

**COTTAGE GROVE CITY COUNCIL
REGULAR MEETING MINUTES
March 8, 2010**

CALL TO ORDER

Mayor Gary Williams called the meeting to order at 7:30 p.m. in the Council Chambers at City Hall.

ROLL CALL/PLEDGE OF ALLEGIANCE

City Recorder Trudy Borrevik called the roll. The following were

PRESENT: Mayor Gary Williams, City Councilors Mike Fleck, Jeff Gowing, Thomas Munroe, Heather Murphy, Wayne Clark and Diane Conrad

YOUTH REPRESENTATIVE: Absent

STAFF PRESENT: City Manager Richard Meyers, Police Chief Mike Grover, Public Works Director Jan Wellman, Community Services Director Pete Barrell, Community Development Director Howard Schesser, Finance Director Bert McClintock and City Engineer Ron Bradsby

CITY ATTORNEY: Sean Kelly

ITEMS TO BE ADDED TO THE AGENDA

None

PUBLIC HEARINGS

(a) Public Hearing for Microenterprise Grant Program

City Manager Richard Meyers said pursuant to the Community Development Grant rules with the State of Oregon and through the Federal Government, the City needed to hold a public hearing in order to make application and proceed forward with the process of applying for Community Development Block Grant (CDBG) funds.

Mayor Williams opened the public hearing.

Jim Gilroy, 946 Blue Sky Drive, Cottage Grove, spoke on behalf of the Cottage Grove Chamber of Commerce as Executive Director and said the Board of Directors had looked at the program and supported the grant proposal subject to final review of the proposal details.

Mayor Williams closed the public hearing.

PUBLIC COMMENT ON AGENDA ITEMS

None

RESOLUTIONS AND ORDINANCES

- (a) Second Reading for Ordinance No. 2991 - Zone Change for Two Parcels to PR Parks and Recreation (ZC-1-10)

Community Development Director Howard Schesser said the Council held a public hearing and first reading on February 22, 2010 and staff was recommending that Ordinance No. 2991 be adopted.

IT WAS MOVED BY COUNCILOR FLECK AND SECONDED BY COUNCILOR GOWING THAT ORDINANCE NO. 2991 BE READ ONCE IN TITLE ONLY AND PLACED ON ITS FINAL PASSAGE.

Councilor Munroe asked if the parcel on South 15th included the house next to the park that the Council had not looked at yet.

Howard said that was correct.

The vote on the motion was as follows:

VOTE	Councilor Fleck	Councilor Gowing	Councilor Munroe	Councilor Murphy	Councilor Clark	Councilor Conrad	Mayor Williams
AYES	X	X	X	X	X	X	X
NAYS							
ABSTAIN							

City Attorney, Sean Kelly, read Ordinance No. 2991 once by title only.

IT WAS MOVED BY COUNCILOR MUNROE AND SECONDED BY COUNCILOR FLECK THAT ORDINANCE NO. 2991 BE ADOPTED.

The vote on the motion was as follows:

VOTE	Councilor Fleck	Councilor Gowing	Councilor Munroe	Councilor Murphy	Councilor Clark	Councilor Conrad	Mayor Williams
AYES	X	X	X	X	X	X	X
NAYS							
ABSTAIN							

(b) Second Reading for Ordinance No. 2992 Amending Title 14 to Amend Historic Preservation Overlay District (DCTA-1-10)

Community Development Director Howard Schesser said the Council held a public hearing and first reading on February 22, 2010 and staff was recommending that Ordinance No. 2992 be adopted.

IT WAS MOVED BY COUNCILOR MUNROE AND SECONDED BY COUNCILOR GOWING THAT ORDINANCE NO. 2992 BE READ ONCE IN TITLE ONLY AND PLACED ON ITS FINAL PASSAGE.

