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MINUTES LYONS CITY COUNCIL MEETING October 16, 2012

OPEN MEETING 6:00 P.M.

The Lyons City Council Meeting was called to order by Mayor Doug Morgan. Present were City Councilors Mike Lucas, Troy Donohue, Lon Conner and Dan Burroughs. City Staff in attendance were City Manager Mary Mitchell and Assistant City Manager Audrey McNerney.

GUESTS. Michelle Gates, Steve Baldwin, Denny Hoop, Joyce A. Foltz, Barbara Orr, Mark Orr, Linda Conner, Judy Lucas, Ron Barker, Dick Voltin, Gary Schrader, Michelle M. Keirse-Coulibaly, Leanne Lail, Deputy S.R. Church, LCSSO, Wayne Eggiman, Dennis Perry, Newell Robison and Brenda Harris. Attendees whose names were illegible on the sign in sheet may be misspelled or not included.

Mayor Morgan asked that all stand for the Pledge of Allegiance. He then inquired as to whether there were any declarations of conflict of interest or ex-parte contact regarding the agenda items. There being none, the meeting continued.

Steve Baldwin – Address to Council. Baldwin read from a written statement a copy of which was provided to Council. A copy of this statement is available upon request. In this address Baldwin expressed his desire to be a healing voice for the community and discussed the issues which have resulted in animosity among certain members of the community and certain members of the City Council. He discussed the fact that for the past two years City Council meetings have become “ugly and nasty” with neither side willing to back down. He also expressed his concern for City staff who have been “caught in the middle” and who have tried to do their best to meet the demands of both sides and have been attacked for only doing their jobs. He said that both sides started with the best of intentions but that it was time to stop the fighting and turn over a new leaf. He ended his address by stating “Those of us who haven’t taken sides are saddened by watching all this.”

PUBLIC COMMENTS TO COUNCIL. Morgan announced that if anyone would like to comment or address the Council, this was the time to do so. There were no comments.

Morgan read a letter from Doug Miller, Public Works employee, addressed to the City Council Members and Mayor for the City of Lyons. This letter was regarding the October Planning Commission Meeting. A copy of this letter is available upon request. Miller's letter stated that he had recently requested permission from City Council to park a travel trailer on City property. City Council had directed Staff to move forward with an Application for Conditional Use to Planning Commission. A public hearing for approval of this Application came before the Planning Commission on October 9, 2012 and began with the residents of 13th Street voicing their opinions on this issue. His letter stated that at this point in the meeting comments were directed at him and that a resident, who is also a City Councilor who had in intially been in favor of the idea, said that he (Miller) could seek employment closer to Albany (where he lives); that everybody has to travel to their place of employment; why should he be treated better because he was a City employee; and that maybe we (the City) should hire a local who does not have to commute to work. Miller's letter went on to state that a Water Department spokesman said that they (the Water District) would start charging the City for water if it (the application) was approved. The letter also stated "The rudeness & hostility toward me & Audrey for the application for approval was uncalled for. Some of the members in the audience who represent the City or who are running for office acted completely hostile and unprofessional as far as I was concerned." Miller's letter said that he had not expected this kind of reaction from the public and especially by those who represent or want to represent the City and that he had advised Mitchell and McNerney that if residents did not approve of his parking the trailer by the City shop he would rescind his request. Miller closed his letter by stating "Hopefully people will in the future act upon the application at hand and not the person or persons whom submitted it."

Donohue stated that he did not think the letter was fair because he was not representing the City nor was he acting as a City Councilor at that meeting. He said that previously, when another Council member had acted outside of his duties as a City Councilor the City went to his defense. Donohue also stated that he felt that because of his friendship with an individual with whom the City has problems he was being retaliated against. He said that his words were not "the City should hire somebody in the City." Donohue said that he did make the statement as a personal resident because the application stated that it was a financial burden for Miller to drive from Albany to Lyons to go to work and that if the City is not paying him (Miller) enough then this was an option. Donohue stated that he was not acting as a Council member at that meeting and that he took personal offense to the fact that he was being portrayed as being a vindictive Council member in Miller's letter.

