

**UNION CITY COUNCIL MEETING**  
**Monday, May 9, 2016 – 7:00 P.M.**

**LEONARD ALMQUIST COUNCIL CHAMBERS, UNION CITY HALL**

- 1. Call to Order, Pledge of Allegiance, & Roll Call:** Mayor Ken McCormack
- 2. Consent Agenda:**
  - a. Minutes from April 16 2016 – Regular Council Meeting, pg 3-14
  - b. Minutes from April 11, 2016 – City Council Work Session, pg 15-32
  - c. Minutes from April 20, 2016 – City Council Work Session, pg 33-49
- 3. Mayor Comment**
  - a. City of Union Committee list, pg 50-515
- 4. Public Comment**
- 5. Informational Items**
  - a. Presentation by Sheriff Rasmussen
  - b. Sheriff's Office Report, pg 52-53
  - c. Union Carnegie Public Report, pg 56
  - d. Office Manager Report, pg 57
  - e. Code Enforcement Office
  - f. School Board Report - Later
  - g. EMS Report
  - h. Chamber of Commerce Report – Donna Beverage
- 6. Administrator/Recorder Report**
  - a. Bikes on sidewalk Assembly @ school
  - b. Code enforcement position
  - c. Income Survey update
  - d. Budget update
  - e. Training Northwest Community Development Institute July 18th to July 22<sup>nd</sup>, pg 58-59
  - f. Work comp update
  - g. Twelfth Street Road closure update
- 7. Public Works Director Report – Rod McKee,**
- 8. Correspondence**
  - a. Letter FDIC from City Council, 60
  - b. Fish and Wildlife budget notice, 61
  - c. Department of Revenue meeting notices, 62-72
  - d. Applicants wanted bikeway committee, 78-79
- 9. Action Items – Old Business**
  - a. Avista Franchise contract review
  - b. Report on Town Hall Meeting
- 10. Action Items – New Business**
  - a) **Resolution 2016-06** to proceed with Folio and Internet Cost Agreement for Code of Ordinances, pg73-77

- b) **First reading of Ordinance No 552** AN ORDINANCE GRANTING TO OREGON TRAIL ELECTRIC CONSUMERS COOPERATIVE, INC. THE RIGHT TO PLACE, ERECT AND MAINTAIN POLES, WIRES, AND OTHER APPLIANCES AND CONDUCTORS FOR THE TRANSMISSION AND DISTRIBUTION OF ELECTRICITY IN, UPON AND UNDER THE STREETS, ALLEYS, AVENUES, THOROUGHFARES AND PUBLIC HIGHWAYS IN THE CITY OF UNION, OREGON, AND TO EXERCISE THE PRIVILEGE OF ENGAGING IN THE GENERAL BUSINESS OF GENERATING, TRANSMITTING AND DISTRIBUTING ELECTRICAL ENERGY, FOR A TERM OF TEN YEARS, pg 80-82
- c) Scheduling of City Council meetings
- d) **Resolution 2016-07** a resolution of the city of Union, Oregon authorizing the sale of a sewer revenue refunding bond, 83-85
- e) Discuss Councilor email use and personal computer usage.
- f) **Resolution 2016-08** a resolution authorizing transfers as budgeted for the fiscal year ending June 30, 2016, pg 86
- g) Approve resignation from Planning Commissioner, pg 87

## 11. Public Comments

## 12. Council Concerns

13. **EXECUTIVE SESSION** permitted 192.660 (2) The governing body of a public body may hold an executive session:
- (d) to conduct deliberations with person designated by the governing body to carry on labor negotiations.
  - (e) to conduct deliberations with person designated by the governing body to negotiate real property transactions.
  - (i) to review and evaluate the employment-related performance of the chief executive officer of any public body, a public officer, employee or staff member who does not request an open hearing.

## 13. Adjournment

*If you have a disability that requires any special materials, services, or assistance, please contact us at 562-5197 so we may arrange appropriate accommodations. Copies of ordinances, resolutions, and all information included on the agenda are available prior to the meeting at City Hall, or at the meeting.*

## CITY COUNCIL WORK SESSION MINUTES

Monday April 11, 2016 at 6 pm

LEONARD ALMQUIST COUNCIL CHAMBERS, UNION CITY HALL

Called to order: 6:01 p.m., Roll Call: Mayor McCormack, Randy Knop, Sky Mitsch, John Farmer, Doug Osburn Absent, Matthew Later Absent, Coy Wilde Absent.

1. **Review Avista Franchise Draft:** Mayor McCormack begins this meeting stating that the franchise contract is being reviewed for Avista and this was last reviewed on March 14<sup>th</sup>. Steve Vincent and Don Kellogg are employees from Avista and are present tonight to answer questions about the new agreement.

Vincent introduces himself and his co-worker and states that he wants to take time to educate any city about these agreements and tailor them to the city's specific needs. He also apologizes for missing the last meeting. He continues to speak about how much Avista values the working relationship with cities and that most of the sections in the agreement are there to protect the city's interests.

Knop asks if Vincent is a contractor.

Vincent responds that no he is an employee of Avista.

Farmer states that he is completely blind to this subject because it was discussed before he was sworn in.

Mayor McCormack states that he also missed a meeting and thanks the minutes secretary for her thorough minutes keeping because the minutes helped him catch up; he notes that there were questions about right of way and finance fee. The current finance fee is 5%, there was talk about raising it to 6%.

Knop asks about finance fee of 6% and what state statute is.

Patterson answers I believe that the highest you can go is 6%, maybe 7%.

Knop states that he doesn't believe that legislature passed that bill.

Vincent states that he can explain the franchise fee statute to council.

Knop states can you explain how we could get 6%.

Vincent states it is in Chapter 241 where cities have their municipal authority that is granted through statute. Telecom statutes are different from energy statutes. There is a 5% cap if there is no franchise in place, but if there is a franchise in place it depends on what the city and utility are able to negotiate. Across the State of Oregon and the 29 cities we serve mostly at 5%. We are at 3% in Union county, Imbler, North Powder, and Cove. A few cities on the west side of the state at 3%. Usually smaller cities stick with 3% because there is an administrative rule by the Oregon Public Utility Commission that requires energy utilities to treat that as operating cost. So the costs of trucks and salaries those are operating costs of running the business. Anything above the 3% is put on the utility bill as a surcharge. If you look at your bill now you only see a 2% franchise fee because the first 3% is operating costs so altogether it is 5%. When we met with North Powder a couple years ago they didn't feel it was worth the political grief to increase to 5%. So if you wanted to increase from 5% to 6% we would need to notify the customers and it would be about a \$5,000 increase in revenue, I think the franchise revenue for the City of Union last year was about \$25,000. If you increased from 5% to 6% it would be about a 20% increase in the franchise liability from our customers, it really isn't passed through; it is put on the bill. I wanted to address one of the council members said "What is it to the utility? Who is going to advocate for the consumer?" It seemed to imply that we wouldn't care. We do care; we care about the burden of taxation and fees to our customers. We feel like it is incumbent upon us to advocate on their behalf. I encourage you as you consider this what that impact is. As a gas utility we are a choice people don't have to have Avista to heat their homes and we consider the impacts of anything and its increase cost to our customers because our competitor is OTEC and we do anything to give our product an advantage.

Knop states obviously you lobby as organization, we also know there are areas of renewable energy that you favor versus some areas you do not favor; solar versus wind.

Vincent states as a gas utility we do not have a position on renewable energy. That's electric, we are a gas utility.

Knop states you don't, I thought the gas companies were a part of the National Gas Association; and their position is they are in favor of a lot of the subsidy programs for renewable energy. So as a member of that organization can you tell us that in fact you told them not to lobby on your behalf?

Vincent states on the electric utilities side up in Washington and Idaho we probably do have some positions but Don and I are here representing Avista a gas utility and I guess if I were to, if we were going to have a position as a gas utility on renewables we would probably advocate for it because it is more expensive...

Knop states I wasn't positioning you to be for against but the obvious would strike me.

Vincent states OTEC doesn't fall under the renewable energy requirements but if we could find a way to require them to do that it would make us just that much more competitive again and I would be all for it.

Knop asks as far as natural gas rates what is the most influential event that would cause your company to raise rates before the PUC.

Vincent states our rate activity is based on two things, the first is the cost of the gas coming out of the wellhead, second is the cost to operate the company. On November 1<sup>st</sup>, we make the rate adjustment to the PUC based on wholesale cost of the gas at the wellhead. What most gas utilities in the country are required to do is just a direct pass through, no margin, nothing tacked on. So over the last 10 to 15 years we have had rate decreases so last November was a 13% rate decrease and the year before was a rate decrease. If we go back to the Enron debacle about 2007 we were having rate increases because there was a lot of manipulation in the wholesale market. So the PUC asks what did you spend in the last 12 months and did you pay less than what you charging therefore a rate decrease. So that's just the gas side, and that represents about 60% of the gas bill, just the commodity. Our rates move about once a year. Now on the operations side of this we did have a rate increase on March 1<sup>st</sup> of this year that was a 5% rate increase and that was mostly for upgrading pipe last summer, and we had to do that statewide. So that is the rate increases on the operations side and these come around once every 2 to 5 years it just depends on how much work is done that causes an increase in rates.

Knop states that here we represent the consumers and they are having to wait an entire year to basically lobby the PUC if they see an unusual event with the gas commodities and it isn't being subject to the PUC it is a part of the pass through costs.

Mayor McCormack asks aren't we getting away from our franchise thing here.

Knop states I will get to the heart of the matter here have you ever negotiated in lieu of an increase to a higher franchise fee rate a grant, or monies in lieu of.

Vincent states you are asking for us to basically write you a check outside of the franchise.

Knop states for a specific public service related to energy conservation.

Vincent states I'm sorry I am just not following you.

Knop states the utility companies have working programs or models for funds to public agencies for education, community education for specific types of energy consumption. Some of the companies themselves sponsor those programs and deliver those programs in larger metropolitan areas but we don't see it so much in the rural areas because there are so few clients for a large corporation. PGE has multiple community development training programs for information and knowledge on how to conserve their product what programs are available how you access them and the public agency doesn't have to expend money or energy doing this service, the company does and in fact it is incorporated into some of their contracts with those public agencies like the City of Portland. I don't see those in rural areas.

Vincent responds let me just clarify in the State of Oregon in the late 1990's we had legislation passed to deregulate the electric side at that time both city power and PGE were required in the statute to move all energy conservation programs out of the utility and sub it out to the Energy Trust of Oregon. So PGE and Pacific Power they no longer do the energy conservation education in the communities it is all done by the Energy Trust of Oregon. They don't have that within, so when a customer has energy conservation project that would qualify for funds PGE isn't writing the check they are not doing the analysis of eligibility that is all subbed out to the Energy Trust of Oregon. Northwest Natural the gas utility of Portland and Cascade that serves in Baker City and Central Oregon they too have moved their programs to the Energy Trust of Oregon. As of March 1<sup>st</sup> of this year Avista is moving their programs to the Energy Trust as well. So we are being required by PUC to completely divest ourselves of and our staffing of that activity so up until this year we did the energy conservation outreach in the communities mostly through literature a little bit of in person we have an employee who works a lot with the commercial customers. For instance, here at the high school in Union we gave an energy conservation incentive for boiler replacement. So in that case we

try our best educate our customers as to the availability of incentives and in that case I think we did a good job because I think the high school called us and said we have a project, will it qualify. So we have the staff to do one on one but that all goes away this year and it all goes to the Energy Trust of Oregon. If I went to the PUC and asked to do a program to educate the communities the answer is going to be no. They just ordered us to move our programs to an NGO, non-governmental organization that falls under the PUC. Does that answer your question or are you getting at corporate philanthropy?

Knop states no its not corporate philanthropy I am trying to run this parallel with systems delivery and development such as a new pipeline running through a community and the pipeline is put in by Northwest Natural and owned by you. I would tell the city you want to get to their hearings, their permit hearings to make sure negotiating the impacts of that with them and the new pipeline running through their jurisdiction.

Mayor McCormack states can we get back to the finance agreement.

Vincent states if it would help I would be happy to sit down with you over coffee or a sandwich or somewhere and we could spend as long as you want talking about all these issues. I would be happy to do it; frankly no one ever takes me up on it. If there are things you want to talk about on the energy sector I would be happy to do that.

Knop states the Mayor wants to run this.

Mayor McCormack states I want to go through the franchise contract not debate on whether or not we are going to have a new pipeline.

Knop states that this has nothing to do with a pipeline it has to do with an understanding of knowledge of the process for companies such as Avista and any other energy companies who routinely go through development projects requesting public agencies to sign off on which this city has a good deal of background on one of those issues and how to go about....

Vincent states I may be able to address this, I know that the City of Union doesn't require a permits but here in the franchise agreement it says we will do our work according to city specifications and we will restore the right of way according to city specifications. It's kind of wide open right there but we want to leave some of those to the permit requirements and not put it in a 20 year contract because in 5

years the city may want to change some of the right of way restoration requirements on the permitting side and we may have industry standards that change the depth in which we install stuff. I hope I am covering your concerns. As a utility company we will come back and fix right of way repairs that fail. We do that on a routine basis, if some patch doesn't hold up we will come back because if we don't Rod McKee is going to find a way to make us come back.

Knop states I have the utmost respect for your company as well as the majority of the other utility companies, but not necessarily some of the contractors they utilize. So I appreciate what you just said.

Mayor McCormack asks if Patterson has any questions on the draft.

Knop asks about highlights on pages.

Patterson and Vincent explain that the highlights are new additions or proposed changes.

Vincent states I can talk through each of these, the highlights represent something we are proposing to do or change. I saw a comment from a council member on why did this expand so much from the last agreement. I think it's been 20 years since the previous franchise agreement and there are just things we all need to improve on including things that protect the cities interest that were buried in here that we are proposing. Do you want me to explain what each of these highlighted sections mean?

Mayor McCormack states to me that would be beneficial. Rod did you have a question.

Rod McKee states I was going to offer to run and make copies if you wanted.

Mayor McCormack decides against this and Vincent begins to go through highlighted sections of agreement.

Vincent states the first part is definitions that bring clarity to the contract. The grant is slightly different from the previous but not wildly different. I pointed out that there is a slight change.

Mayor McCormack asks what the slight change is.

Vincent responds it is like what you see at the beginning of an ordinance kind of referred to as the preamble. The franchise is hereby granted to Avista, I'm looking at the old one and the new one is just a little bit tighter.

Patterson states the old one is on page 14.

Vincent states so if you are trying to do a compare and contrast between the franchise agreement that was adopted by the council 20 years ago. So under the term of the franchise what we are asking for that is different from before, in the proposed franchise agreement not the current one, we have a second paragraph that says that if both parties agree, the city and Avista agree, to simply renew the new franchise and roll it over. I kind of call this the Winston section. The city of Winston went 8 years past expiration. The city manager was so busy he just kept putting it off and asking if the agreement was just fine and I said yes it has just expired, if we had just had this section we could have just rolled it over. The agreement was fine and it took him 8 years to get to it. This doesn't say it automatically rolls over; it only rolls over if both parties agree. Section 2.4 in the proposed agreement states that this isn't an exclusive franchise and that you could grant a franchise to another gas utility, this is similar to Section 15 in the current agreement. We expanded it a little bit more for clarity. Section 2.5 in the proposed agreement is something we are proposing, it is really for the electric utility side, if the City of Union decided to become a gas utility we are simply asking for a 6 month notice it would be for us to come and advocate for our company in your public hearings.

Sky Mitsch asks about does Section 2.4 the non-exclusive franchise, does that mean we can grant other people rights, gas utilities here in Union with permission because it says if it's favorable to the franchise.

Vincent responds what we are asking is if you grant another franchise to another natural gas company it would just be the same terms. That you wouldn't create taxation, fees, or public policies that would be onerous to our customers. We are just asking for fairness via your legislating authority.

Knop asks but it doesn't have a clause on there that you will have to show impact.

Vincent states that we would be disadvantaged.

Knop states it would be under that do not interfere. Do not interfere is kind of two pages. I am just sharing with you that in those four little words the city would be at a serious disadvantage.

Vincent responds that we would just advocate that the city not pass an ordinance that says this other utility is going to do everything to other side of the street.

Knop states I know it is give and take.

Vincent states the assignment of the franchise is similar to another section. This simply allows the company that buys Avista to notify you in writing that they accept all terms and conditions of the franchise. Section 2.7 is the payment of the franchise fees. It exists in the current franchise under Section 10. The inspection of books and records was difficult because they are located in many different offices so we specified the location as being Spokane, Washington. Do you want me to keep going like this or speed up?

Mayor McCormack responds no we have time, you are doing just fine.

Farmer states he is doing well.

Vincent continues, Section 3.1 is a new section. A lot of cities have requested this section and it simply states that we will comply with federal and state laws. It also states we will comply with industry standards. This clause assures that we are obeying laws and standards. Section 3.2 is similar to Section 2 in the current franchise agreement. This states where facilities will be placed, and I want to note that these will not be placed in areas that interfere with construction and maintenance of other utilities, drainages, irrigation ditches, and city owned property in the franchise area. Section 3.3 is similar to Section 6 of current agreement, this states if you want a map we can provide one. We can't just use this map in place of the call before you dig number, it isn't always completely accurate, and sometimes a line can be off by 10 feet or on the other side of the sidewalk. That is what facility information is. The vegetation management is new and it is to make sure nothing is growing over our facilities; this is to clarify our authority to take care of our facilities. Remember we consider ourselves to be a choice so we aren't going to run through someone's yard and kill everything with Round-Up, I think if we kept doing that people would tell us to remove our meter and they would find a different way to heat their homes. We take caution and care in what we do.

