

COUNCIL MEETING MINUTES
July 12, 2010

HR:MN

0:00 **DATE COUNCIL CHAMBERS, CITY HALL, CITY OF WOODBURN, COUNTY OF MARION, STATE OF OREGON, JULY 12, 2010.**

CONVENED The meeting convened at 7:00 p.m. with Mayor Figley presiding.

ROLL CALL

Mayor	Figley	Present
Councilor	Cox	Present
Councilor	Lonergan	Present
Councilor	McCallum	Present
Councilor	Morris	Present
Councilor	Pugh	Present
Councilor	Schmidt	Present

Staff Present: City Administrator Derickson, City Attorney Shields, Police Chief Russell, Police Captain Alexander, Police Captain Garrett, Public Works Director Brown, Economic & Community Development Director Hendryx, Finance Director Palacios, IS Manager Miles, City Recorder Shearer.

0:01 **ANNOUNCEMENTS**

- A. The Settlemier Teen Center Boys & Girls Club Grand Opening will take place July 16th from 12:30-5:00pm with a free community BBQ, music, skateboarding, and breakdancing.
- B. Downtown Transit Facility Open house will be July 21st from 10:00 am to noon.

0:03 **PROCLAMATIONS**

- A. Tony Orlandini day
- B. National Night Out

0:07 **PRESENTATIONS**

- A. Access to Ordinances Project.

0:19 **COMMITTEE REPORTS**

- A. Chamber of Commerce – Don Judson, Executive Director of the Woodburn Area Chamber of Commerce provided an update on upcoming Chamber events. Mr. Judson also talked about the Main Street program administered by the State.

0:27 **BUSINESS FROM THE PUBLIC**

No one wished to address Council.

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0:27 **CONSENT AGENDA**

- A. approve the Woodburn City Council minutes of June 28, 2010;
- B. accept the Woodburn Planning Commission minutes of May 25, 2010
- C. accept the Woodburn Planning Commission minutes of June 10, 2010; and
- D. accept the Crime Statistics Report for June 2010.

McCallum/Cox... adopt the Consent Agenda. The motion passed unanimously.

0:30 **COUNCIL BILL NO. 2834 – A RESOLUTION DIRECTING THE CITY ADMINISTRATOR TO IMPLEMENT CERTAIN LOCAL INCENTIVES FOR THE WOODBURN ENTERPRISE ZONE CONSISTENT WITH THE POLICY DIRECTION GIVEN BY THE CITY COUNCIL**

McCallum introduced Council Bill No. 2834. Recorder Shearer read the bill by title only since there were no objections from the Council. Councilor Cox questioned whether a Resolution is the appropriate format for this action. City Attorney Shields clarified that this is a policy directive to be implemented by the City Administrator. Substantive modifications to fees/policies/rules established by Ordinance under this program may require an Ordinance at a future date for implementation. Councilor McCallum asked for clarification regarding the fiscal impact – Director Hendryx clarified the potential impacts for Council. On roll call vote for final passage, the bill passed unanimously. Mayor Figley declared Council Bill No. 2834 duly passed.

0:42 **WATER SUPPLY DISINFECTION**

City Administrator Derickson provided a copy of Resolution 1953 authorizing the design of a disinfection system and reported that approximately \$100,000 of the initial estimated cost of \$240,000 has been expended to date. Public Works Director Brown provided a report on the current status of the Water Supply System Disinfection public improvement project. He indicated that the levels of bacterial and biological activity were much higher than expected and that the City's practice of flushing the lines is completely ineffective in alleviating the problem. He also reported a current midge fly bloom that has yet to be detected by the public. Director Brown reported that the work performed to date reinforces the initial recommendation to use Chloramines to disinfect the water supply. This disinfection coupled with a redesigned flushing program will eventually remove all of the biofilm that is the primary cause of the bacterial and biological activity. Director Brown discussed the public comments received by the City since December 2009 on the disinfection issue. He stated that only 2 comments in opposition have been received, while numerous comments in support have been received. He said that the general impression is that the public is surprised that this is not already occurring. He answered several Council questions regarding the project, schedule and water quality in general. Staff is seeking approval to proceed with the next step of the project which will be to procure equipment costing between \$300,000 and \$400,000 for disinfection.

Mayor Figley expressed her support for ensuring that the public understand the implications of disinfection, particularly early stages where there may be higher levels of

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chlorine in the water which may affect aesthetics and pose problems for people sensitive to chlorine. Director Brown described the public information portion of the project and efforts to inform the public that have already occurred.