The vote on the motion was as follows:

VOTE	Councilor Fleck	Councilor Gowing	Councilor Munroe	Councilor Murphy	Councilor Clark	Councilor Conrad	Mayor Williams
AYES	X	X	X	X	X	X	X
NAYS							
ABSTAIN							

City Attorney, Sean Kelly, read Ordinance No. 2992 once by title only.

IT WAS MOVED BY COUNCILOR MUNROE AND SECONDED BY COUNCILOR FLECK THAT ORDINANCE NO. 2992 BE ADOPTED.

The vote on the motion was as follows:

VOTE	Councilor Fleck	Councilor Gowing	Councilor Munroe	Councilor Murphy	Councilor Clark	Councilor Conrad	Mayor Williams
AYES	X	X	X	X	X	X	X
NAYS							
ABSTAIN							

(c) Second Reading for Ordinance No. 2993 Amending Title 14 Regarding Scrivener's Errors (DCTA-2-09)

Community Development Director Howard Schesser said the Council held a public hearing and first reading on February 22, 2010 and staff was recommending that Ordinance No. 2993 be adopted.

IT WAS MOVED BY COUNCILOR MUNROE AND SECONDED BY COUNCILOR GOWING THAT ORDINANCE NO. 2993 BE READ ONCE IN TITLE ONLY AND PLACED ON ITS FINAL PASSAGE.

The vote on the motion was as follows:

VOTE	Councilor Fleck	Councilor Gowing	Councilor Munroe	Councilor Murphy	Councilor Clark	Councilor Conrad	Mayor Williams
AYES	X	X	X	X	X	X	X
NAYS							
ABSTAIN							

City Attorney, Sean Kelly, read Ordinance No. 2993 once by title only.

IT WAS MOVED BY COUNCILOR MUNROE AND SECONDED BY COUNCILOR FLECK THAT ORDINANCE NO. 2993 BE ADOPTED.

The vote on the motion was as follows:

VOTE	Councilor Fleck	Councilor Gowing	Councilor Munroe	Councilor Murphy	Councilor Clark	Councilor Conrad	Mayor Williams
AYES	X	X	X	X	X	X	X
NAYS							
ABSTAIN							

(d) Second Reading for Ordinance No. 2994 Amending Title 14 Related to Seasonal and Special Event Temporary Use Permits (DCTA-3-09)

Community Development Director Howard Schesser said the Council held a public hearing and first reading on February 22, 2010 and staff was recommending that Ordinance No. 2994 be adopted.

IT WAS MOVED BY COUNCILOR MUNROE AND SECONDED BY COUNCILOR GOWING THAT ORDINANCE NO. 2994 BE READ ONCE IN TITLE ONLY AND PLACED ON ITS FINAL PASSAGE.

The vote on the motion was as follows:

VOTE	Councilor Fleck	Councilor Gowing	Councilor Munroe	Councilor Murphy	Councilor Clark	Councilor Conrad	Mayor Williams
AYES	X	X	X	X	X	X	X
NAYS							
ABSTAIN							

City Attorney, Sean Kelly, read Ordinance No. 2994 once by title only.

IT WAS MOVED BY COUNCILOR MUNROE AND SECONDED BY COUNCILOR GOWING THAT ORDINANCE NO. 2994 BE ADOPTED.

Councilor Conrad asked why it was a Type II decision to begin with.

Howard said staff originally went through the development of the code and determined the various types. They were looked at to see if notice needed to be given even though there was not a lot of discretion. It was either in a commercial or industrial zone, had the parking and access, and met fire department requirements and therefore no discussion was needed. It had also become unworkable as a Type II.

Councilor Conrad said she thought even temporary permits affected a neighborhood and people should have a right to notice and to appeal what went on in their neighborhood. Problems seemed to have arisen when businesses were late in applying for a temporary permit and she felt it should be the responsibility of the business to apply on time.