Mitsch asks about Section 3.3 talks about existing underground facilities do you intend to have underground facilities in Union or around the area.

Vincent responds yes we have an underground distribution system that runs throughout the municipality

Mitsch asks just the piping infrastructure.

Vincent responds yes wherever you see a gas meter there will be a main out in the street or alley way. Section 3.5 is the right of excavation and is similar to Section 4 of the current agreement. We have expanded language to improve clarity; this is where we spoke with Patterson and McKee about including a right of way permit.

Knop asks for clarification when you speak of right of way are you including individual properties.

Vincent responds we define right of way to mean streets, roads, highways, bridges, tunnels, lanes, sidewalks, alleys, and city owned utility easements all here within the corporate limits not on private property. If we had a tee that comes out of the street to someone's house it is kind of edge of sidewalk, or edge of right of way. This is important because it says we will clean up our mess and we will do it to city specifications and Avista specifications. With Avista specifications I mean that there are certain things we have to put in a trench with pipeline and we must keep industry standards. You will get to specify how we restore the right of way.

Doug Osburn arrived at 6:42 p.m.

Vincent continues, Section 3.6 is emergency work and it is a new section we are putting in. In the case of an emergency we will not be required to obtain a permit; in other cases we will obtain a permit. We will try to notify city of emergency work. Section 4.1 is similar to section 7 of current agreement and all of Section 4.0 is about city authority. This says you have granted this franchise but you are not losing any rights as a municipality. Every city needs this section in a franchise agreement. 4.2 is similar to Section 7 of current agreement as well just adds more clarity. Avista is asking for a 10 day notice if the city is going to work on something close to our facilities.

McKee states on Section 4.2 to some degree the locating law trumps that. In other words if you mis-locate a line then the city is not liable for that.

Vincent states if we locate our line wrong and you damage our facility you are not liable for that we are.

Osburn asks what the leeway is, 2 feet on each side of the line.

Vincent responds yes. Section 4.5 is a new section this is new to this franchise. If we are running a new line we will leave the old line unless there is a threat to public health or safety. The electric utilities and water utilities all leave old lines in place because to pull them all out would make the asphalt companies very happy because streets would have to be completely torn out, very expensive. Section 4.6 is similar to Section 9 in current agreement this section is to preserve the easement for utility if the property is vacated for any reason. Section 5.1 is relocation of facilities when you have a public works project that utilities are in conflict with we relocate at our cost. We ask for a 90 day notice from the city if there is a conflict with a project. It might take our staff time to design and contract for the main line. Don has the best example of this situation if you remember ODOT was running new sidewalks and asphalt in Imbler we have a high pressure line that runs out to Elgin there was a conflict so Don went to ODOT and asked them if it could be redesigned because the conflict would have cost Avista \$250,000 dollars to relocate that high pressure line and for utilities it is kind of like a tax and we would have all paid for that through rate increases.

Vincent continues in Section 5.1 in the middle of the second paragraph we call this our Gekeler clause. It is because some years ago the City of La Grande sent us and OTEC plans to relocate our facilities on Gekeler. Then 2 months later they sent another set of plans and made us move again within 3 months. This part of the agreement states that if we move our facilities for a city and then the city wants them moved again before 3 years has passed the city must pay for the second move. If it has been more than 3 years Avista will pay for the move. The reality is we don't expect this to happen, and we all attempt to get the plans right the first time.

Mayor McCormack states that we are running out of time.

Vincent states in Section 5.2 relocation by third parties, this states that if a third party wants a line relocated they must pay for it. The rest of the new agreement is provision around indemnity. Sections 7.0 and 8.0 are the alternative dispute

resolution. If we have a conflict we don't go to court we try to settle it through arbitration.

Mayor McCormack asks if there are any questions.

Knop asks to remove the term elected officers out of Section 6.1.

Vincent states that means if we make a mistake and the city gets sued that the officers and employees will be defended by our lawyers at our cost.

Knop states these terms are no longer necessary if the word "city" is there under current tort law.

Vincent asks if he is proposing to remove that.

Knop responds yes.

Mayor McCormack asks if that would be elected officials and employees or just elected officials.

Knop states city shall include by definition elected officials.

Vincent states I don't know if that is good for you because we are offering to defend you in court at our cost.

Mitsch asks about Section 6.2 and why the term "elected" is not in there.

Vincent responds this is because no one in our company is elected. This is the city indemnifying Avista. Should the city dig into a gas line and burn down 5 houses and the city gets sued and they sue Avista, well it was the city's negligence that caused the damage so that's what reciprocal indemnity is more common in contracts now.

Mayor McCormack asks any other questions.

Vincent asks how he should proceed and if he should just work with Patterson.

Mayor McCormack responds yes work with Patterson.

Don Kellogg asks Knop if he is having problems with Avista's contractors because he would like to address the issues.

Knop responds I would have to ask the pipeline association to have them forward a copy of their concerns.

Mayor McCormack states meeting closed at 6:55 p.m.

Approved: \_\_\_\_\_

Mayor, Ken McCormack

Attest: \_\_\_\_\_

Administrator/Recorder, Sandra Patterson

## UNION CITY COUNCIL MEETING MINUTES

Monday, April 11, 2016 – 7:00 P.M.

### LEONARD ALMQUIST COUNCIL CHAMBERS, UNION CITY HALL

1. **Call to Order 7:02 p.m., Pledge of Allegiance, & Roll Call:** Mayor Ken McCormack, Randy Knop, Sky Mitsch, Doug Osburn, John Farmer, Coy Wilde Absent, Matthew Later Absent.
2. **Consent Agenda:**

Coy Wilde Arrived at 7:03pm

  - a. Minutes from March 14, 2016 – Regular Council Meeting,
  - b. Minutes from March 14, 2016 – City Council Work Session
  - c. Minutes from March 26, 2016 – Goal Setting Session,
  - d. Minutes from March 28, 2016 – City Council Work Session,

Mayor McCormack asks if everything is good in minutes, Osburn moves to accept with minor typos. Farmer seconds, motion passes unanimously.

### 3. **Mayor Comment:**

Mayor McCormack states I am sure everyone knows that the Umpqua Bank here in Union is closing as of the 24<sup>th</sup> of June. I had a conversation with a gentleman out of Spokane and one of my questions to him was did Umpqua have to have approval from FDIC to close that branch. His response was they sent a letter of information to FDIC but he didn't know for sure he was supposed to be checking on that for me. I contacted Community Bank to see if they would reopen up a branch here in Union, the gentleman I spoke with said he would look into it. I talked with the manager at the Wallowa Community Credit Union and asked if they would like to open a branch out here, he said that would have to approach the board of directors about it. He said he would also approach the other credit unions to see if they would be interested.

There was a comment I made in the Newsletter about if there is concerns about an employee that I want to be able to discuss it. I have two examples of this, the first I was stopped one day by a resident and told the city administrator got a raise because she is putting in a new fence. My comment to that was it is a rumor, not only did you hear a rumor but now you are spreading it. If you have a question like that why don't you come in here and talk to me. It doesn't have anything to do with the city employees or anything else it was someone making a comment about a city employee. The second example happened this past week where I was told that the city administrator got herself a nice raise after they looked at the budget. I am not sure why they are picking on her. The budget hasn't even come out yet so I am not sure what budget they were looking at. If you have a question or there is a rumor floating around I would like you to

come in and ask me so I can explain to you what was going on, not just making that statement to everyone.

Also, with Umpqua when I went to the branch down here I asked them if they own the building and they said yes they do. So I asked them what they planned to do with it and they replied that they didn't know. So I asked them to take a look at donating to the city. When I talked to the gentleman from Spokane he said that they would probably donate the building to the city. If that happens I am not sure what we would do with it but I would like to see it become a community center.

Knop states this is no small matter to the city and I am sure no casual decision on the part of the bank so I applaud your efforts to get their attention and our concerns across to them, but if they are donating a building which has value I wouldn't want the people to walk away with the idea that it's going to happen. It would be like starting a rumor about it.

Mayor McCormack states that is very true, we will know more about this later. They are looking into it.

**a. City of Union Committee List pg. 56:**

Mayor McCormack states the committees:

City of Union Fire Department and Rural Fire Negotiations

Mayor McCormack

Commissioner Knop

Sandra Patterson

Employee Handbook

Commissioner Osburn

Commissioner Mitsch

Sandra Patterson

Public Works Committee

Mayor McCormack

Commissioner Later

Commissioner Wilde

Rod McKee/Sandra Patterson

Charter Update is one of our goals and I would like to assign Commissioner Knop and Commissioner Farmer to that committee.

Knop asks if this is the entire list of committees.

Mayor McCormack responds that I have.

Knop asks Patterson if this is the entire list of committees

Patterson responds no it is not.

Knop asks so there are a number of other committees that are not on this list.

Patterson answers yes.

Knop asks that the mayor reconsider until he has an entire list of all committees that he may understand where we are already working.

Mayor McCormack responds that he will do that.

#### **4. Public Comment:**

Willard Bertrand 1493 N. College: I come tonight just to thank you all for allowing me to be the municipal judge for the City of Union. As you are aware the certification requirements for a municipal judge will require you to change judges here in the near future. I have very much appreciated the opportunity to serve the city as a municipal judge and will continue to do so until you find a suitable alternative. Since I have been the judge for a while I have done some work and discovered the requirements for municipal judges and looking over the ordinances and some of the charter the concept of the minimum fine, doesn't work. You are better off without a minimum fine, because there are better ways to get people to comply; the truth of it is that it doesn't generate income for the city so it really hinders the ability of the judge to administer justice in a thoughtful and friendly manner. I would suggest that you would reconsider your ordinances, I see that you are looking at one tonight and I just wanted to take that into consideration it is one of my long term goals for the city to be a better place for everyone. Thank you.

Knop asks with respect to your research on minimum fines did you find any overarching ORS Statutes.

Bertrand responds No I didn't; there is no requirement to have it set at anything. I think it's just frustration with the courts inability to generate any income for the city.

Mayor McCormack asks if there are any other public comments, there is none moving on.

#### **5. Informational Items:**

a. **Presentation Sheriff Boyd Rasmussen-** Mayor McCormack states that the Sheriff is not present so move on to Sheriff's Office Report.

b. **Sheriff's Office Report pg. 42-45-** Troy Pointer reads Sheriff's Office Report.

Osburn asks Pointer were the warnings traffic warnings.

Pointer responds if it was a warning it was for traffic.

Knop asks at last month's meeting you were asked about 911 calls by a citizen did you meet with the citizen and respond to them.

Pointer asks which 911 call.

Knop do you need the question repeated for you.

Pointer responds yes.

Knop asks Patterson if that is okay.

Patterson responds yes.

Montgomery repeats the question about billing on 911 calls to Pointer.

Pointer responds the sheriff can answer that.

Knop asks that staff be advised in writing as to policy and procedure regarding the question as it pertains to our contract.

Farmer asks if an officer patrols in Union for an hour and half does all of the paperwork completed pertain to the patrol in Union. So it takes them two hours to write up paperwork for one and half hours of patrol.

Pointer responds yes, you asked the question about arresting someone and taking them to court, and only one deputy has charged you guys for that and it opened up something and now it is being looked into.

Farmer states it is our concern that we are being charged for things that don't pertain to the City of Union, like I say I have a hard time understanding how an hour and half of patrol takes two hour of paperwork.

Pointer responds a warrant arrest is going to take 30 minutes of paperwork.

Farmer asks that is another thing did the City of Union issue this warrant. Is the warrant issued by the state or the county?

Pointer responds could be state or county.

Farmer asks how at that point and time does it become the City of Unions expense when the county is already paid to be there and they have been sent out on a county job.

Pointer responds so do you not want us to pick up anyone from your city.

Farmer responds would you be able to refuse the city to pick up a warrant if it is a state issued warrant.

Pointer responds no we would have to pick them up.

Farmer asks then why do we get billed.

Mayor McCormack states I don't think he has the answers to your questions.

Farmer states I am not holding you personally responsible sheriff; these are the concerns I am hearing from the citizens, why are we paying the county for services that are already provided to all of the other cities in the county already. You already come to a 911 suicide whether it is in the city or outside of the city. So why does the city get an extra bill on that?

Pointer responds a suicide is investigated and starts out as a homicide.

Farmer asks so once it is discovered to be a suicide don't we get relieved of the liability on that.

Mayor McCormack states I think you have the right questions and all that I just don't think he has all the right answers.

Pointer responds I don't know how to answer that question.

Wilde states don't stop him they are his questions let him quiz away.

Farmer asks who do we have to put in front of us to get these answers.

Pointer responds the sheriff.

Farmer states I was under the impression he was supposed to be here this evening.

Pointer reads Animal Control Report pg. 44-45

Mayor McCormack asks if there are any questions. Union Library report.

- c. **Union Carnegie Public Report, pg. 46-** Mayor McCormack asks if there are any questions.

Knop asks is it possible to get non-city data in the report.

Patterson states that is a good question, I will ask, everything is computerized.

Knop states this is coming up because some of the cities are being asked to produce some demographic information about users. Not just within the ownership of the library, jurisdiction wise, it is coming up for discussion with county commissioners they want to know who the libraries are actually serving out there.

Mayor McCormack asks if there are any more questions.

- d. **Office Manager Report pg. 47-** Mayor McCormack asks if there are any questions on this report.

Knop states I have a question for staff is there a possibility to get some time at your convenience or Rod's to ask some questions about background, history on item 85 late fees.

Patterson responds yes.

Mayor McCormack asks for any other questions.

**e. Code Enforcement Office-** No report.

Knop asks if there was a report is this where we would normally see concerns.

Patterson responds yes, for now we are taking concerns and writing them down and putting them in your boxes, otherwise I give you a verbal report.

**f. School Board Report-** Mayor McCormack states that Commissioner Later is not here.

Knop asks if school board report can be moved to #7 Public Works Director Report.

Mayor McCormack states okay.

**g. EMS Report-** Keith Montgomery reads report. Montgomery states that paperwork given to council is for fire and EMS and must be signed by the Mayor or Patterson. The other one is concerning a burn ban outside of city limits. I talked about the VFA grant at the last meeting I am turning those in on Thursday. We are looking at getting a power gurney, the City of La Grande just got one and it will help save some backs from injury. It automatically lifts people up. Saturday flying out to Colorado with two other individuals for HASMAT training.

Mayor McCormack asks if this is a second one.

Montgomery responds no they changed the dates to April on this.

Mayor McCormack asks if there are any questions.

Knop asks Montgomery about last month's question. I understand that there are other cities not paying a fee for 911 calls; which currently under the city's agreement we are paying for 911 calls.

Montgomery states that is correct.

Farmer asks about the grant, is it a 100% grant.

Montgomery states it is a 50/50.

Farmer asks how much for a power gurney.

Montgomery states it is about \$35,000 gurney. There is a gurney that is pulled into the ambulance automatically we aren't looking at that one, just one that lifts the patients up, it is about half the cost for that one. The representative is coming the week after I return and they are going to let us try one out.

Mayor McCormack asks for any other questions.

Osburn asks the Mayor who is taking pictures?

Mayor McCormack asks who is taking pictures?

My name is Crystal Rainwater? I am an EOU student and I have an assignment to attend a public meeting and you guys are doing a great job.

## 6. Administrator/Recorder Report-

- a. **Code Enforcement Position:** Patterson states that position closes tomorrow we have 4 or 5 applicants we will probably hold interview next week. Patterson asks if any council members want to be on the hiring committee.

Wilde states that he will be on the committee again.

Mayor McCormack asks is there any conflict of interests if he is on there.

Patterson states if he is a candidate for the position yes, which he can't be.

Mayor McCormack asks no but what about the other person that might be applying for the job.

Knop states I have always had concerns with elected officials sitting on interview panels in a small town mainly because there is such a resource out there for not only to bring in someone from another public institution or private business to sit as a panelist; rather than potentially running into these conflicts of interest that you immediately have to cease what you are doing stop the interview, the time has already been arranged the money spent to hold the interview and that can be avoided completely by allowing the administrator to contact and get a volunteer to do what they do best and that is interview.

Wilde states that Patterson said councilor and everyone else ducked under the table.

Patterson I felt this was appropriate because of a couple reasons, one, the position represents the council's feelings, what is enforced is at the council's request so having a councilor on the board is helpful.

Knop states we are dealing with a situation where there is a financial penalty potentially levied or something as serious as jail time that could be potentially entertained as a consequence. I can appreciate that every councilor is going to know when to step up and say I have a conflict of interest. I know that every time a councilor gets contacted by the code enforcement officer following their hiring and if that councilor is one of the panelists, then immediately is going to call you up and say I have a conflict of interest the code enforcement officer called me and wants to talk about

something because he or she hired me or was a part of the hiring process. They don't realize they are personally liable financially.

Mayor McCormack asks who is on the committee.

Patterson states there would be a citizen, an employee, and then a councilor. If you don't want a councilor on the committee that is fine I will just use another citizen.

Mayor McCormack asks if anyone else has a problem with a councilor being one the committee.

Farmer states I think any situation we get into like Randy says where we are questioning our morals or agenda and I think we need to be very cautious.