Morgan noted that Miller's letter had been addressed to the Mayor and to the City Council and stated that Donohue's comments would be noted in the Minutes.

There were no further comments.

DISCUSSION ITEMS

Mitchell – Addressing Issues Raised During September Meeting. Mitchell stated that there were multiple issues raised at the last Council meeting by Councilor Donohue which she had researched. She said that after such research she had determined that there were some issues that needed additional

clarification. She referred to her memo to Council and invited Donohue to correct her if any of the matters referred to therein were inaccurate.

Issue. Mitchell did not have authorization to pay to July bills.

Donohue said that they were not voted on so how could the City pay them.

Mitchell responded that a Council meeting was held on July 24th and a motion to pay the July bills was made and passed unanimously. Mitchell commented that she had researched this matter, there was a meeting and they (the bills) were authorized to be paid.

Issue. All bills were to be brought before Council with the exception of utility bills before payment is made.

Mitchell asked Donohue if that was accurate. Donohue said that he did not have the exact information before him.

Mitchell referred to her memo and read as follows:

On February 22, 2011 – Mayor Morgan recommended that “we pay the bills as they come in and have a report cut at the end of every month prior to the following Council meeting which shows the activity for the past month.” Lucas asked “what would happen if there is a question on one of the bills that has been paid. Mitchell said (quoting from prior minutes) that from prior experience she knows the type of bills that might be questioned and if there is a possibility that a bill would be questioned, it would not be paid until it was brought before Council for approval. Lucas said that we had just had a good report from the Auditor and that it might be a good idea to check with the Auditor to get their opinion regarding this proposed change of procedure. He said that he would be more comfortable if the City got the Auditor’s input regarding this matter.”

“After discussion Mitchell stated that she would prefer to pay the bills in a timely manner as they come in. Burroughs asked how much could be spent without Council approval. Mitchell said that she had ongoing bills that are quite substantial so it is difficult to have a set amount. ***A majority of Contract payments would have come before Council previously and are pre-approved.***”

“Morgan said that a limit on the amount spent without prior Council approval could be a part of policy. He also said that he felt that we would have a better review of the billing procedure if the bills were paid as they are received. There was discussion regarding payment on contracts, and Mitchell suggested that Donohue might have some suggestions regarding contract language which would be helpful.”

“There was additional discussion regarding payment of utilities as opposed to contractual payments. ***Morgan stated that under the proposed procedure Mitchell would have the authority to pay the bills as they come in, but if there is something of an unusual nature or an unusually large amount those would be held back for Council approval. It was the consensus of Council that the proposed process be***

approved by the Auditor. Mitchell stated that she would have a report on this matter for the next Council meeting.”

“On March 22, 2011 – “Morgan stated that the City’s bill paying procedure had been discussed at the last City Council meeting and that he felt that there was a more efficient way to pay the City’s bills and a better way to track the payments. He went on to state that Council had requested that the modification of the bill paying procedure be reviewed by the City’s auditors prior to any action being taken by Council. Morgan referred to the response received from the Auditor which states that payment of recurring bills prior to receiving Council approval would, in his opinion, be fine. He did suggest establishing a threshold amount for those types of transactions. Burroughs asked if this referred to all monthly bills being paid prior to the Council meeting. Morgan said that this referred to regular monthly bills. ***Anything out of the ordinary would be brought before Council. After discussion regarding the types of bills to be paid and the threshold amount Conner made a motion to accept the modification to the bill paying procedure, with a cap of \$1,000.00. The PacifiCorp bill and the bill for the Sheriff’s Contract are exempted from this cap since they are normally in excess of the \$1,000 threshold. Any other bill or contract payment over \$1,000 must be brought to Council before being paid.*** Burroughs seconded the motion. Voice vote. Motion carries.”