The vote on the motion was as follows:

VOTE	Councilor Fleck	Councilor Gowing	Councilor Munroe	Councilor Murphy	Councilor Clark	Councilor Conrad	Mayor Williams
AYES	X	X	X	X	X		X
NAYS						X	
ABSTAIN							

BUSINESS FROM THE CITY COUNCIL

(a) Determination of Street Name

City Engineer, Ron Bradsby, said Lion Estates was a small ten lot subdivision north of the Kingdom Hall and the developer during the process had requested that the name be Kennedy Place. During review staff recommended the street name be Harding Place. The Code states that anything east of the Coast Fork and south of Main Street should be named after the Presidents of the United States in order beginning with Washington and 6th Avenue being Quincy for John Quincy Adams. He had attached a map to the Memo provided to Council which showed how streets had been named to date and staff had used first names for Benjamin Harrison due to Harrison being previously used and since the County had used the names, Cleveland, Roosevelt, Taft and McKinley, there was a gap so the names were currently out of sequence. The City in the subdivision just north of the Lions Estate Subdivision, went back to Wilson Avenue which was the next President in line. Council had been provided with a letter from the developer's engineer requesting the street be named Kennedy Place. Staff recommended Harding Place due to staff recommending the same name at the Planning Commission meeting.

Councilor Conrad said since the streets were not in the order that the Code stated to begin with and since the developer seemed to be very interested in Kennedy Place, she wondered why the

developer couldn't be given what he was asking which seemed to be a very small favor.

Ron said that was why the item was before Council to decide. He said he had a hard time at the administration level to determine the intent of the Code.

Councilor Murphy said she agreed with Councilor Conrad and could support the developer's request.

Ron said he had tried to hold true to the Code. He recognized that the street names were out of order.

Councilor Fleck said if the street was closer to the City's core where the streets were really regimented he could understand it, but the City had fallen down on 6th Street, there was no cohesiveness and he supported the developer.

Councilor Clark asked if there was some reason they wanted Kennedy Place.

Ron said they didn't like Harding Place.

Councilor Clark said he supported staff.

Ron said he had no problem if the Council voted in favor of the name change, however he would ask for guidance for the next street name change.

Councilor Conrad said she didn't see it as supporting staff, how strict did they hold the Code when the Code had been bent already.

Councilor Munroe asked if the developer was told what the street would be named before they brought the name forward.

Ron said yes, it was in the Planning Commission's notes, however they took the street name out because it was not a land use decision.

IT WAS MOVED BY COUNCILOR CONRAD AND SECONDED BY COUNCILOR MURPHY TO ALLOW THE DEVELOPER TO NAME THE STREET KENNEDY PLACE.

Mayor Williams said he was opposed to allowing the street name change. He knew the order of the Presidents due to the street names and often times he went through the names to help him with the streets. He agreed that some of the names were out of order but didn't think that was reason to further that error. There were some streets that used to be in the County that were annexed in and should probably have had the streets names changed when that occurred. In City history it was outlined how streets would be named and he thought it had important historical significance.

Richard pointed out for 9-1-1 and emergency dispatch there was already a Kennedy Lane that

was just outside the City on Hwy 99S and having a street of a similar name was something we were trying to avoid as well and that was something to take into consideration as the city limits moved further out when there was already a Kennedy.

Mayor Williams said his appeal would be to Council for historical significance that the City should keep it as it was intended and look at how we can avoid getting it too much out of sync in the future. He thought Kennedy was the 36th President and he felt this was not the way to go. The founding fathers of the community set this policy up and it shouldn't be taken lightly.

Ron asked if Councilor Conrad could correct the motion to say Kennedy Place to make it more in accordance with the Code instead of Avenue.

Councilor Conrad changed her motion to name the street Kennedy Place.

The vote on the motion was as follows:

VOTE	Councilor Fleck	Councilor Gowing	Councilor Munroe	Councilor Murphy	Councilor Clark	Councilor Conrad	Mayor Williams
AYES	X			X		X	
NAYS		X	X		X		X
ABSTAIN							

Motion failed. The street will be named Harding Place.

