

**COTTAGE GROVE CITY COUNCIL
REGULAR MEETING MINUTES
July 26, 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, Tom Munroe, Heather Murphy, Wayne Clark and Diane Conrad

YOUTH REPRESENTATIVE: None

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

CITY ATTORNEY: Sean Kelly

OTHERS PRESENT: Cameron Reiten, KNND Radio, Jon Stinnett, The Sentinel

SPECIAL PRESENTATION

The Mayor read the "Look Me in the Eye" Proclamation which he provided to Laura Weil-Noppenberger, 1205 S. 6th Street, Cottage Grove, a Personal Agent with Full Access. She explained that Full Access was a non-profit agency which provided case management and support for individuals who experienced developmental disabilities and resided in Lane County. Ms. Weil-Noppenberger explained what the "Look Me in the Eye" campaign was about. She said they would be having a press conference on August 10, 2010 at 11 a.m. at the office in Eugene, 1240 Charnelton Street.

ITEMS TO BE ADDED TO THE AGENDA

None

PUBLIC HEARINGS

None

PUBLIC COMMENT ON AGENDA ITEMS

Marcia Allen, 31494 Gowdyville Rd., Cottage Grove, spoke in support of the Armory. She spoke about the Historical Society and the number of members they have and their part in Cottage Grove's history. She gave the history on the Armory from when it was built to the present. She said it was built for the people by the people and that she didn't understand why the government was selling it back to the citizens of Cottage Grove. She suggested the City have a plan to go forward with securing the building for the City and to have a group of interested parties explore all options and report to the Council on the findings.

Sue Rosenthal, 602 Main Street, Cottage Grove, spoke against the Armory purchase. She originally thought the City was going to purchase the Armory with grant money and with the proposed payment schedule it looked like it was coming from the general fund. Her main objection to buying the Armory was the cost to purchase the building and the costs to renovate the building which she believed was going to be a money pit. She expressed concerns over the parking for events held at the facility. She asked the Council to turn it over to the general public to buy, renovate and to provide more jobs and to open businesses that were needed in the downtown area.

Frank Long, 1245 Edgewater Lane, Cottage Grove, spoke in support of the Armory. He said he appreciated Sue's concerns and said they were concerns for all the citizens regarding the cost. He felt the Armory should be donated to the City, that it was common for governmental agencies to donate unused facilities to a community or public agencies. He spoke about uses for the facility and said it was a wonderful facility and encouraged the Council to obtain it and offered to help any way he could.

Amy Callahan, 1765 Parks Rd., Cottage Grove, spoke as a member of the Budget Committee. She questioned why the purchase of the Armory didn't come up during the Budget Committee meetings. She said even though it had a deferred payment plan, it still impacted the City's bottom line and should have been a part of the budget committee meeting discussions. She said if it had been on the table at the meetings, some funding discussions might have gone a different way. She did some research and found other cities wrestling with the same issue of keeping historical buildings and found that there were some cities in other states who were able to purchase their historical buildings for \$1. She said the Armory represented a rich history and was worthy of revitalization efforts, however she felt that before making an offer there were key questions that needed to be answered. She mentioned a few such as what the annual maintenance and associated holding costs were, who was on the committee who worked on the restoration report and what stake did they have in the outcome, did the building have lead paint or asbestos issues, what costs would be associated with making it ADA compliant, what the usage plan was and what the backup plan was if grants could not be secured. She said she would like to see the questions answered before an offer was made in order to make an informed

decision and not just an emotional one.

Paul Morrow, 26 S. 5th Street, Cottage Grove, spoke as a representative of the Boys and Girls Club. He spoke in favor of the Armory and said it could be an asset for the youth of the community and that there hadn't been much for the youth in the community in the past. He said the Cottage Grove Boys and Girls Club has grown in the past year from an average of 12-15 youth a day to almost 50 a day. He said they were exceeding the capacity of their existing building and were searching for a temporary or permanent facility and the Armory, if made available, could satisfy their needs. He provided the City Manager with a letter of support for the purchase and renovation of the Armory.

Ron O'Keefe, 840 Birch, Cottage Grove, spoke in favor of the Armory. He talked about when the city purchased the old Safeway building and there were people who opposed it because it was too much money, it wouldn't be utilized and there would be parking problems. He looked at the success of that building which became the community center and it gave him the sense that the City should try and make the purchase of the Armory happen. He didn't have answers on the funding but said the land that the building sat on was valuable and he had faith in the City staff in obtaining grants based on their past history. He discussed the parking issue and said he felt inconvenienced if he tried to park at Cascade Hardware and had to park ½ block away but didn't think anything about parking at a mall and having to walk 1/4 mile or walking 45 minutes to watch the Ducks play but he said we're spoiled downtown and if its not in line of sight, we think its too far. He thought it would probably help the downtown businesses to get more foot traffic in the area. He said he had been with the youth center since 1990 and all their locations had been in the downtown area and it was a tremendous location for the needs and the youth in the area. He said he thought the Armory would be a good future site not just for kids but for a lot of activities downtown. He emphasized that the kids are the future and anything that can be done now for the kids and for the community would payoff for everyone in the future.

Pam Duffy, 32526 Doolittle Road, Cottage Grove, spoke on Item 6(a), a Resolution for Inclusion Under the State of Oregon Deferred Compensation Plan. She said she read literature on the internet and said the Oregon Savings Growth Plan (OSGP) was a component of PERS. She said in 2007 the OSGP had assets of a little over \$1.5 billion dollars and in 2009 it was down to \$798 million dollars with the enrollment increasing in that amount of time. She said it was announced today that in 2011 PERS would need \$1 billion additional taxpayer dollars and that employer contributions would double. She found it disconcerting that the City would consider it not only because of the financial problems incurred with PERS but because one city employee asked. She said she had received a letter advising her there was no cost to the City to add it to the investment plans for City employees but asked about the cost to the taxpayer and if it had been determined. She said she would like Council to consider some of her comments and take them into account when the resolution was discussed.

Ivan DeSol, 1765 Park Rd., Cottage Grove, spoke about the Armory and said he was also on the Budget Committee which he understood to be the public's input into the accountability of the City on the way money was spent. He understood the reason the Armory wasn't discussed by

the Budget Committee was there were no payments for the first year of the contract so it wasn't on the Budget Committee agendas. He said it seemed to him that there was a loop hole and what the City was saying was that they could borrow as much money as they wanted without any public input as long as there were no payments for the first year which didn't seem right. He said next year the Budget Committee would be obligated to make the payments. He said he heard arguments on both sides of the Armory and supported the idea of keeping the Armory and thought the City could get it for \$1 but the process did not make sense to him. The public needed to have a say into where they wanted the money to go.

