This requires a simplification of the process for changing the location of development, including adding new areas to the UGB, to account for lost development capacity. There also needs to be a streamlined process for a city to identify areas of new development should a disaster remove a large portion of the buildable land supply if a disaster should strike.</p>
<p>C. <u>DOGAMI Disaster Mapping</u></p> <p>Increase funding for DOGAMI to complete comprehensive disaster mapping of cities, including landslide and floodplain risk identification, and natural hazard related evacuation planning for additional potential risks such as tsunami or wildfire inundation.</p>	<p>The Oregon Department of Geology and Mineral Industries (DOGAMI) provides a number of technical resources to cities to identify hazards that could impact development. The department is also an integral partner in creating plans for the emergency response for many disasters that could occur in the state. Increasing funds for comprehensive maps will help with long-term planning for hazard mitigation, resilience, and survival.</p>
<p>D. <u>Floodplain Technical Assistance</u></p> <p>Provide DLCD funding for technical assistance to cities implementing required changes to floodplain development management practices from FEMA.</p>	<p>Because of the recent release of the Biological Opinion from the National Oceanic and Atmospheric Administration Fisheries Service related to the National Flood Insurance Program's potential to impact endangered species, there is a need for cities to receive significant assistance in implementing any changes required by the Federal Emergency Management Agency. As the federal process moves forward, the state must provide resources to help cities update comprehensive plans and development codes. This issue will have a number of impacts and assistance in the form of model codes, staff resources, grants, and other expertise will be necessary for cities trying to implement any changes or additional work.</p>

Energy

Legislation	Background
<p data-bbox="107 201 594 268"><u>E. Changes to 1.5 Percent Green Energy Technology Requirement</u></p> <p data-bbox="107 306 669 478">Advance legislation to statutorily modify the existing “1.5 percent green energy technology for public buildings” requirement to allow for alternative investment options such as offsite solar or community solar projects.</p>	<p data-bbox="714 201 1484 445">Oregon statute currently requires public contracting agencies to invest 1.5% of the total contract price for new construction or major renovation of certain public buildings on solar or geothermal technology. The requirement allows for offsite technology, but only if the energy is directly transmitted back to the public building site and is more cost-effective than onsite installation.</p> <p data-bbox="714 483 1503 835">Removing the requirement that an offsite project be directly connected to the public building project could result in increased flexibility for local governments to invest in solar projects that are more cost-effective and provide for increased solar energy generation. In addition, the League will work to allow 1.5 percent funds to be invested in alternative projects that provide a greater economic or social return on investment. As an example, a city could use the funds on a community solar project to benefit low-income residents rather than being required to invest in solar generation at the site of the public building project.</p>
<p data-bbox="107 875 558 909"><u>F. Funding for Public Energy Projects</u></p> <p data-bbox="107 947 675 1119">Support enhanced incentives for public energy projects including grants for technical assistance, feasibility studies and resource recovery projects for energy and fuel generation.</p>	<p data-bbox="714 875 1500 1547">There are programs that exist in Oregon for the purpose of incentivizing energy projects including renewable energy generation, alternative fuel vehicles, and energy efficiency. Programs such as the Business Energy Tax Credit (BETC), which was discontinued in 2014, and the State Energy Loan Program have been important tools for incentivizing energy projects for local governments. However, as a result of scrutiny over the administration of these incentives including private loan defaults, these programs are either no longer available, such is the case with the BETC program, or are at risk of being discontinued. It is critical for municipalities to have ongoing access to incentive opportunities as energy projects can be difficult to pencil-out and even more difficult for smaller communities to finance. The state of Oregon should take into consideration that loans for public energy projects, including cities, are lower-risk and should not be penalized in light of recent scrutiny. In addition, investments in these projects often result in environmental, social and economic benefits including long-term savings for taxpayers and reductions in greenhouse gas emissions.</p> <p data-bbox="714 1585 1477 1862">The League will work to enhance funding, including grants for technical assistance and feasibility studies for communities that currently do not have access to resources. The League will also advocate for incentives for energy and fuel generation projects. Examples of projects that warrant funding incentives include methane capture for fuel or energy generation, investments in community solar projects, renewable energy generation, and energy efficiency improvements.</p>

Energy (Continued)

Legislation	Background
<p data-bbox="99 233 704 268">G. <u>Require Updates to Oregon Energy Code</u></p> <p data-bbox="99 304 704 514">Require the Oregon Building Codes Division (BCD) to engage in more frequent review of the state’s energy code to reduce greenhouse gas reductions and ensure that Oregonians can more affordably and efficiently heat their homes and businesses.</p>	<p data-bbox="704 233 1528 800">Oregon’s statewide energy code for commercial and residential buildings is an important tool for achieving greenhouse gas reductions through decreased energy consumption while helping to ensure that Oregonians are able to more efficiently and affordably heat their homes and businesses. Federal law requires each state to certify that their state energy code is equivalent to federal model energy codes. While Oregon was once a leader in energy code adoption and implementation, the state is now in a position of falling behind the federal code. This is due, in large part, to a decision made by the Oregon Building Codes Division in 2013 which changed the code cycle from a three-year update to a six-year update. Major code changes, including adoption of national codes, will now occur every six years with minor changes occurring every three years. This change will impact Oregon’s ability to keep pace with federal standards and new technologies in energy efficiency.</p> <p data-bbox="704 842 1528 1297">The League will work to support efforts to align new construction building codes with the state’s climate goal timelines. In addition, the League will support efforts to establish a periodic review schedule to ensure that Oregon more frequently updates the state energy code in order to reflect federal code requirements. Also, the League will encourage the state to set specific targets for increased energy efficiency in residential and commercial building construction with specific goals for increasing energy efficiency standards for affordable housing projects and increasing use of net-zero and passive house building requirements. Finally, the League will work to require BCD to make regular reports back to the legislature to update on energy code implementation and goals.</p>