(b) Request for Stop Sign

City Engineer Ron Bradsby said for the same subdivision, a stop sign at Harding Place and South 6th Street was warranted. He said he used the manual of Uniform Traffic Control Devices to determine if a stop sign met the requirements. South 6th Street was a collector street and Harding Place was residential. Of the four warrants listed, it met Warrant #2 where a street enters a thorough highway or street so staff recommended that a stop sign be installed at the intersection of Harding Place and South 6th Street.

Councilor Fleck said he liked that they were being asked to recommend a stop sign at staff's recommendation, so often they were from a citizen.

IT WAS MOVED BY COUNCILOR FLECK AND SECONDED BY COUNCILOR MUNROE TO INSTALL A STOP SIGN AT HARDING PLACE AND SOUTH 6TH STREET.

Councilor Conrad asked if the contractor would be paying the total cost for the stop sign.

Ron said the contractor paid for the street sign and the City would pay for the stop sign, as was the normal policy.

The vote on the motion was as follows:

VOTE	Councilor Fleck	Councilor Gowing	Councilor Munroe	Councilor Murphy	Councilor Clark	Councilor Conrad	Mayor Williams
AYES	X	X	X	X	X	X	X
NAYS							
ABSTAIN							

(c) Overflow Parking for Cottage Grove Speedway on City Property

Public Works Director Jan Wellman said for the past several years the City had granted permission for the Cottage Grove Speedway to use a portion of the City's 11 acre parcel which was located south of the City's wastewater treatment plant for overflow parking and in exchange they would agree to mow the entire 11 acre parcel. Depending on the conditions, the speedway personnel would mow the area sometimes up to 11 times during the mowing season and that eliminated the responsibility for the public works staff to do that. He said the speedway traditionally only used the area about 8-10 times during the racing season which ran from early April through September. Last year they only used the parcel 4 times. Staff was recommending approval of the agreement between the City and the Cottage Grove Speedway to use the 11 acre parcel for overflow parking.

Councilor Munroe asked if it wouldn't also help the new disc golf course.

Jan said yes, the disc golf would also use that area.

IT WAS MOVED BY COUNCILOR MUNROE AND SECONDED BY COUNCILOR FLECK THAT THE CITY COUNCIL APPROVE THE COTTAGE GROVE SPEEDWAY'S REQUEST TO USE A PORTION OF CITY-OWNED PROPERTY LOCATED SOUTH OF THE WASTEWATER TREATMENT PLANT FOR OVERFLOW PARKING. IT WAS FURTHER RECOMMENDED THAT COUNCIL AUTHORIZE THE CITY MANAGER TO EXECUTE THE ATTACHED AGREEMENT CONTAINING THE CONDITIONS OF USE.

Councilor Conrad said last year she mentioned using that acreage for effluent discharge and she wondered if that had been discussed.

Jan said in the MSA study that was completed for the wastewater reuse they had identified initially 110 acres, which would be the golf course, the interchange on the freeway and Bohemia Park. It was an area identified for effluent spraying and would be used in the future when enough effluent was produced, the City didn't currently have enough effluent to spray in that area.

Councilor Conrad asked if when it wasn't racing season, how the grass was taken care of.

Jan said the City staff did mow it if needed, but generally there was no need to mow it after late September.

The vote on the motion was as follows:

VOTE	Councilor Fleck	Councilor Gowing	Councilor Munroe	Councilor Murphy	Councilor Clark	Councilor Conrad	Mayor Williams
AYES	X	X	X	X	X	X	X
NAYS							
ABSTAIN							

(d) Acceptance of Grant Award from the Oregon Department of Energy

Public Works Director Jan Wellman said that on November 20, 2009, Cottage Grove had submitted a grant application to the Oregon Department of Energy to fund a feasibility study to investigate the design modifications to the digester basin at the wastewater treatment plant which would enhance energy and operational efficiencies. The grant application was approved for \$19,400. The source of the funds were the American Recovery and Reinvestment Act and Energy Efficiency and Conservation Formula Block Grant funds. The project was the only award that was made in Lane County under the Energy Efficiency and Conservation Formula Block Grant program. The study would include preliminary engineering, budget development, project time lines, baseline energy usage and estimated savings calculations to prepare the City to make a Phase II application for the actual improvements to the wastewater treatment plant digester basins, which are currently estimated at approximately \$500,000-\$750,000. He said the study would look at ways the City could improve the energy efficiency at the treatment plant and approve the efficiency and operations of the digester basins. He said staff recommended that the Council accept the grant award and authorize the City Manager to sign the Intergovernmental Agreement (IGA) between the City and the Oregon Department of Energy.