Elaine Wigget, 1447 S. 6th, Cottage Grove, spoke regarding the Village Green and said she didn't feel the City should be in property management, it wasn't the City's job to save a business from failure. She said if they wanted to save something, the City and citizens needed to get out and volunteer and she thought we should be tightening our belts and not spending more money.

RESOLUTIONS AND ORDINANCES

(a) A Resolution for Inclusion Under the State of Oregon Deferred Compensation Plan

Finance Director, Bert McClintock, explained that Council had before them a request to add the Oregon Savings Growth Plan (OSGP) to the list of other vendors that provided deferred compensation plans for City employees. She said it was a voluntary contribution by the employee, there was no match from the City and no cost to the City, it was how the employee wanted to spend their money towards their future retirement. She said PERS managed the plan but it was not a part of PERS and had nothing to do with the City's rates or contributions. She said staff recommended that Council adopt the Resolution to be included in the State of Oregon Deferred Compensation Plan while maintaining the current vendors.

Councilor Clark asked how many other vendors the City had.

Bert said the City had VALIC, Nationwide Retirement Solutions, First Investors and ICMA which all offered different and varying ways to invest. She said it was up to the employee how they wanted to invest and manage their money.

Councilor Clark said if he wanted to have \$100 a month deducted from his check to go into one of the accounts, the City would have no liability whatsoever.

Bert said that was correct it was the employee's choice and was voluntary.

Councilor Conrad asked if more could be explained about PERS being in the red and if that did not affect the City then how PERS made that up.

Bert said this was completely separate from the PERS retirement system, this was a deferred compensation plan which was managed by PERS but was not the PERS system. PERS had issues but had nothing to do with the compensation plan.

Councilor Murphy asked if it cost the taxpayer money.

Bert said no.

Councilor Munroe said he didn't see any reason why the City had to do it at all if it didn't involve anything that dealt with the system that was in place.

Bert said to be part of the Section 457(b) of the Internal Revenue Code, a pre-tax contribution, the City had to agree to be a part of the plan. The City authorized the plan and then it was up to the employees whether they wanted to invest and contribute.

Councilor Munroe said they were taking about a case of liability if something went wrong.

Bert said there was no liability on the City's part.

Richard said under the 457 law the employer had to say what the plans were that were recognized and that was all Council was doing. A resolution needed to be adopted saying what plans the City offered.

Councilor Munroe said in other words PERS was like a defined contribution system when they wanted to start a 401(k) they had to run it through the same process.

City Attorney, Sean Kelly, said it had nothing to do with that, it was voluntary. He said the reason that it was before Council was to add one more provider that the City could then take money out of an employee's check for. In other words they had to go through the process just so the money could come out of the check and Bert could make the adjustments. As far as liability wise or anything else it didn't mean anything and the fact that it came from one employee wasn't surprising, it could come up again where another employee was doing research and found something out and they would approach Bert. As far as cost goes, there was none, it was just another name that allowed Bert to defer the money.

Councilor Fleck said it wasn't dissimilar from his previous employer where he suggested the cafeteria plan which was what they were talking about so that health insurance benefits and others could be taken out pre-tax and it was a savings for the employee but no obligation for the employer.

Bert said that was correct.

IT WAS MOVED BY COUNCILOR FLECK AND SECONDED BY COUNCILOR GOWING THAT COUNCIL ADOPT RESOLUTION 1754.

Councilor Clark said it was where rumors started and someone would leave the Council meeting and say that the City Council just said that citizens were going to pay more money for someone to retire. He said it wasn't what this was, it was adding another company to a list of companies that already existed and if he as an employee wanted to invest in at his own risk, he could do

that.

Councilor Murphy said to follow up with that, she heard a significant concern that it would cost taxpayer money because it was managed through PERS and she wanted to clarify again that it was a very separate program that didn't cost the taxpayers money.

Bert said very much so. The PERS rates were set by an evaluation process and were in place through 2011 before the City would see a change.

Councilor Munroe said the set up for the entire thing was free.

Bert said yes. The City would sign saying it would offer the plan to employees and any fees that were collected were from the employees and it depended on what plan they wanted to invest their money in. The City did not have any fee associated with it at all.

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) Resolution of Support for Application for a Transportation Enhancement Program Grant for Chambers Covered Railroad Bridge

Community Development Director, Howard Schesser, said the City submitted a letter of intent to the Oregon Department of Transportation (ODOT) for a Transportation Enhancement Program Grant for additional work that wasn't funded through the reconstruction of the Chambers Covered Railroad Bridge. The letter of intent was accepted and the City was asked by ODOT to apply for the grant and part of the process included a Resolution of Support from Council. Staff recommended that the Resolution be approved.

IT WAS MOVED BY COUNCILOR FLECK AND SECONDED BY COUNCILOR MUNROE THAT COUNCIL ADOPT RESOLUTION 1755.

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							

BUSINESS FROM THE CITY COUNCIL

(a) Request to Extend the Economic Improvement District and the Business Improvement District for an Additional Three Year Period

Community Development Director, Howard Schesser, said the City had received a letter from the Economic Business Improvement District requesting Council to consider an extension of the two districts for another three year period, they expire at the end of 2010. He said the two districts were created in 2001 for a three year period and there had been two extensions and in order for consideration of another extension period, under ORS Council needed to agree to the extension and set the hearing. There would be two public hearings and notification process. He said staff recommended that the public hearing on the extension of the Economic Improvement District and Business Improvement District be held on Monday, September 13, 2010.

Councilor Fleck said he thought it was a win-win situation. He said the businesses that did not want to be a part of the district would remonstrate out and those who did have done many projects, including planters and benches and he thought it was a great program so long as everyone was still on board.

IT WAS MOVED BY COUNCILOR FLECK AND SECONDED BY COUNCILOR CLARK THAT COUNCIL HOLD A PUBLIC HEARING ON THE EXTENSION OF THE ECONOMIC IMPROVEMENT DISTRICT AND THE BUSINESS IMPROVEMENT DISTRICT ON MONDAY, SEPTEMBER 13, 2010 AT 7:30 P.M.

Councilor Conrad said she was listening to KNND this morning and there was a concern about how EBID and BID communicated with its members. She asked if when it was approved if it could be mentioned to the organizations that they may want to consider how they could increase communication with their members.

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) Concerns from the City Council

None.

BUSINESS FROM THE CITY MANAGER

(a) Potential Purchase of the Cottage Grove Armory

City Manager, Richard Meyers, said the agreement before the Council had been prepared by the Oregon Military Department after a process of negotiations with the City trying to determine a price. He said Council had two received two letters in support of the Armory, one from the Boys and Girls Club and one from Sharon Jean. Council had also received in the Friday Update a list of funding sources that the City had identified so far that dealt specifically with the type of uses in the facility. He provided some background on the closing of the Armory.