Councilor Cox stated that he feels that extensive public input and education is necessary before proceeding further with this project. He feels a slower approach is necessary. As an individual, he believes the staff recommendation is appropriate and necessary, but is not comfortable proceeding without an aggressive public input process. He feels that Resolution 1953 was not intended to express a final decision on disinfection.

Councilor Pugh concurred and suggested that an election be held on the issue. He feels that a project of this expense and significance requires extensive public involvement. He expressed concern that the public may react negatively should Council act without additional opportunities for public input.

Councilor Morris requested clarification on the additional contaminations that could be present and undetected in the water due to the limitations of the required testing. Director Brown talked about the effects of disinfection on the safety and security of the water supply. Councilor Morris stated that he has no reservations proceeding immediately with the disinfection project because he feels safe water is a fundamental priority of the City.

Councilor McCallum reminded Council of the E Coli outbreak the City had and the difficulties it caused in the community. He said Council at that time had the opportunity to correct the problem and decided against it due to cost. Councilor McCallum stated that the current situation and conditions are much clearer than in the past and he feels that proactive steps need to be taken to correct the problem. He feels that it is not only a health & safety issue, but also an image, economic development, and public relations issue.

Mayor Figley talked about the previous outbreak of E Coli in the City and feels strongly that provision of clean safe drinking water is a primary function of the City and that Council has a duty to provide it. The Mayor stated that she believes Council is well behind public sentiment which expects that the City take steps to ensure safe drinking water. Mayor Figley agrees that public education is warranted and the concerns of the public should be recognized and addressed, but should not delay expedient completion of the project.

Councilor Schmidt expressed surprise at the projected cost of the project (\$1,000,000); he recalled hearing estimates of approximately \$500,000. He also relayed personal experience with the benefits of chlorination. Councilor Schmidt expressed mixed feelings about the project and prefers a public vote on the issue, but is willing to vote to move forward with disinfection based on the information staff has provided. Council also

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discussed the cost of the project and rate impacts (no impact on rates projected at this time).

Councilor McCallum requested clarification on plans and programs for citizens with medical conditions that would be affected by disinfection. Director Brown outlined the process for addressing those concerns.

Councilor Lonergan agreed with many points raised in the discussion so far. He also stated that he feels that it is the duty of Council to act expediently in this matter. He suggested that a public hearing be held at the next Council meeting, and also indicated that Council should be ready to act after the hearing.

Council agreed to schedule a public hearing to provide the public the opportunity to express their opinions at the next City Council meeting. City Administrator Derickson stated that the City would run notices in the Woodburn Independent for the hearing.

1:55 **GERVAIS NETWORK SUPPORT AGREEMENT**

Pugh/Lonergan ...authorize the City Administrator to execute an Intergovernmental Agreement with the City of Gervais to provide computer and network support. The motion passed unanimously.

1:55 **CITY ADMINISTRATOR'S REPORT**

- A. An offer of employment has been made to fill the Community Relations Officer position
- B. City Administrator will be attending the OCMA conference next week
- C. Administrator Derickson discussed the possibility of an urban forestry program and asked if Council supports the pursuit of such a program. Council indicated support.

2:00 **MAYOR AND COUNCIL REPORTS**

- Councilor McCallum talked about the No Meth in Marion County night at the Keizer Volcanos game Friday night.
- Councilor McCallum presented a Relay for Life platinum sponsorship plaque to the Mayor for Council and Director support & participation.
- Councilor Schmidt would like the City to allocate contingency funds for tree maintenance, especially in the parks.

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2:04

ADJOURNMENT

Lonergan/McCallum...meeting be adjourned. The motion passed unanimously.
The meeting adjourned at 9:05 p.m.

APPROVED _____

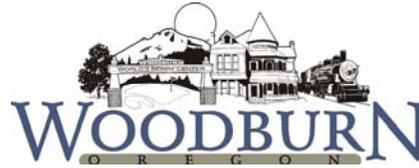
KATHRYN FIGLEY, MAYOR

ATTEST _____

Christina M. Shearer, Recorder
City of Woodburn, Oregon

DRAFT

City of Woodburn
Recreation and Park Board Minutes
July 13, 2010 • 7:00 p.m.



1. **CALL TO ORDER**

The meeting and was called to order at 7:00 p.m.