IT WAS MOVED BY COUNCILOR MUNROE AND SECONDED BY COUNCILOR GOWING THAT COUNCIL ACCEPT THE GRANT AWARD IN THE AMOUNT OF \$19,400 AND AUTHORIZE THE CITY MANAGER TO SIGN THE INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF COTTAGE GROVE AND THE OREGON DEPARTMENT OF ENERGY.

Councilor Munroe said he had gone through the agreement and hoped the City Manager understood it.

Richard said it was a standard boiler plate agreement for the Department of Energy.

Jan said that the IGA was meant to cover all applications that were submitted and this one was just an engineering feasibility study.

The vote on the motion was as follows:

VOTE	Councilor Fleck	Councilor Gowing	Councilor Munroe	Councilor Murphy	Councilor Clark	Councilor Conrad	Mayor Williams
AYES	X	X	X	X	X	X	X

NAYS							
ABSTAIN							

(e) Infrastructure Worksessions

City Manager Richard Meyers said the work session on parks and streets SDCs and the work session with the consultant needed to be scheduled. After discussion it was decided to schedule the parks and streets SDC work session for Monday, March 15, 2010 at 6pm and the work session with the consultant for Tuesday, April 27, 2010 at 6pm.

(f) Concerns from the City Council

Councilor Clark said the Cottage Grove Lady Lions Basketball Team was playing at the State Basketball Tournament in Corvallis on Wednesday, March 11th at 8:15pm.

Councilor Munroe thanked Jan and staff for installing reflectors on the medians on West Main and North River Road.

Councilor Conrad said it was an exceptional job for whoever was involved in getting all the emergency workers and contracts in line for the Chambers Bridge to be taken down.

Councilor Fleck said the Business Faire was scheduled for Thursday, March 12th from 4:30-7:30pm and the Community Sharing Dinner was scheduled for Tuesday, March 16th at 5:30pm.

Mayor Williams thanked Councilor Munroe for presiding over the last council meeting while he was attending a conference in Washington D.C. for the National Association of Regional Councils. He talked about the conference and said it was a very interesting conference. He met the Secretary of Agriculture, who was the keynote speaker. Also at the hotel where the conference was held Secretary of State Hillary Clinton and Madeline Allbright were staying.

BUSINESS FROM THE CITY MANAGER

(a) Microenterprise Grant Program

City Manager Richard Meyers introduced Martin Desmond and Shawn Winkler-Rios from e-Dev, formerly Lane Micro Business who gave a presentation regarding the Microenterprise Grant Program.

Mr. Winkler-Rios, 2794 Star Street, Eugene, Oregon, said their office was located at 1445 Willamette Street, Eugene. He outlined and explained the program. He said the typical CDBG program for microenterprise involved a program that delivered services to a microenterprise to help them start up, stabilize or grow, but this program did not provide services. The program would go through the City to a sub-recipient such as e-Dev and was a cash grant to micro-enterprises. He presented a slide presentation which went through some of the requirements.

The purpose of the grant was to serve low and moderate income owners for acquisition of real property, construction and improvements, buildings, business capital and the purchase of equipment. It was a job creation and retention grant. The City would be the applicant for the grant and would administer the grant and e-Dev would be the sub-recipient. The grant was for \$250,000 of which up to 10% could be used for grant administration, management of the grant and environmental review. Up to \$175,000 would be passed through to the microenterprises, in smaller increments or the entire amount can be passed through, it was up to the intermediary and there was no matching fund requirement.