Finance and Tax

Legislation	Background
<p data-bbox="107 201 691 264">H. <u>Property Tax Reform – Market Value / Local Control</u></p> <p data-bbox="107 306 699 369">A legislative constitutional referral to reform the property tax system:</p> <ul data-bbox="155 411 760 621" style="list-style-type: none">a) to achieve equity, transitions to a market based property tax valuation system; andb) to restore choice, allows local voters to adopt tax levies and establish tax rates outside of current constitutional limits in their taxing jurisdictions.	<p data-bbox="797 201 1531 695">Property taxes are regulated largely by Measure 5 (1990) and Measure 50 (1997), as provided in the Oregon Constitution. Measure 50 established a new method for assessing property, discounting the assessment at 10 percent of the real market value and calling this assessed value. Assessed value is capped at an annual growth limit of 3 percent. As a state total, due to the limits and market changes, the gap between real market value and assessed value has now grown to nearly 25 percent over the past 20 years. This gap varies widely on a property by property basis, creating considerable property tax inequities for properties that sell for similar prices in a city. In short, Oregon property taxes have become disassociated from real market value and the result is considerable inequity.</p> <p data-bbox="797 737 1531 1115">For FY 2014-15, 60 percent of cities, 97 percent of counties, and 89 percent of school districts had some compression. This means that the Measure 5 caps of \$5 per \$1000 for education and \$10 per \$1000 for general government on real market value have been exceeded in most taxing jurisdictions. The caps are over 25 years old and were set low as voters were anticipating a sales tax to be coupled with it. Voters can no longer vote for the services they desire due to these caps. With looming PERS costs increases, paying for services with the present restrictions will become very difficult in some cities.</p>
<p data-bbox="107 1161 672 1192">I. <u>Property Tax Reform – Fairness and Equity</u></p> <p data-bbox="155 1234 748 1335">A bill that pursues statutory modifications to the existing property tax system that enhances the fairness and adequacy of the current system.</p>	<p data-bbox="797 1161 1531 1476">There are some adjustments to the property tax process and calculations that can be done statutorily. These include altering the changed property ratio statute and the statutory discount given to property owners who pay their taxes by November 15th. New property is added to the tax rolls using a county-wide ratio (assessed value to real market value) for determining the discount to apply to the real market value and that could be changed statutorily to a city-wide ratio in taxing districts who elect the change.</p>

Finance and Tax (Continued)

Legislation	Background
<p data-bbox="102 199 370 231">J. <u>Local Lodging Tax</u></p> <p data-bbox="102 268 690 300">A lodging tax bill, the outcome of which, would:</p> <ul data-bbox="154 338 743 688" style="list-style-type: none"><li data-bbox="154 338 743 478">a) Provide jurisdictions greater flexibility to spend local lodging tax revenue to plan for and provide services and infrastructure related to tourism;<li data-bbox="154 485 743 625">b) Reduce or eliminate the required reimbursement charge that a lodging tax collector is allowed to retain for filing a local lodging tax return; and<li data-bbox="154 632 743 688">c) Improve efficiency and collection of local lodging taxes in cooperation with the state.	<p data-bbox="797 199 1549 724">State law restricts how local lodging tax revenues may be expended. Post 2003, any new taxes or any tax increase requires a 70 percent revenue dedication to tourism promotion or tourism-related facilities. In addition, state statute provides that cities may not lower the actual percentage of lodging tax revenues that were dedicated to tourism prior to 2003. This means that cities have varied percentages of restricted local lodging taxes revenues. These numbers are arbitrary as they were set based on circumstances in 2003 that have often greatly changed. In addition, the legislative history shows that the legislature intended to provide some revenue flexibility and provide that certain infrastructure (roads, sewer lines, etc.) would qualify as tourism-related but the statutes need revision and clarification.</p> <p data-bbox="797 766 1549 1144">State law requires local governments to provide a 5 percent collector reimbursement charge if they impose a new lodging tax or tax increase after January 1, 2001. This is a deduction from the taxes that would otherwise be due. The state also provides a 5 percent collector reimbursement charge for state lodging taxes. In addition, local governments that had a reimbursement charge, must continue it. Thus, cities have very different reimbursement requirements—some are at zero, others are at 5 percent, and some are in between. When coupled with the state deduction, the deduction seems too generous.</p> <p data-bbox="797 1186 1549 1543">The Oregon Department of Revenue now collects state lodging taxes throughout the state and could collect and enforce local lodging taxes at the same time if given statutory authority. Local governments could then enter into voluntary agreements with the state to delegate the collection. This option could make collection much more efficient and cost-effective for some local governments. In addition, cities continue to struggle with collections and auditing, particularly from online companies and private home rentals (through Airbnb, etc.) and this area of the law could be improved.</p>

Finance and Tax (Continued)

Legislation	Background
<p>K. <u>Nonprofit Property Tax Exemption</u></p> <p>Clarify and reform the statutory property tax exemption provided to nonprofit entities to address cost-benefit concerns for the continued full exemption in light of cost of city services provided to nonprofits and the changing services and business models of some nonprofit entity types.</p>	<p>Nonprofit organizations that are charitable, literary, benevolent or scientific are provided a property tax exemption that will cost more than \$194 million in the 2015-17 biennium. In addition, exemptions for the property of nonprofit religious organizations costs more than \$113 million for the biennium. For many cities, much of the city is exempt from property taxes due to the public property exemption and these nonprofit exemptions. This includes hospitals, nursing homes, etc.</p> <p>The Legislature has formed a work group to look at the nonprofit property tax exemption issue as the nature and number of nonprofits is changing and the administration of the exemption has become complex for county tax assessors. Nonprofit entities require significant services, including transportation, water, sewer, police, fire, etc. Thus, the legislature is looking at property taxes more as a service tax and considering how the full exemption could be adjusted to have nonprofits pay for their fair share of costs of services or otherwise meet a benefit test for continuing an exemption.</p>
<p>L. <u>Marijuana and Vaping Taxes</u></p> <p>Defend against restrictions and preemptions regarding local marijuana and vaping taxes and advocate for appropriate state shared revenue levels and distribution formulas for state marijuana taxes and potential vaping taxes.</p>	<p>There are no revenue use restrictions on local marijuana taxes, but the local marijuana tax rate is capped at 3 percent. There are no restrictions on local governments imposing a vaping tax. The state has not imposed a tax on vaping products to date but is considering a tax. Often when the state imposes a tax (for example, cigarette or liquor), the state preempts local governments from also imposing a tax.</p> <p>10 percent of state marijuana taxes will be distributed to cities after state administrative costs. Distributions will be made per capita for revenues received prior to July 1, 2017. After July 1, they will be distributed based on the number of the various marijuana licenses issued in a city. Cities that prohibit establishments for recreational marijuana producers, processors, wholesalers or retailers will receive no state shared revenue. Likewise, cities that prohibit a medical marijuana grow site or facility will receive no state shared revenue.</p>