2. **ROLL CALL**

Position I Zandi Cox, Member (12/10)	Absent
Position II (Student) vacant	
Position III Joseph Nicoletti, Board Secretary (12/13)	Present
Position IV Rosetta Wangerin, Board Chair (12/13)	Present
Position V Bruce Thomas, Member (12/13)	Present
Position VI Cheryl Shepherd, Member (12/11)	Present
Position VII vacant	

3. **APPROVAL OF MINUTES FROM June 8, 2010**

Bruce Thomas/Cheryl Shepherd - Motion to accept the minutes as written. The motion passed unanimously.

4. **BUSINESS FROM THE AUDIENCE**

None.

5. **PRESENTATION**

Kelly Carlos, co-owner of the Woodburn Aztec Dance Group, Huitzilopochtli, gave a PowerPoint presentation which highlighted their passion for the Aztec traditions, dance, song and various community dance presentations. Kelly wanted to let the community know that the practices are open to everyone. She encouraged families to participate together. For the past three years they have been volunteering their time within the community. Her husband has an after school dance practice at Washington Elementary School during the school year and also on Saturdays. During the summer months the group practices at Legion Park on Monday and in Mt. Angel on Wednesdays. The dance, which always forms a circle, teaches discipline, respect, is great exercise, unites different cultures and creates a sense of identity and pride. The group gives free presentations at various community functions, but will soon start asking for donations. The group is currently applying for a 501-3c non-profit status so they may help families buy the necessary regalia for the presentations and ceremonies.

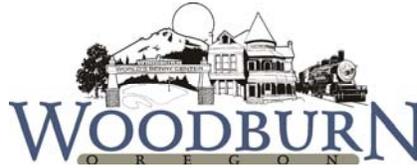
6. **OLD BUSINESS**

Adopt-a-Park Program update/Park Maintenance concerns– Matt Gwynn

Matt Gwynn gave a PowerPoint presentation that outlined the Adopt-a-Park Program recommended through the Parks and Recreation Master Plan, adopted in July 2009. This program is designed to help with cleanliness, stewardship and community involvement within Woodburn's parks and trails. He reported that Hermanson Park III, Wyffels, Legion and Police Facility had already been adopted by services clubs.

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Matt showed where the 89 + park acreage, 11.75 acres of open space/natural areas, 12 acres of city facilities landscape areas and water well sites are maintained by one supervisor and 4 full time employees. Matt explained the 3 levels of service that they currently follow; Level 1, the highest level gets the most time and covers City Hall, Library Park, Downtown Plaza, Centennial Park, Settlemier and Legion Park; Level 2 covers Bulingham Park, Nelson Park and Wyffels Park; Level 3 covers right-a-way areas and greenway system. The park maintenance keeps the 20 acres of highly used athletic fields in pristine condition. Matt showed where 472+ hours are used to support special events within the city which in turn takes time away from the usual maintenance schedule.

Matt also wanted to answer concerns received from Board member, Zandi Cox. He stated that he inspected the parks as soon as he received her email. Answers to her written concerns as follows:

Burlingham Park

Concern: Noticeable garbage scattered, shelter full at Burlingham Park.

Answer: Routine cleanup is Monday, Wednesday and Friday. Complaint was justified. Matt apologized as he pulled the crew to plant trees at the annex transit mall. It was corrected next day.

Concern: No volleyball net

Answer: Volleyball net was not city property and it was removed. Maybe in the future the city could purchase one.

Concern: Graffiti on the playground

Answer: Crew had spent 30 hours washing playground equipment but missed the small graffiti. City has a 24 hour graffiti rule and the crew corrected that day.

Discussion took place on 24 hour graffiti removal rule, and how crews are pulled away from routine schedules. Sixty hours so far this year have been spent on graffiti removal.

Wyffels Park

Concern: Mowing needed.

Answer: Crew tried to mow, but got stuck because ground is too wet. Matt agreed that it looked bad.

Settlemier Park

Concern: Restrooms need paint

Answer: Matt responded that the restrooms get painted once a year, but it hasn't been scheduled yet this year.

Aquatic Center grass

Concern: Zandi looked at it on the June 8th

Answer: Matt looked at it on June 9th and it was scheduled to be mowed on June 10th.

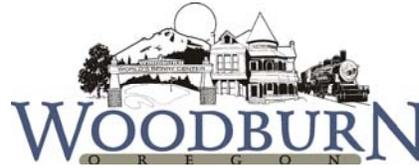
Centennial Park

Concern: Concerned about the way the park looks.

