



March 20, 2014  
City Council Regular Session  
Willamette Activity Center- Room 8  
47674 School Street  
7:00 p.m.



# MINUTES

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## 1.0 CALL MEETING TO ORDER / PLEDGE OF ALLEGIANCE

Council Present: Gerald Shorey, Mayor  
Rayetta Clark, Council President  
Glenn Fortune  
Jim Coey  
Ernest Baszler  
Les Biggerstaff  
Christine Slaven

Staff Present: Louis Gomez, City Administrator  
Dale Scobert, Chief of Police  
Albert Alcalde, Fire Chief  
Jackie Taylor, Assistant Planner / Public Works Secretary  
Susie LaDuke, Finance Director/City Recorder

## 2.0 PUBLIC COMMENT

Terry Walker 47438 School Street, Oakridge – He was told a couple of weeks ago that the cost for people to annex into the City would be about \$250. He did some investigation and talked to different contractors to find out what they charge. One contractor said he charges \$150 just to come from Eugene. This is going to cost the homeowner between \$1000-\$5000 and possibly up to \$12,000 plus other costs. Is the city going to offer some kind of grant to the citizens?

Gary Carl 48175 E 1<sup>st</sup> Street, Oakridge - A group of people are going over to LaPine on Saturday for a fundraiser pancake breakfast to raise money for a skate park. They are going to issue a challenge to them to come visit us for our Keg & Cask Festival.

## 3.0 MAYOR AND COUNCIL COMMENTS

Councilor Biggerstaff asked what the \$250 quote is that Mr. Walker talked about.

Louis said first of all there is not going to be any forced annexation. There are already five people that are on our sewer and those five people have already signed a pre annexation agreement.

Councilor Biggerstaff said a lot of people would rather be on our sewer rather than have to be on a septic system, like Louis said, we are not forcing them to annex we are allowing them to annex.

#### **4.0 ADDITIONS, CORRECTIONS, OR ADJUSTMENTS TO THE AGENDA**

At about 7:30 or 7:35 we need to call the City Engineer

#### **5.0 CONSENT AGENDA**

**Motion:** Councilor Clark moved to approve the consent agenda with corrections. Councilor Biggerstaff seconded the motion.

L. Biggerstaff (Aye), E. Baszler (Aye), J. Coey (Aye), G. Fortune (Aye), R. Clark (Aye), Mayor Shorey (Aye), C. Slaven (Aye). Motion carried 7-0

#### **6.0 ADMINISTRATIVE SERVICES**

##### **6.1 City Administrators Report**

There are probably three-four dump truck loads of junk in the Atherton building. Louis would like to draft a letter to Atherton's attorney and give him one day to come in and get his stuff and then we are done. We will say what day and how many hours.

Randy Dreiling asked Louis when they were out there last, he saw someone out there this weekend.

Louis said we changed the locks on the building. He will go out there and see if anything was disturbed.

Councilor Clark agrees with Sandy, come and get it all or nothing.

Louis said he will have a letter ready for them to sign off on saying they are done and we can dispose of what's left.

The council agreed to allow them one day to come in and get their belongings.

The Highway 58 Refinement Plan, the TGM pre grant application was turned in last Friday. We are requesting funding for access management; the City Engineer went through the refinement plan and felt it was in good shape.

Louis received an email from ODOT regarding the crosswalk. They are ready to give us \$135,000 basically he just needs to sign the letter of interest and then they will send us an IGA.

Well #6, they are requiring another \$5,000 for a new pump. The council can ask the Mr. Hodges about this when we call him; he can explain it better.

John Milandin and George Custer have gone out and taken measurements of all the shells of buildings out at the OIP so that we can get quotes on what it will cost to put up walls. Business Oregon said if someone comes looking at us and we can tell them this is what it costs to get it up to the condition you want, then it is a benefit to us. They are also working on costing out the rehab of the OIP office.

The Planning Commission continues to work on the Low Impact development ordinances. We knocked out some more on Tuesday.