He said as with every CDBG grant there was a risk, there was work to be done and deliverables to be made. With this particular program the microenterprise would be given a grant and then must certify they would have an employee, either acquired or retained, for the period of the project or at least one year. If this did not occur, the City would be responsible to repay the grant to the CDBG program. He said they had tried to find ways that the City could minimize the risk to repay grants and outlined the procedures that they had come up with.

- 1) Choose businesses that have the likelihood of success.
- 2) Stable cash flows and have enough work to hire or retain an employee for the project period.
- 3) Make it a forgivable loan so there was something that they could hold the business accountable to. It was a loan and there was a Promissory Note to the business and if they completed all of the grant requirements, the loan could be forgiven. If it was not, then was leverage to recapture funds.
- 4) Score the applicants and find those that were really looking at the jobs, the focus would be on payroll.

The reason behind the program was small businesses were needing capital and there were some that if they had the capital they could hire employees and put them to work. There were others that needed capital but couldn't hire an employee and put them to work. The business could purchase equipment, receive working capital and use it to train the employees. It could also be used as a gap funding for local financial institutions, there was a requirement that there would be no competition with local banks. There was also business assistance and support to the grantees. He said he felt there were other benefits to the community, the Chamber of Commerce and in a time like this it was something worthy of consideration.

Councilor Murphy said she was familiar with CDBG on the social service end, and asked how funding payroll would translate to capital equipment purchase.

Mr. Winkler-Rios said it didn't. It could be used for any of the things he mentioned. He said they wanted to see an applicant that included payroll as a part of their request. There was working capital that could be included and they could ask for office supplies but if they were asking for payroll they knew they were really interested in having an employee.

Councilor Murphy asked if they were going to standardize some kind of grant amounts.

Mr. Winkler-Rios said yes but they were still unclear as to how they were going to do that but it had to be part of their policies.

Councilor Conrad asked how they would advertise so the total business community would know that the program was available and how would they prevent the hint of showing favoritism.

Mr. Winkler-Rios said as far as advertising they would be working with the Chamber of Commerce, they were the most networked in the community as far as finding potential businesses and they would also advertise. In terms of being fair and not practicing favoritism, he said he thought how they constructed the criteria and who came to the top was how they were going to handle that. It was a business endeavor so the grant had to pay for a job so they would be looking for businesses that were going to hire a low to moderate income person and keep them for a year or more.

Councilor Clark asked if the \$175,000 was the amount of money that would be available to the City, the pass through after the grant administration, management and the potential for environmental review. He also asked about the slide that said something to the effect of a job held by or available to someone in the low/moderate income bracket.

Mr. Winkler-Rios said yes the total amount was \$250,000. After the costs he noted the minimum amount that could go to the businesses was \$125,000, although they were going to try to avoid the environmental review. In answer to Councilor Clark's second question, there had to be job creation or job retention and to get to the job retention requirement, a definition was created "held by". In other words the funds could actually pay for an existing employee if that employee was for certain going to go away and that was under the "held by" definition, that employee could be retained by the funds for a year or two. Otherwise it was acquired, a new position, new employee that went forward for the period of time. It was open to low or moderate income people and there would not be any education requirement, that it would be available to people without a college education.

Councilor Clark asked if an applicant would be able to apply the fund to a spouse.

Mr. Winkler-Rios said it went with the job so it could if it was a new job and it met all of the requirements, there were 1820 hours in a year and that person worked that. There wasn't anything that said a spouse would be disqualified but they would want to look at that closely. The requirements are for a new position or the retention of an existing position.

Councilor Clark said the forgivable loan part seemed a little unusual, how would that fit with the program.

Mr. Winkler-Rios said it was trying to keep the microenterprise accountable, because if they let the employee go, the City could potentially be at risk to repay the grant.

Councilor Clark asked if it was enforceable.