Answer: Centennial Park is a mess right now due to construction, but will be great when completed.

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Matt appreciates concerns and comments about the parks and stressed that keeping them looking nice is important to him. Jim added that it has been good having this discussion which gives the Board a better understanding of the responsibilities of park maintenance. Discussion took place on the importance of Adopt-a-Park Program and maintaining the property currently owned before acquiring more park property. Discussion also took place on the process and budget impacts that would add more park maintenance staff.

7. **NEW BUSINESS**

None.

8. **DIVISION REPORTS FROM DEPARTMENT**

Recreation – Stu Spence

Stu introduced Claudia Urias, Youth Advisory Board Vice President. Claudia, a sophomore at Woodburn High School spoke passionately about the Youth Advisory Board and how she was proud to be involved with this group of young people volunteering throughout the community. She reported that the talent show that raised money for the American Red Cross had been her highlight.

G.R.E.A.T. Camp – Currently, 50 kids are registered with the focus on 4-8 graders.

GREAT Camp is held at Heritage/Valor this week, from 7:30am – 5:30pm.

Summer Day Camp – Currently, 35 kids are registered weekly for the summer program, held at Heritage and Valor schools.

Boys & Girls Club – Teen Center launch date is July 16th - noon- 5:00 pm with food and music.

Bassett Hound Waddle – Mayor Figley has organized a dog parade on Saturday, July 17th starting at the Downtown Plaza from 4:00 – 7:00pm.

4th of July – Thanks to a successful sponsorship program this was a successful event with lots of people, free watermelon, food vendor, activities and entertainment.

Aquatics – Jim Row

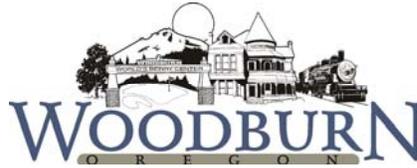
Jim reported that swim lessons had 136 participants, GREAT Camp brought 55 kids to a special swim, and open swim had 120-130 participants. The aquatic staff is busy getting ready for the Pool, Park & Play, an event co-sponsored with Stu. The roof project is waiting for the permit to start. A consultant has been contracted to look at our operation and provide a financial and program analysis to see if the aquatic center is running as efficient and safely as possible.

Parks & Facilities – Jim Row

Fiesta Mexicana planning is going well. The event is August 6, 7 and 8th and the committee has worked hard to maintain the feel that it has had in the past. WAVE Broadband and YG Media have come together to market the Fiesta with a television advertisement in English and Spanish the week before the event. Music in the Park had approximately 500 people the first night and the Music and Market Festival in the plaza

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had 8-9 vendors. Jim reported that during intermission approximately 100 people ventured over to the plaza.

9. **FUTURE BOARD BUSINESS**

August meeting

The August meeting will be at Centennial Park, starting at 5:30pm. This non-televised meeting will give the Board and opportunity to tour the new park amenities.

10. **BOARD COMMENTS**

Bruce Thomas – invited the community to enjoy Music in the Park, located at the Woodburn Public Library, and the Music and Market Festival at the Downtown Plaza on Tuesday evenings through August.

11. **ADJOURNMENT**

Adjournment of the meeting was 7:05 p.m.

Joseph Nicoletti, Board Secretary

Paulette Zastoupil, Recording Secretary

Date_____

Date_____

City of Woodburn
Public Library Board Minutes
July 14, 2010 • 7:00 p.m.



1. CALL TO ORDER

The meeting and was called to order at 7:00 p.m.

2. ROLL CALL

Position I	J.D. Mitchoff (12/10)	Present
Position II	Kristen Berkey (12/10)	Present
Position III	Nancy Kirksey, President (12/13)	Present
Position IV	Neal Hawes, Vice-President (12/11)	Present
Position V	Willis Grafe (12/13)	Present
Position VI	Phyllis McKean (12/12)	Present
Position VII	vacant (Student Member)	

3. MINUTES – April 21, 2010

Neal Hawes/JD Mitchoff - Motion to accept the minutes as written. The motion passed unanimously.