General Government

Legislation	Background
<p data-bbox="115 205 540 233">M. <u>Restore Recreational Immunity</u></p> <p data-bbox="115 275 760 373">Cities should enjoy protection from unreasonable litigation when offering recreational opportunities to the public.</p>	<p data-bbox="808 205 1511 409">ORS 105.682 grants that a land owner is not liable for any personal injury, death or property damage that arises out of the use of their land for recreational purposes as long as no fee is charged in order to access that property. This statute allows cities to operate parks and trails without fear of lawsuit.</p> <p data-bbox="808 451 1503 655">However, in the recently decided Oregon Supreme Court case, <i>Johnson v Gibson</i>, It was held that even though the landowner may be immune from liability, their employees are not. As a result, two employees of the City of Portland were found liable for injuries sustained by a jogger in a park, employees who are indemnified by their employer.</p> <p data-bbox="808 697 1503 871">The practical effect of this ruling is that the immunity previously enjoyed by cities that allowed for robust park development have been eroded to the point of being non-existent. This priority directs LOC staff to seek to amend the ORS 105.682 to restore that immunity.</p>
<p data-bbox="115 917 472 945">N. <u>Increase Local Liquor Fees</u></p> <p data-bbox="115 987 743 1085">Cities play an important role in the review and investigation of liquor license applicants and should be able to recoup costs associated with that role.</p>	<p data-bbox="808 917 1507 1121">ORS 471.166 allows cities to adopt fees that are “reasonable and necessary to pay expenses” associated the review and investigation of liquor license applicants. However, the same statute limits the amounts of those fees to between \$25 and \$100 depending on the license or approval being sought by the applicant.</p> <p data-bbox="808 1163 1490 1297">This priority is to pursue changes to this statue that allow cities to recoup the actual costs associated with performing their role in the liquor licensing process and allowing for periodic increases.</p>

General Government (Continued)

Legislation	Background
<p>O. <u>Continue Marijuana Legalization Implementation</u></p> <p>Allow for civil enforcement of marijuana laws. Ensure equitable distribution of marijuana shared revenues. Eliminate limitations on shared revenue use.</p>	<p>One of the promises made by marijuana legalization advocates is that illicit sales and production of marijuana would shift into a legalized and regulated market. This has occurred to a large extent but many producers and retailers continue to seek the financial benefits or participation in the marijuana industry while avoiding the inconvenience of its regulatory framework. This priority seeks legislation that gives the Oregon Liquor Control Commission (OLCC) the same civil and administrative authority to prevent unlicensed sales and production of marijuana as it has in regards to liquor.</p> <p>Beginning in 2017, state shared revenue from marijuana will be distributed to cities based in the number of OLCC licensed commercial marijuana entities exist in their jurisdiction. This priority is to alter that arrangement so that is it distributed on a per capita basis to ensure equitable distribution among cities that are incurring costs.</p> <p>Measure 91 required that money distributed by the state to cities be used exclusively for costs associated with marijuana legalization. Tracking a dollar though a city's general fund and determining if a service was related to marijuana is inefficient if not impossible, and is not imposed for the receipt of liquor revenue. This priority is to advocate for legislation that removes this burden.</p>
<p>P. <u>Protect Mental Health Investments Made in 2015</u></p> <p>Oregon made significant and strategic investments in protecting and caring for the mentally ill in 2015 that should be maintained.</p>	<p>The Legislature increased access to mental health care and expanded existing, proven programs designed to de-escalate police contacts with the mentally ill. Those programs could be vulnerable in a difficult budget environment made challenging by increased PERS rates.</p> <p>This priority is defensive in nature and seeks to preserve investments that are improving the lives of mentally ill Oregonians.</p>
<p>Q. <u>Remove Qualification Based Selection Mandate</u></p> <p>Cities should be allowed to consider cost when making initial contract award decisions when hiring architects and engineers.</p>	<p>Cities are currently required to use a procurement method that prevents the consideration of cost when contracting with architects and engineers for public improvements. Instead, cities must base their initial selection for these services based solely on qualifications and can only negotiate the price after an initial selection is made.</p> <p>This mandate is not a cost effective means for procuring services and is poor stewardship of the public's dollars. This priority is to seek the removal of this mandate.</p>

Human Resources

Legislation	Background
<p>R. <u>Repeal Requirement to Subsidize Retiree Health Insurance</u></p> <p>Public employers should not subsidize the health insurance of former employees when reasonable, cost competitive options exist.</p>	<p>ORS 243.303 mandates that local governments provide retirees with access to health insurance and requires that they be placed in the same risk pool as active employees. As retirees are approximately 2.5 times more expensive to insure than active employees this mandate results in employers and current employees subsidizing the health insurance costs of former employees. This subsidization, according to the Government Accounting Standards Board, must be shown on an audit as long term liability, thus creating an inaccurate perception of a city's financial condition. Further, this requirement could be described as anachronistic as individuals are now able to purchase health insurance under the Affordable Care Act.</p> <p>This priority is to eliminate ORS 243.303 from Oregon's laws.</p>
<p>S. <u>PERS Reform</u></p> <p>PERS benefits should be adjusted where legally allowable and investments should be maximized to ensure a sustainable and adequate pension system.</p>	<p>The PERS unfunded liability stands at \$22 billion and employer rates are anticipated to approach 30 percent of payroll in the coming biennium. Rates are expected to remain at that level for the next twenty years. This is not sustainable.</p> <p>This priority is to seek any equitable changes to benefits that will reduce employer rates while not pursuing options that are legally tenuous or counterproductive. Additionally, changes are to be sought to the investment portfolio that will maximize returns through improved risk management and efficiencies.</p>

Human Resources (Continued)

Legislation	Background
<p>T. <u>Arbitration Changes</u></p> <p>Public employers should have greater influence over the disciplining of their employees.</p>	<p>Currently under the Public Employee Collective Bargaining Act, contested employee discipline matters must be submitted to an outside arbitrator for adjudication. Decisions by arbitrators are binding unless the conduct was a violation of public policy as defined by the state, there was serious criminal conduct or an egregious inappropriate use of force.</p> <p>This priority is to seek the following changes to the statute:</p> <ul style="list-style-type: none">• Arbitrator decisions should also comply with local policies;• Decisions should comply with policies related to any inappropriate use of force a;• Arbitrator decisions should recognize all criminal misconduct related to employment not just “serious”;• Employer disciplinary decisions as it regards employees who are supervisors as defined by the EEOC and BOLI should be given more weight.
<p>U. <u>Veterans Preference Clarifications</u></p> <p>Requirements that veterans be given preference in public sector hiring should be clear and unambiguous for the benefit of veterans and employers.</p>	<p>The State of Oregon requires and the League agrees that honorably discharged veterans deserve special consideration in public sector hiring. However, statutes describing how this is to be accomplished are unclear and ambiguous. Vague statutes do not serve the interests of employers or veterans.</p> <p>This priority seeks a clear definition of “preference” in the statute, ensure that recently separated veterans receive the consideration necessary for them to successfully enter the workforce and establishes clarity as to when the preference is to be applied.</p>