Osburn states this council hires the city administrator to administer on our behalf on a daily basis. Her job is to hire and fire it is not ours. I would appreciate it if she took that responsibility.

Patterson states actually I don't have that full responsibility I don't get to hire and fire full time.

Osburn states we have a difference of opinion there. That's who we interview and hire, and we let her do her job.

Knop states I guess part of my concern because it is leading into your report that is regarding, the difficulty in being able to not only find someone but being able to go through a process that is going to determine the longevity potential for this new employee. This is a potentially hazardous job, not physical so much I believe as it is personal mental stress or other issues so having someone that I guess is more aware of the psychological aspects necessary for code enforcement much like they do in law enforcement.

Wilde states the only advantage I see in having a councilman is we have an idea of the direction we want to go with the person we hire. Then you can get a read off of the person and what their attitude and goal is as code enforcement officer it may not be the same as the council.

Knop states other councilors spoke to the issue of this, the day to day direction of patrol is absolutely outside of the bounds of this council. So if there is a mission statement for the code enforcer it is in the job description.

Mayor McCormack asks Mitsch if she has any thought.

Mitsch responds that she has no comments.

Patterson states that she will take care of the hiring process.

**b. TGM Application:** I reported last month that I did the pre-application. We have been invited to come back and apply for all three of the items I did a pre-application on. The application process is very long and I guess we could apply for all three but it would take a lot of time. Do you want me to apply for all three of them? It will take quite a bit of time.

Wilde asks how does your schedule look. Is there one grant you prefer?

Mayor McCormack asks what are the three grants.

Patterson states the bike/pedestrian path, the downtown revitalization project, and GOAL 5 update. I think the GOAL 5 update should be done automatically, but the other two we need to decide if we will do both of them or just one or the other. Definitely should do one or the other.

Osburn asks if one could be delegated out.

Patterson responds if someone understands the transportation plan. You have to know the transportation plan to be able to write it. Our transportation plan is in two thick books.

Osburn asks is that for the bike path.

Patterson responds yes. We also have to ask ourselves do we have time for the city to do both of those grants, these are big plans, big projects.

Knop asks do you know where that might fit in with the goal setting session.

Patterson states all the grants are 100% except for staff time that would go into them.

Knop asks these grants won't cover development time.

Patterson responds no shovels ready. Recreational development was in the goal setting session.

Osburn asks when is the deadline.

Patterson responds that it is in June, but I need to start working on them right away.

Osburn states I think you have staff that could assist you.

Mitsch states that she would be willing to help if it is allowed.

Farmer asks what are you thinking Mr. Osburn that she should apply for all of them.

Osburn states I think we should try to apply for all three if we have time, prioritize them and try to get them all.

Farmer states that the GOAL5 and bike/ped, and then the last one.

Patterson states that she will do it.

- c. **Income Survey Update:** Patterson states there is no news and I sent them an email last week but haven't seen a response.

Knop asks when the final report is received would it be appropriate to receive an electronic copy of that.

Patterson responds yes.

Knop asks if it is being shared with the U.S. Census Bureau.

Patterson responds I am not sure but I would assume so.

- d. **Budget Update 26<sup>th</sup>:** Patterson states that the first hearing will be on the 26<sup>th</sup> and we will be taking public comment at that time scheduled to start at 6 p.m. Your budget document will be ready on the 19<sup>th</sup> for pick up as well as for the public pick up.

- e. **Spring Cleanup Day 30<sup>th</sup>:** Patterson states that the cleanup day will be on the 30<sup>th</sup> of April from 9-12 p.m. and the girl scouts are bringing their brothers to help with cleanup.

Osburn asks didn't we ask for that to be at the end of May.

Patterson responds Union Sanitation is only available on the 30<sup>th</sup>.

Mitsch asks what cleanup day is for to get rid of your waste.

Osburn reduced fees.

Patterson states it is for clean grass, leaves, and branches.

- f. **Council CIS Training:** I need to know which councilors have completed any of the training online. I will be getting you signed up it is for our city insurance.

- g. **Community Bank:** Patterson states that Community Bank came to her and told her they are working on a courier service to transport deposits from Union to La Grande. The city makes daily deposits ranging from \$3,000 to \$15,000. This service would save staff making trips to La Grande every day. We do have an employee that goes to La Grande twice a week but we can't be holding on to money and checks like that.

Knop asks I certainly appreciate that; my next question would be any employee acting as a courier whether or not the city's insurance would consider covering that. There is individual liability, personal liability, and public liability. Tell them to give us courier service for free.

Patterson responds, no the city's insurance will not cover that. Another problem is that we don't bank with Community Bank.

Mayor McCormack asks would this courier be just for the city.

Patterson responds, no it would be for everyone that banks with Community Bank.

Mayor McCormack asks about the samples sent by mail we have a post office, what are you talking about.

Patterson responds, yes but we send our water samples by UPS because it has to get there quickly because it is growing things. We need to be thinking about what we are going to do when the bank closes and what we are going to do to solve this issue.

Knop asks about using electronic services from the bank to make deposits.

Patterson responds, Community Bank offers a system to scan the checks and have them automatically deposited, but we would have to keep checks in a safe locked system for 30 days before throwing them away. This is a way to deal with checks but it doesn't address the cash.

Mayor McCormack asks if there are any further questions for the city administrator, there are none, moving on.

**7. Public Works Director Report pg. 48-52-** Rod McKee states I would like to just skip to the miscellaneous section unless there are questions about the other sections.

Mayor McCormack states I don't have a question just a comment, I really appreciate how you told us what you have been working on and what is coming next.

McKee states I gave you an update on the school's reader board installation, I wrote it should be installed and it is up and running as of today. It has an image of the American Flag on it. I think it is much more sophisticated.

Osburn asks who is going to be the one that tells them what city items we want on there.

McKee responds those details haven't been worked out yet.

Osburn asks if that is something that needs to be worked out with someone from the school and someone from the city.

McKee responds I believe so.

Knop states I am assuming that to receive the grant from the city, a matching amount, that there was a letter of understanding regarding the terms and conditions to receive the grant, and that there were details spelling out in some form or fashion the city's rights to and process that would be utilized to put announcements or whatever on the reader board.

Osburn states point of interest; we didn't grant them any money. We are co-owners.

Knop states so I am already using the wrong term, and asks so we gave them cash. So we gave them cash, is there a contract already in place?

McKee states there is a letter of understanding and there was a discussion at one meeting but let me know if I am speaking out of turn but I don't think anything got solidified, like the details of how that was going to work.

Knop states now my concern is my misunderstanding of it wasn't a grant so I am going from a letter of understanding arrangement and document to a contract. A letter of understanding to me isn't going to be as enforceable.

McKee states hopefully that wouldn't be necessary.

Knop states I am a nice guy; I am probably not the nicest guy in the room and that is my personal opinion, and there is probably at least 20 other different opinions. So on any given day I wouldn't go with that thought, because this is the taxpayer money and a contract should be in place stipulating use of those funds.

Osburn states we are supposed to have half of the sign.

Knop states they have to be intermittent to, I don't know what their rules are but I am sure they are used to signing contracts.

Mayor McCormack states when the money was appropriated through the city was it a letter of intent, I know there wasn't a contract but and I forget what was done it was back in, something like a year ago. We need to take a look at that. I agree with what councilor Knop is saying.

Knop asks how do we account for the use of city personnel or equipment, in the development of the project or its ongoing maintenance and repair. My concern is that we find out the sign isn't where it was originally supposed to be and somebody made the decision, and I am betting it wasn't the city that it was going to go somewhere else. The council I am hoping at least in their memory it was pictured in their mind to be put on the corner of the street right adjacent to us. Unfortunately, yesterday I found out guess what that is not the case.

Wilde states I thought it was supposed to go in the same original place.

Farmer asks where is it at.

McKee states it is on the same corner.

Knop states those are somewhat minor changes but there's no, you can have a contract and then a letter of understanding is addendum to the contract that stipulate they have the authority to maybe move the sign. We need to be a part of the conversation as a joint owner in the project.

Mayor McCormack states from my understanding when this came about the maintenance and the changing of what the sign reads would be handled through the school administration.

Osburn states it is also my understanding it is to be divided in half, half school, half city.

Knop states it is programmable in some form.

Osburn states yes.

Knop states your understanding is going to be different than mine and I am just saying when you pass the baton and a councilor comes on board and says no, I wasn't here when this happened; I would certainly like to see the contract.

McKee states that is a great idea because are some things that, whether its half, whether it's by day, those kind of things, you know what goes up when. Let me suggest this and take these concerns to the school administration and work out the details to bring back to the council, and it could be in the form of a letter agreement or a contract but we will get both of the parties to acknowledge it.

Mayor McCormack states sounds good to me.

Osburn states kind of like a MAO.

McKee agrees. The second item is the deer population. It was my understanding that the city council was at the juncture of whether or not to do nothing, or whether or not to implement a program to reduce the deer population within city limits. So if we look at the cost we've got no cost to the city government to do nothing.

Osburn states it could.

McKee states it could because of the liability, from that standpoint. I agree there, and then you have programs for reducing the deer herd. I spoke with Nick Myatt with Oregon Department of Fish and Wildlife (ODFW) to get an idea of what the city could do. There was a string of e-mails between us so that I could get more details on the options. It wasn't really explained who would pay for the cost of processing an animal. I thought it would be a city cost. I found out that they will deal with it. We are like a landowner in the valley dealing with crop damage from the deer. So we complain to ODFW and they have verified the damage so they say we will issue you 5 kill permits to deal with the damage out here. Then the landowner can then kill those deer, and then prepare them for the meat processor which means skinning and dressing them. So the city government would be like the landowner, so through an arrangement with the ODFW which would involve an agreement, would issue permits. This is conceptual, the actual program isn't actually this, but this is the points of the program.

Osburn asks the council has not voted on an option. Correct.

McKee responds yes you have not voted, we are just discussing the options.

Osburn states I think it would be, if the citizens don't vote on this specific issue on lethal reduction of the deer herd, I don't think that is just our decision to make, I think that is a city issue.

McKee asks can I play devil's advocate.

Osburn responds sure you can.

McKee asks what if we had a rat infestation in the city, and there were rats running everywhere.

Osburn states don't go there, we got Bambi's running everywhere buddy. People love Bambi's.

McKee states Roger was in the foyer earlier today but he isn't here tonight when a couple came in they were just so distraught over the deer population. I suggested that they come and address you tonight at city council in the public comments. They stated it wouldn't do any good. I said yes it will they need to hear from the people, that they want something done or otherwise I think it will probably go the other way.

Mayor McCormack states when this all started up and we sent our survey out about using lethal or nonlethal method and I think our survey came back to use nonlethal.

McKee states no, maybe out of 199...

Mayor McCormack states but anyway let me just say this, they sat here and said to use nonlethal it was too cost prohibitive on their side to use it because of the way they had to go about doing it.

Knop states they said it wasn't an option according to their rules.

Mayor McCormack states they said they wouldn't issue kill permits within city limits and I guess that has changed now.

McKee states, no they won't issue kill permits for individuals.

Osburn states hunting permits and kill permits are two separate things.

Mayor McCormack states what we set out to do it obtain what it would cost the city to do something. It was said at that time it would have to go out the residents.

Osburn and Mayor McCormack both state that the public input will be needed on this matter.

Knop states we have been looking at this issue for a long time. As having felt the direct impact of these lovely deer, I truly like some of them I don't call them friends but I do like some of them. Finding out the facts necessary to make a decision and the direction you might go and the direction you might choose certainly warrants having a further public discussion with the citizens whatever the decision is. I look of these types of proposals no different than the way that I look at wind, water, solar, geothermal, whatever or a county commissioner's

decision on doing nothing or doing something. To do nothing is fairly easy everything is what it is yesterday as what it is today. To do something means based on the data that you have developed surrounding or supporting the issue and I think there is very close to sufficient data for the council to arrive at some decision so the public knows where we are likely to go. We have had hearings, public hearings, discussion, Newsletter, it's been on Facebook a few times, it's been on different venues. So having another public hearing or two or three certainly isn't going to hurt us time frame wise.

Mayor McCormack asks are these figures that you have laid out here are those plus or minus 10%.

McKee responds those are conservative, I tried to stay on the conservative side; they are inflated a little bit, so the major costs are for a hired marksmen from the USDA and spotter. I feel comfortable with these like on a per day cost.

Mayor McCormack asks about staff costs only. Is that number tied into this?

McKee responds no.

Mayor McCormack asks so it is this figure plus what our staff time would take.

McKee responds yes.

Mayor McCormack asks so what would that be are you taking staff away from somethings else.

McKee responds exactly. Once it is up and going, it is going to take a little bit to put it together if we are going to have another public hearing or two we will have to put that together, we would have to write the agreement, we got to work with ODFW and the USDA if we choose to do that. I personally after talking with this gentleman I believe that is the way to go if we are going to do it because he was from the south and has participated in these back on the East Coast. He knows how to do it and the safety issues involved in doing this in a residential or urban setting. I tried to give you the two options either do nothing or an option to do something. I would like to address the issue of trapping because it is going to keep coming up. My son is a biologist and works with Cody Schroder in Reno, Nevada and Cody is in charge of the Mule Deer herd in Nevada and my son Cody works with him. So when I was talking with him about this he said that the Mule Deer Foundation in Utah is involved in situations like this and working at moving the deer into other areas to repopulate. So I talked to ODFW about that and they said that you could blood test sample a population and determine whether or not they are a risk. So you wouldn't have to test every one of them. I talked to Nick and he told me that the State of Oregon would not relocate the deer.

Farmer asks not in the State of Oregon or out of the State of Oregon.

McKee responds if they were to relocate them outside of the State of Oregon it would be by another agency.

Farmer asks could we possibly look at another state wanting these deer and them paying the money to have them trapped and taken away. Is that an option? Something to avoid paying, I am adamantly against paying to remove these animals after I buy my hunting tag every year.

Knop states we haven't heard from the citizens on both sides.

Farmer states he has heard from the public and they are not in favor of removing the deer they say if you don't like the deer build a fence and that is the consensus I am getting.

Mayor McCormack asks you were trying to set up a meeting last week with ODFW is there really any reason to set up a meeting at this point.

McKee responds I don't think at this point now no.

Mayor McCormack states if we have these answers I don't see it either

McKee responds no I don't believe there is. If the city council would get to a point where we want to start putting together the structure of this program then I would say we do have need to have another meeting. If we work with the USDA and the government hunters for lack of a better term then I would suggest we get on that pretty quick. If the city is going to cull the deer herd it needs to be done in the late fall or early winter, not now, not during fawning.

Mayor McCormack states, you didn't get to finish talking about what happened in Nevada when they relocated.

McKee answers, in Utah they had about 40% mortality and if the deer survived one winter they reverted back to a wild state, they felt those numbers were workable. Like I said they won't relocate deer here.

Osburn states these deer won't go out of state, that's a whole other can of worms. There are diseases and other issues here.

Patterson states that the staff is getting asked on a regular basis what is going on and what is happening with these deer, what is council doing and we don't know what to say.

Osburn states we don't either.

Farmer states looking into it.

Patterson states that is what we keep saying.

Mayor McCormack states here is the answer I got for that one right now, until this meeting we had no figures. So we had no way to make a decision.

Patterson states I know but I just want you to know that the citizens are concerned and want to know what is going on.

Osburn states they ask us too, believe me.

McKee states let me suggest this, if this is satisfactory for a preliminary program we have a do nothing and we have this, so let's have a public meeting and get some public comment.

Knop states defer to administration to schedule the hearings for public input.

Osburn states maybe the city administration put on the meeting and not the council. I think it intimidates the people to have us sitting up here so perhaps a less formal meeting would work in this situation. There are two options either we do nothing or we cull the herds.

McKee states this is exactly what we did for the wastewater treatment. We will move in that direction.

Knop asks McKee for time to speak about city wide weed abatement program.

## **8. Correspondence-**

- a. **Grant Letter from Parks and Recreation Dept. pg. 53-** Patterson states I applied for that grant I told you about and we got it I am just sharing the letter that we got it with you.

## **9. Action Items- Old Business-**

- a. **Second reading of Ordinance 551 an ordinance amending ordinance 523, an ordinance repealing ordinance 295 controlling vehicular and pedestrian traffic, section 28 unnecessary noise (a) (b), pg. 54-** Mayor McCormack reads:

"City of Union Ordinance, Ordinance NO. 551 An Ordinance amending Ordinance 523, an Ordinance repealing Ordinance 295 controlling vehicular and pedestrian traffic, section 28 unnecessary noise (A) (B).

Osburn moves to approve ordinance, Wilde seconds and asks for correction on spelling. Motion passes unanimously.

## **10. Action Items- New Business**

- a. **Resolution 2016-05: A resolution authorizing credit card acceptance/processing for the City of Union. Pg. 55-**

Mayor McCormack reads resolution.

Osburn motions to approve resolution.

Farmer seconds.

Mayor McCormack asks for any discussion on the resolution.

Knop states that he doesn't like the word all being in the resolution because it is too narrow; it more or less makes it sound like the only payment method accepted is credit card.

Council discusses, Mayor calls for the vote. Resolution passes unanimously.

**11. Public Comments-** None.

**12. Council Concerns-**

Knop states regarding the action we took, I ask the administration to make sure the city is able to sever agreement without penalty fees.

