



DETROIT CITY COUNCIL
Regular & Public Hearing Meeting Minutes
Tuesday, April 10, 2018

CALL TO ORDER: Mayor Trett called the meeting to order at 6:30 PM at City Hall, 160 Detroit Avenue N., Detroit, Oregon.

1. ROLL CALL – Council Present – Vickie Larson-Hills, Shelley Engle, Jim Trett, Greg Sheppard and John Manthe **Councilors absent** – Debby Ruyle & Ken Woodward with notice **Staff Present:** Christine Pavoni City Recorder, Deborah Hastings City Clerk and Rob Henry City Engineer **Citizens Present:** Ed Davenport, Scott Whelden, Dean O'Donnell, Lyn Schultz, Dane Loveberg and Kevin Hills

2. PLEDGE WAS RECITED

3. DECLARATIONS OF CONFLICT OF INTEREST AND EX-PARTE CONTACT - None

4. ANNOUNCEMENTS – PUBLIC HEARING - Mayor Trett announced the public hearing is to discuss water rate increase options to comply with water system upgrade loan requirements. He opened the public hearing at 6:32 PM. Mayor Trett stated what they before them is a proposal to enter into a loan agreement to replace sizable portions of our water delivery system, which would incur a loan of approximately \$3.2 million dollars. He turned the hearing over to the City Engineer Rob Henry. Rob stated in 2008 part of the water system was done. We fixed the transmission main from Breitenbush, built a new reservoir and fixed a little bit of the distribution system, which are the pipes in the road. Since then there hasn't been much work done on the distribution system. So what they are looking at here is the phase 2 distribution system improvements that were outlined in the water master plan. That they have altered those a little bit with input from city staff and Bob and shrunk it down to a size so we could get a decent funding package from the state. Where this compares to what was approved in the water master plan and biggest difference is, there is a 12 inch pipe that comes down from the water treatment plant, that they didn't realize when they did the water master plan was what condition it was in, because it was PVC it should be fine because it was newer. But since, they've learned it's leaking in several places, mostly because when it was constructed it was done in a rock trench and the pipe is sitting right on top of the that rock, so when that pipe moves around it wears a hole in it, so that section of that pipe needs to be replaced. Rob passed out a map showing what pipes will be replaced and the sizes, he said we will be replacing a considerable amount of the distribution system. He stated that over the last year we've worked with Business Oregon, Infrastructure Finance Authority (IFA), to come up with a funding package that would best fit the city's needs. The funding package that the city applied for and IFA has approved is 3.2. Million dollars all together, \$2,170,000 of 1% interest over 30-years and \$1,030,000 of forgivable loan. That what the forgivable loan is, as long as you meet the requirements of the funding package, the contract to be signed, the payments are made and we don't cut our water bills to low, then at the end, that 1 million goes away, essentially it's a grant. He said this program cannot give out grants so this is how they deal with forgivable loans. The city was able to get the 1% loan money because once the water project is done the water rate will be above the affordability rate that's computed for Detroit of \$46.66 per month as an average bill, that right now we're close to that at \$45 per month. The other thing is that the forgivable loan amount was able to be higher because the city's a disadvantaged community. That it is a darn good deal that we're getting. As part of the whole exercise of putting together this funding package, IFA has their financial specialist (Dennis Knight), look at the water bills and the whole city budget as far as water goes and he determined that by 2020 fiscal year, that the water rate will need to be \$60 per month, which is an increase of \$15 dollars. That also includes a 20% debt coverage rate, that that's more than what the city needs to pay back the loan, but the requirements of their loan package is that you have that 20% extra coming in. That they were especially concerned about that with Detroit because of what happens with the dam. Rob stated there is ways to go about the water rate increase. Typically they would like to see these a little bit at a time, but in order to have enough money for that first