Mitchell’s comment at this point was “This is apparently causing confusion for Councilor Donohue and subsequently for staff on a number of levels.” She questioned whether she had the authority to make contractually obligated payments. Mitchell referred to a recent contract with the State of Oregon which had caused her concern since the City is under contractual obligation to make payments in a specified manner, within a specified time frame. She stated that although the intent of the proposed bill paying procedure clearly indicated that payment could be made, the actual motion to approve the procedure was contradictory. She went on to say that our current bill paying procedure needs additional clarification regarding contracts.

Mitchell stated that the intent was clear initially in February and that this intent was the information provided to the auditor. Unfortunately, the motion which approved the procedure was not directly in line with the intent. She went on to state that there had been several bills recently which the City was contractually obligated to pay, such as the Grant from the State of Oregon. However, the motion stated “...Any other bill or contract payment over \$1,000 must be brought to Council before being paid.” Mitchell said that it was her understanding that if a bill has been pre-approved, we are contractually obligated and we have agreed to the terms of the contract, the bill needs to be paid. However, because of the contradiction between the intent and the motion, Mitchell felt she needed direction from Council.

Morgan suggested that the solution to this dilemma might be to change the language to read “any ***uncontracted*** bills” over \$1,000 would have to come before Council. He said that if the City is contractually obligated to pay a bill it is unlikely that Council would refuse to honor its contract. Mitchell said that if the City has entered into a signed agreement with contractual boundaries, (such as the agreement with the State of Oregon which states that payments are to be made within three days of the funds being deposited into the City’s account), and there is no specific date when funds are going to be deposited, she doesn’t have the luxury of waiting for a Council meeting for approval of the payment. She

again stated that because of the contradiction, she needed Council's direction. She asked for Councilor Donohue's suggestion to resolve this.

Donohue said that for the first time since he had been on Council the information in his notebook from last month's meeting contained half of September's bills. The Consent Agenda was for August Bills paid. He said that this was something new. He said that he was curious as to why the bill paying was changed. He said that usually in September Council would vote to pay August bills. Mitchell explained that the reports were for bills paid for the month up to the notebook distribution date prior to the Council meeting. Donohue insisted that this was all new. He said that he could go back over the last two years and the expense detail by vendor was for the month prior, not split in half like the current one. The new October report is split half of September and through October 10th. Mitchell said that she typically did it for the month in question but since the other report ran through the 21st of September, she picked up from the 22nd of September. Donohue asked if this was how it was going to be done in the future, half in one month and half in the next. Mitchell said that she couldn't cut the report to the end of the month, since the month is not over. Because of that she included everything that she has paid up to the Council meeting which is what she had been doing. She said that she couldn't give Council a report for the entire month when the Council meeting falls midway through the month. She also said that since there seemed to be concern, she picked up from the date that the last statement ended to show what was paid from the remainder of September through this month's Council meeting. She said that she wanted to be sure that nothing "fell through the cracks" which could be perceived as being hidden or mismanaged. Donohue stated that it was just that it was different than it had been and that was his question. Mitchell then asked "what Council's pleasure was regarding paying the bills?"

After discussion Morgan suggested that Council change the procedure to reflect that *non-contractual obligations* in excess of \$1,000 be required to be brought to Council for approval. If this solves the problem it can be moved to the Action Items portion of the Agenda. Conner asked Mitchell if this would address the issue which needed to be adjusted.

Mitchell then referred to the fact that, as set forth later in her memo, she had reviewed the report setting forth the bills that were paid to determine what the concern was that led to Councilor Donohue declining the Bills Paid report. During the period commencing July 1st there were four bills paid that were over \$1,000. The first one was for \$3,185 which was for property liability renewal insurance. The check was issued on July 9th and was included in the bills that were approved for July. The next one was to the First Methodist Episcopal Church for the final payment and was issued on July 2nd which was also included in the July bills that were paid and approved. The next check was payable to the North Santiam School District for CET (Construction Excise Tax) tax which by law must be paid within a certain period of time. This check was issued on September 21st in the amount of \$1244. This was reflected on the September Bills Paid report. On September 13th there was a payment of grant monies in the amount of \$20,244 which was also reflected on the September Bills Paid report which had been presented to Council for approval. Two of the bills had been approved in July and the other two were submitted to Council for approval at the September meeting but approval of the entire Bills Paid report was declined. Mitchell went on to state that it had never been stated what the problem was with what had been paid.