He said there were certain rules and State laws that had to be followed in disposing of the Armory. In the State of Oregon an Armory could not be given away, it had to be sold for fair market value. He said the McMinnville Armory was sold in 1979 for \$190,000 to the City of McMinnville. He said the military department conducted an appraisal of the Armory and it was valued at a new replacement value of \$2.7 million dollars and due to the lack of upkeep and maintenance the price was reduced to \$760,000. He said the City had a second person review the appraisal and evaluate some of the conditions. Also Ordinance No. 1048 which was passed in 1922 authorized the issuance of bonds and help build the Armory in 1930. The citizens authorized \$15,000 worth of bonds to be sold in 1930 to assist with the development and building of the Armory which cost \$61,000. In lieu of that General Caldwell and the Public Lands Advisory Council agreed that the City should get a quarter of the price reduced due to the contribution made in 1930. In addition to that additional money was knocked off because of the environmental issues that hadn't been resolved yet, the deferred maintenance and the obsolescence of the building due to the age and structure and style bringing it to the purchase price of \$395,000.

He said it was brought up that this issue wasn't discussed during the Budget Committee meetings and that was because negotiations were being conducted which were discussed at City Council meetings. He said staff knew something would happen but didn't know when and what.

Richard said the payment schedule was listed in the agreement and that the Military Department would carry the contract for ten years, interest free in order to aide the City in finding funding and grants for the remodel and possibly some of the maintenance and operation costs.

He discussed the need for another facility to handle large events and mentioned the community center and the fact that there were two events in the last year that were too large for the community center to accommodate. He said the Armory had value and the City would resolve the issues that needed to be resolved such as some leaks and then it would be sealed until funding sources were found. The City would have it declared and put on the historic designation which would help to get eligibility for grants and funding. He talked about the importance of keeping the Armory and the historic value to the community.

Councilor Fleck said one thing that bothered him was that in all the discussions the Military Department was going to take care of all environmental issues and in the contract it said they were not obligated beyond the contract. He asked if it was something that was just put through or what the circumstances surrounding the issue were.

Richard said the price provided included a reduction for taking care of those environmental issues. The issues would be lead based paint and asbestos. He said they weren't major, big issues that were difficult to take care of.

Councilor Fleck said he had wrestled with the issue for weeks and he understood the value of the Armory to the community. He said he didn't think the City could do the maintenance and renovations for \$750,000, that he believed lead and/or asbestos abatement could cause that figure to increase dramatically. He said the parking issue was a big concern for him. The largest venue for events currently was the Catholic Church which had plenty of parking. He said in the evenings there was no parking in the area of the Armory due to people who lived in the area. He said he could live with the cost and the parking but what concerned him the most was the cost to maintain the facility. He talked about issues that had been discussed in the Budget Committee meetings and concerns he had and even though he thought it would be a great asset to the community, he couldn't support the purchase of the Armory.

Councilor Munroe said he didn't know if Councilor Fleck had been around long enough to remember what it was like when some of the events were going on at the Armory but people didn't have any issues with walking to the events. He didn't feel parking was an issue especially when the National Guard used to park their vehicles there when they were gone for an extended period of time. He said his only concern was if all the dollars that had been put into the Armory had been brought forward. He said his wife had done some research and discovered that not only did the City of Cottage Grove pay for one third of the structure but Lane County did as well. He said he has argued from the onset that so many young men have been lost that have gone through the doors that it should be paid for. He said to give it up now would be a mistake. He said there had been meetings held about looking to the future of Cottage Grove and the children and the City were going to grow and would need the Armory.

Councilor Murphy asked if any kind of a parking plan had been drawn up.

Richard said staff hadn't put anything together for a parking plan nor for the uses. It was something that would be done as the process moved forward to have a town hall to discuss potential uses, similar to what was done when the City purchased the current Community Center.

Councilor Murphy said she had received calls from surrounding businesses with concerns about the use of their parking lots and she thought it would behoove the City to outline some kind of ideas as well as concerns over the costs of sustaining the building including staff time that would be involved. She said a little more information would be good. She said there was probably more information that could be made available to the public to put their minds at ease as well as the fact that a majority of the renovations could be paid for by grants that other entities could not apply for.

Councilor Conrad said the question for her was should or can the City save the Armory. She asked what would happen if the City did not buy the Armory.

Richard said more than likely it would sit and decay and become a condition that would be worthless. He said no one has spoken up and expressed an interest in the building other than the

City and the City had gone to several private parties to see if they would be interested.

Councilor Conrad asked if it would be a possibility that waiting would have the price come down.

Richard said probably not.

Councilor Conrad said she understood that it would be years before the City even was in the position to use the building.

Richard said if the building sat with the current conditions of the roof and down spouts it would be destroyed in a matter of just a couple of years.

Councilor Conrad said another concern she had that she brought up at the Budget Committee meeting, was that eighty-nine percent of the City's money was in capital assets already and this would increase the percent in capital assets. Did the City want that kind of priority in the budgeting for the City.

She said another concern was how realistic was it to obtain the grants. She knew in the Budget Committee meeting that grant money was not put into consideration of the budget because, and many people agreed that grants could not be reliable. She said this plan was relying heavily on grant money which was inconsistent and created a lot of misunderstanding. Another thing about grants, especially if trying to get grants to pay for the operations, was they had to be renewed repeatedly and were not renewed forever. She said the grants also had high competition. If grants were received, would the City have matching funds available if needed.

Councilor Conrad said she understood Richard on the radio this morning stating it would cost \$80,000 a year for upkeep and asked if that included grant money.

Richard said it was without grant money and was figured on potential uses and volunteer work.

Councilor Conrad said they were talking about \$80,000 a year coming from the City's general funds. She said she believed the process should be that if the City was going into any kind of financial transactions, there should be a plan and what she was hearing was let's buy the building and then we'll plan. She said she couldn't trust that process including a beloved historical building. She said the fixing of the roof and down spouts that the City staff would do were added costs. She asked about the proposed agreement on the second page where it said something about the City shall pay other taxes, liens, assessments, charges, if any of them existed for the building.

Richard said no.

Councilor Conrad asked about the language on page 2 that said "the City may remove at the City's expense any improvements located on the property" and if there was any expense for that.

Richard said what it was saying was the City could remove or change the facility which was typical wording in a contract, that the City would pay for any improvements to the facility.