Mr. Winkler-Rios said yes, they had checked with the State and they liked the idea. There would be a Promissory Note that would say something to the effect that whatever the requirements were, if they completed them, there would be no obligation and the loan would be forgiven.

Councilor Clark asked would it be enforceable even if the business went out of business.

Mr. Winkler-Rios said no, they had to maintain the job and that was why they wanted that language so they had something to come back to them with.

Councilor Clark said he understood that but asked what if the position disappeared because they went out of business?

Mr. Winkler-Rios said through the program the City would still be responsible to repay the grant but then hopefully they would have some collateral or something of value so they would have some value from the microenterprise.

Councilor Munroe asked if he would explain the default portion again. He said the way he understood the program was that the loans were given out for a minimum of a year and if the business went under in a period of eleven months, the City would have to repay the eleven months. He thought that it would better if the City paid the employee for that one month instead of the City having to pay back the entire eleven months. He asked if it worked that way.

Mr. Winkler-Rios said it didn't work that way, but they had continued to talk with the State about that. He said he presented a scenario about having the payroll be reimbursable to keep the business accountable to hiring an employee and the State wasn't sure they wanted to do that. The idea was that the employee had to be employed for 1820 hours, that was the standard and couldn't deviate. You could have a sixty day probation and the employee didn't work and they could be replaced, that was fine, but that job had to be there and that was the challenging part.

Councilor Munroe said he didn't like the default portion, that the City would have to pay back eleven months when it was only a thirty day span that was in question.

Mr. Winkler-Rios said he agreed and they were still trying to find a way to mitigate it. He said on all CDBG grants, any recipient was accountable for the deliverables of the grant so that wasn't a big deviation from CDBG standards, but in this case it was the microenterprise doing the heavy lifting.

Councilor Fleck said he didn't understand the gap funding because it seemed to him that if there was a Promissory Note to hold the business accountable then the bank was not going to subordinate. He asked how a bank would be okay with gap funding if the business defaulted and lost all the funding. And if the microenterprise did a UCC filing the bank wasn't going to do their portion without collateral.

Mr. Winkler-Rios said that would have to be negotiated with the financial institution. He said they were currently starting up with the SBA micro loan program and they could do a 2-1 with a

bank, they could go up to \$30,000 on a loan and the bank could go up to \$70,000-\$105,000 and that bank may want first position and depending on the loan, they may do that and take the risk. It depended on the deal and what the bank would do, the provisions allow for it. Until he saw cases he wasn't really sure how it would work but they could be flexible and creative to figure it out.

Councilor Fleck said as far as he knew all banks would want to have a first lien position on a commercial venture.

City Attorney Sean Kelly, said there would be things that would have to be worked out as far as first positions and filings to make sure that every case was treated the same.

Mr. Winkler-Rios said that once the program was launched, there would be a chance to go to back to the State and look at modifications to see what worked and what didn't but this was the way it came out of the box.

Councilor Murphy asked if they didn't have to have an environmental study and they were trying to avoid that, would more money then be passed on to the businesses.

Mr. Winkler-Rios said the \$175,000 was without the environmental review and it would actually be \$160,000 if the environmental review was required.

Councilor Murphy said that would mean there was 35% management costs.

Mr. Winkler-Rios said yes, up to the 35% but they were trying to get the maximum to the businesses.

Councilor Conrad asked the City Manager if he had any concerns.

Richard said Council had covered his concerns and the Chamber Board mentioned them as well in their discussions, which was the default clause. In a normal CDBG program the City had control over what was being done, however with this program the money was being given to a business with the intent that they would keep the employee and if they didn't there were no consequences for them but the City had to repay the grant. It's a federal program and they haven't really grabbed on to the fact that it wasn't good for governments to try and do this type of program and if something happened the City was responsible for repaying the grant.

Councilor Conrad asked if it would be voided if the money was paid off on a monthly basis rather than all at once.

Richard said as Councilor Munroe pointed out, even if they failed in the last couple of months of the program, the City would still be responsible for everything that had been paid.