Louis received an email from LTD, they want to have a meeting with Louis, Councilor Clark and the Mayor in regards to the future of the Diamond Express.

## **6.2 City Recorder Finance Report**

Susie gave the financial report to the Council.

**Motion:** Councilor Clark moved to accept the Financial Reports as presented. Councilor Biggerstaff seconded the motion.

E. Baszler (Aye), Mayor Shorey (Aye), C. Slaven (Aye), G. Fortune (Aye), J. Coey (Aye), L. Biggerstaff (Aye), R. Clark (Aye). Motion carried 7-0

Louis called the City Engineer Edward Hodges to discuss Well #6 and 7.5 Letter of Interest for the City of Oakridge Water project.

Mr. Hodges is disappointed with the contractor on this job, it has taken a lot longer than he thought to get the pump repaired and for some reason initially the shop thought the pump could be salvaged. When they started to repair the pump it just started to fall apart.

This brings the total for the project to about \$49,000.

Mayor Shorey asked if we have a contingency fund for this project.

Louis said yes, we do.

Councilor Clark asked if this is a new pump that we are talking about.

The life of a new pump is 30 years, this pump lasted us about forty years.

Councilor Coey asked why the decision was made to rebuild something that was forty years old and already gone ten years past its life expectancy.

Mr. Hodges said he takes full responsibility for that decision; he relied on the contractor and the shop, he knows them well. Some of these pumps will run significantly longer and they felt it was in reasonably good shape.

Mr. Hodges said we have a 50 horse motor that hasn't been touched in 25 years and we spent \$1,800 on it and it is basically running like new from what he understands.

Councilor Biggerstaff said what we are working on are unknowns, but the contractor should have known. They are going to get their money no matter what because that is what they have coming to them and that is the decent thing to do. What we asked for was a bid, in good faith asking what this is going to cost up front. It seems unfair that they low balled the bid.

Mr. Hodges said the biggest problem here was communication; he should have communicated with the Council better. He understands that money is always an issue and he should have just come down and talked to the council.

There should not be any new costs to this project. We don't have a completion date yet, Mr. Hodges is trying to get it out of Casey Jones.

### **6.3 CNA Surety Response and Offer on Zimmerman Bond**

**Motion:** Councilor Coey moved that we accept the \$20,000 from CNA Surety and release and discharge them from any further liability. Councilor Clark seconded the motion.

Councilor Slaven read part of a letter from the bond company to show what we are up against and how we are not going to get any more than this.

R. Clark (Aye), Mayor Shorey (Aye), J. Coey (Aye), E. Baszler (Aye), L. Biggerstaff (Nay), C. Slaven (Aye), G. Fortune (Aye). Motion carried 6-1

### **6.4 Marijuana Dispensary Discussion**

Louis said what you have in front of you is a model ordinance that the Chiefs of Police put together for a moratorium. Florence passed their moratorium on Monday; Veneta is not quite sure what they are going to do. This is not for the purpose of banning but for research to find out about zoning issues and laws. Louis recommends to the Council is that we do an ordinance to do a moratorium for one year to give the Council and Community time to figure out basically, what direction we want to go.

Councilor Coey asked why this is coming up?

Louis said because Legislature just passed Senate Bill 1531 that would allow cities through May 1<sup>st</sup> 2015 to enact moratoriums.

Councilor Coey asked why do we need to do this?

Louis said because if we don't do it then we would have to allow people applying for dispensaries after May 1<sup>st</sup> and we would not have any say as far as zoning or anything.

Councilor Fortune asked if we can tax them.

Louis said that is one thing he is looking at right now.

Councilor Coey said so what Louis is saying is that we don't have any rules or regulations based on if a Medical Marijuana Dispensary wants to come in to Oakridge and open up shop, we don't have any rules in place on what we are going to do and not going to do.

Louis said that is correct. In November there is a very good probability that there is going to be a measure on the ballot to legalize recreational marijuana so that would put a whole different twist on this.