**13. EXECUTIVE SESSION** permitted 192.660 (2) The governing body of a public body may hold an executive session:

(d) to conduct deliberations with person designated by the governing body to carry on labor negotiations.

(e) to conduct deliberations with person designated by the governing body to negotiate real property transactions.

(i) to review and evaluate the employment-related performance of the chief executive officer of any public body, a public officer, employee or staff member who does not request an open hearing.

Council went into executive session at 8:40 pm.

Council returned at 9:48 pm. No decisions were made.

Mayor Ken McCormack, Randy Knop, Sky Mitsch, Doug Osburn, John Farmer were present along with Sandra Patterson City Administrator.

**14. Adjournment:** Meeting adjourned at 9:50 p.m.

Approved: \_\_\_\_\_  
Mayor, Ken McCormack

Attest: \_\_\_\_\_  
Administrator/Recorder, Sandra Patterson

**CITY COUNCIL WORK SESSION MINUTES**  
**Wednesday April 20, 2016 at 6 pm**  
**LEONARD ALMQUIST COUNCIL CHAMBERS, UNION CITY HALL**

**Session began at 6:00 p.m., Roll Call: Mayor McCormack, Randy Knop, John Farmer, Sky Mitsch, Doug Osburn, Matthew Later, Coy Wilde Absent.**

**1. A. Review utility adjustment per 50.068 (F) Charges (7) Adjustments**

**Note: Postponed utility rate adjustment January 11, 2016 pending further rate review by staff.**

Rod McKee is joining the meeting.

Patterson begins in January you are supposed to review the water and sewer rates and this past January you asked the public works director to do a rate study for your review. Rod McKee has completed it and is presenting his findings to you tonight.

McKee begins his presentation with don't shoot the messenger, he states he will explain what he did to arrive at the numbers on the report in front of council and the Mayor. He developed a spreadsheet so that he could predict what would possibly occur in the next two years while he was putting the budget together for this year. The auditor that was advising Patterson two or three years ago before he was here advised her to get rid of all reserve accounts. So two or three years ago a new auditor was implemented. He states the impression then was that there was some kind of state requirement that the city couldn't have reserve accounts. He states, when you have a beginning balance in the budget which in this case is monies for capital improvement projects of several thousand dollars if you aren't careful you are more or less digging into your "savings account" for operation costs unless revenue is increased somehow. He sat down and looked at the numbers and looked for the trend. The simplest way to evaluate the water and sewer fund is to see what are the operating revenues and operating expenses. If he subtracts the operating expenses from the operating revenues it should be in the black. If it isn't watched closely it becomes a snowball that gets bigger and bigger as it rolls down hill and this is where the city is at now. He explains in an attempt to correct that Patterson and I consulted with the auditor and started collecting \$6.00 per month from every customer to go into a reserve fund for city projects and some is reserved for water projects. There is a list of projects that need to be done and include a new generator, the existing generator is shot and needs to be replaced. To replace that generator with some improvements is going to cost about \$200,000. This generator is on

standby for wells, and he strongly urges that this generator be fixed.

Knop states as the department head you should be budgeting for repairs like this in a line item in the budget.

Patterson states the reserve funds are evaluated every 10 years.

Knop states that money wasn't found because it wasn't being used for what it was intended for.

Osburn asks we are here to talk about 2.5% correct.

McKee states we are here to talk about if 2.5% is sufficient.

Osburn states that is your job to present a budget detailing where the monies need to go and why, I need those numbers in front of me in black and white.

McKee states that this was just prepared.

Osburn continues that he needs to know total costs in percentages and what the increase was. There can't be guessing and there will always be catching up every year.

Patterson states this meeting is to prepare council for next week's budget meeting and that they didn't want council to be caught off guard next week. This is to help council see what is coming and be prepared for next week.

McKee states the number 1 concern is not to create too many reserve funds. The schools have done this and it got out of control. We want to be transparent to the community is to show the community what the money is used for. There are a considerable amount of capital improvement project dollars in sewer fund and those are being chipped away because the sewer rates aren't keeping up with costs. To address Doug's concern you can't just compare percentages, if you look at one line item worth \$7,000 dollars one year and it is \$33,000 next year because that percentage will just blow you away. Some items will be comparable with percentages, but others won't because they can change so much from year to year.

Osburn states that you can't anticipate everything you can guess. As far as granting the 2.5% rate increase or not depends on the total spent and total received. Did we break even? Or did we put a little away? You can create an account for equipment replacement but you can't move funds around once a budget has been approved. A budget can have broad and specific line items to cover costs. I need total numbers. In the past we

haven't had to take from those funds to operate daily or annually, we usually had funds left over and that is why projects were started and completed. If there are projects you want to do and you know the potential cost then that is what the budget process is for.

Knop states that there is a cap on moving funds in the budget.

Patterson states the cap is 10% of the budget without reconvening the budget committee.

Mayor McCormack asks with your analogy where are we at.

McKee states it looks to me like you could postpone the rate increase of 2.5% for the water department this year. I summarized in this sheet and this also reflects what is proposed in the budget and I projected numbers for the next two years.

Osburn asks if the first three columns are actual numbers.

McKee states I couldn't get a hold of the auditor I don't know why the beginning balances didn't show up.

Knop asks what year are you talking about.

Knop gets clarification from others that it is just missing beginning balances.

McKee states he will update as soon as he talks to auditors.

Later asks it is really total operating expenses and total revenue we are looking at here right. Total resource doesn't matter as much right. Are our rates covering our expenditures?

McKee states total resources plus expenditures is either going to leave a surplus or a deficit and you can kind of see what the trend is.

Later states but your total resources in the case of 2014-2015 would reflect your beginning balance as well, and that isn't what we are looking at, we don't care what the beginning balance was. We just want to know what the operating revenue is and the total expenditures.

McKee states I am proposing in the 2016-2017 budget to move the capital reserve money into the reserve fund and get them out of operation and maintenance. Bottom line is what are my costs and what is my revenue and when you look at going across it stays positive but \$125,000 would be the sum of contingencies and unspent balance to carry over to the next

budget year. We want to maintain this and I don't believe that 2.5% rate increase will cover that.

Knop asks including the reserve fund.

McKee states the reserve fund is separate.

Mayor McCormack asks where is the reserve fund here.

McKee responds it is in total transfers that is the reserve fund.

Osburn states that our rate structure sucks, and we depend on that to operate with. I would like to see real numbers with our rates. I want to have people pay for every drop they use. The state requires that.

McKee states the state doesn't totally require that, they would like us to do it for conservation but it isn't required.

Farmer asks why aren't we doing it for conservation.

Osburn and McKee respond we don't need to.

Osburn states we are at a catch 22 they want us to conserve and teach everyone to conserve but we want them to use water to pay our bills. These 2.5% rate increases every year are going to price senior's right out of rate service. I would like to have the rates structured on consumption for water and sewer.

Patterson states we can't do that to solve this year's budget.

Osburn agrees.

McKee states I am going to play devil's advocate again, all you would be doing is shifting stuff around.

Osburn states no the big families with six kids will pay a large water bill while the little old lady will pay less because she will only pay for what she really uses.

McKee asks so redistribution.

Osburn states no that is actual consumption.

Later states we talked about this a few years ago and Sue Briggs and I don't use the same amount of water. I have seven people in my home we use a lot of water, Sue doesn't, it would be like making her pay for my kids

soda pops if I wanted to buy some for the whole family.

Knop states need to fund a program.

Later states we have to spend a certain amount to maintain our water system a fixed cost essentially.

McKee states there is a fixed cost and that we should give a subsidy to those who don't qualify because Doug will only pay \$10.00 per month and Sky will pay \$40.00 because of more water use.

Osburn states I didn't say there wouldn't be a base rate we aren't going to give them 1,000 cubic feet of water with it.

Later states we charge a base rate which goes up so much per year to cover the rising costs of equipment and maintenance and so forth.

Knop states 4.5 million gallons per year and that is the amount of material you are basing the increase on, that is based on 4,500 gallons per family unit averaged out over all families in the State of Oregon; 4,500 gallons per month per family average.

Patterson states the city average is 120.

Knop states every city in the State of Oregon except for two known, use a base rate based on meter and pipe, the size of pipe and meter. The variable is that some cities don't account for pipe size just the meter. There are three cities use social considerations to their rate structures and the City of Union does; they have a fund that helps those who can't pay their bill. That isn't accountable on the budget we don't know how much it is but we do know it exists. A rate when fixed on pipe and meter or just on meter is a loss because of conservation, you don't meter conservation. Meter conservation is when you raise rates the following year you should be able to extrapolate out of the return the loss due to the higher rate. It is not about family sizes it is about the water unit. If you do a 3% increase in rate there will be a loss of .02% because of conservation. You don't account for that in the budget, most budgets don't but they are starting to and it is giving a feel for how fee increases actually hurt income. In water districts it isn't unusual to pay \$150 for just water, is it reasonable, probably not; when you look at the evidence that should support why it is that high they say it is based on the meter and pipe, they don't have any facts or supporting evidence that it costs \$20.00 per hour to run the plant and that is for everything electricity, paper, pencils, everything. The income is 4.5 times the rate structure at the end of year we are going to have a pool of money and that hourly cost should come close to that year end revenue cost. The variable that you won't catch in that is what you lost due

to conservation. It is becoming a critical factor in public budgets and California is a prime example about how overzealous conservation can gut a public budget.

Mayor McCormack states you have indicated to me that the amount of sewage going through down here is less.

Farmer states a gentleman was talking with me the other day about this, more conservation causes less flow in the entire system which causes higher temperatures and less circulation; and it kind of starts to kill you all around. One way to fix this would be to pump water into it to dilute it and cool it that would be happening normally if people weren't conserving due to high costs on water bill.

Mayor McCormack states other residents have said there are more brown yards around town and that is because people can't afford the water to keep them green.

Later asks it sounds like you said 2.5% increase may not be needed now or even perhaps next budget but you think that the 2.5% will not cover the cost needs.

McKee states even if we did the increase we would still be losing ground.

Knop asks why.

McKee states because costs are going up faster than we can keep up with.

Knop states I need an explanation.

Patterson states that hard numbers can be gotten for the explanation.

Knop states I am sure you can get those, other cities are experiencing the same thing. All of the materials went up; some areas are expecting a 40% increase on materials in the next budget cycle.

Patterson states healthcare has been going up by 10% every year for the past six years.

Knop states we should be talking to our congressmen about what effects here at the bottom line, these residents are going to be footing the bill that we might have had some ability to mitigate at the state level or congressman. I want to consider alternative programs it won't solve everything but it will help. They front load the program and get away from charging per gallon and goes to a flat metered rate.

Later states I don't understand what you mean, meter to me means measuring.

Knop states I have concerns too; our consumers bear these 2.5% rate increases. Their circumstances have changed the social impact costs aren't a factor in this rate. Our rate is quite low and I think it should be in the range of \$85 to \$110 per month.

Later asks so you are saying they pay a certain amount based on their meter size and if the meter is different somewhere else they get a different rate.

Knop states the meter is the distribution center for the entire product. It doesn't consider the beneficial use of the product because you don't have any ability to influence that except for a 2.5% increase every year. A family of four in a rural community like this is more self-sustaining they grow their own food and help to mitigate other costs. They aren't paying the extra \$100 dollars per month.

Mayor McCormack asks if the single elderly woman would be paying the same amount. That is where I get lost.

Knop states she will have the option to be more self-sustaining and if she could grow a garden she shouldn't go over. You already have a social service program for water you pay for those who can't pay the bill. Is that for the base or for the unit price?

Patterson states for the whole bill.

Knop states that is still subsidizing.

Patterson states no.

Later asks what are we really saying.

Patterson states we don't forgive anything; we remove the bill to another system to make smaller payments.

Knop asks about penalties.

Patterson responds no penalties.

Farmer asks about funds.

Knop states the meter price is fixed to the actual cost of the product and to consider other social programs that are beneficial to the user; based on

age, income.

Later states it comes down to which direction to go. It would be good to minimize government run programs.

Knop states you should automatically be paying more because you use more.

Later agrees.

Osburn states two individual people do not use the same amount of water and no two families use the same amount of water.

Knop states I don't deny that, for practicality that a person has to budget based on averages reasonable, proved assumptions. He is going to use an average of 4,500 gallons per month and use a system based on that.

Osburn states he is going to budget off of gross sales.

Knop asks how many units does the City of Union sell per year to arrive at this budget.

Mayor McCormack asks Sue Briggs use is going to be less than Later's use of water.

Knop states this goes back to beneficial use, you are older probably don't take as many showers, while you are younger and probably take more showers. I know that if we are educating everyone and the utilities are doing their part and the consumer has flow restrictors in all of their faucets and timers they are using conservation. Conservation cuts into that 2.5% you don't unfortunately know how much.

Later states if what we are looking at that a 2.5% increase won't pay the bills we need to restructure the bill to take care of the costs all the time.

Osburn states it never will because costs go up all the time.

Later states so if we set it up that the fixed costs every year and didn't sell any water we would set up a fee that pays for maintaining the system. That way people are paying for the product from that point forward.

Osburn states that it makes perfect sense to him.

McKee states the electric company does the same thing. My desire wasn't to debate on how we would do it rather to say that a 2.5% rate increase will not cut it. You are talking about a flat rate system and most funding

agencies are going to frown upon that. What I am trying to convey here was that costs keep going up they involve labor, materials, services like power and fuel. Pipe right now is a good deal but if the price of fuel goes back up like it did before the prices on everything goes up. Last year I didn't have a lot of knowledge on expenditures and revenue and this year I am trying to have contingency here so that if we are a little wrong we can come to city council and ask to pull \$5,000 dollars for what is needed. This makes more sense to me rather than inflate every line item and then at the end of the budget year if you have spent everything else and haven't spent your contingency or unappropriated funds those will move ahead into the new budget year. If we want to change the structure I am game for anything I don't have an opinion on changing the rate structure. It is a lot of work to evaluate ten different ways to charge for water, my recommendation is to check around and see who is having the best luck with their charging system. I believe that it will cost everyone more because of the up-front costs in the base rate.

Osburn asks you are an engineer right.

McKee responds yes.

Osburn asks what is the accepted water consumption per person per day when you are thinking about a water project.

McKee responds I am not going to get real complicated with that because that isn't what we use. We use fire flows. When we were designing the water plant we planned for 100-150 gallons per capita per day.

Osburn states that is the general is 150 when they are designing which is very conservative because they don't want to make it any smaller. The actual number is somewhere between 75-100.

McKee states that is not what your mains are based on.

Osburn states I understand that, but when we are looking at generating revenue that is what we look at the actual numbers. Right now we gave away 7,480 gallons a month with our water rate for free. We give it to them whether they use it or not. Most cities have reduced it to 500.

Knop states that is not true for cities relative to the size of Union but for large cities over 200,000 in population I won't dispute that.

Osburn state I don't care about the size of the City of Union.

Knop states you don't.

Osburn states no I don't.

Knop states okay then why aren't we paying City of Portland rate for water.

Mayor McCormack asks Osburn to clarify his not caring about the size of the City of Union.

Osburn states the rate structure needs to cover the costs. It costs us x amount of dollars to pump 1,000 gallons of water there is nothing more to it than that. It costs x amount of dollars to maintain the system there is x amount of dollars in maintaining the meters, meter is like a cash register in the ground. Our city is unique you can't compare it by size; you can't compare it in any way to any other city as far as formulation for rates or anything else.

Knop asks how do you think the city communicates with the rate payers for the justification for rate increases and why.

Osburn states we would have public meetings.

Knop asks how they convey that to the rate payers. It is the demographic size and condition that is how it is done; similar city, similar size, their rates, their base rate plus a pipe rate. Today as we are talking the low end \$18.00 per month, the high was \$55.87 per month.

Later states what we are concerned with creating a structure whether it is continuing the one we have and raising it in certain ways or recreating it in some way. The purpose is to design a rate structure that pays for the costs to run it. We need to examine why costs go up and is it an appropriate reason.

Knop states we are able to do that Matt in the current situation because this is the current budget proposal. Is the current 2.5% rate increase sufficient enough to cover operating costs projected?

Later states no is it not needed right now.

Knop states so what do we tell the public, is it 3%, 3.2%.

Later states what would that require? You said it would be 2.5% this year and next year and the year after?

McKee states that is a 15% increase.

Knop states I don't know how you can go out to 2018-2019 and even

consider that.

McKee states I made some wild assumptions here pretty much 3% increase through this proposed budget to the next one, to the next one to give me an idea of where things were at.

Knop asks has someone figured out the percentage it is going to take to break even on it.

Mitsch states it is a good idea to restructure the rate system here.

Mayor McCormack asks why would you propose to postpone the 2.5% rate increase and wait to do a 15% next year.

McKee states it is about 16%-17%.

Knop asks in 2017-2018. Say that again.

McKee states it is about 17%.

Mayor McCormack asks is that the \$3.51.

McKee states yes.

Later asks is that on top of 2.5%.

McKee states I just figured it from what it is today. I thought that would be an easier way to look at it.

Osburn states when we do a 2.5% increase we do it on everything, on every cost total when it is not necessarily justified. It may be a better way to do that. I am against giving away that 1,000 cubic feet like we do but if someone uses 10,000 they are paying 2.5% on that consumption when it isn't justified.

Knop asks is the 2.5 statutory.

Later states it is a 2.5% increase regardless, unless we choose otherwise, we can choose to do more also.