Mr. Winkler-Rios said it was still in discussion but that was the exact scenario that was presented to the State. They had proposed to have the business pay the payroll and then be reimbursed from

the grant to show that they kept the employee.

Richard asked if the deadline was the end of March.

Mr. Winkler-Rios said yes, March 31, 2010.

Councilor Clark said he was normally a bleeding heart for this type of thing but he felt uncomfortable with the project.

Councilor Clark asked if anyone else was doing the grant. He asked if they had presented it to any other cities.

Mr. Winkler-Rios said there was at least one other program doing this. There was quite a chunk of money and they expected it to be competitive. They hadn't presented it to any other cities.

Richard said if the City was awarded the grant, the final agreement with specifics would come back to Council for final action. If the City didn't feel comfortable, it would end, it was a big risk.

If Council consensus was to apply, the City would prepare a Resolution for the next council meeting to bring back to Council and include some of the parameters that had been discussed.

Council consensus was to bring back a Resolution for Council consideration at the next Council meeting.

Mr. Winkler-Rios handed out a list of businesses to Council that supported the project.

(b) Report from the City Manager

Richard said he had received in the mail a letter from the U.S. Department of Commerce that talked about the census and he reminded everyone to fill out the census form when they received them. It meant a lot to the City, School District and County, this was where the numbers were generated for population estimates and was essential that the information be passed on. If there was someone who didn't have a street address, they only received their mail at a P. O. Box, they may not get a census to complete and they should contact the City for assistance in getting one.

Mayor Williams asked about the LCOG Census Kickoff that was being put together with the Mayors from the different communities and if it was Wednesday. He wasn't going to be able to attend but possibly someone from the Council could attend.

Richard said he didn't know right off hand when it was, it was either Tuesday or Wednesday.

Councilor Munroe said his wife was in the genealogy society and they always relied on the census for information that had to be kept seventy years and asked why this year was the census going to be destroyed.

Richard said he didn't know why.

Richard said the YAC was having a movie Friday night, March 12, 2010 and anyone who wanted to see Batman Forever was welcome to attend.

Richard provided the Council with an update on the Chambers Railroad Bridge. He was pleased with how well everyone involved came together, Pacific Power, Charter, Blue Sky Tree Service, Hamilton Construction and OBEC and did what they needed to do. He said next week they would start removing items from the bridge, however there wasn't a location yet to take the removed wood to but the City was looking at using the City of Creswell's old City shop. If that didn't work the City had quotes to put up a pole building at the City shop yard and could be used to store the Vactor when the wood was removed. There was a webcam taking pictures of the process so that would be available when the project was completed.

BUSINESS FROM THE CITY ATTORNEY

- (a) Report from the City Attorney

None

PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

Don Wear, 1161 N. 16th asked about the Village Green status and said he thought it would be foolish for the City to give money to the owner for upgrades and not have anything in return. The City should either take it over and buy them out or walk away from it and they could get private funding.

CONSENT AGENDA

- (a) Minutes of February 8, 2010 Regular City Council Meeting
- (b) Minutes of February 19, 2010 Council Work Session
- (c) Minutes of February 22, 2010 Regular City Council Meeting

IT WAS MOVED BY COUNCILOR FLECK AND SECONDED BY COUNCILOR MUNROE TO APPROVE THE CONSENT CALENDAR.

The vote on the motion was as follows:

VOTE	Councilor Fleck	Councilor Miller	Councilor Munroe	Councilor Murphy	Councilor Clark	Councilor Conrad	Mayor Williams
AYES	X	X	X	X	X	X	X

NAYS							
ABSTAIN							

ADJOURNMENT

There being no further business, Mayor Williams adjourned the regular meeting of the City Council at 8:46pm.

The next regular City Council Meeting will be held March 22, 2010, at 7:30 p.m. in the Council Chambers at City Hall.

Trudy Borrevik, City Recorder

Gary Williams, Mayor