Sandy Price said she got a phone call from a gentleman who wants to lease the old station in front of the Gomberts units for a medical marijuana dispensary. The property owner is all for it.

Geina Baines said she got a phone call at St. Vinnie's from someone wanting to open a marijuana shop.

Councilor Slaven said we should go ahead and get going on giving ourselves some time on what we want to do.

**Motion:** Councilor Slaven moved that the City Administrator complete a draft Marijuana Dispensary Ordinance for Council Review. Councilor Fortune seconded the motion.

E. Baszler (Nay), C. Slaven (Aye), L. Biggerstaff (Nay), R. Clark (Aye), J. Coey (Nay), G. Fortune (Aye), Mayor Shorey (Aye). Motion carried 4-3

### **6.5 Audit Committee Report FY 12-13 and Draft Update to current responsibilities**

Mayor Shorey would like to commend Councilor Slaven for the Audit Report; it was right on point with everything.

**Motion:** Councilor Coey moved that we accept the FY 12-13 Audit Committee Report. Councilor Clark seconded the motion.

Mayor Shorey (Aye), J. Coey (Aye), R. Clark (Aye), L. Biggerstaff (Aye), G. Fortune (Aye), E. Baszler (Aye), C. Slaven (Aye). Motion carried 7-0

### **6.6 Orchid Health Collective-Change Credit Default Position from Position 1 to Position 2 or 3**

Mayor Shorey welcomed Oliver, from Orchid Health Collective.

Oliver said the last time he was here, he and Orion have been working very hard on Orchid and they are currently hiring and interviewing staff. They have an investor who is ready to contribute to the rest of their set up costs, there is one contingency, he wants to be first in line in the event of a default. So if we get up and running and things aren't going well and they have to default then he wants to be first one who gets their assets and the remaining assets go to the second investor who should be the City of Oakridge and the third in line would be Lane County. He knows this seems like he is asking us to take additional risk on their behalf but, in reality he is asking us to take less risk. Right now they don't have enough funding to get this clinic open and this investor is ready to sign on the line and get this taken care of. He has already talked to Lane County and they have agreed to take third position on the \$70,000 they contributed. Basically all they need is for us to vote yes to taking a secondary position and they will get funded and get the clinic open.

**Motion:** Councilor Clark moved that we change our credit default position from first position to second position. Councilor Biggerstaff seconded the motion.

Louis said he understands where the Council is coming from but he feels it would be in their best interest to let the Finance Director give her thoughts on this. One of the issues we have to look at is this, the investor that they have is a private person with private money. The money you lent them is money that your citizens pay to our coffers and taxes or otherwise. Louis wants them all to think about

that. He understands that yes, we will get healthcare. On the other hand this is a for profit organization.

Susie said in the letter that they wrote to us they talked about the fact that of the \$100,000 only 40% is going to operating costs and the 60% is going into operating reserves. If they are able to put 60% of \$100,000 into reserves it might be more beneficial to us and to them to just pay us back. We need to build our reserves; we just came out of a financial crisis less than two years ago. We have been working diligently to clean up our accounting and to get money back in to our reserves. The private investor is risking his money, but this is a risk of public funds, we risked more because we went in when they had nothing else. The risk is starting to fade a little bit now that they have backing and funding. One of things she discussed with Louis and the lawyer is that if something happened, we wanted first lien attached to their collateral. This investor is only being called an investor, we don't know who he is or what he is involved with, what if this investor is already involved in the medical community, they default and he has first dibs, he can go in and take all the equipment and move it to Eugene and we never see anything and we've lost \$11,000. We may not see any money but an X-Ray machine could go to another clinic here and benefit our community and citizens. We are trying really hard to build community trust again, you need to be really careful about just saying we have an investor, we don't know who he is or where his ties are. Susie said it is odd that an investor would ask us to give up being first in line.