Issue: Our entire consent agenda failed to pass due to a lack of consensus of Councilor members in attendance.

As a result financial transfers were not completed thereby forcing accounts to run into deficit standing and jeopardizing our history of audit compliance. This matter should have been handled in the manner as explained below as opposed to denying the Consent Agenda in its entirety.

As reflected in the Minutes of the March 22, 2011 City Council Meeting -“Morgan explained that the Consent Agenda is an item on the Agenda which sets forth items of ordinary business such as approval of minutes and the Bills to Pay Report which are reviewed by Council Members prior to the meeting. He said that these are items that can be quickly dispensed of without too much discussion. ***However, an item can be removed from the Consent Agenda for further discussion. He urged Council to feel free to do so.***”

In reviewing the items on the consent agenda, specifically the Bills Paid for August and September 2012 there were only two bills in excess of \$1,000 and neither was out of the ordinary. The payment to the North Santiam School District was made as determined by law and the payment to the NSCEDC was made as set forth in our contract with the State of Oregon.

Mitchell said that she was unclear as to the objection raised and the reason that the motion was denied by Councilor Donohue. She went on to state that she didn't understand why the entire consent agenda was denied and what needed to be done differently.

Morgan stated that the reason the motion failed to pass was because he and Burroughs had abstained from the vote on this issue and there were only two votes out of five for this motion Mitchell stated that she would prefer that, as has been done previously, if there is a specific issue regarding something on the consent agenda it can be removed so that the consent agenda on the whole can be approved. Another alternative would be to eliminate the consent agenda and just deal with each issue individually. Morgan said that the purpose of the consent agenda is to handle routine matters more quickly. If there is any issue which needs further discussion it can be removed from the consent agenda and the remainder of the consent agenda can be approved.

Conner asked if Mitchell's questions had been answered. Mitchell said that she was still unclear as to what the problem was with the consent agenda.

Lucas asked Donohue if Mitchell had explained to his satisfaction the manner in which the dates of the City Council meetings drive the cut off dates for the bills paid. Donohue responded “Yes. But now it has been explained. Last month it wasn't. We had July, August and September and it was confusing.... It should have been bills for July, August and September instead of one vote to pass all of them. With multiple months on a bill pay I voted it down. Why all of a sudden were we doing half months.”

Mitchell responded that there were two reasons she did it in that manner. One was for the bills that needed to be paid, the other was showing every single thing that had been paid since the beginning of July. The July report had already been approved. She went on to state that her rationale was that Mr. Orr

wanted to know every bill that had been paid since the beginning of the fiscal year. Mitchell said that she wanted to be sure that if there was an issue that was going to be brought up at a Council meeting that Council had the full information. She said that perhaps she should have clarified that it was just additional information. Donohue said that it was the way the information was presented. His question was why the City was paying three month's bills and why they were all lumped into one report. He said that each month should have been its own on the agenda instead of all three of them in one lump. Mitchell asked Donohue if there was a specific bill that he questioned. He responded that there wasn't and that the reason that he voted it down was that only August was listed on the agenda. Mitchell then stated that what should have been done was to add September to the agenda. Donohue said yes.

Conner then asked both Mitchell and Donohue if they were satisfied with the manner in which we are to proceed. He also asked Mitchell if that clarified what Mr. Donohue's issue was. Mitchell responded that sometimes all that is needed is clearer communication. Donohue said that with regard to the issue with the bill pay dollar amount it was never intended that Mitchell should not pay the City's contractual obligations. Mitchell said that had been her understanding.