Councilor Conrad asked if we should put the City in debt again which would be a continuing debt of at least \$80,000 a year from the general fund. She said maybe the proposition before Council was too premature, maybe the City needed to wrestle a little bit more with the figures or to find out a little more about how realistic the grant money would be. She suggested having a public forum now as to what to use the building for in order to target the grants. She said as it stood now she couldn't support the plan.

Councilor Clark asked Richard if he could explain the comments he heard regarding the connection between police officers and the Armory.

Richard said he didn't know if he could. He said currently the City paid \$79,000 a year for the purchase of the Row River Trail property which ended in December, 2010. He said that money would go back into the general fund when that loan was paid. He said the money from the City Shop renovation would be paid off in a couple of years which was another \$26,000 a year that would go back into the general fund. He didn't see how the purchase and operation of the Armory would jeopardize or harm the police department in any way. In fact, he said the operation of the Armory where the City was providing services for youth and helping to provide youth opportunities in the community might reduce some of that issue and need for additional officers.

Councilor Clark said wasn't it true that anywhere the City spent money hypothetically the City could have hired another police officer.

Richard said you could do it for the library and cut a librarian.

Councilor Clark said Councilor Conrad had said that the plan was to buy and then plan. He said that wasn't what he heard. He asked if that was the plan.

Richard said it did need to be purchased and then consider what would really be done with the facility just like they did the community center and library. A general idea was known about what would go into the building but partnerships were discussed with other agencies to use the building. He said there were partnerships with the Boys and Girls Club and Campus Life and the potential for them to work with the City on the facility. Grants had been looked at and they were competitive, but there were a number of grants that typically were only given to the East Coast and some of them established a trust for maintenance, an endowment that was there and didn't need to be reapplied for.

Councilor Clark said he heard the immediate plan was to buy the building, fix the leak issues and then seal it up so it didn't deteriorate.

Richard said that was the immediate plan and the cost for fixing it should cost less than a couple of thousand dollars before sealing it up.

Councilor Clark asked Richard to talk about the eighty-nine percent that Councilor Conrad brought up and asked where the City wanted the value to be.

Richard said it wasn't eighty-nine percent of the City's money, it was eighty-nine percent of the City's total assets. He said the City built roads, water plants and sewer plants which were brand new so the value on capital assets would be high. The City had phenomenal assets and that was what cities did. Trying to compare Cottage Grove to Tillamook County or other places that had less assets or less services didn't work. Was it a bad thing that the City had capital that could be used for the public benefits? No. He said he thought having the resources in place was a great thing and showed that the community had thought ahead of what was needed for the future and to provide the services.

Councilor Clark confirmed that capital assets were things that the City owned or were buying. He asked if the project would put the debt service unreasonably high.

Richard said no.

Councilor Clark asked where he would compare it.

Richard said the City's debt was actually going down due to the debts that were being paid off. He said the loan with the Military Department was a no interest loan.

Councilor Clark asked Richard to talk about the \$1 issue. He asked what the lowest offer the City made for the Armory.

Richard said the City offered \$180,000 initially which was rejected and through negotiations they came up with the price of \$395,000.

City Attorney, Sean Kelly, asked if the Oregon Military Department could sell it to the City for \$1.

Richard said no. They had to prove to the legislature that they got what they could get in a fair market value.

Councilor Clark asked Richard to talk about the Budget Committee issue. He felt like some of the Budget Committee members thought Richard pulled a fast one on them.

Richard said he was in the middle of negotiations with the Military Department during the budget process and they did anticipate bringing it forth but didn't know when.

Councilor Clark asked if he purposely withheld the information from the Budget Committee.

Richard said no.

Councilor Clark asked if there was any chance they could get the defense department to defer all payments for ten years.

Richard said they might be able to but the military department might want more down than one dollar. He said when they were negotiating it was talked about the need to defer and push it back a little bit and initially he thought he had the first three years at no payments but the military department came back with the half payments. He said it might be stretching it to ask for ten years.

Councilor Clark said he thought it was worth a conversation. He said he sat through the Budget Committee meetings and he wasn't running for Council so he wouldn't be sitting on the Council in six months but he said listening to the discussion of the pool and now the discussion of the Armory, made him realize that there was a need to preserve the community. He said what he heard Richard saying was that it was doable and the City had a chance to preserve a very important piece of history. He said he had lived in Cottage Grove all his life and he couldn't imagine the Armory with boarded up windows and rain ruining the basketball floor just to save the City money. He said he hoped it would be considered as Council went forward with the discussion. He said there were things in the community worth preserving and there were ways to preserve them and he appreciated the effort of staff and thought staff could go a little further and he didn't have a problem with that. He said it was worth it to preserve a part of the community.

Councilor Conrad said she didn't think anyone could not agree with preserving the heritage of the community and she wished it were that simple. She said to clarify what she had been researching was that eighty percent of the budget was in capital assets. She didn't bring papers with her but said it at the Budget Committee meeting that there was a City that had eighty percent of their budget in capital assets and their auditor said it was a very high figure so Cottage Grove's was higher than high with eighty-seven percent. She said the auditor also made a statement that it meant less of the budget was spent on services. It was a matter of priorities, did the City want the budget balanced so the City had enriching services for citizens or capital assets. She said the City would love to preserve the Armory and bridges and everything else but it was a matter of setting priorities.

Councilor Murphy said she appreciated all the input prior to the meeting on both sides of the issue, it was a difficult issue and she liked a lot of what she was hearing from different sides. She said she had the opportunity to attend an event at the Ashland Armory which the City of Ashland purchased and renovated and it was amazing and gorgeous but she didn't know the details. She said their citizens heavily invested in the parks and their historical heritage and they had a lot to be proud of. They had renters, offices and a huge beautiful room. She heard Mr. DelSol's concern about where was the public input and asked Richard if the City had or would have some kind of forum or town hall.

Richard said the idea was to have an actual event at the Armory and conduct a forum where there would be tours to show everyone the facility and get input on what the potential uses could be. He said there currently wasn't any electricity and there was no toilet facilities so the City would have to bring in some portable restrooms. It was also not ADA accessible so that would have to

be addressed. He said not having ownership of the building would make it difficult to have such an open house or forum.

Councilor Murphy said it was an investment and when talking about education and getting the word out obviously people were concerned about water bills changing, structures changing and how could the City afford to do something like this. She said she thought the City needed to do a stellar job of getting as much information out to the public as possible so that people could make an informed decision and have input in the process.

Councilor Gowing asked how much of the renovation could be done with volunteers and donated supplies.

Richard said he didn't know but some could probably be done such as painting. Supplies could be donated and were more flexible under the laws.