Oliver thanked Susie for bringing the concerns up. He said she brought up if he was involved in the medical community that assets could be taken, he assumed she meant at less than fair market value, that is incorrect. In their operating agreement if there is an event of a default there is a default committee that is created by all three creditors which would be The City of Oakridge, Lane County and the investor himself. The assets would be assessed at fair market value and sold at fair market value as agreed on by the creditors.

Susie said our agreement right now States what the collateral is; we are in a good position.

Oliver said we are in a good position currently and he is asking us to take second position because this investor is willing to contribute \$100,000 of his personal funds to get this clinic funded and up and running.

Susie said when you came to us originally you didn't sell us that: you said give us this money now and we will sign this loan agreement. You never said, when we find more (investors) money we want to come back and change things.

Oliver said it is not a personal choice of his, if it were up to him he'd have Oakridge in the number one spot because we are the initial supporters and they value that a lot. The investor is looking to mitigate some of his risk in order for him to feel comfortable to fund this clinic and he has the ability to finish the funding.

Councilor Biggerstaff asked Oliver to address the issue about the 60/40.

Oliver said when you are starting up a medical clinic you must have three months of fixed costs. In September there is going to be a switch in medical coding, the last time this happened there was two months where Medicare didn't send out a single payment to any Medicare beneficiary clinic, so we have to be prepared for situations like that. If they are not paying us based on a coding switch then we have

to be ready to fund our employees and keep the clinic open which is why the operating reserves are a very calculated number.

Susie asked if it was reasonable to ask (the investor) for \$110,000 to pay us off.

Oliver said he could ask him for that but that is not what they presented to him and that is not the agreement that the lawyers have drafted up and have ready to sign; it is a potential option.

Mayor Shorey asked if they are courting other investors?

Oliver said yes they are but this is the one they've made the most advancement with and this is the one that has the most potential to contribute because he is involved in the medical field and is a medical entrepreneur as well; so he contributes expertise on the medical side and the business side as well.

Mayor Shorey asked if this investor doesn't invest what are you going to do then?

Oliver said they would have to find another investor.

Mayor Shorey asked if they have to take longer to raise the money what does that do to you?

Oliver said it strains their cash flow and it strains our expenses in getting the word out there. They spent \$560.00 applying for a Medicare Program.

Councilor Biggerstaff asked Susie if she was against us giving them the \$11,000 in the first place. There was never any talk about collateral.

Susie said in the contract it defines what is collateral. She is in support of the venture and hope they succeed, but her job is to make sure the city succeeds.

Councilor Biggerstaff said if we don't do this they will have to find another investor. The point of this was to try to get this started as soon as possible and to get them going so they could pay this money back. He is not even thinking about them going under. At that time he said he doesn't care if we just give them \$11,000.

Councilor Coey said we are not private investors; they need to go back to their investor and ask him to cut a check for 111,170.44 and move us out of position all together.

Councilor Clark said a lot of this assumption is that they are going to go under, she wants to think they are not going to go under and wants to give them the chance to do this and if we don't take the #2 position we may lose this opportunity all together. There are times when you need to take a chance and they are going to help the whole community.

Councilor Slaven asked if we were to take the #2 position what would that do to our current contract.

Oliver said they are prepared to have their lawyer draw up the legal documents saying we will take the 2<sup>nd</sup> position.

Councilor Coey called for the vote.

J. Coey (Nay), G. Fortune (Aye), R. Clark (Aye), Mayor Shorey (Aye), E. Baszler (Aye), C. Slaven (Aye), L. Biggerstaff (Aye). Motion carried 6-1

## **7.0 COMMUNITY SERVICES**

### **7.1 Greenwaters Park Fee Waiver for Kiwanis Easter Egg Hunt**

**Motion:** Councilor Clark moved that we approve the fee waiver for the use of the Greenwaters Park Community Building by the Oakridge Kiwanis. Councilor Baszler seconded the motion.