4. BUSINESS FROM THE PUBLIC

None

5. OLD BUSINESS

Local Option Cards Final Report – John Hunter

After six weeks of offering the Local Option Cards, John reported that 32 patrons have registered for the \$15.00 Local Option card increasing \$480.00 in revenue, and 208 in circulations. Patrons from Lake Oswego, Independence, Hubbard, Gervais, St. Paul and other surrounding communities are taking advantage of this service. Since only the \$15.00 Local Option card seems to be the only option being purchased, John asked the Library Board that after evaluating the service for 6-9 months, he could possibly drop the \$25.00 Local Option card. Discussion took place, and the Board voted unanimously that after a 6 month period, on January 1st, John had the option of dropping the \$25.00 Local Option Card. The Board received a copy of the Local Option Card flyer that also showed that the CCRLS card was still a good value at the \$60 - \$75 annual fee.

Outreach Opportunities – Senior Programming Update – John Hunter

John is hoping to put more focus on teen and senior programming and services. Christine Mackie has been accepted into the IMLS Western Regional Fellowship Program, where she will develop and implement programs for 50+ patrons. The year-long Fellowship provides a continuing education which will introduce a new framework for working with older adults promoting productive aging. Christine will explore creative strategies for effectively serving and engaging older adults using the library as centers of lifelong learning. She will be involved with an on-line learning community, and at the end of the year-long fellowship, she will have access to all concepts, plans

and programs developed. JD Mitchoff asked that the mobile book service could be better marketed through the Woodburn Independent, Senior Estates News and Views and flyers.

6. **BOARD REPORT**

Friends of the Library Report – Willis Grafe

Willis reported that there was nothing really new since the last meeting. Revenue has exceeded \$100.00 monthly selling books from the Friends of the Library bookshelf. These donated materials are processed by Friends of the Library members and either distributed or sold to support library programs. Judy Spence has been working hard organizing and merchandising the book shelves. Discussion took place on the success of the periodicals being moved up stairs. Willis asked if there was any need for Friends of the Library funds and John replied that there was no immediate need since Music in the Park had been fully funded this year. Music in the Park has been going well, and the market component is proving to be a good addition.

7. **NEW BUSINESS**

Collection Management – John Hunter

The biography collection is shelved throughout the library making it difficult for patrons, especially teens with a school research project, to find the materials needed. John asked the Board how they felt about bringing the collection together in a stand alone biography section. Discussion took place on what it would take to accomplish this, and John explained that it was just a matter of re-labeling the Dewey decimal number of 920-921 and re-shelving. The Board voted unanimously in favor of having a stand alone Biography section and told John to move forward. John stated that new books are checked out more that 3 times more often than the older books in the libraries collection. The Board voted unanimously in favor of bringing the biography books together as a stand alone collection.

John shared that he wanted to take out the display cases and add more shelving to increase the new book selection to keep new books in this section for up to a year. John also shared that he would like to take the display cases and install them in the Carnegie Room for an historic display. The Board voted unanimously in favor of moving the display cases, adding shelving for the additional new book and making a historic display in the Carnegie Room.

8. **MANAGER REPORTS**

April – June Statistics – John Hunter

John reviewed the monthly statistics and noted that circulation was up all three months. He also noted that adult computer sessions were going down and contributed to the fact that patrons could log on for one hour session more frequently than before. Neal Hawes asked about the increased revenue one month and then a drastic reduction the next. John explained that the revenue from CCRLS quarterly payment for services rendered to patrons in rural areas causes the variance.

Collection Snapshot - John Hunter

John gave the Board a handout showing a statistical data that revealed some interesting patterns the patrons use the library collections. This data was derived from circulation counts for items sitting on the shelf with an “available” status. John pointed out that even though DVD’s were the superstars of the collection, books are not dead, especially adult fiction novels. As mention before, new books get read significantly more than old

books, but the older books still generate a large number of circulations. The snapshot showed that patrons checked out 80,359 books, 3.4 books per Woodburn resident. The snapshot didn't count books borrowed from other CCRLS libraries, magazines, and the other collections.

9. **FUTURE BOARD BUSINESS**

Next scheduled meeting is October 13, 2010

10. **ADJOURNMENT**

JD Mitchoff/Neal Hawes – Motion to adjourn meeting at 7:50pm.

Paulette Zastoupil, Recording Secretary

Date_____



Agenda Item

July 26, 2010

TO: Honorable Mayor and City Council
FROM: Dan Brown, Public Works Director
SUBJECT: **PRESENTATION OF AND PUBLIC HEARING FOR WATER SUPPLY SYSTEM
DISINFECTION PROJECT**

RECOMMENDATION:

That City Council conducts a public hearing to receive input from the public regarding the Water Supply Disinfection Project.

Upon receipt of public comment, the City Council shall determine to proceed, suspend, or amend as directed the Water Supply System Disinfection Project.