Lucas asked Morgan if he was going to include in action items the change to non-contractual payments and whether that would be sufficient clarification. Morgan responded if this was something Council wanted to put under action items we should do so. Mitchell commented that the discussion regarding the intent and the adoption of the motion took place two months apart. She went on to state that she wasn't sure if the contractual reference was sufficient since we have the CET tax and the City's insurance payment which are other than contractual. There are bills that need to be paid prior to the Council meeting and it was Mitchell's understanding that this was the reason Council voted to change the procedure. McNerney commented that the CET tax payment was periodic and depended upon when a developer pays the tax. The City is under the obligation, within a certain period of time, to transmit that tax to the School District. Mitchell said this payment was a mandate not contractual.

Issue. Other Cities "dropping out of or getting out of PERS." Councilor Donohue cited an article in the September 24th Statesman Journal as his source of reference.

On looking into this matter further Mitchell found that there was no city removing itself from PERS. This article dealt with "ideas floating around" as to how the legislature might consider restructuring of the PERS system.

The question was presented to the PERS Policy, Planning and Legal Analysis Division regarding whether or not a city can remove itself from PERS membership. Their response was as follows:

"There is no statute that provides that employers cannot withdraw from PERS participation. However, while statutes set forth the requirement that some employers participate in PERS, and other statutes set forth the manner by which other employers may participate in PERS, the statutes do not provide a manner by which an employer can remove itself from PERS participation."

Morgan stated that, in effect, once you are in the program you can't get out. Mitchell said that was what she had always been told.

Lucas asked Donohue if his question regarding whether or not the City could remove itself from PERS had been answered. Donohue said the State of Oregon had done it and commented on the State's current retirement program. There was additional discussion regarding PERS and Donohue stated that he just had a question regarding whether or not the City could withdraw from PERS. Morgan commented that everyone was in agreement that if there was a way to withdraw from the PERS system we would do so. Donohue commented on the cost of PERS and said that with those costs increasing significantly it was the obligation of Council to check to see what other kind of retirement can be provided at a reasonable fee. Mitchell said that she would check on how ODOT and the State of Oregon removed themselves from the PERS system. There was additional discussion regarding PERS benefits offered depending upon when you were hired.

Lucas said the issue was whether the City was fiscally able to meet its PERS obligations and does it appear that the City will be able to meet the upcoming increases. He said that we needed to be aware of our status financially as to whether we will be able to pay for anticipated cost increases. Mitchell stated that we did not have the increase this year which had been anticipated. The increase will occur next year. Donohue said that we have to look at the finances for the entire community.

Issue. The cost of health benefits to the City.

Mitchell said that Donohue had referred to the cost of health benefits increasing and asked what we were doing proactively to look at that issue. Mitchell said that she had contacted City County Insurance Services and was told that no policy changes to coverage could be made until January 1, 2014. Additionally, the minimum contribution made on behalf of the employee by the City is 100% since coverage isn't provided for employee's dependents. BUT, if the City chooses to reduce its contribution to less than 100% for employees it would have to fund at least 50% of all insurance coverage elected by the employee including their families. The City can certainly revisit employee insurance coverage for the period beginning January 1, 2014.

Donohue said that his question was what the increase would be next year. Mitchell said that she gets a year by year forecast based upon the claims submitted. She does not know how the increase is calculated.

Mitchell stated that she had considered recommending a cap on employee health insurance payments for the current budget season. However, when the numbers were penciled out she decided to recommend a reduction in City staff's hours instead. Her rationale for that decision was that if employees were to begin picking up insurance increases effective this budget year beginning July 1, 2012, it would have cost each employee approximately \$67 per month thereby only saving the City \$2,412.00 for the year. This option was presented to Council at the May 22, 2012 meeting. However, by reducing Mitchell's hours, the City is saving approximately \$638 per month; by reducing McNerney's hours the City is saving approximately \$480 per month and the reduction in Harris' hours resulted in a savings of approximately \$360 per month. These reductions resulted in a total savings of \$17,736 annually. This is a significant difference. It would have been less painful for the employees to pick up the increase rather than having their hours cut.