Councilor Coey said there are several of these in here; he thought we talked last year about any fee waivers they need to apply for a grant so that the City is not stuck with maintenance costs.

Councilor Slaven said that won't happen until fiscal year 14-15 when the TRT Committee starts meeting and getting the word out for grant requests there also needs to be information put out that if you normally request a fee waiver you should add that cost in to your grant request.

Louis said the intent of the TRT money for a number of these fee waivers primarily had to do with specific projects; concerts in the park, advertising, venues. The Kiwanis, or St. Vinnie's and those types of organizations; they are community organizations. They are not a tourism based event and don't need advertising.

Councilor Biggerstaff said the reason we started doing this this way was to take the TRT money, which at the time nobody could figure out where all this money had went to before, the only person who told him where the money went to was Randy. The fact of the matter is they were trying to do was accounting for that money and getting it back to the city coffers. The other part of that was that there would be advertising, outside of the city. That was the only requirement; they can call the news channels and tell them they are having an Easter Egg Hunt in Oakridge.

Councilor Clark said the Kiwanis doesn't apply for TRT money because they are not doing this for profit; they are doing this for the children of this community.

Councilor Coey said he is not against the Easter Egg Hunt, this is about covering our costs and it doesn't matter what the event is there are still costs. He thought we put this in motion that this could be paid for and it doesn't keep coming back to the Council.

Councilor Slaven part of the problem here is that we just want it to be a straight and simple path that everyone follows that is the same. The TRT Committee still has some work to do, one of the possibilities is that we set aside a portion of the TRT funds for parks beautification and that is what it is for. Then we know when organizations come before us we know we have the funds set aside for this.

Louis said that is what he has suggested many times.

Randy Dreiling suggested making an exception for kid's events. GOATS puts on the Kids Mountain Biking Day and Kiwanis puts on the Easter Egg Hunts, both are good for the kids.



Susan said one thing to consider is to add a line for Local Focus Events on the Park Rental form so when it comes to the Council they will see what they are doing. Then it would automatically transfer the money from TRT into the Parks Fund. This would just be a journal entry from the TRT Fund into Parks Fund.

Councilor Slaven thinks this is a great idea; she doesn't want you to think we don't want to do fee waivers we just want to find a way to recoup that money from another fund.

Councilor Clark withdrew her original motion.

Councilor Slaven moved that we approve the fee waiver for the use of the Greenwaters park community building by the Oakridge Kiwanis and take the \$96.00 from the TRT funds and move it in to the parks fund. Councilor Fortune seconded the motion.

L. Biggerstaff (Aye), R. Clark (Aye), C. Slaven (Aye), J. Coey (Aye), G. Fortune (Aye), Mayor Shorey (Aye), E. Baszler (Aye). Motion carried 7-0

### **7.2 Greenwaters Park Rental Mountain Bike Oregon 7-17 to 7-20-14 and 8-14 to 8-17-14**

**Motion:** Councilor Clark moved that we approve the facilities permits for Mountain Bike Oregon to include Greenwaters Park and OIP. Councilor Coey seconded the motion.

G. Fortune (Aye), R. Clark (Aye), Mayor Shorey (Aye), J. Coey (Aye), L. Biggerstaff (Aye), E. Baszler (Aye), C. Slaven (Aye). Motion carried 7-0

### **7.3 Fee Waiver for WAC Gym 5-3-14 St Vinnie's and OHS Community**

**Motion:** Councilor Clark moved that we approve the fee waiver for the WAC Gym for St Vincent DePaul and take the \$25.00 out of TRT. Councilor Coey seconded the motion.

C. Slaven (Aye), R. Clark (Aye), Mayor Shorey (Aye), E. Baszler (Aye), G. Fortune (Aye), J. Coey (Aye), L. Biggerstaff (Aye). Motion carried 7-0

### **7.4 Greenwaters Park Rental Dam Sports Fest 6-14 to 6-15-14**

**Motion:** Councilor Fortune moved that we approve the Greenwaters Park Facilities Permit for Dam Sports Fest. Councilor Coey seconded the motion.