Patterson states you can't choose to do less unless you do it by ordinance.

Knop states it isn't a cap.

Later states it is an automatic annual 2.5% increase.

Patterson states I don't think you have to do an ordinance to increase it more.

Council talks about ordinances on increase or decrease.

McKee states it will probably be ¢.50- ¢.60 a month.

Patterson states that the rate increase is always based on the base rate.

Patterson and McKee state it does affect the overages, but not the \$6.00.

Osburn states we need to know the reason we need the increase.

McKee states I think it is partly these funds were co-mingled with capital improvement dollars. I hope to explain these things at the budget hearings. I want to explain why materials and services took a big jump this year. I looked at the current expenditures compared them to last year and made estimates based on projected increases. I didn't do anything with personnel wages or cost of living adjustments. I didn't come prepared today to state exactly why we need an increase.

Osburn states that everyone of use lives on a budget and the city has more ability to bring in more money. People don't always have that option. The council and the budget committee have to look at things and material costs can be postponed sometimes. There are formulas for general maintenance and preventative. Those are the numbers we need to make a qualified decision on whether these increase are needed or not.

McKee states that is a full blown analysis.

Knop states calling every vendor and asking for forecasts on increases for the next year is going to be met with nothing because we buy small amounts. A large buyer will get an answer. I am not comfortable with materials and services general overview of total cost. How come it went up \$60,000? Not being able to respond to that well transportation costs went up 20% last year and we weren't able to project that. I think the general public can accept an explanation like that.

Patterson states I think those line items can be answered.

Knop states we need to be able to answer questions about increases.

Mayor McCormack asks McKee to explain the transfers.

McKee states these dollars are co-mingled with operation of maintenance. My recommendation is to move these dollars and put them in the reserve

fund.

Later states not distorting money.

Knop asks Patterson about using the term discretionary money.

Patterson states we could use that.

Knop states miscellaneous is not good.

McKee states the reserve fund is set up for specific projects.

Knop states he has discretion to use that fund on a day to day basis, so those should be reserve funds you should use a Q&A if you go over that amount.

McKee states I just wanted to bring it to the attention of council that 2.5% won't be enough in the long term. I would like to have the direction of the council on this matter.

Osburn states you were here when he came up with the rate.

Patterson states no I wasn't.

Osburn states Dick did a rate study about 10 years ago and that was when we came up with the 2.5% rate increase annually. It is an automatic rate increase to keep up with the budget. If that isn't done you lose money. It was not end to rate studies and adjustments and this should be done every 5 years.

McKee states hopefully this shows that.

Osburn states we need a comprehensive rate analysis.

Later states if there has to be an increase, we need to look at budget and show the public how it works and why we need it. They will be mad but we need to be able to explain the increase.

Knop states the information is available.

Later states the average citizen doesn't know where to find that information.

Knop states the League of Oregon Cities has the resources to give you general rate increases for water across rural America. Getting a cost for materials will need to be done by a private firm that does analysis.

Later states what does the city spend a year to provide water it is x amount, so we show the city is only bringing in x amount and that this needs to be increased to pay for that.

Knop states the cost of living has gone up for everyone, for a rate payer it is money in, money out and we need to explain the increase.

Later states that is where the budget process helps.

Knop states why did you raise rates by 15% we can say it is because of materials, or what have you. We didn't see it coming. I inflated it a bit but I was still wrong about how much it was going to go up.

McKee states is it possible to take a look at the sewer, it is in the same situation. That there have been additional funds in the sewer department that have been making up for the cost that the 2.5% isn't providing.

Osburn states if that isn't the case then we haven't done anyone favors. On surplus everything is positive numbers until the last column and shows a minus 101.

McKee states that is because they didn't have it.

Osburn asks then on the projected if it is negative shouldn't that be in parenthesis.

McKee states yes. I am trying to show I would like to keep a starting balance of \$125,000 dollars.

Knop states if you have proposed projects then that is what that money is for. It should be decided which projects are more critical than others, you aren't going to use it for emergencies.

A McKee states that doesn't get expended, it just carries from year to year unless you have a problem.

Osburn states it is a part of next year's budget period.

Knop states \$113,000 in first year, surplus.

McKee states I didn't have beginning balances for the first few years on this I am hoping to get more information.

Mayor McCormack asks about beginning balances for fiscal years.

McKee states that is an arbitrary number, this give you your shortage with

use of a formula, it is pretty close too.

Knop states I see why it would be good to have a beginning balance; consumers will have legitimate concern about keeping that much money in there.

Patterson states the beginning balance every year should be equivalent to one year operating costs.

McKee states I am making a big assumption here with \$65,000 for contingencies. I budget \$60,000 for unappropriated beginning balance and don't spend it and those two make up the next year's beginning balance in the budget.

Patterson states not everyone here has had budget classes.

McKee states you don't spend contingencies.

Osburn states if that is how you prioritize your work so that you are not overspending until the revenue comes in on the new budget.

Patterson states we hope more will carry over than that. We usually do, we don't spend every dime.

McKee states that is why we have reserve funds. This is another benefit to the reserve fund because that project can get done because the funds are there. Bottom line my recommendation is to raise sewer \$1.00 and water by ¢.50- ¢.60. The community could decide to hire a contracting service to run the water and that would cut the budget, but everyone who has done that regrets it, it isn't a good idea.

Patterson states it would be \$5.49 increase on sewer alone.

Mayor McCormack asks what would the percentage on the \$5 be.

McKee states about 12%, another consideration would be to put smaller increases in over the next several years.

Mitsch asks will putting in a 12% increase make a big difference.

McKee states the way the budget is set up right now it is set up on the \$52.00 per month figure.

McKee and Mitsch look over paper together.

Mayor McCormack asks if the \$3.50 increase is already included in all of

this.

McKee states yes it is in there. I am not increasing the \$3.75. For example, at 1,000 users increased to \$5.00 per month it is \$60,000 per year coming in.

Knop asks about how much of an increase in percent.

McKee states I didn't include the 2.5% in this; this is just a 12% increase.

Patterson states if you don't want that increase you need to look at the budget and figure out what you are going to cut.

Knop states we want staff to get us more information.

Osburn asks why is there a \$22,000 dollar increase on in personal services.

McKee states there were some changes in terms of how costs were allocated. I may not have estimated that quite right. I made some assumptions on how that would be done. My whole intent was to advise you.

Osburn states it is going to take a write up on this increase.

McKee states I am not done figuring out a way to cut costs. I wouldn't be doing my job if I didn't bring this to your attention.

Osburn states I wonder if it would be worthwhile to talk with other towns and buy materials as a group.

McKee states you can buy through a state purchasing agreement and would get a better price.

Osburn states the initial set up would take time but after that you would just be dealing with one person.

**B. Umpqua Bank (added by Mayor at beginning of session, council accepted.)**

Mayor McCormack states Umpqua Bank got back to me in regards to the building. They do want to donate it but gave us a list of terms on this. The terms being that it still houses the ATM, that it be for municipal use, and that the premise would not be resold to another financial institute or private entity. I want to know how many years on that clause would have to be in there. I contacted FDIC Umpqua Bank sent them a letter of intent

to close the branch. They gave me an address that we need to get the citizens and business owners to write to explaining why we don't want this branch closed. They were very understanding on the impacts this will have on us, so we need to get everyone to write to them.

Knop states I don't think the councilors would object to drafting a letter with staff.

Mayor McCormack states multiple letters would be better.

Patterson states we should give the citizens this information.

Knop states I would object to the city inheriting the building without a figure.

Mayor McCormack states I was just bringing this to council's attention.

**2. Adjournment-** Meeting adjourned at 7:54 p.m.

Approved: \_\_\_\_\_

Mayor, Ken McCormack

Attest: \_\_\_\_\_

Administrator/Recorder, Sandra Patterson

## City of Union Committees

### **City of Union Planning Commission**

Ed Baird  
Linda Boettcher – Chair  
Shawna Opie  
Jerry Brounstein  
Robert Burton  
Open  
Open – City Council seat

### **Budget Committee**

Roger Clark  
Joel Knight  
Debbie Riomondo  
Pat Lang  
Willard Bertrand  
Dorian Cox  
All of City Council  
Budget Officer Sandra Patterson

### **Historic Preservation Commission**

Donna Beverage  
Gary Graham  
Charma Vaage  
Open Seat  
Open Seat  
Secretary Sandra Patterson

### **City of Union Fire Department and Rural Fire negotiations**

Mayor McCormack  
Commissioner Knop  
Sandra Patterson

### **Employee Handbook**

Commissioner Osburn  
Commissioner Mitsch  
Sandra Patterson

### **Public Works Committee**

Mayor McCormack  
Commissioner Later  
Commissioner Wilde  
Rod McKee/Sandra Patterson

**Charter update**

John Farmer

Randy Knop

Sandra Patterson

**Community Theme Committee**

Mayor McCormack

Sandra Patterson

## *Union Activities –April 2016*

The Union County Deputies contributed hours to the total for the month. The statistics reflect the activities for the Sheriff's Office.

The following will show the activity done by Sheriff's Deputies:

<b>HOURS</b>	<b>143.25</b>
CRIMINAL CITATIONS	7
TRAFFIC CITATIONS	1
WARNINGS	11
ARRESTS	2
CALLS FOR SERVICE	19
FI'S	13
WALK-INS	0
REPORTS	17
TOWS/IMPOUNDS	0
OTHER	10

**The above hours were allocated as follows:**

<b>PATROL</b>	<b>46%</b>	<b>TRAFFIC ENFORCEMENT</b>	<b>8%</b>
<b>REPORTS</b>	<b>15%</b>	<b>INVESTIGATIONS</b>	<b>31%</b>

Activities include:

Routine patrol including foot patrol, school patrol, and traffic patrol  
Responded to a report of a motorcycle & Four wheeler racing up and down streets.  
Report of a burglary at a local restaurant  
Call for service of a suspicious person  
Report of Theft  
Responded to a call for Trespass  
Follow up on a Burglary case  
Arrested one male subject for Criminal Trespass  
Responded to a report of a domestic disturbance, verbal only  
Investigate call of Criminal Mischief to the sports complex  
Follow up to a broken window at school  
Assist with Medical call  
Report of a possible burglary to a residence  
Issued 3 citations for Criminal Mischief II  
Arrested one subject on a Warrant  
Responded to a pursuit that ended in a vehicle accident, suspect arrested  
Welfare check x 2  
Transported and Held one subject for CHD  
Investigate a Theft case  
Responded to a report of Criminal Mischief, determined to be animal damage  
Investigated report of possible gunshot within city limits, information taken  
Call for service for a report of Harassment x 2  
Cited one subject involved in Theft case and recovered stolen merchandise  
Warned two citizens for dogs at large



## *Union Animal Enforcement Hours –April 2016*

Animal Enforcement officers Lani Jones and Kati Heath contributed hours to the total for the month. These hours only reflect animal control activities.

The following will show the activities in Union by the Union County Sheriff's Animal Enforcement:

**HOURS: 12.5**

**Calls for Service: 15**

**Dog at large: 11**

Citations:

Warnings: 3

Impounds:

Other Action:

**Dog Bites: 0**

**Barking Dog: 3**

Citations:

Warnings:

Impounds:

Other Actions:

**Animal Abuse/Neglect: 1**

**Other: 0**

### **Activities Included:**

General Patrol including previously reported problem areas

Responded to two reports of dogs at large, notice left with one residence, other warned

Report of possible horse neglect, horse is old & lame, scheduled for euthanasia

Call regarding dog at large, owner has previously been warned. Follow up provided and statement delivered

Delivered statement to reporting party complaining of dogs at large in her neighborhood

Report of two dogs in livestock, unable to catch the dogs, attempted to find owner with no luck

Responded to a report of two aggressive dogs, unable to locate

Report of a loose dog, attempted to catch, will set a trap as dog is likely abandoned

Flagged down by a citizen complaining of barking dogs, told reporting party to log

Caught a dog at large and returned to owner with a warning



**March 2016 Report**  
**Union Carnegie Public Library**  
**Union, Oregon**  
**STATISTICS**

Patron Count.....	1077
Circulation Count.....	2147
Adult.....	1104
Children.....	743
Audios.....	106
Videos.....	658
Music CD's.....	22
Materials Added to the Collection.....	26
Materials Discarded from the Collection.....	0
Reference Questions .....	39
Volunteer Hours.....	26.0
Programs for Children &/or Adults.....	22
Participants.....	183
Computer usage.....	674.0 hrs.
New Patrons.....	4
ILL Requests.....	150

**Events and Additions**

- **Estimated wireless computer use for this month: 1404.0 hours.**
- **Tuesday-storytime.**
- **Proctor.**
- **Begin working on Summer Reading Program.**
- **Catalog.**

**Coming in April**

- **Tuesday-storytime.**
- **Work on Summer Reading Program.**
- **Beverly Cleary celebrates her 100<sup>th</sup> birthday – April 12<sup>th</sup>.**
- **Cataloging update training in Baker City.**
- **Weed VHS movies.**
- **Introducing authors and illustrators with April birthdays.**

**“My mother always kept library books in the house, and one rainy Sunday afternoon, I picked up a book to look at the pictures and discovered I was reading and enjoying what I read.” – *Beverly Cleary, author***

**And**

**“I haven’t been very enthusiastic about the commercialization of children’s literature. Kids should borrow books from the library and not necessarily be buying them.” – *Beverly Cleary, author***

**Office Manager**  
**Water/Sewer Monthly Report**  
March 2016

- There was a total of 8 new accounts set up.
- 4 of these new accounts with a set up fee @ \$50.00 each = **\$200.00**
- 4 of these new accounts are established customers
- 1 regular turn off(s), @ \$16.00 charge = **\$16.00**
- 7 regular turn on(s), @ \$16.00 charge = **\$112.00**
- A total of 23 delinquent notices delivered @ \$10.00 = **\$230.00**
- Of those notices there were 3 delinquent turn off(s) @ \$16.00 = **\$48.00**
- Of the delinquent turn off(s) there were 3 turned on @ \$16.00 = **48.00**
- A total of 65 accounts received a \$25.00 late charge = **\$1625.00**

**Municipal Court Report**

- A total of **\$40.00** was paid on citations
- A total of 1 citations issued; 0 City Citation, 1 County Citations

The next court date will be May 19th, 2016 at 11:00am

**Subject:** [CDBGNews] Northwest Community Development Institute  
2016

**From:** KARNOWSKI Mari \* BIZ <Mari.Karnowski@oregon.gov>

**Date:** 4/26/2016 1:49 PM

**To:** "CDBGNews@listsmart.osl.state.or.us"  
<CDBGNews@listsmart.osl.state.or.us>

**Northwest Community Development Institute 2016**

[www.eiseverywhere.com](http://www.eiseverywhere.com)

Registration is now open for the Northwest Community Development Institute. The complete program consists of three classes referred to as year one, year two and year three. There also is an advanced class for those wishing to continue their education in the economic and community development profession. Instructors are from all over the country and represent world-class leaders and experts in their field. Completion of the three year training prepares participants to become certified as a Professional Community and Economic Developer (PCED), a prestigious and nationally-recognized designation. For more information click on the link listed above.

Mari Karnowski  
Administrative Assistant, Infrastructure Division  
BUSINESS OREGON | [WWW.OREGON4BIZ.COM](http://WWW.OREGON4BIZ.COM)  
Office: 503-986-0157



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CDBGNews mailing list  
[CDBGNews@listsmart.osl.state.or.us](mailto:CDBGNews@listsmart.osl.state.or.us)  
<http://listsmart.osl.state.or.us/mailman/listinfo/cdbgnews>

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# CDI | NORTHWEST COMMUNITY DEVELOPMENT INSTITUTE

[Summary](#)   [Registration](#)   [Agendas by Class Year](#)   [PCED Exam Info](#)   [Scholarships](#)   [Sponsorship Opportunities](#)   [Hotel & Venue Information](#)   [Contact Us](#)

## What is NWCDI?

The Northwest Community Development Institute (NWCDI) is designed to train community development professionals and volunteers in the techniques of modern leadership and management of community development efforts. Since the program's inception, hundreds of community leaders from throughout the country have participated in the program.

The comprehensive program curriculum is designed to meet the increasing challenges facing community developers in today's changing society and is applicable for community leaders from towns and cities of all sizes.

NWCDI approaches community development as both a process and a program. It seeks to develop an individual's ability to identify community problems, set goals, encourage liaison with outside agencies, stimulate community interaction, and bring groups together to support competitive economic development, human resource development and quality of life issues.

## Who Should Attend?

Organizations, community officials and volunteers associated with city, county and state government, chambers of commerce, private and public sector economic development organizations, utility companies, and financial institutions will find the Institute a valuable learning tool for the development of individual and community leadership skills.

***At NWCDI you will learn current strategies for sustaining strong communities, attend exciting classes from top community development instructors and develop networking relationships with other city leaders.***



## Event Details

Northwest Community  
Development Institute 2016  
07/18 - 07/22/2016  
The Riverside Hotel  
Boise, Idaho

## Register Now

[New Registration](#) 

[Tell a Friend](#) 

## Sponsored and Presented By



## Promote this event on your social networks



# CITY OF UNION, OREGON



City of Victorian Heritage

342 South Main St.  
P.O. Box 529  
Union, OR 97883

cityhall@cityofunion.com  
<http://www.cityofunion.com>

Phone: (541) 562-5197  
Fax: (541) 562-5196  
TTY: (800) 735-1232

Home of Buffalo Peak Championship Golf Course

April 22, 2016

**COPY**

FDIC

Acting Regional Director Kathy Moe  
25 Jessie Street @ Ecker Square  
San Francisco, CA 94105

RE: Closure of Umpqua Bank Branch in the City of Union, Oregon

To Whom it May Concern,

This letter is to serve as notification of the City's concerns with the proposed closure of Umpqua Bank in the City of Union, Oregon.