payment, he's indicated by July 1st the water bill has to go up to \$55 per month. He informed council he gave three options in his memo for doing that. One is on July 1st go up to \$55 dollars and July 1, 2019-2020 the start of the fiscal year go up to \$60, that is the increase interval IFA recommends. Or they could do it all at once, that he personally would not be in favor of that, the only advantage it gives you, you is a little bit more revenue coming in during the project time. And the third options is up to \$55 on July 1, 2018 then January 1, 2019 increase to \$57.50 and July 1, 2019 increase to the \$60. That the increase would be across the board for everyone including commercial. Councilor Sheppard asked if that was about two miles of pipeline and Rob said it is more like 18,000 square feet, over three miles and would have at least one highway bore, probably two. Mayor Trett commented that when he and Jack Campbell and Rob went to that meeting, they were surprised how low the interest rate is. Rob added, that we are the last project to get through the old rules, that they have new rules now and that is why it was important to get into that IFA board meeting when they did, that it would be a lot harder now for Detroit to qualify for the package that is being presented. Mayor Trett asked for any questions or comments from the public. Ed Davenport stated what this is going to do to people that are retired, how hard it's going to hit them, on a fixed income. Mayor Trett said he's not happy as much as anyone else on having to pay it but we are all going to have to adjust. Dean O'Donnell asked how they determine where an eight inch line or a six inch line is required. Rob said they did a computer model of the system and came up with what the sizing needed to be. That generally speaking, you don't want to put anything under 6 inches in the ground anymore, that they tend to not want anything smaller than an eight in the ground. A lot of it is fire flow dependent that this project is not for increasing fire flow, but the fire flow will be increased significantly on this side of the highway. Dean asked what size the pipes were on this side of the highway and Rob said it is a combination of 2, 4 and a few 6's that a lot of the 2's are steel and are old. That a lot of the pipe was brought up from old town and put back in the ground and those pipes are leaking a lot and beyond there useful life. And we also have quite abit of asbestos pipe, that it's not as scary as it sounds, that asbestos cement as long as it is in good condition doesn't present any health risks, but asbestos cement gets old it get mushy and that is where a lot of the leaks can happen too. Water Commissioner Manthe said with the leakage we had last month we lost 1,263,500 gallons that just ran out on the ground from the pipes we've been using since 1935. Rob said fortunately we don't have a complicated treatment plant, but we are wearing out the sand faster that has to be replaced, we're using chlorine for all that water that is wasted and also when we are pumping out of Breitenbush it cost for pumping it up to the Silver Bullet and then to the treatment plant. So those costs would come down in controlling the leakage. The target leakage for a system is like 10% and we are more like 40%. Dean O'Donnell commented that for a new development that is going in at the former high school, we probably shouldn't put in a 6 inch line there if we'll have to put in an 8 inch. Rob said they might be adjusting that, that it all depends how the park thing works out. The previous plan for that was to loop the waterline for that development through the park and that's not as likely anymore, just because the parks being developed too. Rob said an eight inch line would have to be put in on Santiam up to their sub-division. Councilor Larson-Hills asked if this would reduce all the asbestos pipes. Rob said no that there would still be some remaining, we have a certain amount of money for pipe. If council decides that's a priority they could look at removing some of those pipes around. There was conversation about where some of the asbestos pipes were. Dean O'Donnell asked if Main Street was involved and Rob said no that was replaced. Councilor Larson-Hills asked how much water users get now and would that change. Rob responded they get 9,000 gallons that it would be up to council if they wanted to change that, but that a rate study would have to be done. That there are two ways of thinking about this, the less you use the less you pay, it's a conservation thing to get people to use less. But when a system is financed you have to have a certain amount to make sure your paying the loan payments. Councilor Engle asked if there was a priority list. Rob said generally speaking it is in order. She also asked if we've looked at the consideration of lowering the gallon amount and raise the rate per gallon. Rob said there has not been a discussion within the city but is something they can consider. Which again would require a rate study and run it by IFA and Councilor Manthe added to make sure there would be enough money for the loan payment. Rob stated what it would become is a redistribution of who's paying what, the same amount would still have to be paid all together. Councilor Manthe said he didn't think that would compute out, because you've got 70% of the people that are only up here two or three months out of the year, so they would be paying a lot less and we wouldn't be able to make or payments or run the city. Councilor Engle agreed, that she just didn't know if that had ever been looked. Rob said it was looked at about ten years ago. With no other questions from the public Mayor Trett closed the public hearing at 7:02 PM. With no other discussion from council on the proposal, Councilor Manthe motioned to approve option 3, increases to \$55 then

\$57.50 then up to \$60. Ten dollars this year, \$2.50 in six months and then up to \$60. Mayor said the motion is to accept the proposal from HBH Engineer & Consulting, option number 3, smaller step increases, motion was seconded, he asked for discussion. Councilor Engle stated that she is concerned of citizens finding an additional \$180.00 a year. That it does at least need to be on the record that will be hard for some people and that there may be ways that individuals could apply for scholarships to accommodate that \$180 dollars. Discussion followed with councilor's in agreement but acknowledged the importance of fixing the waterlines. All in favor; Larson-Hills, Engle, Trett, Sheppard and Manthe, motioned passed.