Telecommunications, Cable & Broadband

Legislation	Background
<p>V. <u>Rights of Way</u></p> <p>Oppose legislation that preempts local authority to manage public rights-of-way and receive compensation for their use.</p>	<p>In its commitment to the protection of Home Rule and local control, the League consistently opposes restrictions on the rights of cities to manage their own affairs. From time to time, in the context of franchise fee and rights-of-way management authority discussions, proposals to restriction to this authority arise. These include a statewide franchise policy and revenue collection system as well as limiting the ability of cities to charge fees of other government entities. This is contrary to local government management authority, the ability to enter into agreements with service providers either by agreement/contract or ordinance and to derive revenues from business fees charged to users of public rights-of-way.</p>
<p>W. <u>Franchise Fees</u></p> <p>To ensure market fairness and equity, prepare legislation for possible introduction repealing ORS 221.515 (HB 2455 -7 in 2013, and HB 2172 in 2015) to remove franchise fee rate and revenue restrictions which currently apply to incumbent local exchange carriers but not to competitive local exchange carriers.</p>	<p>Oregon statute currently contains a discrepancy between how cities collect franchise fees from incumbent local exchange carriers (ILECs) and competitive local exchange carriers (CLECs). ORS 221.515 limits cities collecting franchise fees from ILECs to a maximum of 7 percent of revenues derived from dial-up services, which represents only a portion of ILEC total revenues due to the addition of a broader array of customer services. There is no such rate cap or revenue restriction on CLECs, hence the discrepancy. In the past the League has worked with CLECs to “level the playing field.” Repeal of ORS 221.515 would accomplish that.</p>
<p>X. <u>9-1-1 Emergency Communications</u></p> <p>Support legislation enhancing the effectiveness of the state’s emergency communications system through an increase in the 9-1-1 tax and/or a prohibition of legislative “sweeps” from accounts managed by the Oregon Office of Emergency Management.</p>	<p>The League worked with other stakeholder groups in 2013 to extend the sunset date on the statewide 9-1-1 emergency communications tax to January 1, 2022 (HB 3317). In 2014, the League also worked to pass legislation including prepaid cellular devices and services under the 9-1-1 tax (HB 4055). As concerns mount with regard to disaster preparedness and recovery and as new upgrades to communications technology becomes available, it is apparent that state and local governments do not have the resources necessary to address challenges or take advantage of opportunities. Additional funding is needed and the practice of periodically sweeping funds out of the state’s emergency management account for other uses should cease. It is worthy of note that the practice of “sweeps” disqualifies the state from receiving federal funds for emergency communications. It is unknown how many federal dollars have been foregone as a result of this policy.</p>

Telecommunications, Cable & Broadband (Continued)

Legislation	Background
<p>Y. <u>Technology Funding</u></p> <p>Seek additional funding to assist for cities in:</p> <ul style="list-style-type: none"> • Increasing high speed broadband deployment and close the digital divide. • Purchasing upgraded emergency management communications equipment. • Providing local match money for federal funding programs, such as high speed broadband deployment. 	<p>The deployment of broadband throughout the state of Oregon is critical to economic development, education, health and the ability of citizens to link with their governments. Additional funding, from various sources, including the state and federal government, needs to be allocated for this purpose. The need becomes even more acute when consideration is given to the certainty of a major seismic event. Often federal assistance comes with the requirement of a state or local match which is problematical for cities. A state mechanism for providing matching fund assistance would be helpful to those communities seeking to take control of their broadband destiny.</p>

Transportation

Legislation

Z. Comprehensive, Multi-modal Transportation Funding and Policy Package

The League of Oregon Cities proposes that transportation infrastructure be raised to the same level of importance as other utilities, and be funded at a level capable of maintaining appropriate standards of operation and service. Therefore, the League will help draft and advocate for a comprehensive, inter-modal and statewide transportation funding and policy package that:

1. Provides a significant increase in resources available for the preservation and maintenance of city streets by:
 - Substantially increasing the state gas tax and licensing and registration fees.
 - Indexing the state gas tax.
 - Continuing efforts to identify and implement alternative funding mechanisms (VMT, tolling, public-private partnerships, etc.).
 - Disaster resilience and seismic upgrades for all transportation modes.
 - The completion of transportation projects begun but not yet completed due to lack of funding or changes in funding criteria.
 - Providing additional funding for voluntary jurisdictional transfer.
 - Funding transportation enhancements such as bike-ped facilities.
 - Increasing funding for the statutory Special City Allotment program while maintaining the 50%-50% ODOT/city split.
 - Repealing the referral requirement (2009 Jobs and Transportation Act) on cities seeking to create/increase local gas tax.
2. Addresses statewide needs relating to intermodal transportation through:
 - Additional funding for transit operations and capital projects.
 - Additional funding for freight rail capital projects and operations (*ConnectOregon*, short-line rail and transload facilities).

Background

Maintenance and preservation needs have outpaced the resources available for streets, roads and highways. In its March, 2016 Infrastructure Survey Report the League identifies a \$3.7 billion capital need for highway and non-highway transportation projects (\$2.6 billion highway / \$1.1 billion non-highway). In addition, the report shows, for the 120 cities that participated, an aggregated street budget shortfall for operations and maintenance of approximately \$217 million per year. Safety and disaster resilience were cited as major challenges and needs by most cities. Cities also expressed support for a voluntary jurisdictional transfer program (the sensible alignment of highway facilities and management responsibility) provided the availability of adequate funding to facilitate the transfer and to maintain the asset.

Given the threat that inadequate funding represents to investments already made in the transportation system, the League will insist on a transportation package that increases and makes more sustainable the ability of all government jurisdictions to preserve and maintain these assets. Notwithstanding its emphasis on the need to preserve and maintain existing streets, the League of Oregon Cities agrees that the state's transportation system and the policy and funding programs that support it must be multimodal and statewide in scope. The League will therefore work to pass legislation in 2017 that addresses funding and policy initiatives relating to all modes (streets, bike/ped, transit, rail, aviation and marine) and in so doing address such issues as:

- Connectivity and capacity (especially truck mobility/rail)
- Safety for all users across all modes
- Resiliency and recovery (seismic retrofit across all modes)
- Jobs and economic development
- Impact on climate change
- Active transportation and public health
- Transportation access available on an equitable basis to all Oregonians
- Continuing and extending *ConnectOregon*
- Ensuring adequate new revenues for program/equipment such as the Oregon Department of Motor Vehicles technology upgrade
- Creative solutions to ongoing challenges (dedicated non-roadway fund, increased local authority to fund transit, bike-ped funding, etc.)