This is the one and only bank in the community of Union, the next closest bank is 16 miles North West of our community of 2,140, 32 miles round trip. The adverse economic effects will be damaging to the community if this bank closed. Elderly, poor, handicapped residents will struggle to get to the nearest bank institution, local businesses will struggle to make daily/weekly deposits, total spending will decline as those now banking in another town will conveniently shop their too, no local lending institution available for those needing to borrow, several local jobs will be lost, another buildings will be left empty on Main Street.

The City asks you to consider not approving the closure of this branch for the overall benefit of the community of Union. If you have additional questions or need more information please feel free to contact City Administrator Sandra Patterson at 541-562-5197.

On Behalf of the Union City Council,



Ken McCormack  
Mayor

Cc City Council



# Oregon

Kate Brown, Governor

Department of Fish and Wildlife

East Region  
107 20th Street  
La Grande, OR 97850  
541-963-2138  
Fax: 541-963-6670



April 25, 2016

RECEIVED  
MAY 02 2016

Dear Fish and Wildlife Enthusiast,

The Oregon Department of Fish and Wildlife (ODFW) would appreciate receiving your input on the agency's proposed 2017-2019 budget. The proposed budget is currently being developed by ODFW and an External Budget Advisory Committee. Director Curt Melcher will present the draft 2017-2019 budget proposal at eight "Town Hall" style meetings around the state. Your attendance and participation in one of these meetings would be very much appreciated.

Town Hall meetings will be held from 7:00 p.m. to 8:30 p.m. on the following dates and locations:

- Clackamas: Wednesday, April 27, Monarch Hotel, 12566 SE 93<sup>rd</sup> Avenue
- Tillamook: Thursday, April 28, Tillamook County Library, 1716 3rd Street
- Roseburg: Tuesday, May 3, ODFW Office, 4192 N Umpqua Hwy
- North Bend: Wednesday, May 4, North Bend Public Library, 1800 Sherman Avenue
- Newport: Thursday, May 5, Hallmark Resort, 744 SW Elizabeth Street
- Klamath Falls: Tuesday, May 10, Oregon Institute of Technology, College Union Bldg., Mt. Bailey Room, 3201 Campus Drive
- Bend: Wednesday, May 11, Central Oregon Community College, Boyle Education Building, Room 155, 2600 NW College Way
- La Grande: Tuesday, May 12, Island City Hall, Community Room, 1605 Island Ave (Island City)

In addition to presenting an overview of the proposed budget, ODFW staff will gather public comments. This public input will be used to refine the budget before it is presented to the Oregon Fish and Wildlife Commission. Once a proposed budget is approved by the Commission, it will be submitted to the Governor for her consideration. The Department's budget will ultimately be determined by the 2017 Legislature.

Comments may also be submitted by e-mail to [ODFW.Comments@state.or.us](mailto:ODFW.Comments@state.or.us) or by mail to ODFW Director's Office, 4034 Fairview Industrial Drive, SE, Salem, OR 97302 by June 1, 2016.

Public comments can also be made directly to the Commission, which is scheduled to hear the Department's budget proposal at its meeting on June 9, 2016 in Salem.

I hope you can join us and help us develop a budget that best serves Oregon's fish and wildlife resources and all Oregonians that benefit from them.

Sincerely,

Bruce Eddy  
East Region Manager





# Oregon

Kate Brown, Governor

Department of Revenue  
955 Center St NE  
Salem, OR 97301-2555  
[www.oregon.gov/dor](http://www.oregon.gov/dor)

**DATE:** April 29, 2016

**TO:** Interested Parties

**SUBJECT:** Notice of Proposed Rulemaking

As shown in the enclosed notices, the Department of Revenue intends to adopt, amend, or renumber administrative rules relating to the acceptance of cash payments, corporate income and excise tax, and marijuana tax. The proposed rules are posted on the department's website at <http://www.oregon.gov/DOR/about/Pages/rules.aspx>.

A public hearing is scheduled for 9:00 am to noon on Monday, May 23, 2016 in Salem. We will accept public comment at that time; however you may also send comments to the rules coordinator by e-mail, fax, or telephone until May 23, 2016 at 5:00 pm.

If you wish to testify at the hearing will need to register prior to the hearing. Registration begins at 8:45 am on May 23, 2016 in the Fishbowl conference room. Please contact the rules coordinator in advance to make alternative arrangements for registration if you are not able to do so at 8:45 am on the day of the hearing. The hearing will close at 9:15 am if no person registers to testify.

In compliance with the Americans with Disabilities Act, this information is available in alternative formats upon request. Please contact me if you have questions.

Lois Williams  
Administrative Rules Coordinator  
Director's Office  
Direct telephone: 503-945-8029  
E-mail: [Rulescoordinator.dor@oregon.gov](mailto:Rulescoordinator.dor@oregon.gov)  
FAX: 503-945-8290

Enclosures: (6)

Notices of Proposed Rulemaking Hearing  
Statements of Need and Fiscal Impact

RECEIVED  
MAY 02 2016  
BY: \_\_\_\_\_

Secretary of State  
**NOTICE OF PROPOSED RULEMAKING HEARING\***  
 A Statement of Need and Fiscal Impact accompanies this form

<b>FILED</b>
4-15-16 11:19 AM
ARCHIVES DIVISION
SECRETARY OF STATE

Department of Revenue	150
Agency and Division	Administrative Rules Chapter Number
Lois Williams	(503) 945-8029
Rules Coordinator	Telephone
Department of Revenue, 955 Center St. NE, Salem, OR 97301	
Address	

**RULE CAPTION**

Cash Handling: Establishes rule for remitting cash payments to the Oregon Department of Revenue.

Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.

Hearing Date	Time	Location	Hearings Officer
5-23-16	9:00 a.m.	Revenue Bldg; Fishbowl Conf. Rm; 955 Center ST NE; Salem, OR 97301	Xann Culver

**RULEMAKING ACTION**

Secure approval of rule numbers with the Administrative Rules Unit prior to filing.

**ADOPT:**

150-305.100-(E)

**AMEND:**

**REPEAL:**

**RENUMBER:** Secure approval of new rule numbers with the Administrative Rules Unit prior to filing.

**AMEND AND RENUMBER:** Secure approval of new rule numbers with the Administrative Rules Unit prior to filing.

**Statutory Authority:**

ORS 305.100

**Other Authority:**

**Statutes Implemented:**

ORS 305.100

**RULE SUMMARY**

150-305.100-(E) - Provides guidance and procedures to remit cash payments for any taxes, fees, or debts administered by the Oregon Department of Revenue (DOR). DOR district field offices will only accept cash payments up to \$500 for any purpose, no more than five (5) cash payments per month, from July 1, 2016 to December 31, 2016. Eliminates acceptance of cash payments at DOR field offices after December 31, 2016.

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

05-23-2016 5:00 p.m.	Lois Williams	lois.i.williams@oregon.gov
Last Day (m/d/yyyy) and Time for public comment	Rules Coordinator Name	Email Address

\*The Oregon Bulletin is published on the 1st of each month and updates the rule text found in the Oregon Administrative Rules Compilation.

Secretary of State  
**STATEMENT OF NEED AND FISCAL IMPACT**  
A Notice of Proposed Rulemaking Hearing accompanies this form.

**FILED**  
4-15-16 11:19 AM  
ARCHIVES DIVISION  
SECRETARY OF STATE

Department of Revenue  
Agency and Division

150  
Administrative Rules Chapter Number

Cash Handling: Establishes rule for remitting cash payments to the Oregon Department of Revenue.

Rule Caption (Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.)

In the Matter of:

ADOPT: 150-305.100-(E)

**Statutory Authority:**

ORS 305.100

**Other Authority:**

**Statutes Implemented:**

ORS 305.100

**Need for the Rule(s):**

150-305.100-(E) - Provides guidance and procedures to remit cash payments for any taxes, fees, or debts administered by the Oregon Department of Revenue (DOR). DOR district field offices will only accept cash payments up to \$500 for any purpose, no more than five (5) cash payments per month, from July 1, 2016 to December 31, 2016. Eliminates acceptance of cash payments at DOR field offices after December 31, 2016.

**Documents Relied Upon, and where they are available:**

Oregon Revised Statutes, available online through Legislative Counsel. (<https://www.oregonlegislature.gov/>)  
FIN 201: Collection and Deposit of Money(s), Oregon State Treasury

**Fiscal and Economic Impact:**

There is no fiscal impact due to the implementation of this rule.

**Statement of Cost of Compliance:**

**1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):**

There is no impact to state agencies and a de minimis effect on the counties. The public may experience an impact as cash payments will be restricted in DOR field offices until December 31, 2016 and completely eliminated in DOR field offices after December 31, 2016; cash payments will only be accepted at the Salem Main building after this date. This action may create a financial and/or compliance hardship for customers who don't have access to banking services to make payments with a financial instrument (i.e. personal check). Customers will be required to either bring their cash payments to the Salem Main building or secure a cashier's check or money order to pay at a DOR field office. Total cash payments received in all DOR field offices (excluding satellite offices) averaged approximately \$144,000 per month for calendar years 2010 to 2015.

**2. Cost of compliance effect on small business (ORS 183.336):**

**a. Estimate the number of small business and types of businesses and industries with small businesses subject to the rule:**

Oregon has approximately 123,000 small businesses with fewer than 250 employees that employ 81% of the state's workforce. Oregon has approximately 106,000 small businesses with fewer than 100 employees. Based on this information and information from tax returns reporting the number of employees, the department estimates Oregon has approximately 92,000 small businesses with fewer than 50 employees who are subject to these rules.

Oregon Small Business Development Center Network ([www.bizcenter.org/about/our-impact/](http://www.bizcenter.org/about/our-impact/))  
Business Oregon ([www.oregon4biz.com/assets/docs/DataPacket09.pdf](http://www.oregon4biz.com/assets/docs/DataPacket09.pdf))  
Oregon Department of Revenue Research Section, 10/14/13 Wage File Extract, 2012 tax year

**b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services:**

As of January 1, 2017, any person or business who pays their taxes, fees, or debts in cash must make those cash payments at the Salem Main building. This may result in additional costs to comply (e.g. cost of fuel to drive to Salem, time spent away from business, etc.) for those

people or businesses who don't have access to banking services. The typical drive from Portland to Salem and back may total \$10-\$15 in fuel costs in addition to the added security risk of transporting cash to Salem to make payments. People or businesses who reside farther away from Salem may incur additional costs.

**c. Equipment, supplies, labor and increased administration required for compliance:**

There are no known increases.

**How were small businesses involved in the development of this rule?**

We communicated and worked with small business liaison groups such as the Oregon State Bar Tax Section, Oregon Collectors Association, Oregon Board of Tax Practitioners, Oregon Society of Certified Public Accountants, Oregon Association of Tax Consultants, and marijuana industry representatives to obtain their input into how the preliminary cash handling portion of the rule may impact their clients and the small business community.

**Administrative Rule Advisory Committee consulted?: No**

**If not, why?:**

The Oregon Department of Revenue did not use a formal Advisory Committee for these rules. However, we did seek input from groups of industry representatives. No Administrative Rule Advisory Committee was consulted because the above groups were contacted, and they have the interest and expertise necessary to provide adequate feedback on these proposed rules. Therefore, a committee is unlikely to provide further benefit.

<u>05-23-2016 5:00 p.m.</u>	<u>Lois Williams</u>	<u>lois.j.williams@oregon.gov</u>
Last Day (m/d/yyyy) and Time for public comment	Printed Name	Email Address

**NOTICE OF PROPOSED RULEMAKING HEARING\***  
A Statement of Need and Fiscal Impact accompanies this form

<b>FILED</b> 4-15-16 8:40 AM ARCHIVES DIVISION SECRETARY OF STATE
--

Department of Revenue  
Agency and Division

150

Administrative Rules Chapter Number

Lois Williams

(503) 945-8029

Rules Coordinator

Telephone

Department of Revenue, 955 Center St. NE, Salem, OR 97301

Address

**RULE CAPTION**

Corporate Tax: Sale of commodities by public utilities, Unitary business ownership percentage

Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.

Hearing Date	Time	Location	Hearings Officer
5-23-16	9:00 a.m.	Revenue Bldg; Fishbowl conf. Rm; 955 Center ST NE; Salem, OR 97301	Xann Culver

**RULEMAKING ACTION**

Secure approval of rule numbers with the Administrative Rules Unit prior to filing.

**ADOPT:****AMEND:**

150-314.280-(O); 150-317.705(3)(a)

**REPEAL:****RENUMBER:** Secure approval of new rule numbers with the Administrative Rules Unit prior to filing.

150-314.670-(A) to 150-314.667-(A)

**AMEND AND RENUMBER:** Secure approval of new rule numbers with the Administrative Rules Unit prior to filing.**Statutory Authority:**

ORS 305.100, 314.280, 314.667, 314.815

**Other Authority:****Statutes Implemented:**

ORS 314.280, 317.705, 314.667

**RULE SUMMARY**

150-314.280-(O) is amended to be applicable to all periods open to examination.

150-317.705(3)(a) is amended to change the level of common ownership necessary to establish a unitary relationship between two or more corporations.

150-314.670-(A) renumbered to 150-314.667-(A) to reflect a statutory change that was enacted by the Legislature.

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

05-23-2016 5:00 p.m.	Lois Williams	lois.j.williams@oregon.gov
Last Day (m/d/yyyy) and Time for public comment	Rules Coordinator Name	Email Address

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Secretary of State  
**STATEMENT OF NEED AND FISCAL IMPACT**  
A Notice of Proposed Rulemaking Hearing accompanies this form.

**FILED**  
4-15-16 8:40 AM  
ARCHIVES DIVISION  
SECRETARY OF STATE

Department of Revenue

150

Agency and Division

Administrative Rules Chapter Number

Corporate Tax: Sale of commodities by public utilities, Unitary business ownership percentage

Rule Caption (Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.)

In the Matter of:

Amend 150-314.280-(O)

Amend 150-317.705(3)(a)

Renumber 150-314.670-(A) to 150-314.667-(A)

**Statutory Authority:**

ORS 305.100, 314.280, 314.667, 314.815

**Other Authority:**

**Statutes Implemented:**

ORS 314.280, 317.705, 314.667

**Need for the Rule(s):**

150-314.280-(O) is amended to be applicable to all periods open to examination.

150-317.705(3)(a) is amended to change the level of common ownership necessary to establish a unitary relationship between two or more corporations.

150-314.670-(A) renumbered to 150-314.667-(A) to reflect a statutory change that was enacted by the Legislature.

**Documents Relied Upon, and where they are available:**

Oregon Revised Statute 314.280, Oregon Revised Statute 317.705, Oregon Administrative Rules 150-314.280-(O) and 150-317.705(3)(a), Powerex Corporation v. Department of Revenue, 357 Or 40 (2015), and Oregon Revised Statute 314.667; all of which are available online or from the agency.

**Fiscal and Economic Impact:**

There is no fiscal or economic impact due to these rule changes. The statutes implemented are what cause the impact.

**Statement of Cost of Compliance:**

**1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):**

There is no impact to state agencies or the counties, and a de minimis impact on the public. The rule changes are intended to be clarifying or interpretive in nature and do not affect the cost to comply.

**2. Cost of compliance effect on small business (ORS 183.336):**

**a. Estimate the number of small business and types of businesses and industries with small businesses subject to the rule:**

Oregon has approximately 123,000 small businesses with fewer than 250 employees that employ 81% of the state's workforce. Oregon has approximately 105,646 small businesses with fewer than 100 employees. Based on this information and information from tax returns reporting number of employees, we estimate Oregon has approximately 91,848 small businesses with fewer than 50 employees that are subject to these rules.

Oregon Small Business Development Center Network [www.bizcenter.org/about/our-impact](http://www.bizcenter.org/about/our-impact)

Business Oregon [www.oregon4biz.com/assets/docs/DataPacket09.pdf](http://www.oregon4biz.com/assets/docs/DataPacket09.pdf)

Oregon Department of Revenue Research Section, 10-14-2013 Wage file extract 2012 tax year

**b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services:**

There is a de minimis effect on those small businesses subject to the rules as these changes are intended to be clarifying or interpretive in nature and do not affect projected reporting, record-keeping or other administrative activities or costs.

**c. Equipment, supplies, labor and increased administration required for compliance:**

None known.

**How were small businesses involved in the development of this rule?**

The Department of Revenue communicated and worked with small business liaison groups such as the Oregon State Bar Tax Section and the Oregon Society of Certified Public Accountants. The department received input from the Oregon State Bar Tax Section regarding how these rules will impact their clients, some of whom are small businesses.

**Administrative Rule Advisory Committee consulted?: No**

**If not, why?:**

The Department of Revenue did not use a formal Advisory Committee for these rules; however, we did seek and receive input from groups of industry representatives. No Administrative Rule Advisory Committee was consulted because the above groups were contacted and they have the interest and expertise necessary to provide adequate feedback on the proposed rules; therefore a committee is unlikely to provide further benefit.

