

REGULAR CITY COUNCIL MEETING

February 8, 2022, 7:00 p.m. at City Hall, 100 W Halsey St., Halsey, OR

**This hybrid meeting was also conducted as a teleconference, with external participation available via phone or video link.*

MEETING CALLED TO ORDER

Meeting called to order at 7:00 p.m.

ROLL CALL

Present: Mayor Jerry Lachenbruch, Councilor Jerry Gillson, Councilor Ken Lorensen, Councilor Christine Raven, Councilor Stacy Strauss

Absent: Councilor Michelle Isom, Councilor Randy McMillen

Staff Present: City Administrator Hilary Norton, Assistant City Recorder Larissa Gangle

Guests: Holly Parrish, Tia Parrish (The Times), Planning Commissioner Mary Price

Remote Participants: Municipal Clerk Laurie Eastridge, Public Works Andy Ridinger

PLEDGE OF ALLEGIANCE

CONSENT AGENDA

Council Meeting Minutes – January 11, 2022

Motion: I move that the Governing Body of the City of Halsey approve the business items in the consent agenda as submitted.

Motion by: Councilor Lorensen, Seconded by Gillson

Vote:

Ayes: Unanimous

Motion Carries

FINANCIAL REPORTS

Council reviewed the Financial Reports and Journal Entries for January 2022.

The January Financial Report includes check numbers 19516-19562 in the amount of \$31,178.45 The prior month's final check number was 19515.

Motion: I move that the Governing Body of the City of Halsey approve the January 2022 Financial Reports and Journal Entries as submitted.

Motion by: Councilor Gillson, Seconded by Councilor Raven

Vote:
Ayes: Unanimous
Motion Carries

AGENDA ADJUSTMENTS

CA Norton asked to add under the New Business section; the GSI report on Well 69.

DELEGATIONS

Linn County Sheriff's Office

Sergeant Frambes was not in attendance. He called in around 7:45 pm because he had been caught on a call. He offered to report to Council over the phone. Council consensus was that there were no pressing questions, and they would hear his report for January as well as February in the March City Council meeting.

CITIZEN COMMENTS –There were no citizen comments.

REPORTS TO COUNCIL

City Administration-Hilary Norton

The domain change to www.halseyor.gov is complete.

The IT RFP closes on February 9th. So far, there is only one response, but three other companies have expressed intention to bid.

Wetlands Inventory RFP is closed. The RFP for the Local Wetlands Inventory (LWI) was released on January 3rd, and responses were due on January 28th. Only one response was received. The RFP process will be documented, and the attorney will be consulted to make sure we comply with the public contracting process compliance.

The Website RFP closed on January 21st. The City received four excellent proposals. Staff will evaluate them, check references, look at other sites they have done, and will be requesting demos of the software for each proposal.

The upstairs door repair and the downstairs emergency door replacement will happen after the contractor receives the new emergency door – probably late February or early March. There is a temporary solution on the Community Center door that allowed it to be programmed so it is working again. An attempt to reprogram it broke it. A new lock is needed on that door.

The RARE Student application has been submitted. The Ford Family Foundation Grant has also been submitted, and we should be notified within about 30 days if we receive it, which will help pay for the RARE student program.

The fence has been installed at the end of West D Street. Signs are on order but have not yet been received.

CA Norton requested permission from Council to install some art on the empty walls in City Hall. This would align with the “Community Identity and Sense of Place” that was a Council Goal in the last cycle. Council consensus was to proceed.

Public Works Department-Andy Ridinger

The new battery for the production meter for the Water Treatment Plant arrived on Jan. 26th. The annual reports; I&I, Bio-Solids/Recycled Water Reports have been completed. Some sewer lines in town were cleaned. A homeowner on E. 3rd Street had some concerns about a tree in the Right-of-way, which resulted in the tree being cut down. The new fence has been installed at the dead-end portion of W. D Street. The gravel streets in town have been graded. Some drainage pipes and ditches on the west side of town were cleaned with the Vac-truck. We will continue this as we have time. New exhaust fans were installed in the bathrooms at City Hall. Annual maintenance was completed on the dump truck, Water Treatment Plant generators, lift stations and the lagoons.

Library-Hilary Norton

The City received 18 applications for the Librarian position. Many of those have library experience and four have MLS Degrees. Interviews will be conducted later this month.

The Library Advisory Committee was able to meet before Jordan left and plans to meet again once the new librarian is hired. A question was asked about the councilor representation on the committee and whether it was filled after Rella’s death. The vacancy is still there. Councilor Strauss offered to fill that role, mentioning her experience with libraries in the Portland area.

The gas heater in the library is over 22 years old. It recently started having trouble. The initial quote for repair was about \$1000. Rather than fixing the old heater, it may be better to install a ductless air pump. There are a few grants that are available to help with the expense of a new heating/cooling system. In the meantime, two oil radiator space heaters are being used to keep the building comfortable and the air dry enough to protect the books.