5. APPROVAL OF MINUTES OF THE LAST MONTH – Councilor Manthe motioned to approve the City Council regular meeting minutes of March 13, 2018, motion was seconded, all in favor; Larson-Hills, Engle, Trett, Sheppard and Manthe, motioned passed.

6. APPROVAL OF THE BILLS PAYABLE LIST FOR CURRENT MONTH – Councilor Manthe Motioned to pay the bill not raising a conflict, motion was seconded, all in favor; Larson-Hills, Engle, Trett, Sheppard and Manthe, motioned passed.

7. UNFINISHED BUSINESS

7.1. Rotating Meeting Schedule – Fire Department- Scott Whelden reported they are currently still getting their new vehicles in service. They have acquired a heavy rescue, which is in service from Silverton, a 1986 six man enclosed cab 1500 gallon a minute pumper from Silverton and a three thousand gallon water tender from Silverton. The tender should be 100% in service hopefully within the next two months. The pumper they are hoping to have in service by the end of this month. That they are currently borrowing an engine from Gates Fire, that they had their 93 pierce go down the electronic system and pump went out and is not fixable. So they are down an engine until theirs is up and running and leaves for a paint job this week. Along with the heavy rescue they now have a jaws of life which was also donated by Silverton. Councilor Sheppard asked if they still had a partnership with Breitenbush. Scott said they only agreement they have with them is to supply them with EMS. That he's been to a couple of meetings with the State Fire Marshall, that Breitenbush is still considered a Fire Brigade they are not an affiliated fire department and they are on private property, USFS property. **Federal Lakes**, Mayor Trett announced their next meeting is on April 18th at Gates Fire Hall. **DLRABA followed by the Detroit Lake Foundation next** meeting is Saturday, April 14th. The **Planning Commission** meeting was canceled last month due to lack of quorum. Mayor Trett said they would talk about the North Santiam Wastewater meeting when they get there.

7.2. SDC Amendments – Mayor Trett stated a public hearing will be held during the regular council meeting on June 12, 2018. SDC laws require notice be given 90-days prior to the hearing. Notices have been posted and published.

7.3. Firewise Program Update – Mayor Trett asked Clerk Hastings to give the update. Deborah reported when we applied for the Fire Wise Grant, which we didn't get, Kyle Freres with Freres Lumber came forward and said they might be able to help. That she had been working with him and what they have is a wood grinder and they take the wood and reuse it at their plant, but where we have all yard debris which they can't use, so Kyle said they may be able to help us with a chipper. So we're waiting to hear back. She also reported that she has been in contact with Levi Hopkins with Oregon Department of Forestry and they will be at our Fire Wise Day on May 5th and he is contacting the Forest Service to see if they were going to help. She asked Scott with the Fire Department if they were going to be able to help and he said it is a possibility, that he doesn't know right of hand who is staffing that day. That they have been cutting back on their hours. Deborah said the Levi said if we don't get the wood chipper they would burn the debris sometime after the event.

7.4. Update: 140 Deer Street Property – Mayor Trett reported that the property owner submitted an update on what he has done so far. That he did contact him about getting some names to cut down the trees, and knows he did contact one name he gave him for a bid, because they let him know Brent called. Councilor Manthe strongly voiced concerns regarding the property owners update and him moving forward. That where Brent says no varmints or smell was detected, he should have been here the other day when it was 72 outside, the smell was so bad and you can sit and watch the cats chasing the rats and mice, that he is tired of it. Mayor Trett said we will stay on top of it and he would get in touch with Brent and asked where he's at on it.

7.5. Resolution No. 572 – A Resolution Authorizing a Loan from the Safe Drinking Water Revolving Loan Fund – Mayor Trett stated they need to approve the resolution that the City of Detroit authorize a loan from the Safe Drinking Water Revolving Loan Fund by entering into a financing contract with the Oregon

Infrastructure Finance Authority, IFA. Councilor Manthe motioned they enter into the agreement, motion was seconded, all in favor; Larson-Hills, Engle, Trett, Sheppard and Manthe, motion passed.