She went on to state that even though it has been said that we (the employees) are not doing our part to cover these increases the employees more than covered those increases. She said that it was important to note that the reduction in Harris's hours and overall library expenditures were mandated by Council, the reductions taken by Mitchell and McNerney were taken voluntarily and not at Council's request or recommendation. These pro-active cost cutting measures were taken to allow all of our fellow employees to retain their jobs. She said to insinuate that she has not taken measures to cut administrative budgetary costs is completely false.

Issue. Misrepresentation of law enforcement costs. Councilor Donohue had stated at the last Council meeting that Mitchell had misled him with regard to where law enforcement costs were going to come from.

Mitchell stated that she had provided each Councilor and Budget Committee member extensive information regarding the potential loss of SRS funding and the importance of providing an additional qualifying service to the community. Eight of the ten budget committee members including Councilor Donohue, were in attendance at the meeting when the decision was made and the motion passed unanimously to approve a law enforcement contract with the Linn County Sheriff's Department. Budget Chair Steve Baldwin asked on several occasions during the hearing if anyone had questions regarding the materials presented. After all questions had been answered, the budget was referred to Council for adoption. The exact figures budgeted for each fund and each line item within the fund was individually laid out and the budget was unanimously approved on June 26, 2012. Mitchell said that she was open to suggestions as to how to deliver the budgetary information in a more understandable fashion but to state that she intentionally misled a Council member is untrue.

Mitchell went on to state that there was a line item budgeted amount of \$3,000 for improvements at the library building. In addition, as she had previously explained, she and Harris had done fund raisers for another \$3,000. The City has \$6,000 for improvements at the library building. The fund raising was not included in the budget because that was something that had been done in their own time. However, the \$3,000 was a line item included in the budget that was passed. She said that she did not believe that she had misled anyone in that regard.

Donohue said that he did not state "misled" but last month Councilor Lucas stated that the money that the City was paying for the library mortgage was going to be used for law enforcement. He said that his question was that we just paid the last payment; there was only \$10,500 budgeted, so where is the other \$10,000 to cover the law enforcement contract coming from. Mitchell explained that the funds were not necessarily coming away from the library, just that it had always been planned that the mortgage payment in the amount of \$10,000 would be uncommitted money for upcoming budget seasons. Now that we have \$10,000 that has to be paid, those funds have to go elsewhere. She went on to state that the time to address those issues and make those decisions is when we go through the budget process. She said that the budget devoted \$3,000 to library improvements. The money has to come from somewhere. It is all the "same pot." She suggested that since the budget was already passed and in place, if Council determines that they would rather see funds directed in another area the time to make those recommendations would be during the budget process.

Donohue asked how the City would pay the \$10,000 to the Linn County Sheriff's Department since the \$10,000 has already been spent on the last mortgage payment. Mitchell responded that there is money set aside in the money market account to cover unanticipated costs. She said that the City receives its largest influx of money in November from property taxes. We usually receive the final payment of property taxes by May due to those who pay their taxes in three payments. We have from then until November to make do with the funds we have. Even though it may look as if we have a significant amount of money that money has to see us through until we get our next property tax payments. We do have monies which can be pulled from a variety of areas. Mitchell commented that in cutting back her hours as well as Audrey's and Brenda's hours the City saved over \$17,000. She said that it appears that the answer to Donohue's question would be that the employees are paying for it.

Donohue acknowledged that the law enforcement contract is very important to the community and said that he didn't understand why that once the library mortgage was paid off the money was going to be used elsewhere and only small amounts would be utilized for library improvements. He said that \$3,000 would not cover many improvements. Mitchell said that it was a start and that she and Harris had an additional \$3,000 to match that with. If it can't be done for \$6,000 then what she would suggest would be to set the money aside for another year and possibly put it into a reserve fund where it isn't used. She said that we have had reserve funds before that were dedicated for specific purposes and contributions are made into those funds.