BACKGROUND:

The Council approved Resolution 1953 on December 14, 2009, authorizing the Public Works Department to expend funds for primary and secondary disinfection of the water supply system in accordance with best practices and federal and state regulatory guidelines. Council directed the Public Works Department to provide it a briefing when the technical analysis was completed and a methodology for providing the disinfection had been determined. A briefing was provided to Council on July 12, 2010 and staff advised Council that they would be ready to present to Council at the July 26, 2010 meeting a contract to purchase disinfection equipment.

At the July 12, 2010 Council Meeting, Councilors Pugh and Cox expressed concern with regard to the lack of public involvement in the Water Supply System Disinfection Project to date. Motion was made by Councilor Lonergan and approved by Council to conduct a Public Hearing regarding the Water Supply System Disinfection Project at the July 26, 2010 Council Meeting. Notice of the Public Hearing was posted on the City web site on July 13, 2010 and Notice of Public Hearing published in the Woodburn Independent on July 17, 21, and 24, 2010.

Agenda Item Review: City Administrator City Attorney Finance

DISCUSSION:

The City currently does not disinfect the water it provides to municipal users and is not currently required to by either state or federal regulations. The reason the City does not need to disinfect the water supply system is that its water source is ground water obtained from wells. If the City's water supply included a source on the surface, it would be mandated to disinfect the water supply system by state and federal regulations.

The City is encountering water quality issues within its water distribution system that are related to the presence of high level of biological and bacteria growth within the distribution system. Because the City has historically not disinfected its water supply system, this growth is prevalent. Disinfection discourages the growth of biological and bacteria within the water distribution system.

A nuisance that City water system has to address is an occasional outbreak of midge flies and midge fly larva. While the midge fly does not pose a health risk upon ingesting through drinking water, most water customers find this does not meet their expectation of water quality provided by municipal water source. Disinfection of the water supply system will remove the Midge Fly food source and breeding environment that currently exists within the water distribution system and will assist in the eradication of the Midge Fly.

Staff has recommended to the Council that disinfection of the water supply system is needed to correct the water quality problems currently being encountered. Disinfection of the water supply system provides several significant safeguards for the community with regard to public health. Primarily disinfection protects the water supply system from incidental contamination do to leaks, broken pipes, and cross connections into the water supply system. Disinfection will also extend the "shelf-life" of the water before biological and bacteria population become high and degrade the water quality with turbidity or foul odors.

Affordable and reliable disinfection of water within the distribution system delivering it to home and businesses is limited to application of chlorine to the water supply system. Staff has identified a methodology of applying chlorination in lower dosages than direct chlorination that creates a compound called *chloramines*.

Chloramines are chemical compounds formed by combining a specific ratio of chlorine and ammonia in water. Because chloramines are relatively weak as a

disinfectant, they are almost never used as a primary disinfectant. Chloramines provide a durable residual, and are often used as a secondary disinfectant for long distribution lines and where free chlorine demand is high. Chloramines may also be used instead of chlorine in order to reduce chlorinated byproduct formation and to remove some taste and odor problems.

Consideration of chlorination as a means to disinfect the water supply system must include control of disinfection byproducts (DBPs), which are chemical compounds formed unintentionally when chlorine and other disinfectants react with natural organic matter in water. Available scientific evidence does not substantiate DBPs in drinking water causes adverse health effects in humans. However, high levels of these chemical compounds should be avoided.

Upon conclusion of the Public Hearing, staff will be requesting Council to provide direction with regard to proceed, suspend, or amend the Water Supply System Disinfection Project. Should Council elect to proceed with the Water Supply System Disinfection Project, contract approval for the purchase of the disinfection equipment will be requested as a separate Council action.

FINANCIAL IMPACT:

The current staff estimate to complete the water supply system disinfection is \$1.1 million. The funding for the water supply system disinfection project will be funded with water supply system public improvement reserves.



Agenda Item

July 26, 2010

TO: Honorable Mayor and City Council through City Administrator
FROM: Jim Hendryx, Economic and Development Services Director
SUBJECT: **Ordinance Implementing Enterprise Zone Local Incentives**

RECOMMENDATION

Adopt the attached ordinance implementing Woodburn Enterprise Zone local incentives.