<u>05-23-2016 5:00 p.m.</u>	<u>Lois Williams</u>	<u>lois.j.williams@oregon.gov</u>
Last Day (m/d/yyyy) and Time for public comment	Printed Name	Email Address

Secretary of State  
**NOTICE OF PROPOSED RULEMAKING HEARING\***  
A Statement of Need and Fiscal Impact accompanies this form

**FILED**  
4-15-16 8:27 AM  
ARCHIVES DIVISION  
SECRETARY OF STATE

Department of Revenue  
Agency and Division  
Lois Williams  
Rules Coordinator  
Department of Revenue, 955 Center St. NE, Salem, OR 97301  
Address

Administrative Rules Chapter Number  
150  
(503) 945-8029  
Telephone

**RULE CAPTION**

Marijuana tax: Establishes rules for permanent point-of-sale taxation of marijuana items.

Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.

Hearing Date	Time	Location	Hearings Officer
5-23-16	9:00 a.m.	Revenue Bldg; Fishbowl Conf. Rm; 955 Center ST NE; Salem, OR 97301	Xann Culver

**RULEMAKING ACTION**

Secure approval of rule numbers with the Administrative Rules Unit prior to filing.

**ADOPT:**

- 150-475B.710-(A)
- 150-475B.710-(B)
- 150-475B.710-(C)
- 150-475B.715
- 150-475B.720
- 150-475B.740
- 150-475B.755

**AMEND:**

**REPEAL:**

**RENUMBER:** Secure approval of new rule numbers with the Administrative Rules Unit prior to filing.

**AMEND AND RENUMBER:** Secure approval of new rule numbers with the Administrative Rules Unit prior to filing.

**Statutory Authority:**

ORS 305.100, ORS 475B.750

**Other Authority:**

**Statutes Implemented:**

ORS 475B.700 to 475B.760

**RULE SUMMARY**

- 150-475B.710-(A) - Establishes deposit due dates for remitting marijuana point-of-sale taxes to the Oregon Department of Revenue.
- 150-475B.710-(B) - Provides guidance for marijuana retailers to request an extension to file a quarterly marijuana tax return and clarifies definition of "good cause" used to consider filing extension requests.
- 150-475B.710-(C) - Requires marijuana retailers to register with the Oregon Department of Revenue to report and remit marijuana point-of-sale taxes.
- 150-475B.715 - Clarifies provisions in statute for assessing delinquent marijuana tax against a marijuana retailer or medical marijuana dispensary and any liable officer, member, or employee of a marijuana retailer or medical marijuana dispensary per statutory authorities. Establishes criteria the department will consider to assess liability against any responsible officer, member, or employee of a marijuana retailer or medical marijuana dispensary for delinquent marijuana tax.

150-475B.720 - Clarifies provisions in statute for providing guidance for acceptable recordkeeping formats and maintenance of books, papers, accounts, or other information related to marijuana tax and the authority of the department to request books, papers, accounts or other information for audit purposes.

150-475B.740 - Clarifies provisions in statute for consumer requests for refund of excess marijuana tax paid at the point-of-sale.

150-475B.755 - Clarifies provisions in statute for assessing a 100 percent penalty for failure to file a marijuana tax return for three consecutive years.

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

05-23-2016 5:00 p.m.	Lois Williams	lois.i.williams@oregon.gov
Last Day (m/d/yyyy) and Time for public comment	Rules Coordinator Name	Email Address

\*The Oregon Bulletin is published on the 1st of each month and updates the rule text found in the Oregon Administrative Rules Compilation.

Secretary of State  
**STATEMENT OF NEED AND FISCAL IMPACT**  
A Notice of Proposed Rulemaking Hearing accompanies this form.

**FILED**  
4-15-16 8:27 AM  
ARCHIVES DIVISION  
SECRETARY OF STATE

Department of Revenue  
Agency and Division

150  
Administrative Rules Chapter Number

Marijuana tax: Establishes rules for permanent point-of-sale taxation of marijuana items.

Rule Caption (Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.)

In the Matter of:

Adopt 150-475B.710-(A)  
Adopt 150-475B.710-(B)  
Adopt 150-475B.710-(C)  
Adopt 150-475B.715  
Adopt 150-475B.720  
Adopt 150-475B.740  
Adopt 150-475B.755

**Statutory Authority:**

ORS 305.100, ORS 475B.750

**Other Authority:**

**Statutes Implemented:**

ORS 475B.700 to 475B.760

**Need for the Rule(s):**

150-475B.710-(A) - Establishes deposit due dates for remitting marijuana point-of-sale taxes to the Oregon Department of Revenue.

150-475B.710-(B) - Provides guidance for marijuana retailers to request an extension to file a quarterly marijuana tax return and clarifies definition of "good cause" used to consider filing extension requests.

150-475B.710-(C) - Requires marijuana retailers to register with the Oregon Department of Revenue to report and remit marijuana point-of-sale taxes.

150-475B.715 - Clarifies provisions in statute for assessing delinquent marijuana tax against a marijuana retailer or medical marijuana dispensary and any liable officer, member, or employee of a marijuana retailer or medical marijuana dispensary per statutory authorities. Establishes criteria the department will consider to assess liability against any responsible officer, member, or employee of a marijuana retailer or medical marijuana dispensary for delinquent marijuana tax.

150-475B.720 - Clarifies provisions in statute for providing guidance for acceptable recordkeeping formats and maintenance of books, papers, accounts, or other information related to marijuana tax and the authority of the department to request books, papers, accounts or other information for audit purposes.

150-475B.740 - Clarifies provisions in statute for consumer requests for refund of excess marijuana tax paid at the point-of-sale.

150-475B.755 - Clarifies provisions in statute for assessing a 100 percent penalty for failure to file a marijuana tax return for three consecutive years.

**Documents Relied Upon, and where they are available:**

Oregon Revised Statutes, available online through Legislative Counsel. (<https://www.oregonlegislature.gov/>)

**Fiscal and Economic Impact:**

There is no fiscal impact due to the implementation of these rules. Authorities provided for the Oregon Department of Revenue to implement and enforce the marijuana tax program under ORS 475B.700 to 475B.760 are similar to the income tax withholding program.

**Statement of Cost of Compliance:**

**1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):**

There is no impact to state agencies and a de minimis effect on the counties and the public. These rules allow the Oregon Department of Revenue to administer and enforce the marijuana point-of-sale tax program.

**2. Cost of compliance effect on small business (ORS 183.336):**

**a. Estimate the number of small business and types of businesses and industries with small businesses subject to the rule:**  
Oregon has approximately 320 medical marijuana dispensaries that are currently selling recreational marijuana items for the Early Start Marijuana Tax Program, and it's estimated that approximately 350 marijuana retailers will be licensed by the Oregon Liquor Control Commission and selling recreational marijuana items by the end of the 2015-17 biennium. There are an estimated 2,100 retail jobs currently in the legal marijuana market, resulting in an average of approximately seven retail employees per dispensary.

Marijuana Cash Handling Budget Narrative, 2015-17 Governor's Budget  
<http://www.cannabisjobsreport.com/>

**b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services:**

Under ORS 475B.720, marijuana retailers are required to keep receipts, invoices, and any other pertinent records related to retail sales of marijuana items for five (5) years from the time to which the record relates or for as long as the marijuana retailer retains the marijuana items to which the record relates, whichever is later. Marijuana retailers are also required to report marijuana point-of-sale taxes to the Oregon Department of Revenue on a quarterly basis under ORS 475B.710.

**c. Equipment, supplies, labor and increased administration required for compliance:**

There are no known increases.

**How were small businesses involved in the development of this rule?**

We communicated and worked with small business liaison groups such as the Oregon State Bar Tax Section, Oregon Collectors Association, Oregon Board of Tax Practitioners and the Oregon Association of Tax Consultants to obtain their input into how this rule will impact their clients; some of whom are small businesses. We also reached out to the Oregon Society of Certified Public Accountants and marijuana industry representatives to gain their input into how these rules would affect the small business community.

**Administrative Rule Advisory Committee consulted?: No**

**If not, why?:**

The Oregon Department of Revenue did not use a formal Advisory Committee for these rules. However, we did seek input from groups of industry representatives. No Administrative Rule Advisory Committee was consulted because the above groups were contacted, and they have the interest and expertise necessary to provide adequate feedback on these proposed rules. Therefore, a committee is unlikely to provide further benefit.

<u>05-23-2016 5:00 p.m.</u>	<u>Lois Williams</u>	<u>lois.j.williams@oregon.gov</u>
Last Day (m/d/yyyy) and Time for public comment	Printed Name	Email Address

**FOLIO & INTERNET COST AGREEMENT FOR CODE OF ORDINANCES**

April 13, 2016

American Legal Publishing will convert the Code of Ordinances of Union, OR into Folio VIEWS at the following prices:

**Code of Ordinances:**

- 1) Code converted into Folio VIEWS (one-time fee) \$495
- 2) Future Supplements of Folio Code  
(cost is in addition to editing charge for printed pages and assumes that the printed code and Folio/Internet code are updated simultaneously):
  - Annual update: \$195 includes up to 100 pages
  - Six month updates: \$150 for each 6 month period; includes up to 75 pages
  - Quarterly updates: \$100 for each quarter, includes up to 50 pages
  - Excess pages charged at \$1.95 each
- 3) Code on the Internet (annual hosting fee) \$450 per year
- 4) Phone Support no charge

**Time to Completion:**

Number of days until complete Code on Folio 60 days or less

**Terms:** Due upon completion of project and receipt of invoice.

**Transmittal As Offer**

The transmittal of this Agreement to Municipality is an offer by Publisher to perform the stated services at the price and upon the terms and conditions referenced above and shall be subject to acceptance by Publisher's receipt of the agreement executed by Municipality no later than July 31, 2016 unless such date is extended in writing by Publisher.

IN WITNESS WHEREOF the parties have hereunto set their hands on the date(s) indicated:

MUNICIPALITY OF UNION, OREGON

AMERICAN LEGAL PUBLISHING CORP.

BY \_\_\_\_\_

BY \_\_\_\_\_

TITLE \_\_\_\_\_ Date \_\_\_\_\_

TITLE \_\_\_\_\_ Date \_\_\_\_\_

\* Will have res. ready @ meetings - this is for putting  
City codes online.



**AMERICAN LEGAL**  
Publishing Corporation

April 13, 2016

Sandra Patterson  
City Administrator  
342 South Main St.  
P.O. Box 529  
Union, OR 97883

Re: Code on Internet

Dear Ms. Patterson:

Following is information you requested regarding converting the Code of Ordinances into the Folio VIEWS search and retrieval program and then placing it on the internet.

We would provide you with a CD-ROM version in addition to placing the code on the internet. The CD version can be placed on an internal network for use by municipal employees. Each user can create a "shadow file" allowing them to highlight text, create pop-up notes and set bookmarks without affecting the code version used by other employees. The internet version would be maintained on American Legal Publishing's website, with a link from the municipality's website. You can see examples of codes on the internet at our website: [www.amlegal.com](http://www.amlegal.com) (under Code Library).

Let me know if you have any questions.

Best regards,

A handwritten signature in black ink, appearing to read "Ray G. Bollhauer".

**Ray G. Bollhauer,**  
Staff Attorney  
[rbollhauer@amlegal.com](mailto:rbollhauer@amlegal.com)

**The American Legal Publishing Difference  
(Price List)**

Our online codes have the following features:

Online Features:	Many features are included in current annual hosting fee at no additional cost	Price:
PC, Tablet, Smart Phone versions	Frames version for PC; ADA Compliant View and Mobile View available for mobile devices.	Included
Multiple Search formats	1. Quick Search Box 2. Advanced Search Template 3. Boolean Search Field	Included
Automatic Stem Searches (finds plurals of words)	<i>Dog finds dog and dogs Fence finds fence, fences, fencing and fenced</i>	Included
Synonym Searches	<i>Grass finds grass, turf, lawn Garbage finds garbage, litter, trash, rubbish</i>	Included
Continuous Next Hit feature	You can go through all hits without having to go back to the Results List for each chapter	Included
Search Results List	Advance searches lists results in order of relevancy; Quick searches lists results in order as found in the document	Included
Table of Contents expands and links to sections	View and navigate the TOC while also viewing code text and option to view TOC, Document and Search Results at same time	Included
Download text in multiple file choices from the web	Can download into RTF (for MS Word), HTML, TXT, PDF, MOBI and EPUB (can also use copy/paste feature)	Included
Email text in multiple file choices from the web	Can email text RTF (for MS Word), HTML and TXT (actually attaches text, not just a link to the code)	Included
Cross-references hyperlinked	Cross-references to other sections, including Penalty references are hyperlinked	Included
Color Graphics	Yes - if provided in color by the Municipality	Included
Bookmarks and Static Links to specific sections can be set	Ability to bookmark and set links to titles, chapter or individual sections in the code	Included

Scrolling tables - static header	The titles of table columns remain visible as you scroll through tables	Included
Limit searches to specific sections	Use TOC feature to limit search to chapters or sections (or expand search to other municipal codes)	Included
Electronic format	Online document flows uninterrupted; no page breaks or page numbers to interrupt the text	Included
Search over 800 municipal codes	Free access to all codes we publish online; no need to subscribe to any service	Included
Searchable CD-ROM version provided	Searchable CD version of the documents in Folio is provided	Included
Online help features	Use online help features or contact our technical service reps via email or toll-free phone number	Included
<b>OPTIONAL SERVICES:</b>		
New Ordinance List Service (Advance Legislation Notice)	Ordinances not yet codified listed with link to full text of ordinances (ordinances removed from list once they are codified)	List = \$125/yr + \$10/ordinance <i>or</i> \$300/yr unlimited ordinances
New Ordinance Notification	Notice posted at beginning of code section with link to ordinance that will amend that section (ordinances removed from code once they are codified)	\$10/ordinance that is linked (5 links included; \$2 per addit. link)
Comprehensive Ordinance List	New ordinances added to list of all ordinances codified and remain even after code is updated	\$8/ordinance if hosted on city's website, or \$10/ordinance of hosted on ALP website
Ordinances History Links within code section histories	As new ordinances are added to the code section history list, links to the original ordinance can be set	\$8/ordinance if hosted on city's website, or \$10/ordinance of hosted on ALP website
Definition Links	Defined terms in the code can be hyperlinked directly to their definition (See Cary, NC Land Development Ordinance)	\$75/hour

Archive of prior versions of code online	Prior versions of the code may be hosted online for research purposes.	3 codes hosted at no cost, then \$45/yr for each additional code up to \$300
Translation into other languages	Apply Google Translate to the Code	\$95-250/year
Custom Website Banner	Municipal seal or logo posted at code site, or partial or complete banner from the Municipality's website can be used	\$0 for city seal/logo on front page; \$250-950 for banner

**Meeting Minutes hosted online in searchable database:**

Prior minutes (initial set-up of database): 75¢ per page if provided from city to ALP in electronic format such as PDF or MS Word (minimum start up fee of \$300) + hosting fee

Future minutes posted at 75¢ per page if provided from city to ALP in electronic format such as PDF or MS Word (minimum fee of \$10 per update) + hosting fee

Hosting Fee: \$250/year hosting fee; increases by 2% per year after third year

**Subject:** [NEOC] Fwd: Applicants sought for State Scenic Bikeway Committee -- update  
**From:** Heather Stanhope <hstanhope@gmail.com>  
**Date:** 5/2/2016 7:22 PM  
**To:** ne-or-cyclists@googlegroups.com  
**CC:** Sean Chambers <schambers@union-county.org>, Barton Barlow <bartgbarlow@gmail.com>

----- Forwarded message -----

**From:** Oregon Parks and Recreation Dept. <[info@flashalert.net](mailto:info@flashalert.net)>  
**Date:** Mon, May 2, 2016 at 4:27 PM  
**Subject:** Applicants sought for State Scenic Bikeway Committee -- update

## **APPLICANTS SOUGHT FOR STATE SCENIC BIKEWAY COMMITTEE -- UPDATE**

News Release from **Oregon Parks and Recreation Dept.**  
*Posted on FlashAlert: May 2nd, 2016 4:26 PM*

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Downloadable file:

[05-02 Applicants sought for Scenic Bikeways Committee.doc](#)

Editor's Note: This updates the April 27 news release information about the number of open seats.

The Oregon Parks and Recreation Department (OPRD) is seeking to establish a list of candidates to serve on the State Scenic Bikeway Committee in at-large positions.

Two seats are open on the 11-member committee. Members of the committee are appointed by the OPRD director to a four-year term and are eligible for reappointment. The committee meets approximately five

times per year, usually in Salem, for an all-day meeting with additional field trips throughout the state to proposed and designated bikeways. The at-large positions are a volunteer appointment and authorized for travel reimbursement.

The ideal candidates would have experience with bicycle tourism, community groups, and experience with underserved groups.

The committee advises OPRD with the long view of strengthening the existing program and proponent groups associated with each designated bikeway and makes recommendations to the department on designations and other matters pertaining to the bikeways program.

Those interested in serving must submit a bikeway committee interest form by May 12. For information or to obtain an interest form, go to <http://www.oregon.gov/oprd/BIKE/Pages/info.aspx> or contact Alex Phillips, at [alex.phillips@oregon.gov](mailto:alex.phillips@oregon.gov) or [503-986-0631](tel:503-986-0631).