Bills Paid – October 2012. Mitchell asked Donohue if he was satisfied with having the Bills Paid report cover the period from the previous report to the present. She explained that she wasn't changing anything but that in preparing the report in this manner she was trying to give Council more information on what was paid between the Council meeting and the end of that month. After discussion with regard to the format of the report Mitchell suggested that the report contain information from council meeting to to the date that the council books are distributed. After discussion it was determined that changing the format would be a change in policy and that this this should be an action item.

Resolution #470 & #471 – Inter-fund Tansfers & July Minutes. Morgan explained that these items had been on the Consent Agenda at the last Council Meeting and since the Consent Agenda had not been approved it was necessary to have a motion to approve these items at this meeting. After discussion Morgan said that he would be sure that this was addressed as an action item.

Council Commissionership(s) – Activities Report. There were no reports.

McNerney – Conditional Use Report. McNerney provided Council with a Memorandum reporting the outcome of the Conditional Use Application Hearing referred to earlier in the meeting; A copy of the Memorandum is available upon request. The Planning Commission denied the application after objections by residents in the area and concern that granting the request could set a precedent for allowing overnight camping in the Freres Park area. Since the application was denied the file on this matter has been closed.

Resignations. Morgan referred to the two resignation letters provided to Council, one from Ed Jones who resigned from the Planning Commission and Budget Committee effective as of October 15, 2012, and one from Tami Owens, City Hall staff member, which has also taken effect. He asked for comments.

Morgan then said that he had to comment that he agreed with what Steve Baldwin had stated earlier in the meeting. He said that he too was disappointed and saddened by the tenor of discussion Council has seen as of late. He felt that it had been brought on by individuals who had selfish motives which were not in the best interests of the community and that we are now beginning to see the effects of that behavior. If you look at the resignation of Ed Jones who has been a stellar member of the City Council and Planning Commission as well as Budget Committee member and added so much to those bodies and a resignation from Tami Owen who contributed greatly to the operation of City Hall you are now seeing those effects. He went on to say that he was sorry that, as Mayor of this City, things have not gotten better in that regard. He said that he didn't know what he could have done differently to bring civility to the discussions of this Council at times but if this does not change there will be a price to be paid by the citizens of this community. He quoted Ronald Reagan who used to say that truth will always win out in the long run and Morgan said that he hoped that Reagan was correct. Morgan then said that he was very saddened by these two resignations.

Public Comments to Council (relating to Discussion Items and Action Items.) Morgan said that comments were to be limited to a three minute time period. Orr said that with regard to what Morgan just said with regard to people's actions and things that have been done, he visited City Hall on October 5th to put in a handwritten request for materials needed and while he was doing that Councilor Conner came in to City Hall. Orr said that he invited Councilor Conner to attend an open forum so that the citizens of Lyons could hear about what each candidate was running for. Orr said that Conner told him that he would get back to him and left, slamming the door and causing the flag which was stacked in a corner to fall over. Orr then went on to say that Conner came back into the office and made a remark in a hostile manner. Orr then left the office and Conner "came at me outside and I said "let the people understand what we are about." Within minutes Orr said that he had sent an e-mail to City Hall with a copy to Mayor Morgan, and asked Mitchell to find out what had just happened. He said he had sent several e-mails to both Morgan and Mitchell but that they had not responded to him. Orr said that Morgan had said that people had to be responsible and wanted to know why neither the Mayor or the City Manager had, since October 5th, responded to his e-mails regarding Councilor Conner's actions. He said that Baldwin had submitted a "perfect letter" and that "we have all done things we are not proud of" but that Morgan had had a chance to "nip this in the bud" but that hasn't happened. He wanted to know why this had not been addressed. He said that Morgan and Mitchell had said that everything goes to Council and wanted to know if Council had been made aware of Conner's actions. Mitchell then read the e-mails from Orr and her responses to them in their entirety. She said there were no materials requested nor was any action requested. Mitchell said that he had just wanted to be sure that she was aware that Orr felt threatened by Conner's actions. She then read another e-mail from Orr as follows: "Sorry for the spelling in the earlier e-mail I was a bit shacken (sic) up. Mr. Conner aggressive actions got me a little concerned for my personal safety. If you could give me a time line for the requested materials I submitted it would be greatly appreciated." Mitchell said that this was a completely unrelated topic and that Orr had received the requested material. Mitchell continued reading this e-mail as follows: "Please give any information regarding what will be necessary for the meeting for the election forum. Sorry I was unaware of this

