

CITY OF COTTAGE GROVE
CITY COUNCIL
AGENDA SESSION MINUTES
APRIL 8, 2022

The meeting was called to order by Mayor Gowing at 8:30 am.

Those in attendance virtually and in person: Mayor Gowing and Councilors Solesbee, Savage, Fleck, Stinnett, Ervin and Roberts.

Staff present virtually and in person: City Manager Richard Meyers, Assistant to the City Manager Jake Boone, City Recorder Mindy Roberts, Public Works & Development Director Faye Stewart, Police Chief Scott Shepherd, and Finance Director Roberta Likens.

Public Hearing

There is no public hearing.

Consent Agenda

- (a) Approval of March 25, 2022 Agenda Session Minutes
- (b) Child Abuse Prevention Month Proclamation

Resolutions and Ordinances

- (a) A Resolution Authorizing a Full Faith and Credit Borrowing and Related Matters

Finance Director Roberta Likens said that Local Government Law Group originally drafted the financing agreement for the Community Center Roof Repair Project however Banner Bank advised that Bond Counsel was necessary. She said the City hired Hawkins, Delafield & Wood to draft the agreements and it is expected that the agreements can be executed no later than Friday of next week. She said it is Staff's recommendation that Council approve the proposed Resolution and authorize the City Manager to sign the financing agreements and other required documents.

Mayor Gowing asked if there were any questions.

Councilor Savage asked how long the term is.

Roberta Likens responded that the term is 15 years and this Resolution is authorizing the City Manager to make certain the agreement follows the proposal.

Business from City Council

(a) Homelessness Discussion and Decision on How to Move Forward

Mayor Gowing said before he turns the topic over to the City Manager, he asked that all City Councilors come to the City Council meeting with their solution on how to address the issue based on all of the Work Sessions and information gathered if they had the individual power to do so. He said the only way this body can move forward is to know how everyone stands as an individual.

City Manager Richard Meyers said that he is half way through getting all of the written comments on the index cards entered.

Councilor Fleck said it would be nice if there was a heading above the comments.

Richard replied that the comments are being put with the question that is being responding to or as table talk if there was no question that it was tied to.

Councilor Fleck asked what pieces of the homelessness issue are being talked about.

Richard said that is for Council to determine.

Mayor Gowing said it is in the title of the Memo, Homelessness Discussion and Decision on How to Move Forward and Council should come up with some sort of a plan.

Councilor Solesbee said she wanted all Councilors to have done this prior Town Hall and each of them should have been given time to speak at the Town Hall to say where they are coming from, so that it doesn't look like they were all behind what was being presented. She said she did not know that it was going to be table discussions and not an open forum and people went away feeling angry.

Mayor Gowing said if people left the table feeling unheard then we failed as facilitators.

Councilor Solesbee said a woman at her table yelled at her because she was so angry that she wasn't going to be able to speak.

Councilor Savage asked if statistics would be available.

Assistant to the City Manager Jake Boone said there were 60 people on line.

Mayor Gowing said that if we would have given everyone five minutes to speak it would have taken twenty five hours.

Councilor Solesbee said she doesn't think they all would have spoken.

Councilor Roberts said he would like to hear more from the nonprofit that we are considering hiring to run the program.

Richard said that the City has not gone out for bid and that will be something that is yet to come.

Councilor Ervin said he would like to have a breakdown of all City debts and interest rates to get a better picture of the total obligations. He suggested spending the ARPA money to pay down the bond for the water treatment plant and potentially reducing costs to the rate payers.

Finance Director Roberta Likens said debt is listed in the City Audit, specifically when the debt was received, the interest rates, and the balance at the end of the Fiscal Year.

Councilor Ervin asked if we could do an early pay off or put a million dollars toward the debt, and asked how that would affect what we have to charge the rate payers.

Richard said he does not believe that paying debt is allowed under ARPA funding rules and you cannot use it to reduce tax levies.

Councilor Fleck requested that we extend the Public Comment period for this item and waive the thirty minute maximum.

Councilor Ervin acknowledged the effort that was put into the Town Hall and added that it was missing the element for residents to hear each other and it is not just about Council receiving the information.

Councilor Solesbee asked if the ARPA cannot be used to pay off debt how can the City consider using the piece of land and pay back the Road Fund.

City Manager said we would be buying it from the Road Fund.

Councilor Fleck said it is common where one department has to pay another one back, it is just the way that it works.

Mayor Gowing said the Hwy 99 property was bought with Transportation money before Martin vs. Boise and a lot has changed with the City's plans.

Councilor Roberts asked the value of the property.

Richard said we purchased the property for approximately \$211,000.

Councilor Roberts asked if we sold the property would the money would go back into the Street Fund.

Richard replied yes.

Councilor Ervin asked if the City could put money into the Water Fund and then use that to subsidize payments over a period of time.

Mayor Gowing asked if he is meaning the ARPA money.

Councilor Ervin replied yes.

Richard said you can use ARPA Funds for Utility Assistance Programs but they cannot be used for debt service or replenishing financial reserves.

Councilor Ervin asked if the City could use ARPA money to fund the water account now and reserve it for other programs and not reduce the bills, and then keep adding the revenues from the bills to put increasing portions of those revenues to pay off the debt faster.

Richard said that would probably not pass the Audit and what they are looking for is programs that are benefitting people who were impacted through COVID. He said most Cities are creating Utility Assistance Programs where people can apply to get their water bill reduced or actually doing specific projects.

Councilor Ervin asked why would there have to be an application for a bill reduction.

Richard replied that there are people whose income was not affected. He said we have done some Utility Assistance as well as assistance for businesses that were shut down.

Public Works & Development Director Faye Stewart said it is a bigger conversation than just applying the money towards the Utility Fund and reducing customer rates. He said what the City struggles with is that there are projects that need to be done, there are reservoirs that we want to build, and drying of bio solids, extending the affluent line, rebuilding the clarifier, and all of those are projects that affect the rates. He said when reviewing the budget you will see things like chemical costs that went from \$80,000 to \$160,000 and everything has gone up. He said we are not proposing that we increase the rates to make up the difference but the projects will be moved out. He added that in the budget process we need to have that conversation as to why the rates are what they are, why they need to be that way and that is what it costs to operate the services that we provide to the people in this community.

City Manager Richard Meyers said by taking some of the projects and putting ARPA funding towards them we are not funding the projects with the rates. He said we are basically doing what is being suggested, by putting money towards the project rather than reducing rates which would then have to go back up again to do the projects.

Councilor Ervin said pushing off projects to him means the necessity of rate increases in the long run and maybe more money needs to be allocated so that we do not have to put projects off which effectively reduces the overall costs. He added that the rate payer may not see a reduction but Council will know that they did everything they could to keep rates as low as possible while having the highest service levels.

Mayor Gowing asked if there was any more discussion and reminded Councilors of the question he will be asking them on Monday night.

(b) Concerns from Council

None

Business from City Manager

(a) Report from City Manager

None

Business from the City Attorney

None

Items Removed from the Consent Agenda

None

Mayor Jeff Gowing adjourned the meeting at 8:57 am.

Mindy Roberts, City Recorder

Jeffrey D. Gowing, Mayor