Councilor Slaven said they don't have any information for this event.

Matt Altemus said he had a presentation ready for the council but will skip it since we are running past 9:00 P.M. His plan is to put on a Marathon around the Dam. There will be a marathon, half marathon and 5K. The event is insured. The 5k is going to be up Salmon Creek.

He has researched TRT and RTMP money and how it should be spent and how it was voted in. He said there should be money there and he does fall in to the guidelines. He has not turned in an application.

Louis said he should turn in the application and note that the event is in June. He would get his money in July.

Councilor Slaven said he could apply for money for this years race and the one in 2015.

J. Coey (Aye), E. Baszler (Aye), C. Slaven (Aye), G. Fortune (Aye), Mayor Shorey (Aye), L. Biggerstaff (Aye), R. Clark (Aye). Motion carried 7-0

#### **7.5 Letter of Interest for City of Oakridge Water Project (IFA)**

Mr. Hodges said we received a grant to perform a feasibility study looking at getting a new Well and at getting a new Million Gallon Tank at the Industrial Park in the necessary pump stations. He is currently working on the feasibility study. One of the funding agencies specifically requested that the city submit a letter of interest for a safe drinking water loan/grant.

We are looking at a water rate increase per month, per user right around \$3.00 that is at a million dollars.

**Motion:** Councilor Fortune moved that the Mayor Sign the Letter of Interest ID#SD-2014-50 for the Oakridge Water Project. Councilor Coey seconded the motion.

R. Clark (Aye), Mayor Shorey (Aye), J. Coey (Aye), G. Fortune (Aye), L. Biggerstaff (Aye), C. Slaven (Aye), E. Baszler (Aye). Motion carried 7-0

The Council agreed to extend the meeting.

Councilor Coey said at the Community Services Meeting they discussed UBRA wanting to put a sign up on Hwy 58 that is going to be a directional sign for Uptown. It is near the old water tower by Robin David's place. If UBRA applies for it through ODOT they have to pay \$750 a year, but if the city owns it then ODOT waives the fee and UBRA will maintain it. UBRA would like the city to give them \$750 to help with the cost. The sign will face West on the Hwy. It is not specific to any store or restaurant.

Mayor Shorey wants to put this on the next Council agenda.

#### **8.0 POLICE SERVICES**

Chief Scobert said he and Troy went out and took pictures of all of the businesses and residences along Hwy 58 for the Hwy 58 Beautification. There is a lot of clean up that needs to be done; this is a good starting point.

Chief went and picked up a 2012 Dodge Charger for \$2,500 for the police department.

#### **9.0 EMERGENCY SERVICES**

Chief Alcalde got called out on a call.

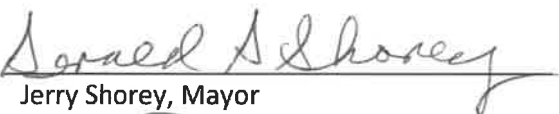
Mayor Shorey gave a report on FireMed, Chief talked to Brian, the guy that runs the FireMed billing in Springfield. The Mayor hasn't read it yet but the council has the letter from Chief Alcalde.

John Milandin gave a report on the Bio Mass; they have a client who is an entrepreneur who wants to come to Oakridge to open a chip mill. However, he needs feed stock, they have been pursuing how to increase the feed stock that we get from our forest. The Willamette Middlefork can only supply about 6000 green tons. Which means in job creation, it would only create about six jobs; this number could go up to 56 jobs if we had enough feed stock. We are working with the Forest Service and Oregon Department of Forestry.

We are waiting to hear results from our congressman, we have a good team working on this project.

**ADJOURNMENT:** The Council adjourned at 9:20 p.m.

Respectfully submitted before the City Council April 3, 2014

Signed:   
Jerry Shorey, Mayor

Signed:   
Susan LaDuke, City Recorder