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- **Additional funding for passenger rail operations, equipment and capital projects (federal matching money and AMTRAK Cascades).**

3. Does not:

- **Preempt local government ability to self-generate transportation revenues for street maintenance and preservation.**
- **Change the dedication of State Highway Fund dollars to highway, road and street projects contained in Article 8, Section 3a of the Oregon Constitution.**
- **Reduce cities 20% share of the State Highway Fund.**
- **Create unfunded mandates requiring cities to undertake specific programs, such as greenhouse gas reduction scenarios.**
- **Further complicate the planning and regulatory process that currently governs the project delivery process.**

- **Maximizing local benefits of the federal FAST Act in Oregon**
-

Water & Wastewater

Legislation

AA. Funding for Water System Resilience

Secure dedicated funding for water and wastewater system resilience and emergency preparation. This would include additional funds to plan for and upgrade water systems to increase seismic resiliency and funding to better position communities to better prepare for water supply shortages due to drought, climate change or other emergency scenarios.

Background

In general, Oregon’s drinking water and wastewater systems are woefully underprepared for a catastrophic earthquake event. Restoration of water supply following such an event is critical for fire suppression, first aid, and for human health and safety. In 2013, the Oregon Resilience Plan provided estimates for service recovery of water and wastewaters systems in the event of a Cascadia earthquake under current infrastructure conditions. According to the plan, the estimated the timeframe for service recovery in the valley ranges from one to twelve months. For the coast, service recovery is estimated between one to three years.

In addition to risks associated with significant natural disaster events, recent drought conditions in Oregon have demonstrated the need for emergency supply planning and coordination with other water users to better address water supply challenges. It is critical that communities are able to acquire alternative and back-up water supplies from multiple sources in order to better prepare for supply shortages or emergency situations, such as natural disasters or supply contamination.

The League will work to identify and secure low-interest loans or grants to seismically upgrade drinking water and wastewater system infrastructure and to help ensure that these systems are more resilient and better positioned to respond to water supply shortages resulting from drought, climate change, natural disasters, or other system failures.

Water & Wastewater (Continued)

Legislation	Background
<p>BB. <u>Promote an Enhanced Prescription Drug Take-Back</u></p> <p>Advocate for enhanced prescription drug take-back program funding and additional collection locations to reduce contamination of water from unwanted prescription drugs.</p>	<p>Unused prescription drugs are problematic from both a public health and safety perspective as well as from a water quality perspective. Drug take-back programs help to ensure that unused prescription drugs are properly disposed of which keeps them from being abused, keeps them out of the hands of children, and keeps them from entering Oregon’s waterways. Unwanted prescription drugs are often flushed down the toilet and despite wastewater treatment systems, they can end up contaminating lakes, streams and rivers. In 2014, U. S. Drug Enforcement Administration (DEA) expanded the types of locations allowed to accept unwanted medications including retail pharmacies and drug manufacturers. Prior to 2014, drug-take back programs were primarily supported through police department drop boxes. The challenge in expanding prescription drug take-back programs is now focused on the cost of transporting unused drugs from the take-back location to the disposal site and in educating the public about responsible disposal opportunities.</p> <p>The League will work with a variety of stakeholders, including public health advocates, to identify additional funding mechanisms to increase drug take-back collection locations across Oregon. Funding should support the transportation and responsible disposal of unused prescription drugs. Funds should also be dedicated for enhanced education of disposal opportunities and the establishment of convenience standards to ensure that all Oregonians have reasonable access to drug take-back locations.</p>
<p>CC. <u>Increased Funding for Water Supply Development</u></p> <p>Support additional water supply funding through the state’s Water Supply Development Account.</p>	<p>According to a survey conducted by the League, Oregon’s water and wastewater infrastructure needs for cities alone are estimated to be \$9 billion over the next twenty years. In addition, the survey identified 66 percent of respondent cities as being in need of additional water supply storage. The 2015 drought highlighted the need for additional investments in water supply infrastructure, including storage and water delivery system efficiencies. Additional storage project investments are not only critical for adequate drinking water supply, they are an important tool for supplementing streamflows and habitat restoration.</p> <p>The League will work to secure additional funding for existing water supply development programs. This includes support for feasibility grants and for the state’s Water Supply Development Account which provides funding for water supply storage, reuse, restoration and conservation projects.</p>

Agenda Item 7

I. A. ADMINISTRATION – Gary Marks, City Manager

- **Economic Development.** My work in June included continued participation and monitoring of the Lebanon Transload Facility Project. The project is being spearheaded by a consortium of area industry stakeholders. Salem attorney Kevin Mannix has been hired to develop a feasibility analysis and to work on any legislative measures that may be necessary to further the effort. Walt Wendolowski and I met with Realtor Bill Flesher on June 30th to review the latest information on the Mannix feasibility analysis. We will update the Council as significant milestones are reached and the project moves forward.
- **Poverty and Homelessness Initiative.** Action items 17.2 and 17.3 of the Lebanon Strategic Action Plan call for the creation of a coalition of community organizations involved with poverty and homelessness issues to develop a coordinated multi-organizational strategy to address the same. A group of City department heads, Kris Latimer (Executive Director of the Boys and Girls Club) and myself have been meeting to plan for a community Poverty and Homelessness Summit tentatively planned for this coming fall. The goal of the Summit will be to gain insight from recognized experts, facilitate a community discussion, and provide a springboard for the creation of the Coalition. I will update the Council as this event takes shape.
- **Cheadle Lake URD and Related Projects.** It is anticipated that the Cheadle Lake URD will contribute funding to the construction of the Airport Road Extension Project, Russell Drive Improvement Project, the Porter Park Community Garden Project, and (partial) funding to the Water Treatment Plant Project. As staff has examined the Cheadle Lake URD Plan (which was adopted in 2002) we have discovered that much of the information on project funding is outdated and out of sync with the realities of current plans. As such, a major plan amendment is needed and is now underway. Elaine Howard Consulting (a URD consulting firm) has been engaged to assist in the update effort. It is anticipated that the update process will require up to six months of work. Given the need to update the URD plan, projections for the construction of the community garden this fall have been delayed. Staff hopes to enable construction by spring of next year. Construction of the Airport Road Extension and Russell Drive improvements is currently forecast for 2017.
- **2017 Oregon Mayors' Association Conference.** Lebanon will host the 2017 Oregon Mayors' Association Conference on July 27th through the 30th at the Boulder Falls Meeting Center. Planning for the event will be undertaken jointly by the City and the League of Oregon Cities. This conference represents a tremendous opportunity for the Lebanon community to showcase itself to 80 or more Oregon mayors, their families and, in some cases, staff. An initial meeting of City staff and Mayor Aziz to plan conference events occurred on June 30th. We will update the Council over the coming months as plans progress.
- **Community/Regional/Professional Meetings.** In addition to those items listed above I participated in a number of community events and meetings in June. These included a flag pole dedication ceremony at COMP-Northwest, the 2nd Annual COMP-Northwest Commencement Exercise (attended as a Strawberrian), the Strawberry Festival Junior Parade (attended as a Strawberrian), the Strawberry Festival Grand Parade (attended as a Strawberrian), the Chamber of Commerce Board of Directors Meeting, Blue Zones Community Information Meeting, volunteer work at Cheadle Lake Park to help set up for the Chamber of Commerce *Classic Cruz'N* Car Show, the Oregon Volunteer Firefighters Association Conference Opening Session with Mayor Aziz (at Boulder Falls Meeting Center), a meeting of the Edward C. Allworth *Percent for Art* Committee, the Downtown United meeting (a subcommittee of the Lebanon Downtown Association), participation as an interviewer in the Lebanon Downtown Association Executive Director recruitment process, the Chamber of Commerce Economic Development Committee Meeting, Chamber of Commerce Forum Lunch, and the *Building and Celebrating Non-Profit Excellence* Recognition Luncheon (where Samaritan Health Services awarded the City Library with a \$5,000 grant).
June also included my normal participation with the Lebanon Rotary and Optimist Clubs as well as three volunteer days spent working on the preservation of the former Mural Park *Welcome* Totem Pole.