BACKGROUND

At the July 12 meeting, the City Council adopted Resolution 1974 directing that the City Administrator take action to implement certain local incentives for the newly established Woodburn Enterprise Zone. Enterprise Zone local incentives include:

1. An expedited permit process for Enterprise Zone projects
2. Waiver of 50% of land-use fees for businesses qualifying for the Enterprise Zone
3. A waiver of 100% of land-use fees for businesses qualifying for the Enterprise Zone that also meet the 150% salary and benefit threshold of county median income
4. Waiver of the following fees for qualifying businesses:
 - a. Sign permit fee
 - b. Business license fee
 - c. Pre-application fee
 - d. Expedited review fee
 - e. Water and sewer hook-up fees (up to \$2,000)
 - f. Enterprise Zone application fees

The attached ordinance was drafted by the City Attorney to implement these incentives.

Agenda Item Review: City Administrator City Attorney Finance

DISCUSSION:

The Enterprise Zone program is dependent upon the Oregon Enterprise Zone Act (ORS 285C.050 to 285C.250). Under this state statute, any business seeking the tax incentives must file an Application for Authorization and then be “authorized” by the State of Oregon to receive these benefits. (An informational sheet on the Enterprise Zone process accompanies this report as Attachment “A”.) The proposed ordinance implements the local incentives contained in Resolution 1974 by awarding them to local businesses that apply for, and obtain, state authorization.

FINANCIAL IMPACT:

Exact impacts are dependent upon several variables, such as the number of businesses qualifying yearly for incentives, the size of the project, the size of water meters, etc. Amounts associated with a significant project (200,000+ sq. ft.) would total approximately \$20,000, while businesses simply installing new machinery would have no discernible financial impact on City revenue.

Attachments: How the Enterprise Zone Process Works

HOW THE ENTERPRISE ZONE PROCESS WORKS

- Application for “authorization” is filled out and submitted to the local zone manager (Jim Hendryx) and must be approved before beginning any project work at the investment site.
- Investment cost must be \$50,000 or more, in total, for qualified “real property,” which includes all of the following:
 - Newly constructed buildings or structures
 - New additions or modifications to existing building/structure
 - Heavy/affixed machinery and equipment
 - For machinery or equipment that is “personal property”—i.e., readily movable and not affixed to real property—each individual item must cost: • \$50,000 or more, or • \$1,000 or more if used for electronic commerce in an *E-commerce* zone or *exclusively* for tangible production
 - Land, non-inventory supplies, rolling stock, vehicles and motor-propelled devices do *not* qualify.
- Business eligibility (business type—short-term exemption)
 - Enterprise zone policy focuses on “for-profit” business operations that do not compete significantly within the local economy, and that therefore will bring new income to the community. The crucial function of authorization is to ascertain such eligibility up front.
- Relocating into the zone
 - Beyond 30 miles—If operations at a particular site 30+ miles beyond the proposed site, permanently closes or curtails, and local jobs are reduced relative to the general workforce where site is located, then a firm transferring operations from site one site to another site it does not qualify.
 - Within 30 miles — If an authorized business firm moves operations from one site to another site within 30 miles of the original site (Salem to Woodburn), then by April 1 and during the first year of exemption, the number of employees within the zone *plus* those at the original site needs to equal or exceed 110 percent of the authorized annual average employment in the zone *and* at the original site. (If employees also are transferred into the zone from site W, they too are added to both sums.)

- First-Source Hiring Agreement is entered into prior to new hiring and must cover the entire exemption period.

- Work-in-Progress refers to qualified property at the enterprise zone site on January 1 that is not yet placed in service. County assessor must receive a filing by April 1.

- Exemption Claim with Property Schedule is filed with the county assessor and copied to the zone manager on or after January 1 but on or before April 1 of first year of exemption. {This first year of the exemption directly follows the year when qualified property is placed in service—in use or occupancy or otherwise ready for intended commercial operations.

- Exemption Claim must be filed each year of the exemption documenting compliance with the program criteria

What is exempt under the Enterprise Zone Program?

- Short term exemption on taxable property
 - Standard—100 percent (total) exemption from the property taxes normally assessed on significant new plant and equipment. Exemption lasts for *three* years after the property has been placed in service.

What about an Extended Abatement?

- The standard exemption can be lengthened to four or five consecutive years in total by the City Council.
- Business must pay added employees at 150% of County Average wages and benefits.

Work-in-Progress — qualified businesses have up to two years to make improvements - property is exempt for up to two years, while construction, installations, and so forth are ongoing (as of January 1).