Councilor Fleck said for clarification as to how the police component fit into the issue, he started his council career in the 1999/2000 budget year at a time when it was being looked at cutting police and fire fighters and because the City could no longer afford it, the fire department was spun off into a fire district. Measures 5, 47 and 50 had limited the amount of money that the City received and expenditures were outpacing revenues. He said even with the City paying off several loans over the next couple of years, expenditures would still outpace revenues.

Councilor Clark said his point was \$80,000 to \$100,000 that a police officer was going to cost the City could come from anywhere in the budget. It was convenient to say if the City purchased the Armory it would cost the City a police officer. He understood Councilor Fleck's point but any decision made could cost a police officer or a librarian or a person at public works.

Councilor Fleck asked what percentage of the budget was police.

Richard said sixty percent of the general fund budget was police department operations.

Councilor Fleck said it meant that if general fund dollars dwindled and sixty percent went to police operations that it could impact it.

Mayor Williams said the City should purchase the Armory and renovate it and use it for a host of reasons. He said the City owed it those who originally built it and owed a greater debt to those who served in that building in the military. He said the young people deserved the City's investment in them, something the City hadn't done a very good job of in Cottage Grove. He said regarding the parking issues, he recently toured the armory in McMinnville which was also built in their downtown area. He said most armories were built in downtown areas and they all had the same issue with parking. He said they weren't one hundred percent self-sufficient but

any investment made you pay the principal and in some cases you paid principal and interest and in the end you end up with something that was worth the investment and he believed the

purchase of the property was.

He said the community had time and time again demonstrated that they can do whatever they put their mind to and in the last six or seven years the City had doubled the parks and open space in the community. Where would the demeanor of the community be without parks and open spaces. There wouldn't have been created the opportunity or climate for the Bohemia Foundation to take a brown field in the center of the community and convert it to a useable park. He said he was Mayor when the Council labored the issue of buying property from the railroad for the existing City shops and they heard the same things then that they are now about it not being a good time or the City couldn't afford it. He said he appreciated everyone who had stepped up and offered their opinion, whether pro or con. He talked about the old library and the new library and community center. He explained the 2004 All American City application process and said it wasn't until after they filed the application that the game plan was developed. He said Cottage Grove was a can do community. He talked about grant opportunities and what the City received last year in grant funds and that the City was fortunate to have good staff that knew how to write grants. He said it was a project the City could do and must do and it will be looked back on as a good decision.

IT WAS MOVED BY COUNCILOR MUNROE AND SECONDED BY COUNCILOR GOWING THAT CITY COUNCIL ACCEPT THE LAND SALE AGREEMENT AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE AGREEMENT WITH THE OREGON MILITARY DEPARTMENT FOR THE PURCHASE OF THE COTTAGE GROVE ARMORY.

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
NAYS	X					X	
ABSTAIN							

(b) Request for Economic Development Loan Agreement Between the Village Green Resort, LLC and the City of Cottage Grove

Councilor Fleck recused himself and left the council chambers.

City Manager, Richard Meyers, said Council had before them the Promissory Note for the investors for the Village Green. He said the Village Green had acquired the \$250,000 in private investments and it had passed the deadline set by the Council but they were requesting that the Council consider allowing the City to borrow the money from the Council, to use to increase the overnight stays and development at the Village Green. He said the three investors were Glenda Koyama, Ivan DelSol and Gary Swauger who have pledged \$250,000 to the Village Green.

Mayor Williams asked Melinda Thompson, Manager of the Village Green, to come to the microphone.

Councilor Conrad said some of the discussion about the City borrowing money to loan to the Village Green said it was urgent and had to be done now. Why didn't the Village Green go to the County directly and ask for a County grant, which the County did have, and the answer was that there wasn't enough time. Other discussion was why didn't the Village Green do the upgrades in increments and the answer was that it was needed now and had to start in July, there wasn't enough time. She said the deadline passed and it seemed to her that the urgency wasn't urgent and why couldn't the Village Green go to the County directly for grant money and why couldn't the Village Green take some of the private investment money and do things incrementally.

Richard said the County had a cycle that was used for the transient room tax and their economic development funds and when they had their openings for the grants, that was when you applied. It wasn't something that could be applied for throughout the year and that was where the difficulty was, that opening had already passed. He said the urgency was still there and the project still needed to be done. The County had stepped up and created the fund to be used by communities like Cottage Grove and they didn't want to loan directly to organizations, they wanted to loan to the local jurisdictions.

Councilor Conrad asked if it was known when the next applications would be reviewed by the County for their community development.

Richard said he believed it was in November.

Councilor Conrad said that was doable and seemed that the plan or urgency for the Village Green was to get the work done this season and that had passed. She said they now had time to apply for the County grants directly and do the upgrades in increments and have time to get it done by next season. By doing that the Cottage Grove taxpayer money wouldn't have to be put at risk.

Melinda Thompson said the Village Green was hoping to get the roofs and carports done and get the room renovations started before the rain season.

Richard said it was important to note that November was the time when the applications went out but they weren't awarded until January or February. The Village Green would then be looking at starting construction during the next season when spring came around and they would want the renovations completed. He said it wasn't timely for them to wait and apply to the County directly. He said the County had created the fund and if the City didn't use it, it would go to another community.

Councilor Conrad said she felt it about the Armory and was feeling it now, that Richard's role was to be a seller of an item and she wondered if Council could have both positive and negative sides presented. She said she didn't like to see the City Manager in the role of seller but to see

the City Manager in the role of comprehensive presentation of all information both positive and negative. She said she didn't mean to put Richard on the spot but she thought that was what was going on.

She said part of the discussion earlier was that the bank wasn't giving loans, therefore they had to put the taxpayer money at risk. She said the City had already had experience where one business in Cottage Grove did receive a bank loan so it made her question if the bank could recognize a successful business and give the loan. She said somehow the bank was seeing the Village Green as the risk was too high to create a bank loan. She asked if the City had any information as to how worthy the personal guarantee was.

Richard said it was in the contract that it was a personal guarantee and binding on the person who signed it, which would be the owner of the property.

City Attorney, Sean Kelly, said the City was provided with some personal financial records from the owner of the Village Green LLC, which owned the hotel. He said as he had indicated to her previously, he wasn't a financial consultant but the documents were available and have been in the City Manager's office for review. It didn't seem appropriate for him to copy the documents and provide them to all the Council members.

Councilor Conrad said she was coming from a point of trying to be a good steward of taxpayer dollars and it was a high risk venture.

Sean said it was a very appropriate question.

Councilor Conrad said regarding the personal guarantee, if there was enough money to be worth something or if there was so much money that he could use his own money as guarantee.

Sean said they were great questions but he couldn't answer other than to say there were documents available for Council to review.