The e-books consortium has doubled in cost since we investigated it two years ago. It would be useful to have our new librarian do some research in the community for this purpose. The Oregon Library Passport Program is available to residents of Halsey and may allow them to access e-book programs through other libraries.

OLD BUSINESS

RCAC Water Rate Study Final Report

The final RCAC Water Rate Study was presented to Council for review. The document has not changed in any significant way since the Council Work Session in October.

Council is not bound to do anything suggested in the report and must balance the needs of three utilities (not just water) and of the households in Halsey.

- The report shows that Halsey should be putting more funds into reserves each year.
- They use three kinds of reserves: operating, emergency, and capital.
- The city does not identify reserves in this way, although we essentially keep funds in these categories every year.
- RCAC also anticipates rates will need to increase to keep the 50% loan forgiveness grant from Business Oregon for the water meter project.

Dan Vaage, of Civil West Engineering is a circuit rider for OHA. He stated that if the city is moving in the direction of the RCAC recommendation, it is not critical that it happen in 5 years as opposed to 10 years. Proceeding more slowly will still protect the health of the utility and the future needs of citizens.

Michelle Bilberry of Business Oregon says that while our rates are right at the threshold, they are not too low, and we will not be required to raise the rate this year.

A question was asked about the difference in threshold between Commercial and Residential properties base usage of 3,000 and 4,000 gallons. CA Norton will research this and look at changing this in the new rate schedule.

ARPA Funds Update

The U.S. Department of Treasury has released the final rule on the use of Coronavirus State and Local Fiscal Recovery Funds (SLFRF.) These funds were granted by the American Rescue Plan Act (ARPA).

The final rule allows all cities to claim a standard deduction of up to \$10 million as replacement of lost revenue. Revenue replacement funds may be used to provide any service traditionally provided by local governments. There are some restrictions, and it will still need to be checked against the final rule prior to spending.

A question was asked if these funds could be used to replace the funds lost in the utilities due to rate increases that were not taken in 2020 and 2021 due to Covid. CA Norton will check. The first priority may be to find out if Well 69 needs to be replaced. If it does, the ARPA funds might allow the city to do that, or to repair or rehab the well without taking on additional debt or raising rates.

There are restrictions that apply to all ARPA funds: no funds may be placed in reserves or “rainy day” funds, no funds may be used to pay down pension liabilities, no retrospective spending, no payments on bonds or debt services, no payments required by settlement, judgement, or consent decree.

The City has four years to spend the funds.

CA Norton’s recommendation is to first determine if we need a new well, if the old well can be repaired or reconditioned, and what that will cost. This is the number one Council Priority for the next two year cycle.

NEW BUSINESS

Well 69 Update

CA Norton and PW Ridinger met with Dan Vaage of Civil West and Dennis Orlowski of GSI Water Solutions. They are experts in wells and have worked with several other small towns to assess, repair, or replace older wells. They provided an estimate of what it will cost to do a complete assessment of Well 69. They will look at options to rehabilitate or repair the well, and what the risks may be with those options. The cost of the work is almost \$10,000, but it will provide information on all options and risks that will help Council make the best decision possible.

Dan Vaage of Civil West (OHA Circuit Rider) expressed concern about the Halsey water system operating on only one well. They system is designed to operate with two wells, and that back up is important.

Council consensus was to proceed with retaining GSI to evaluate Well 69.

Utility Rate Increases 2022-2023

This is a preliminary discussion to guide the City Administrator when preparing the proposed FY 2022-23 Budget. Council cannot adopt rate increases without a public hearing. No action will be taken in this meeting.

The RCAC report recommends larger Water rate increases over the next 5 years, however a smaller one may be advisable as Council may want to consider increases in the Sewer and Stormwater utilities as well.

Council is asked to consider increases for both stormwater funds this year. In 2014, the Blue Heron Stormwater fee was lowered to \$8 per month from \$14 per month, as there was enough in the fund to replace both pumps. In 2018, the fee was further lowered to \$6 at the same time the Stormwater Utility Fee was created. In 2019, both pumps were replaced. The fund is not recovering from the expense of the new pumps. It should slowly build over the next ten years until the system needs a major repair or replacement.

The city-wide stormwater utility was created in 2018. The \$1 per month fee has not been increased since then. The city has continued to transfer in the State Shared Revenue each year. The unappropriated balance is steadily decreasing. In the last two years, the cost of materials has increased exponentially. If we don't raise the rate, we won't be able to continue to repair and make small improvements to the stormwater system.

RCAC Staff and Business Oregon have both stated that yearly small increases are more manageable for households on limited incomes as opposed to having years with no increase followed by larger increases.

There was some discussion. Council consensus was to consider small rate increases in Water, Wastewater, and both Stormwater funds.

ADJOURNMENT

Meeting adjourned at 7:50 p.m.

Municipal Clerk, Laurie Eastridge

Mayor Jerry Lachenbruch