7.6. Ordinance No. 254 – An Ordinance Amending the City of Detroit Development Code – Mayor Trett informed council if he reads Ordinance 254 in full and there is an unanimous vote, he can do a second reading by title and passage tonight, otherwise they would have to wait a month. The Mayor read ordinance 254 in full. Councilor Larson-Hills moved that the city council adopt the findings presented in the staff report, an approved legislative amendment LA201801, motion was seconded. Recorder Pavoni stated this is finishing up the last part of the public hearing they had done and would be in effect in a month. Councilor Engle asked if they would be given a map as requested showing the undeveloped lots. Clerk Hastings responded that she checked with Marion County Assessor's office, and they don't have a map for that, that we could have one drawn up which would take time and money or they suggested we could drive around with the plot maps. That Marion County also has a website where we could access the tax lots but would be very time consuming. Councilor Engle said she didn't want it bad enough to spend a lot of money. All in favor; Larson-Hills, Engle, Trett, Sheppard and Manthe, motioned passed, (Ruyle & Woodward Absent). Mayor Trett read ordinance 254 by title only, Councilor Manthe motion to approve, motion was seconded, all in favor; Larson-Hills, Engle, Trett, Sheppard and Manthe, motioned passed.

7.7. Appointment of Budget Committee – Mayor Trett reported three citizens has agreed to serve on the budget committee, Kurt Hagerman, Debi Morgan and Ed Davenport. The first budget meeting would be on Monday, May 7th at 6:30 PM. Councilor Sheppard motioned to appoint Hagerman, Morgan and Davenport to the budget committee, motion was seconded, all in favor; Larson-Hills, Engle, Trett, Sheppard and Manthe, motioned passed.

8. NEW BUSINESS

8.1. Ordinance No. 235 – Backyard Chickens – Review – Mayor Trett stated they passed this a couple of years ago and had a sunset date, which we're past. That council needs to decide if they want to make it permanent. Councilor Larson-Hills stated she would like to take out that you can't sell the eggs, letter K. Councilor Engle also felt people should be able to slaughter their chickens and take out letter L. Mayor Trett stated they would look at that next month.

8.2. Detroit Municipal Code Chapter 3.04.030(d) – Mayor Trett said this is about the amount of money we can spend without going out for a competitive bid, right now we can go up to \$5,000. The State and most other agencies has increased that to \$10,000. The question is if they want to increase ours to \$10,000 like everyone else. After discussion, motion was made by Councilor Manthe to amend municipal code chapter 3.04.030 (d) from \$5,000 to \$10,000, seconded by Councilor Sheppard, all in favor; Larson-Hills, Engle, Trett, Sheppard and Manthe, motioned passed.

9. CORRESPONDENCE – 9.2. Letters Received – Councilor Engle about 9.2.3. regarding the River Fusion 22 and what it was. Dean O'Donnell explained that it was put together for the eclipse last year with business working together through the canyon all doing events for the eclipse. That it is all the cities off highway 22. And they are going to do it again this year, every community putting on some kind of festival to draw tourism to Mill City, Gates, Detroit, and Idanha. Dean O'Donnell asked Recorder Pavoni if she put in the letter he sent about the Detroit Rocks. Christine said no because it is going to go to the TOT committee on May 11th, he asked if its open to the public and she said she didn't know yet, because they are more of an advisory committee and she still needed to look into that. Dean said what's happening in Detroit and the uncertainty of the dam in his opinion it is vital that we keep (inaudible) in Detroit. That he doesn't care if we spend all the money that we have, but we have to have a plan that we never give up Detroit. Because five years down the road if and when the Corps does what they gotta do, we're going to get hit really hard in the business community. That the last time the lake was dry, it was devastating and now we're looking at a three year project for the Marina's and then another two we won't have Mongold, so it's a five year hit on Detroit. So he said please be cognoscente of the TOT money and the programs they have in effect that bring people here year round with or without the lake. And he would love to go to that meeting, that he wants to be sure they understand the importance of what they are deciding. If they freeze our money (inaudible). Christine said they are not going to freeze it, it's more involvement, that the committee is made up of different people and they want to have more say over it.