Councilor Conrad said in the promissory note there was a paragraph that said if any payment was not paid within ten days after the same became due the entire amount of principal and accrued interest shall be immediately due and collectible. She said it sounded like if they missed a payment, the City could force them into bankruptcy.

Sean said theoretically the City could foreclose and demand payment, if payment had failed and he had tried to create the documents to secure the money as best he could. He said he put the language in the documents to give the City all options available but that they wouldn't necessarily have to do them.

Councilor Munroe said Councilor Conrad made it sound like the fund was coming out of property taxes and he understood that it was a defined fund that was raised through other sources of revenue.

Richard said the fund was from transient room tax and economic development money from the County. He said the City would be paying it back from the payments that would come from the Village Green. He said what Councilor Conrad was talking about was if the Village Green defaulted and didn't make the payments and the City exercised the guarantee and did the process and nothing worked, then it would come from property taxes. He said there was a lot of guarantees that had been put in the promissory note and contract. There was a personal guarantee, the life insurance and the note and trust deed.

Councilor Munroe said in reality the City was not only making money on the interest on the loan, but the room tax revenue would increase as well.

Richard said he didn't have the figures, but it could be a substantial increase.

Sean said it was the ultimate goal for the City was to increase revenues from increased transient room tax funds and from the interest the City charged on the loan.

Richard said in the worse case scenario, with the County Commissioners and the fact that they have used transient room tax and economic development money that was intended to go for these purposes, the City could request a forgiveness of the loan if it came to that point.

Councilor Clark said he was probably the biggest skeptic on the project but he congratulated Melinda for hanging in there and said it was an interesting and new process for Council. He said Councilor Conrad used the term "high risk" and wanted to know how high a risk they were looking at.

Richard said on a scale from 1-10 he would guess a 2 or 3. He said he based that on what the City had done in the agreement and the record of the Village Green and the types of groups and events that used the Village Green.

Councilor Clark said if for some reason it didn't work for the Village Green, what was the monthly payment that the City would be obligated to the County for.

Richard said the payment for the County was due and payable at the end of the loan.

Councilor Clark said the City would have five years then to come up with the money to pay the loan back.

Richard said yes.

Councilor Clark asked Melinda what their plan was with the money.

Melinda said they were planning to remodel fifty-one rooms, a lot of which did not have air conditioning or adequate heat, which she couldn't currently rent out to groups because of that fact. She said they would be complete upgrades with new beds, TVs, drapes, carpet and new paint. She said with the upgrade they could compete with the Valley River Inn, the Eugene

Hilton, the Comfort Inn or whoever. She said they looked at the facility as a group conference hotel and that was what they booked most.

Councilor Murphy asked Sean if there was any changes to the City's agreement.

Sean said per Council's instruction, he made it a construction loan so the money would go out when invoices for work had been submitted for payment and only for the specific rooms that had been identified for upgrade.

Councilor Murphy said in the agreement from the private investors, she noticed that there were three investors and there was only two signatures.

Richard said there was a faxed copy at the back that had the signature for the third as he lived out of state.

Councilor Murphy said to Councilor Conrad's point regarding Richard's responsibilities, she had a different perspective. She said she thought Richard's job was to filter information and bring it to Council and certainly he was a cheerleader so to speak for some of the things and she believed that Councilor Conrad did put him on the spot. She said she appreciated that he came with a positive view and when Council asked him a targeted question he always gave them an honest answer.

Councilor Clark said he would like to say that Richard was always quick to tell him when he was crazy. He hadn't gotten the feeling that Richard was saying what Council wanted to hear or was in the back pocket of whoever was standing at the podium.

Councilor Gowing said regardless of where the fund came from, if the County Commissioners had it to pay, didn't that mean it was taxpayer money regardless.

Richard said if you went that way, it was taxpayer money because it was transient room tax money and was economic development money which were from taxes. He said the economic development money was actually lottery funds, a form of taxation, that was restricted to specific uses and the County had to use it for economic development. The transient room taxes was a tax on those services that were done in the lodging industry. It was a specific amount that had been set aside by the County Commissioners which had been pulled from the fund into the new fund to enhance and develop overnight stays and that was the sole purpose of that money that had accumulated in the transient room tax and the portion they put into the overnight stay development fund.

Councilor Gowing asked Melinda if they had gotten quotes for the construction and if was going to be enough.

Melinda said they had gotten quotes and it would be enough for what they were purposing to do.

Councilor Gowing said he made it clear the last time the Village Green topic came up that he

wouldn't be supporting the loan but was in support of the Village Green being saved and was glad that the private investors came up with the money.

IT WAS MOVED BY COUNCILOR MUNROE AND SECONDED BY COUNCILOR CLARK THAT THE CITY COUNCIL APPROVE THE ECONOMIC DEVELOPMENT LOAN WITH THE VILLAGE GREEN LLC AND AUTHORIZE THE CITY MANAGER TO SIGN THE AGREEMENT.

Councilor Conrad clarified some of the statements she made earlier. She said she believed the role of the City Manager was to inform the City Council of all aspects, both positive and negative, of what was before the City. She said she hoped the deal worked but didn't spend taxpayer money on hope. She said if it did fall through, then the City of Cottage Grove would have to pay what was owed the County and it would come out of the City's budget. When she said it was high risk she was referring to the fact that the last four to five years the Village Green had been losing money and some of their assumptions that the customers for the RV Park would increase when records showed that the RV use had been decreasing. She said the assumption was that in 2010 there would be an increase of four percent of room rates and that was with the new rooms available and the new rooms had not been available. She said it assumed decreased expenses in 2010/11 even though the facilities plan was to increase business. She said she hoped it succeeded.

Mayor Williams said one thing that hadn't been touched on was the half million dollars in job creation that would occur when construction started. He said it was also hope for the Village Green employees who were raising young families and needed to have flexibility in their jobs to deal with life issues. He was very supportive and the economic impact to the community would benefit everyone.

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
NAYS		X				X	
ABSTAIN							

(c) Report from the City Manager

City Manager, Richard Meyers, reminded Council that the Oregon Mayors Association Conference was going to be held at the Village Green beginning Thursday, July 29th. There was approximately 60+ Mayors that registered for the conference. There were thirteen Mayors signed up for the golf tournament and approximately 20+ signed up for the first ever disc golf tournament. He said the Mayors would be having lunch on Friday at the Dorena Covered Bridge and on Saturday they would be having lunch with pilots of Stearman aircraft at the Aviation Museum and one lucky Mayor would win the auction for a ride in a Stearman plane. He said

both gubernatorial candidates were scheduled to speak to the Mayors Association.