B. HUMAN RESOURCES – Debi Shimmin, HR Generalist

- **Archives & Record Retention:** This month was spent archiving some 31 payroll and personnel file boxes that have been residing in the HR office for the past three years.
- **Employee Handbook:** As of June 30, 2016, 98% of employees have read and signed the employee acknowledgement form for the revised Employee Handbook.
- **Employee Training:** Attended PERS training at the Tigard office on June 10.
Next month staff will attend SAIF training, *Turning Silver into Gold: Adapting to Your Aging Workforce*.
- **Personnel Action Notices:** Prepared the annual cost of living personnel action notices for part-time, AFSCME, and Exempt employees.
- **Safety/Wellness Committee:** The Safety/Wellness Committee has sent out *Save the Date* notices for the annual Safety/Wellness BBQ to be held on August 11, this year at the Maintenance Shop's picnic area. City Council are invited to attend.
- **Springbrook HR Software:** We are having some issues with this program since moving to the cloud. I have two significant work orders in place to correct these deficiencies.
- **Workers Compensation News:** The City applied for and received reimbursement through the *Employer at Injury Program* in the amount of \$5,971.19.
As of June 30, 2016, I am thrilled to report that the City had no loss time injuries for the 2015/16 fiscal year.

II. LEGISLATIVE / CITY CLERK – Linda Kaser, City Clerk

- **Advisory Boards/Committees Recruitments:** The recruitment process has closed with the Mayor scheduled to make the final appointments at the July 13 meeting for Parks Committee/Tree Board and the Senior and Disabled Services Advisory Board.
- **City Council Meetings.** A Work Session has been schedule at 5:00 p.m. on July 13 followed by the regular meeting at 6:00 p.m. The Work Session will be held to receive a water treatment plant update as well as a discussion on bid alternatives before making a decision in regular session.
- **City Elections for 2016.** The City Candidate's Elections Handbook is now available at City Hall as well as an online for those interested in running for a Lebanon City Council position. The candidate filing period is July 14 – July 30. Interested candidates may call/email at any time to schedule an appointment with me during the filing period. There is more detailed information on our website.
- **City Fees Schedule.** The City Fees Schedule approved at the June 8 City Council Meeting takes effect July 1.
- **Oregon Mayors Association Conference.** Mayor Aziz is all set to attend the summer conference in Lincoln City on July 21 through the 23.
- **Oregon Mayors Association 2017 Summer Conference.** As you know, the City of Lebanon was chosen to host the 2017 Summer Conference. I put together a calendar of events and an assignment schedule for our meeting with the Mayor on June 30. Once we finalize all of the activities scheduled, staff will be busy for the next 12 months in preparation for the July 2017 conference.
- **Records Management.** I've made great strides over the past two months going through previous Administration records (12 boxes) and other departmental records that were brought over here from the Senior Center attic to be properly dealt with. I was able to destroy six more boxes that had more than surpassed their retention timeline as well as organize another dozen that were not properly filed. Donna is assisting with the scanning and electronic filing as I go through the hard copies so that staff members have easy access to them. I cannot say enough good things about Donna's work ethic and how much I appreciate having her here part-time; without her I would still be at a standstill with the Archives Room.

III. COMMUNITY DEVELOPMENT – Walt Wendolowski, Director

A. Planning:

- The Commission met in June to review a 13-lot duplex and single family subdivision. The proposal was approved with modified conditions.
- The Department approved a Minor Adjustment to fence height on property along River Road and approved a Partition to create three parcels along Tennessee Road.
- Staff is currently reviewing an Administrative Review for a new Starbucks/commercial building at the old Ford dealership and a second Administrative Review to construct two duplexes near the Lebanon High School.
- Preliminary traffic counts and assessment and near completion. The Public Advisory Committee should conduct its first meeting in early June. Again, project completion is expected by July 2017.

B. Building:

- No big projects this month, but the City processed 51 permits in May, receiving \$26,235 in fees on \$1,639,804 in valuation. For the current fiscal year, the City received \$523,167 in fees on \$51,618,919 in valuation. This compares very favorably to a similar period in fiscal year 2014/15 where the City received \$304,776 in fees on \$33,672,884 in valuation. And we have a month to go!

IV. ENGINEERING SERVICES – Ron Whitlatch, Director

- Staff and Carollo Engineers are preparing a Work Session for the July 13th City Council Meeting to discuss the Water Treatment Plant Project. Major topics of discussion will include, why the costs were so high from bids received in May, ways to bring cost down, alternate bid delivery approach, and funding.
- A pre-construction meeting was held on June 23rd with Emery & Sons Construction for the Off-Site utilities project associated with the New Water Treatment Plant. Emery & Sons plans to begin construction immediately after July 4th. Notices and a press release have been sent out to impacted properties within the construction area. Staff also held a Neighborhood Meeting for the project on June 15th to discuss the upcoming projects as well as the impacts to traffic. Over 500 notices were sent out and there were approximately 45 residents in attendance.
- The two Intergovernmental Agreements with the City of Albany have been finalized.
- Udell Engineering will be completing a TOPO Survey of Dodge Street between Williams Street and Bromil Street within the next few months. Staff has received numerous complaints citing the lack of safe pedestrian facilities in this neighborhood. Once the survey is complete, we can make a determination of what can be accomplished, and at what cost.
- As time allows, Staff will be working on the design for replacement of the 'E' Street Sanitary Sewer from 7th Street to 4th Street. This sewer has multiple failure areas and is the number one priority for this year's Small Sewer Replacement Program.
- Staff is continuing with the design of the Airport Road Extension Project. To date, we are approximately 50% complete. This project is tentatively scheduled for construction in 2017. Currently, we have a consultant under contract to delineate wetlands and help with the required Storm Water Management plan. We have also hired a Traffic Engineering Firm to begin modeling the intersections that will be impacted due to the project and to make recommendations for improvements if needed.
- Tentatively, there will be an IGA brought the City Council for approval in August to complete the re-construction of River Drive/Russell Drive with Linn County. The costs of the project will be split 50/50 and are proposed to happen with the Airport Road Extension Project in 2017. Upon completion the road jurisdiction would be transferred to the City of Lebanon. Due to heavy Staff workload, Udell Engineering will be completing a portion of the design.
- Stangeland & Associates and Udell Engineering are continuing with the design of Porter Park. There will likely need to be a Project Amendment to the Cheadle Lake URD before this project can be constructed. Staff will be working with a consulting firm to prepare the amendment for Council Approval.
- The additional street and utility improvements are nearly complete in the north area of the Samaritan Campus project. The improvements included widening the east side of 5th Street north of Pioneer School. Additionally, 5th Street improvements were extended to the south edge of the future LBCC Medical Occupations Building. Improvements will include additional parking on the west side of 5th Street in front of Pioneer School which is expected to be constructed during summer break. Streetscape landscaping and planting street trees has begun.