COUNCIL BILL NO. 2835

ORDINANCE NO. 2468

AN ORDINANCE IMPLEMENTING CERTAIN LOCAL INCENTIVES FOR BUSINESSES LOCATED WITHIN THE WOODBURN ENTERPRISE ZONE

WHEREAS, the City made application to the State of Oregon for the designation of a Woodburn Enterprise Zone; and

WHEREAS, pursuant to state law, the Oregon Business Development Department approved the City's application and designated the corporate limits of the City to be the Woodburn Enterprise Zone; and

WHEREAS, in order to receive tax benefits under the Enterprise Zone Statute a business located within the Woodburn Enterprise Zone must submit an Application for Authorization to the State of Oregon and receive state approval; and

WHEREAS, on July 12, 2010 the City Council adopted Resolution 1974 providing policy direction to the City Administrator to implement certain local incentives into the Enterprise Zone program; and

WHEREAS, under this Ordinance the local incentives referenced in Resolution 1974 shall be dependent on businesses within the Woodburn Enterprise Zone obtaining authorization under the state law process; **NOW, THEREFORE**,

THE CITY OF WOODBURN ORDAINS AS FOLLOWS:

Section 1. All businesses located within the Woodburn Enterprise Zone that obtain authorization from the State of Oregon pursuant to ORS 285C.140 shall be subject to the Expedited Land Use Review process under Ordinance 2460, the Woodburn Development Ordinance.

Section 2. The Enterprise Zone filing fee referenced in ORS 285C.140(1)(c) is waived for businesses within the Woodburn Enterprise Zone that obtain authorization from the State of Oregon pursuant to 285C.140.

Section 3. All businesses within the Woodburn Enterprise Zone that obtain authorization from the State of Oregon pursuant to ORS 285C.140 shall also be entitled to the following:

- A. Waiver of 100% of the following planning fees adopted by Ordinance 2433 as part of the Master Fee Schedule;



Agenda Item

July 26, 2010

TO: Honorable Mayor and City Council, Acting as the Local Contract Review Board, through City Administrator

FROM: Jason Alexander, Operations Captain

THROUGH: Scott Russell, Chief of Police

SUBJECT: **Acceptance of Proposal for Lease of Marked Police Vehicles**

RECOMMENDATION:

Accept the proposal of Auto Additions, Inc. for police vehicle leasing services and the lease of three (3) 2010 Dodge Charger police vehicles in the amount of \$33,354.75 each year for the three year lease period.

BACKGROUND:

Three (3) of the current marked patrol units have reached the end of their lease period and are due for replacement. The City sought marked police vehicle leasing services for a period of three (3) years with the possibility of extending for an additional three (3) years, allowing Auto Additions, Inc. to provide lease vehicles as the terms expire on current leased vehicles.

DISCUSSION:

On June 30, 2010, the Woodburn Police Department published a Request for Proposal (RFP) for Police Vehicle Leasing services and requesting quotes for three (3) Dodge Charger police vehicles; the deadline for submission was July 14, 2010. Local vendors were provided the RFP as well as any that requested it. Two (2) businesses submitted quotes, Auto Additions, Inc. of Salem, Oregon, and Emergency Response Services of North Plains, Oregon with annual costs as follows:

Auto Additions	\$33,354.75 for 3 units annually
Emergency Responder Services	\$32,173 for 3 units annually

Agenda Item Review: City Administrator City Attorney Finance

Although Emergency Responder Services (ERS) quote was the lowest annual for base leasing costs, additional cost factors were considered in recommending Auto Additions for the contract award. ERS's quote was for less mileage per year than Auto Additions, and calculating the difference, at the bid rate per mile, makes the bid amounts nearly identical.

Another factor which must be considered is the investment of staff time and expense in doing ongoing business with the vendor. It is often necessary to take vehicles to the vendor for occasional repairs and maintenance of the installed equipment. Auto Additions is located in North Salem, whereas ERS is located in North Plains. The time it would take to shuttle vehicles to ERS is considerably more than to Auto Additions. Auto Additions is able to make certain repairs on site without transport cost where ERS could not and ERS charges \$70 per vehicle for pickup/return. In addition The Department has had a long term business relationship with Auto Additions and has no complaints about their level of service. The Department has not done business with ERS up to this point and so no record exists.

Considering all these factors the award to Auto Additions would be in the best interest of the City of Woodburn and the taxpayers.

FINANCIAL IMPACT:

Funds are available from the current fiscal year Police Department budget to lease the units.