Richard said he had been in contact with the Eugene Disc Golf Club and every year they had a large nationally recognized disc golf tournament in Eugene, typically held at Dexter Lake. He said this year it would be held in Eugene again, but they were highlighting Cottage Grove's course and there would be close to one hundred fifty disc golfers.

BUSINESS FROM THE CITY ATTORNEY

(a) Report from the City Attorney

City Attorney, Sean Kelly, said Councilors were elected representatives of the people of Cottage Grove and frequently there were items that came before Council such as litigation or real estate decisions, that came to Council in executive session. He said during the executive sessions information was exchanged from staff to Council and guidance was asked for from Council on how to proceed on a particular item. Guidance was given to staff from Council and followed up. He said for anyone who has purchased or sold a piece of real estate knew that for that information to be made public at that time wouldn't be prudent. When the information did become public it might appear as though there hadn't been guidance from the elected officials or specifically from the people of the community when in fact, there could have very well of been a great deal of guidance and information exchanged prior to that time.

PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

Sue Rosenthal, 602 Main Street, Cottage Grove, read a prepared statement. "I found the memorandum dated July 7th about the closure of Washington Avenue to be very troubling, not only from a business perspective but also as a resident and homeowner of Cottage Grove. The memorandum I felt marginalized my twenty-four years as a business owner and ten years currently as a property owner in the core area. According to the memo the closure was based on the perception that Cascade contributes to the success of the core area just by the fact that they are there. Our core area is not a tourist hot spot. Our businesses are mostly destination driven including Cascade but it would be interesting to hire a private company to actually do a tally to see just how much traffic they truly generate for all our businesses in the core area. The fact is that this argument reminds me of one that was made by LTD supporters. The bus will bring shoppers here, ten years the argument has been nothing but a ruse. For those who would use this as a doom and gloom if it's not allowed, I would acknowledge that I've heard that before. In fact I have heard it since I was a child. First time was after the J.C. Penney's fire and then the closure of Casey Drugs, Leos, Knickerbockers, Pen and Press, First Interstate Bank, the post office, the Hoover Building where I now reside. We now have more people invested in building ownership locally than ever before. Democracy according to the dictionary was political and social equality for all peoples. So if we are making allowances for one business, what allowances will be made for the rest of us. Now on July 22nd I met with Mr. Devine and expressed my concerns about the five day process. From July 7th, the date on the memo, to the date on the easement agreement was five days. Now I am half a block away and I was told well the City really doesn't know what the process is exactly for this. I would beg to differ. With private development, it goes through a

process through planning and yet you were going to give the street away with no public input other than the five days which none of us knew about. I have a problem because I keep hearing we have to buy the armory at fair market value right, they can't give it to us and yet you're by definition allowing an easement for Cascade for twenty-five years at no cost. So what's in it for me. The street is not worth preserving because it hasn't been there only what a week or two weeks, it has been there forever, I have used it for sixty-one years as a thorough way and now they are willing to block it off for the benefit of a business. Now I understood that Mary was here from Farm Hand, so I guess I am asking you as a citizen and as a business owner, not only prove to me that they are entitled to this, not pushing it back to the planning commission, so we have another process to go through. Explain to me why they are entitled to a public street, at no cost, and even if they paid for it, why would you give that time them, I don't understand this. So maybe through the evening perhaps there could be some dialog but to kick it back to the planning commission now which was done I assume at the last meeting from what I hear, what's that all about? If we had known, if we had all known in the community what was going on, maybe people would have attended a hearing and given more input but I am personally offended that this is the process you use with public property. And again I go back to what is fair market value for a street? Thank You."

Frank Long, 1245 Edgewater Lane, Cottage Grove, said he wanted to take a moment to say that attending tonight renewed his faith in democracy and in the ability of diverse people and people who have sometimes radically different ideas, to agree and to act. He said he was gratified that he felt a movement forward. He was very proud of this community and he had been involved with getting some things done that had been important and it involved going to friends for support and the support had been overwhelming. He said it was a rare town that was able to do what needed to be done. He thanked Council for spending their time and effort and energy on this item.

Rod Scoggin, 615 Main Street, Cottage Grove, said that granting the easement by the City to an individual was discriminating to the rest of citizens of Cottage Grove. He wanted to know where or what was the compensation because the amount of road that would be given as an easement was larger than the size of land that the armory sat on which was said was approximately \$200,000. Some kind of compensation should be given to the owners of the surrounding property or the people who would be hindered by the change of not being able to use the road on a daily basis. He said Council was giving additional property to a land owner to have additional parking or a loading zone. There was a way to make the property that was adjacent to their property a loading zone without getting rid of the City street, there were other ways to do it and was doable. He said he was on the planning commission for twelve plus years and never heard of anything like this happen. There are sunshine laws and this should have gone to a public hearing prior to signing or giving conditional use because it was a conditional use whether it was a permit or however they wanted to do it. He said if the City was going to close off the street, there should have been a traffic study done prior to closing the street because if people didn't go down Washington, Adams was the next street over and if you looked at Adams it was a very congested street and those property owners would have to look at vacating some of their parking. He said he would like to see the people of Cottage Grove treated fairly because a year ago at this time, he saw that a business owner, Bill Arps, had a fence put up between their property and

Washington Street so that there wasn't direct access off of Washington which was a dead end street but he was told he couldn't have that portion of the street but Cascade you can have it and that wasn't right. So far he had seen that it was a secretive document and it showed that the arrogance of those involved and he felt that in the future that everyone needed to have an open discussion. This was a City and closing it down and doing it in silence was the wrong thing to do.

Leslie Neufeld, 538 E. Main Street, Cottage Grove, expressed her concern on the easement for Cascade. She said she used Washington three or four times a week when running errands and there was usually two trucks unloading and she was rarely inconvenienced. She said Cascade already owned two parking lots, one basically rendered the old post office unusable as retail space as it now didn't have a parking lot and now Cascade needed more parking. She said she bought a lot of supplies for costumes from Cascade and if they were located elsewhere she would still shop there. She said as far as a lot of customers being brought downtown by them, she didn't recall a plumber, a contractor or home improvement customer saying that while they were waiting for their order, I'll go get a tattoo, buy some quilting fabric, an antique armoire and some baby ducks. She said the easement seemed to show favoritism and also seemed unnecessary. Unfortunately we live in a small town in a park and shop world, not a park, walk a little and then shop world. All the businesses downtown needed loading and unloading spaces and more parking, it just seemed unfair.