- Staff received and approved plans for an additional parking lot on the Samaritan Campus site just west of the hotel. The area has been excavated, rocked and graded.
- The new Dutch Bros located at the southwest corner of Market Street and Hwy 20 is complete and opened for business Thursday May 26th.
- The expansion of the Linn-Benton Community College Advanced Transportation Technology Center (Heavy Equipment Center, and Innovation Center) at the far west end of the City on Oak Street is underway. Site utilities and foundations have been constructed. The steel framing for the Innovation Center is nearly complete.
- Construction of the new Linn-Benton Community College Health Occupations Center has commenced. The site has been excavated and rocked. Storm drainage utilities are in. 5th Street improvements are completed, but streetscaping is yet to be completed. The public water line extension is complete, tested, and operational. The foundation is completed.
- Expansion of the Lebanon Hospital Emergency Department continues. The public sanitary sewer was extended north to the northern driveway and the helicopter pad was relocated. Building additions are presently under construction. The exterior of the building addition is nearly completed.
- Construction of the Conser "Aspen Place" Apartments on 2nd Street just south of Airport Rd has commenced. Site excavation and base rock placement are complete. Storm utility connection was also completed. Building foundation work is expected soon.
- Construction of phase 1 of the Bender Storage project located on Weirich Drive just east of the Lebanon Fire District Station #34 is nearly complete. The self-storage complex includes fully enclosed storage units within 6 different buildings and 49 covered storage units that will be available to store vehicles such as RVs, boats, cars, trucks, etc. Phase 1 of the project (east 2/3 of the site) is very near receiving an occupancy certificate. Phase 2 (west 1/3) storm utilities are constructed.
- Staff reviewed and approved public improvement drawings for an additional residential subdivision between Kokanee Way and the Santiam canal. The site has been cleared and excavation of the street has begun.
- Home construction continues in the Eagle View Subdivision (east of South Main south of Joy), Heather Estates Subdivision (west of South Main Road south of Joy), Santiam Riverfront Estates (east of Mountain River Drive by the Santiam River), and the Gleann Subdivision (formerly known as Santiam River Place 3 along Kokanee Way). Staff continues to review site plans for additional homes for these subdivisions and other home sites throughout the City.

V. FINANCE SERVICES – Dean Baugh, Director

- City Auditors will be conducting pre audit work June 28-29, will return for final audit Sept 14-16
- Approved budget adopted by City Council at the June 8th meeting
- Adopted budget posted to City website, budget information for the State and County is being prepared
- Met with Barker Uerlings, insurance broker, on final insurance proposal for FY16/17, Worker comp insurance had a decrease of 3.79% (BIG thank you to the staff and safety committee for promoting safety on the job) Our General liab/Property/Auto insurance only increase 3.64% the net increase in insurance for FY16/17 is \$5000
- February 24th council work session on utility billing process, beginning process to bring back to council new procedures, biggest change proposed will be property owner responsibility for water/sewer billings
- Continued our analysis of the proposed IVR system, another option allowing customers to pay their utility bills over the phone 24 hours per day
- Attended the PERs EDX outreach meeting in Albany
- Attended the OGFOA (State Finance Officers Board) conference planning meeting,
- Working with Albany Eastern RR on a new lease for Santiam Travel station and the reload facility, meeting with them and the mayor February 9th
- Working with Valley Landfills Inc., on a new lease for the transfer station property
- Working on Cheadle Lake URD amendment
- Accounts Payable; FY15/16 payments made in June, 570 invoices were processed for payments of \$1,515,573.64

- **Utility Billing for June 2016:**
- 5952 Billing statements mailed by the end of June
- 1082 Accounts received a penalty (past due 6/15/16)
- 271 lien letters mailed to property owners
- 151 accounts were locked off for non-payment on 6/8/16 for bills due 4/15/16.
- 3- pre-lock off notices were delivered to -3- Mult-Family buildings, accounts paid and not locked off
- 90 accounts were reconnected the same day and an additional 38 the same week. The balance was vacant properties or the tenants moved out and property is back in the owner's name.
- Total of 667 Service orders: 78 Move Outs, 92 Move ins, 11 Turn offs, 57 Turn on, 140 reconnects, 50 read request, 2 Dead meters, 15 Leak Checks, 1 Lid Hazard checks, 152 Lock offs, 40 Meter Change out, 4 New Meter Installations, 0 Pressure check, 25 misc. other.

	July 15	Aug 15	Sept 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	March 16	April 16	May 16	June 16	1 yr. ago June 15
Billing Statement	5660	5651	6001	5642	5685	5872	5600	5613	5942	5568	5578	5952	5993
Penalty applied	759	1371	1038	1236	997	754	925	661	925	1256	859	1082	741
Lock Offs	132	77	140	85	105	140	83	120	114	62	100	151	105