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To post to this group, send email to [ne-or-cyclists@googlegroups.com](mailto:ne-or-cyclists@googlegroups.com).

Visit this group at <https://groups.google.com/group/ne-or-cyclists>.

For more options, visit <https://groups.google.com/d/optout>.

## ORDINANCE NO. 552

AN ORDINANCE GRANTING TO OREGON TRAIL ELECTRIC CONSUMERS COOPERATIVE, INC. THE RIGHT TO PLACE, ERECT AND MAINTAIN POLES, WIRES, AND OTHER APPLIANCES AND CONDUCTORS FOR THE TRANSMISSION AND DISTRIBUTION OF ELECTRICITY IN, UPON AND UNDER THE STREETS, ALLEYS, AVENUES, THOROUGHFARES AND PUBLIC HIGHWAYS IN THE CITY OF UNION, OREGON, AND TO EXERCISE THE PRIVILEGE OF ENGAGING IN THE GENERAL BUSINESS OF GENERATING, TRANSMITTING AND DISTRIBUTING ELECTRICAL ENERGY, FOR A TERM OF TEN YEARS.

THE CITY OF UNION DOES ORDAIN AS FOLLOWS:

**SECTION 1. Grant of franchise.** The city of Union, hereinafter referred to as the City, hereby grants to Oregon Trail Electric Consumers Cooperative, Inc., hereinafter referred to as the Grantee, the right and privilege to place, erect, lay, maintain, and operate in and over the streets, alleys, avenues and thoroughfares within the City (hereinafter, "Public Rights-of-Way"), poles, wires, and other appliances and conductors for the generation, transmission and distribution of electricity.

**SECTION 2. Location of facilities.** Grantee's electrical facilities installed on or over Public Rights-of-Way shall be constructed in accordance with applicable safety codes and governmental regulations and maintained in good order and working condition. Before constructing any facilities in the Public Rights-of-Way under this franchise, Grantee shall secure approval of the location of such facilities from the City Council of the City or from an officer of the City authorized by the City Council to grant such approval. No such facilities shall be constructed at locations not so approved.

**SECTION 3. Excavations/Restoration.** If Grantee makes any excavation, or in any manner interferes with any street, alley, sidewalk, crosswalk, pavement, or other public places within the City, Grantee shall, as soon as possible, put the same back in as good condition as it was before such excavation or interference, and if Grantee fails to do so, said City may perform the necessary work and Grantee agrees to pay the expense of the same. Grantee agrees to pay all costs and expenditures required of it by the City, for a period of two years after an excavation, as a consequence of the settling of a roadway or any other need for repair or maintenance resulting from the excavation.

**SECTION 4. Indemnification.** The City shall in no way be liable or responsible for any accident or damage that may occur in the construction, operation or maintenance by Grantee of its generation, transmission or distribution facilities, and the acceptance of this franchise shall be deemed an agreement on the part of Grantee, to indemnify said City and hold it harmless against any and all liability, loss, cost, damage or expense which may accrue to said City by reason of the neglect, default, or misconduct of Grantee in the construction, operation or maintenance of its generation, transmission or distribution facilities under this franchise.

**SECTION 5. Franchise not exclusive.** This franchise shall not be exclusive and the granting of said franchise shall not be considered as any limitation on the right of the City to grant a similar franchise or similar franchises to other persons or corporations for furnishing electricity to the City and its inhabitants.

**SECTION 6. Term of franchise.** The term of the franchise hereby granted shall commence on the date as established in Section 15 below and shall continue in effect for a period of ten years from and after said date.

**SECTION 7. Franchise fee.** In further consideration of the rights, privileges and franchise hereby granted, Grantee shall pay to the City a franchise fee based on the "*gross revenues*" of the Grantee from its sale and distribution of electrical energy within the corporate limits of the City, less net uncollectibles. Without limiting the foregoing, gross revenues shall include revenues from the use, rental, or lease of operating facilities of the Grantee. Gross revenues shall not include proceeds from the sale of bonds, mortgages, securities or stocks, sales at wholesale to another utility when the utility purchasing the service is not the ultimate consumer, revenue from joint pole use, revenue paid by the United States of America or any of its agencies or revenue paid by the City. Franchise fee payments hereunder shall be made 30 days after the close of each annual quarterly period. A sworn statement of the gross revenues of the Grantee from the sale of electrical energy within the corporate limits of the City shall be filed with the City Recorder of the City by the Grantee at the time of the payment of said franchise fee. Except for any applicable fees for zoning permits or building permits, payment by Grantee of franchise fees pursuant to this ordinance are made in lieu of any other or additional license, privilege, construction or occupation taxes or fees of the City which are now or may hereafter be imposed by the City during the term of this franchise.

During the term of this franchise the franchise fee hereunder shall be **five percent (5.00 %)**.

**SECTION 8. Relocation and Removal of Electrical Facilities.** The City may require the Grantee to relocate or remove any of its facilities on Public Rights-of-Way wherever the relocations or removal thereof is, in the judgment of the City, for the public convenience and necessity, provided however that Grantee may seek reimbursement from private parties or customers of Grantee where the relocation of facilities is primarily for or materially benefits such private parties or customers of Grantee.

Grantee shall temporarily raise, lower or remove its facilities upon any street or alley within the City when necessary in order to permit any person authorized by the City to move any building, machinery or other object across or along the street or alley. However, the cost to the Grantee of the temporary raising, lowering or removal, and of any interruption of the Grantee's service to its customers caused thereby, shall first be paid or reasonably secured to the Grantee by the owner or mover of the building, machinery or other object. The raising, lowering or removal shall be in accordance with all applicable ordinances and regulations of the City and of the state and federal governments.

**SECTION 9. Assignment of Franchise.** The privilege of assignment shall be binding upon and inure to the benefit of the successors, legal representatives and assigns of the Grantee, but this privilege and the rights granted under this ordinance either by sale, merger, consolidation, operation of law, or otherwise cannot be assigned by the Grantee without first obtaining the consent of the City thereto in writing as expressed by an ordinance, such consent to not unreasonably be withheld; provided however, that this provision and the need or requirement for the City to consent to an assignment of this franchise does not apply to Grantee's execution of mortgage bonds, trust indentures or other financial instruments wherein Grantee may pledge this franchise as collateral to secure such bonds or other bona fide indebtedness of Grantee.

**SECTION 10. Franchise Fee Records and Accounting.** The Grantee shall at all times keep an accurate record of all accounts pertaining to the sale of electricity within the jurisdictional limits of the City, at Grantee's office in Baker City, Oregon. For the purpose of determining the amounts due under Section 7 of this ordinance, the City may, not more than once every three months, and following 10 days' notice to Grantee, inspect the books of account and other data and records related to electric sales to

Grantee's customers located within the City's jurisdictional limits, during Grantee's normal business hours.

**SECTION 11. Tree Trimming.** The Grantee may trim trees which overhang the Public Rights of Way in the manner and to the extent necessary to provide adequate clearance for the Grantee's facilities. All trimming shall be done in accordance with any regulations heretofore or hereafter promulgated by the City and all applicable laws, regulations and codes regarding the safe operation of electrical distribution and transmission facilities. Prior to commencement of tree trimming Grantee shall make best efforts to contract landowners adjacent to Public Rights-of-Way where trees are to be trimmed.

**SECTION 12. Breach and Termination.** Upon the Grantee's willful failure, after 30 days' notice and demand, to perform with reasonable dispatch each and every term, condition or obligation imposed upon it under or pursuant to this ordinance, the City Council may at its option and in its sole discretion, terminate this privilege and permit by ordinance. Such termination shall not in any way relieve, release or discharge the Grantee from any liability or obligation in favor of the City theretofore incurred by Grantee under this ordinance. The remedies contained in this section are not exclusive and the parties reserve any and all remedies available either at law or in equity to enforce any and all liabilities hereunder.

**SECTION 13. Electric Service Standards.** The Grantee shall maintain and operate a system for the distribution of electricity in the City so as to provide a 24-hour a day service. The Grantee shall use best efforts to maintain continuous and uninterrupted service, which shall at all times be up to the standards common in the business. However, the Grantee does not guarantee continuous and uninterrupted service, and under no circumstances is the Grantee liable to the City for any interruption or failure to service caused in whole or in part by any cause beyond the reasonable control of the Grantee, including but not limited to acts of God or the public enemy, fires, floods, earthquakes, or other catastrophes, severe weather, strikes or failure or breakdown of generating, transmission or distribution facilities. The Grantee shall maintain emergency repair service available on a 24-hour a day basis.

**SECTION 14. Severability.** If any section, subsection, sentence, clause, or paragraph of this ordinance is for any reason held to be unconstitutional, void or unlawful, such decision shall not affect the remaining portions of this ordinance.

**SECTION 15. Acceptance.** This franchise shall become effective on \_\_\_\_\_, and this ordinance shall become effective 30 days after its passage if the Grantee shall, within said 30-day period, file its written acceptance thereof with the City Recorder and in the event that Grantee shall fail to so file its acceptance within said period, then this ordinance shall not become effective.

PASSED by the City Council of \_\_\_\_\_, Oregon, and approved by the Mayor of \_\_\_\_\_, Oregon this \_\_\_ day of \_\_\_\_\_, 20\_\_.

Approved: \_\_\_\_\_  
Mayor

Attest: \_\_\_\_\_  
City Recorder

**Rod McKee**

---

**From:** "Ann Sherman" <ASherman@hawkins.com>  
**Date:** Tuesday, May 03, 2016 10:57 AM  
**To:** "Rod McKee" <RodMcKee@CityofUnion.com>  
**Cc:** "Sandra McDaniel" <SMcDaniel@hawkins.com>  
**Subject:** Refunding Bond Description

Hi Rod,

As promised, the following explains the process that is being authorized by the resolution. The City originally issued a sewer revenue bond that was purchased by USDA. State law allows the City to refinance (also called refund) that revenue bond to provide a debt service savings to the City by issuing a new sewer revenue refunding bond that will be purchased by a bank. The bank will purchase the bond pursuant to the resolution and a bond purchase agreement that will contain various covenants including the debt service reserve and debt service coverage ratio. Federal tax law allows the City to issue the sewer revenue refunding bond on a tax exempt basis provided the City follows certain covenants which will be contained in a tax certificate. This resolution authorizes the City Administrator, Mayor or a person designated by either of them to further negotiate the covenants and execute the documents. We have not specified a particular bank although Umqua has been chosen by you in case that deal falls apart and you want to use this same resolution for another bank. Let me know if you have any further questions and good luck!

Kind regards,

Ann

Ann L. Sherman, Partner

# Hawkins

Delafield & Wood LLP  
200 SW Market Street  
Suite 350  
Portland, OR 97201  
Direct Dial: 503.402.1324  
Main: 503.402.1320  
[asherman@hawkins.com](mailto:asherman@hawkins.com)

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@\*\*\*\*\*@

**RESOLUTION NO. 2016-07**

**A RESOLUTION OF THE CITY OF UNION, OREGON AUTHORIZING THE SALE OF A SEWER REVENUE REFUNDING BOND.**

**WHEREAS, the City Council of the City of Union finds as follows:**

A. The City of Union, Oregon (the "City") issued its \$2,629,000 USDA Revenue Installment Sewer Bond No. 1 on November 1, 2000 (the "Refundable Bond");

B. Interest rates have declined since the Refundable Bond was issued;

C. The Refundable Bond is secured by the unobligated net revenues of the wastewater treatment system after payment of the ordinary operation and maintenance expenses thereof, and the City may be able to reduce its debt service costs for the Refundable Bond by issuing a sewer revenue refunding bond to refund the Refundable Bond;

D. Oregon Revised Statutes Section 287A.360 authorizes Oregon cities to refund outstanding borrowings; and

E. It is now desirable to authorize the refunding of the Refundable Bond to achieve debt service savings.

**NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Union, Oregon, as follows:**

**Section 1. Bond authorized.** The City hereby authorizes the issuance of a sewer revenue refunding bond (the "Bond") to refund all or any portion of the Refundable Bond and achieve debt service savings. The Bond shall be sold and issued as provided in this Resolution pursuant to ORS Chapter 287A. The Bond may be issued in an amount that is sufficient to refund all or any portion of the Refundable Bond and to pay costs related to issuing the Bond and refunding the Refundable Bond.

**Section 2. Delegation.** The City Administrator, the Mayor, or the person designated by either the City Administrator or the Mayor to act on behalf of the City pursuant to this Resolution (each a "City Official") may, on behalf of the City and without further action by the Council:

- (1) Select a purchaser and negotiate the sale of the Bond with the purchaser;
- (2) Establish the final principal amount, maturity schedule, interest rates, sale price, redemption provisions, covenants, administrative provisions and other terms for the Bond, subject to the limitations of this Resolution;
- (3) Prepare, execute and deliver a bond purchase agreement for the Bond specifying the terms under which the Bond is issued, and making covenants for the benefit of the owner of the Bond;
- (4) Fund a debt service reserve fund from existing funds in the reserve account for the Refundable Bonds and provide additional funds in an amount not to exceed \$45,000;
- (5) Enter into covenants requiring debt service coverage by the pledged sewer revenues and authorize increasing rates, if necessary, to meet the requirements;

- (6) Enter into covenants to maintain the excludability of interest on the Bond from gross income under the Internal Revenue Code of 1986, as amended (the "Code");
- (7) Designate the Bond as a "qualified tax-exempt obligation" under Section 265(b) of the Code, if appropriate;
- (8) Determine whether the savings produced by refunding are adequate to justify the refunding of the Refundable Bond;
- (9) Enter into escrow deposit agreements and take any other actions to call, defease and refund the Refundable Bond that will be refunded; and
- (10) Issue, sell and deliver the Bond and execute any documents and take any other action in connection with the Bond that the City Official finds will be advantageous to the City.

**Section 3. Security for Bond.** The Bond shall be a revenue obligation of the City. The City hereby pledges the unobligated net revenues derived from the wastewater treatment system after payment of the ordinary operation and maintenance expenses thereof.

**Section 4. Effective Date.** This resolution shall take effect immediately upon adoption.

PASSED and ADOPTED by the City Council of the City of Union, Oregon this 9<sup>th</sup> day of May, 2016.

Approved:

Attest:

---

Mayor

---

City Administrator

**Council Vote:**

John Farmer

Randy Knop

Doug Osburn

Matt Later

Coy Wild

Sky Mitsch

# CITY OF UNION RESOLUTIONS RESOLUTION NO. 2016-08

## A RESOLUTION AUTHORIZING TRANSFERS AS BUDGETED FOR THE FISCAL YEAR ENDING JUNE 30, 2016.

**WHEREAS**, the City of Union budgeted for certain transfers to occur during the Fiscal Year 2015-2016; NOW, THEREFORE

**BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF UNION:**

The City Administrator/Recorder for the City of Union is hereby directed to effectuate the transfers as set forth in the Adopted Budget for the Fiscal Year 2015-2016, ending June 30, 2016, specifically:

<u>FROM</u>	<u>FUND NUMBER</u>	<u>AMOUNT</u>	<u>TO</u>	<u>FUND NUMBER</u>
General Fund	101 100 5-60-5300	\$1,000	Bldg/Main Res	511 100 3-90-4020
General Fund	101 100 5-60-5375	\$75,000	Street Fund	301 100 3-90-5375
Water Fund	201 210 5-60-5200	\$20,000	Vhcl/Equip Res	510-100-3-90-4010
Water Fund	201 210 5-60-5300	\$10,000	Bldg/Maint Rs	511-100-3-90-3500
Sewer Fund	201 220 5-60-5200	\$20,000	Vhcl/Equip Res	510 100 3-90-4011
Sewer Fund	201 220 5-60-5300	\$10,000	Bldy/Maint Res	511 100 3-90-3540
Street Fund	301 100 5-60-5100	\$5,000	Bike/Ped Fund	315 100 3-90-4050
EMS Fund	401 100 5-60-5230	\$35,000	Vhcl/Equip Res	513 100 3-90-4021

**ADOPTED** by \_\_\_ members of the Common Council voting therefore, and approved by the Mayor of the City of Union, this 9th day of April, 2016.

Approved:

Attest:

Ken McCormack, Mayor

Sandra Patterson, Administrator/Budget Officer

**Subject:** Planning

**From:** "Charma" <mecdv@eoni.com>

**Date:** 4/27/2016 1:56 PM

**To:** "Sandra Patterson" <admin@cityofunion.com>

Sandra,

April 27, 2016

At this time, I need to tender my resignation, of my position on the "Planning Board", and on the council for helping with Historic restoration.

Thank you for understanding that I am unable to preform my duties to the best of my abilities and feel that is reason to resign.

Charma D. Vaage



To: Mayor Ken McCormack

Date: April 19, 2016

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Umpqua Bank is interested in and considering a gifting/transfer of ownership of our current location in Union, OR to the incorporated town/municipality.

In order to do this, Umpqua Bank has three primary stipulations:

1. The ability to house an Umpqua Bank ATM at the current location rent free in perpetuity. This would include access to the machine in order to repair and supply as needed.
2. The use of the facility by the municipality would be civic in nature and for the greater good of the community (e.g. senior center, youth center, museum).
3. The premise would not be re-saleable to another financial institution or for profit business unless fair market value of the property is repaid to Umpqua Bank by the municipality.

We look forward to hearing about your reaction to these terms and interest in moving forward.