Kathleen Arp, 32347 Goddard Lane, Cottage Grove, said she was part owner of Bill's Automotive and wanted to address the easement for Washington Street. She said it seemed a shame to her that all of the businesses in Cottage Grove, whether they be big or small and whether they had been here fifty years or for six months, should be treated fairly and the same. She said it was a shame that it didn't seem to be happening. She said they had tried to purchase, along with John Hudson, the dead end street but were turned down three different times. She said that was fine but this didn't make any sense to her. She said Bill's Automotive had been there, a family owned business, since 1972 which was along time. She said there were a lot of other businesses who had been in town just as long, and they could all use another parking lot, a City street to load things or maybe they wanted extra room to store things. She said she thought Council was sending out a message to all the people in Cottage Grove and all the businesses that if the City Council deemed them somebody special then they could have something special. She was fine if they needed more room, maybe they should buy a bigger place or move, everyone would still go there. She said she goes just outside of town to Boyce & Sons to buy things and didn't have a problem with that because they liked to keep the money in the community. She said everyone in Cottage Grove would do the same thing. She felt that Council should re-look at it and see if they were being fair to everyone else and what kind of message they were sending to the community.

Dan Duffy, 32526 Doolittle Road, Cottage Grove, said his concern was about the process. He said it seemed like it was a trend with the City, although it was only his second Council meeting, that very important measures were passed in five days. He said the measure for the abandoned street was passed in five days, the measure for the PERS thing that you passed tonight, was passed in five days. The thing for the Armory was passed with numerous questions unanswered.

The thing for the Village Green had all kinds of unanswered questions. It reminded him of the federal government and the stimulus package and the bailouts. They say it had to be done today or the sky was going to fall. The sky hasn't fallen and there was no reason that couldn't wait for more questions to be answered or a better plan to be made. He said Council may want to reconsider the way Council was doing things. He thanked Councilors Fleck, Murphy and Clark for bothering to show up tonight, they didn't bother last meeting when the other important issue was in front of the Council.

John Rosenthal, 1168 Pennoyer, Cottage Grove, said he didn't know about anyone else but he thought he had been inconvenienced enough by cars moving in and out of Arp's? And mattress trucks parked in front of homesteads and he thought we ought to give them some area too so he was not inconvenienced. Everyone deserved it.

Sam Raffel, Cottage Grove and Lorane Road, said he lived many years in New York City and never heard a thing of this ever happening in New York City and the traffic there was unbelievable compared to Cottage Grove. He said it seemed like he had read in the Sentinel it was a done deal and it was going to be signed at the next meeting in August and never even heard about it. He said something was wrong here and not being done for the public. He said we weren't involved and he hoped it wasn't too late for different thinking of what Council was going to do.

Frank Long, 1245 Edgewater Lane, Cottage Grove, said it seemed to him that Cascade was trying to keep their business in town as opposed to moving out somewhere and maybe having more space then they would ever have in town and the potential to become something like Jerry's. He said it should be considered that maybe they were trying to do something good for Cottage Grove and not just take advantage of the other businesses in town. He encouraged everyone to keep a more positive attitude then he was hearing and at the same time it was important if there were grievances to get them out in the open so they could be dealt with.

Councilor Fleck said he was not at the last Council meeting but he would have recused himself had he been in attendance because of a conflict of interest. He said in ten years his guesstimate was that he had made about one hundred eighty meetings to the body.

Jake Boone, 823 Birch Avenue, Cottage Grove, said the use of Washington Avenue was something of value to the citizens of Cottage Grove and he understood that Cascade Hardware's desire or need to use the space however he did think that if they were going to have the easement there should be an exchange of some kind of value associated with it. He said he didn't know what a fair price was but he was guessing somewhere north of zero dollars and it would be appropriate to find a fair price, affix it to that, before deciding to hand over the easement to Cascade Hardware.

Mayor Williams said it was after ten o'clock.

Councilor Murphy said regarding the assumption that they didn't show up for the last Council meeting, she was gone for work related purposes. She said there wasn't an absentee rate on the

Council that was anything of significance. She said her absence was pre-excused and everyone knew why Councilors were gone.

Councilor Clark said it took a surgeon's knife for him not to attend.

Councilor Fleck added or a sister's wedding.

Councilor Conrad said she had always been a proponent of people coming up to the podium to speak and to honor diversity and not be destructive towards each other and this was one of the best meeting nights she has had ever experienced and thanked everyone in the audience and the other Councilors for the wonderful discussion and comradery.

Henrietta Cunningham, 636 S. 2nd, Cottage Grove, said at this point because Council would like to close the doors, she suggested that the conversation be continued at the next council meeting instead of anyone trying to make a decision without those people who supported the community and were the community who still had something to say. She said it sounded like a lot of people who were totally unaware so until it hit the paper next Wednesday, there would be more people with something to say and she thought it not be justified that those who would still like to have said something had been cut off because of time limits.

Ivan DelSol, 1765 Parks Rd., Cottage Grove, said he was definitely inconvenienced by the easement. The route around went by his house and that route was how people parked in front of his commercial building. He said he thought it was a reasonable idea because he saw how Cascade would benefit and it was an important business in the downtown. He said he thought Council may have been able to convince people if they had been contacted and talked to about the easement, but the way it went down was fast and seemed sneaky even to people who read the Council Agenda. He said if it were brought to the public and people were talked to, then there could be some buy-in but the way it was done, he didn't support the easement because it was done so wrong and so sudden and behind the scenes. He agreed with everyone that it needed to be talked about and brought to the public.

CONSENT AGENDA

Councilor Conrad asked to have the minutes from the June 28, 2010 meeting removed from the Consent Agenda.

- (a) June 28, 2010 Regular City Council Meeting Minutes
- (b) "Look Me In The Eye" Proclamation
- (c) "Americans With Disabilities Act" Proclamation

IT WAS MOVED BY COUNCILOR CONRAD AND SECONDED BY COUNCILOR GOWING TO REMOVE THE MINUTES FROM THE JUNE 28,2010 COUNCIL MEETING AND TO APPROVE THE CONSENT CALENDAR AS AMENDED.

The vote on the motion was as follows:

25- Council Meeting Minutes, 7/26/10

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

Councilor Conrad said Council had been provided with a Memorandum regarding the changes to the minutes of the June 28, 2010 Council Meeting.

IT WAS MOVED BY COUNCILOR CONRAD AND SECONDED BY COUNCILOR GOWING TO APPROVE THE MINUTES FROM THE JUNE 28,2010 COUNCIL MEETING AS AMENDED.

The vote on the motion was as follows:

VOTE	Councilor Fleck	Council Gowling	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 10:09 p.m.

The next regular City Council Meeting will be held August 9, 2010 at 7:30 p.m. in the Council Chambers at City Hall.

Trudy Borrevik, City Recorder

Gary Williams, Mayor