VI. INFORMATION TECHNOLOGY SERVICES – Brent Hurst, Director

- Built and configured SCADA review system for Engineering to monitor Water Treatment Plant and Waste Water Treatment Plant.
- This is not a specific area of focus of the Strategic Action plan, but does support core City water and waste water infrastructure.
- Added wireless printing to the Library Wi-Fi. All library patrons now have ability to wirelessly print from their mobile devices when connected to the public Wi-Fi at the Library.
- In support of Strategic Action Plan 8.2 – *Continue to maintain the library and expand program offerings.*
- Installed and configured a new phone server to provide additional phone system redundancy and stability to City and Fire phone and voice mail systems.
- In support of Strategic Action Plan 15.7 – *Support and maintain the Lebanon Fire District.*
- This work supported core City services, although not specifically listed in the Strategic Action Plan.
- Responded to multiple Fire Department requests for EMT\Firefighter and volunteer support for both workstations and emergency response vehicles.
- In support of Strategic Action Plan 15.7 – *Support and maintain the Lebanon Fire District.*
- Rebuild/upgrade of several workstations including:
 - City: This work supported core City services, although not specifically listed in the Strategic Action Plan.
 - Communications Coordinator Workstation. This remains incomplete due to a Windows 10 update affecting disabling core Windows Apps and the Windows App Store and is currently being worked on.
 - Engineering Temp User Workstation.
 - Accounts Payable Specialist Workstation.
- Fire District: In support of Strategic Action Plan 15.7 – *Support and maintain the Lebanon Fire District.*
- Fire District Media Room Workstation.
- Fire District Division Chief of Planning & Administration Workstation. This remains incomplete due to a Windows 10 update affecting disabling core Windows Apps and the Windows App Store and is currently being worked on.
- Printer Migrations
 - This work supported core City services, although not specifically listed in the Strategic Action Plan.
 - Oce' Plotwave replaced KIP 700M for large format scanning and plotting in City Engineering.

- Replaced HR Generalist's failed Fax and older LaserJet printer with all-in-one HP printer\scan\fax solution.
- Significant time was spent with an outage that disabled a group of city emails with Microsoft 365. The group affected included the City Manager, Administrative Assistant to the City Manager / Communications Coordinator, HR Generalist, and City Clerk. Time was spent to troubleshoot and repair outage.
- This work supported core City services, although not specifically listed in the Strategic Action Plan.
- Significant time was spent working unsuccessful virtual hypervisor firmware upgrade that resulted in a Police Dispatch outage of approximately 10 hours in addition to several other City network & computer services being offline.
- This work supported core City services, although not specifically listed in the Strategic Action Plan.
- Migrated Maintenance from using paper leave request slips and timecards to using the cloud ESS solution to electronically enter timecards and leave requests. This will save a significant number of hours for both Maintenance and Finance departments when processing payroll monthly. Training and onboarding for the Maintenance Department in coordination with Finance' help and support.
- This work supported core City services, although not specifically listed in Strategic Action Plan.
- Installed additional security cameras at the Santiam Travel Station. Installed cameras were able to help Police identify those individuals who vandalized the Santiam Travel Station by breaking out numerous windows on multiple occasions during the month of June.
- In support Strategic Action Plan 15.2 – *Support policies and ordinances that encourage and enforce property stewardship.*
- In support of Strategic Action Plan 15.3 – *Install lighting and security cameras where high crime is of concern.*
- Installed and configured GPS locating units for buses in Dial-A-Bus program from Verizon's Networkfleet program to allow Dial-A-Bus Dispatch to more effectively manage bus locations and trip schedules for the City. Bus 14 still requires additional work to fully complete the project.
- In support of Strategic Action Plan 4.3 – *Implement a Downtown Accessibility Improvement Plan.*
- In support of Strategic Action Plan 13.2 – *Update the community Transportation System Plan and create a transit development plan.*

VII. LIBRARY – Carol Dinges, Director

- The library was awarded a \$5,000.00 Social Accountability Grant from Samaritan Lebanon Community Hospital for *sensitive subject* materials to assist parents, children and teens to deal with life changes or crises. The funds will be used to create kits for young children and purchase resources for older children and teens on a variety of sensitive personal topics, ranging from typical life changes (birth of new siblings, starting school, and approaching puberty) to stressful situations like divorce, a parent's military deployment or incarceration, to crises like abuse or suicide.
- The Summer Reading Program is underway.

So far, about 737 have signed up for reading journals and nearly three hundred attended the first event, *JuggleMania* (a record for any library program or event).

This year we've added a new *movement storytime* for younger children, and two additional book clubs – a *tween club* and a *graphic novel club* in addition to the *teen book club*.

Participation in all aspects of the Summer Reading Program is free of charge and doesn't require a library card.

The program is primarily funded by the State of Oregon *Ready to Read* grant and the Friends of the Lebanon Public Library.

VIII. MAINTENANCE – Jason Williams, Director

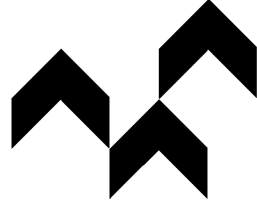
- We are operating business as usual with normal day to day operations.

IX. POLICE – Frank Stevenson, Chief of Police

- The Community Services Division remains active, facilitating many community activities. The Division facilitated Lebanon Peer Court, started a new Neighborhood Watch group, began a Jr. Citizens Academy with 32 youths from Boys and Girls Club, conducted a downtown Business Watch meeting, assisted in helping with traffic control for the Comp NW Graduation and SamFit's *Finish at the Flag* 5K run/walk, with help from Lebanon Blue Angels, and taught a traffic safety course for 32 individuals.
- On June 17th, LPD participated in Cast-With-A-Cop at Camp Tadmor and took several local children in foster care fishing for the day. This was in partnership with Mega Foods, the Lebanon School District and Home Depot of Albany.
- Communications Specialist Travis Norfleet recently graduated from the two-week course at DPSST academy and was one of the top students in his class.
- We are currently working towards the launch of a mobile phone app called MyPD that will allow community members to interface with the police department. This is a work in progress, but our goal is to have the phone app up and running by August of this year.
- The Patrol Division had approximately 2,028 calls for service this month, made 147 arrests, wrote 220 case reports and issued 90 traffic citations. We had a total of 59 Part 1 crimes reported (i.e., criminal mischief, domestic abuse, burglary, robbery, assault and theft).
- As of June 27th, 120 individuals were booked and released, brought to Lebanon Municipal Court or Linn County Court, transported to/from Linn County Jail, or sentenced to Lebanon Municipal Jail. A combined 190 days were served by inmates in the Lebanon Jail.
- The Detectives Division remains busy working on several investigations. A total of 9 cases were assigned to them for direct follow-up, and 3 cases were assigned for information. Detectives were able to clear 11 involved cases, resulting in 8 arrests for various crimes.

X. **SENIOR SERVICES** – Kindra Oliver, Director

- July events for the Lebanon Senior Center can be found on the website and Facebook
- We are currently looking for a pass through partner to purchase our 2015 tax credits to bring in revenue for the Dial-a-Bus fund
- GPS is now up and running on our Dial-a-Bus fleet, which makes it much easier to schedule and dispatch return rides.
- Cameras are being installed on the buses next week.
- June events for the Lebanon Senior Center can be found on the website and Facebook.



CITY OF LEBANON
It's easier from here.