10. COMMISSION AND MAYOR'S REPORTS

10.1. Mayor's Report – Jim Trett reported on the meetings he had attended with a brief summary of what was talked about. He said that he and Councilor Engle met with John Huffman, Oregon Director of the U.S. Department of Agriculture Rural Development Coordinator, in Dallas on March 15 for a presentation. Later that evening the Marion County Commissioners did their annual meeting. That they

do their annual meeting in Salem, but do two or three around the county where they kind of concentrate on that area of the county. They were in Gates on the 15th for that annual meeting there. On the 20th he said he attended the Council of Governments quarterly meeting in Salem. He talked to Sean O'Day about doing some evaluations for city staff, so they are working on that. On April 2 -6, he attended the Oregon Emergency Preparedness conference. Jim stated Kurt Schrader is aware of the Corps project and in one of the meetings awhile back he had said he was putting together a meeting to try and figure some stuff out, and he has done that, that there will be a meeting May 1st from 1:30 to 3:30 at the Stayton Community Center. That all the cities and like the agriculture group, will have one seat at the table to talk about what they're planning to do will impact us. And the Director of the Corps for Portland will be there.

10.2. Police and Safety Commissioner's Report – Shelley Engle reported she attended the Marion County Citizen Advisory Board meeting on March 20th. They are creating a special district in East Salem to get more police presence in that part of Salem. That the reason that affects us is it frees up a sheriff for up here. She said she sent in the application to officially apply to be a citizen advisory member. The next meeting will be in September. She said they like to go to different areas, so she may propose they come up here to have their next meeting. Shelley said she would be missing the budget committee meeting, city council meeting and the waste water planning meeting, but would be back to attend the May 22, planning commission meeting. Recorder Pavoni added that we are trying to have a combined land use meeting for the high school property, with planning commission and city council and needs to know if we have enough councilors to attend. All were available, Councilor Larson-Hills will try and Christine said Debby Ruyle will be gone, but as long as we have four councilors.

10.3. Street Commissioner's Report – Greg Sheppard reported he is still waiting to get the paper work from ODOT to get the bids for the paving and that he is going to have to coordinate with the water project and the park. He said he wants to do some striping this year, it's been three years. Also we need to start setting money aside for street signs.

10.4. Water Commissioner's Report – John Manthe reported on water use and consumption for last month, and two new meters were installed.

10.5. Building Commissioner's Report – Vickie Larson-Hills reported there were two residential mechanical permits issue in March. She informed council of a meeting she attended in Gates on April 4th, which had to do with the internet, exploring the Wi-Fi. In attendance was two officials from the Bureau of Land Management, another gentleman who runs the parks that are associated with the Bureau of Land Management up here, a city council member from Lyons and Danielle Gonzalez from Marion County. She said she spoke up on behalf of the Fire Department, Sheriff's office and the City regarding signals. Having experience in being in the fire trucks and Deputies cars and the struggles we have up here with signals. Bureau of Land management did say they have repeaters and might be willing to work with us to get a more direct signal. She said she is wanting to email the County, because it is probably going to be recommended that they form a steering committee to explore this more. Danielle said there is money to be spent to develop the Wi-Fi in our area. That it would be much improved product that we would get up here. Discussion followed.

10.6. Parks & Rec Commissioner's Report – No report

10.7. Emergency Preparedness Commissioner's Report – Jim Trett reported earlier

10.8. Sewer Commissioner's Report – Mayor Trett reported this Thursday, John Huffman from USDA is doing a no suits, boots campaign. The Marion County Commissioners are bring him up through the canyon stopping a looking at projects. That they will be in Detroit from 1:15 to 1:30. He said Danielle had them all meeting at the porta potties for a reason. That they are basically looking at projects USDA Rural Development might be able to help with the sewer system. On the 25th is the Canyon awards night and they want to give Danielle an award for all the works she's done.

10.9. Planning Commission – Kevin Hills reported they didn't have a meeting lack of quorum.

11. PUBLIC COMMENTS – None

12. ADJOURN – Councilor Manthe motioned to adjourn at 7:59 PM, motion was seconded, all in favor; Larson-Hills, Engle, Trett, Sheppard and Manthe, motioned passed.

Signed:

Attest:

James Trett, Mayor

Christine Pavoni, City Recorder