process. If you could please do this in a timely manner it will be appreciated.” Mitchell stated that she had provided Orr with this information. The e-mail went on as follows: “My plan is to have it on the 10th of October for all candidates to attend, Could you please let Mayor Morgan know of this meeting. I have tried for days with no luck at City Hall or the church.” Mitchell stated that you (Orr) had asked me to let Mayor Morgan know and I did. Back to the e-mail: “Does Mayor Morgan still live in Lyons? Has Mayor Morgan resigned from his mayor position.” Mitchell said that she had already responded to that because Orr had asked her that previously. Orr asked her what her response was. Mitchell read from another e-mail: “Mr Orr. Your messages have been noted and forwarded as you requested. I cannot speak on behalf of Mr. Morgan or the church. Regarding the use of the reader board we have a form here at City Hall to spell out the reader board requests. Shall I take your request off the agenda since you are exploring other options?” Mitchell then said that this was the same day that Orr had said “Do we still have a mayor living in Lyons. I hear he has been removed from the church and is living in Salem. Has this been brought to your attention? Can you let me know if this is true?” Mitchell stated that she had already responded to that question the same day as follows: “I cannot speak on behalf of Mayor Morgan. I have forwarded your messages as requested.” Mitchell told Orr that he had not asked for anything further from her other than to forward this to Mayor Morgan, which she had done. She went to say that she had promptly responded to every request. Orr said “promptly to the last 3 or 4 e-mails.” Mitchell said Orr had asked the same questions repeatedly as to whether or not Mayor Morgan still lived in town and as to whether or not Mayor Morgan had resigned. Mitchell said that she had already responded to those questions so when Orr asked those same questions she did not respond because she had already answered them. Orr then said “then the burden is on Mr. Morgan. As Mayor he declined to do anything about Mr. Conner’s actions.” Morgan asked Orr if he had completed his comments. Orr then said that he was asking, as a citizen, when a councilman comes up to someone in a threatening manner is that the way councilmen are supposed to carry themselves.

Morgan told Orr that his (Orr’s) e-mails had been forwarded to him (Morgan); that he did look into the situation and found it baseless.

Dick Voltin said that he had lived in Lyons for 25 years and that he felt that there was a problem with Council because he felt that they weren’t listening to the public. He said that he had been on Planning Commission a number of years ago and mentioned that when when Planning Commission and previous Council Members got together it was not like it is now and they had had some pretty decent meetings. This is not a big city and it doesn’t have to be run like it was Salem. There is a problem because there is a lot of animosity which started with the Water Board recall. He talked about community volunteerism, including the time he has volunteered at the library. He said this is a good community and we have to get over this and get rid of some of the people who have just “drifted in here.” He said that the Mayor had talked about transparency and that this was now a “bed and breakfast” community and no longer a logger town. Voltin said that this was still a logger town. He said these problems have to be fixed because he likes Lyons and that this animosity has got to stop. He said that Orr was out of line in many ways but so are the members of Council.

Baldwin said that he wanted to clarify that he is not taking sides, that he felt that all of us, including himself, had expressed this animosity toward each other and there has to be some way of healing this

community otherwise it will just get worse. He asked all Council members and all candidates for Mayor and City Council to put the past behind them and move forward toward building this community together.

Harris provided Council with a copy of the Library Item Count report which sets forth the items we have in our library and their value so that Council can have a better understanding of what the library is all about. She also stated that the library does a "food for fines" event in November. She said that there are a lot of library volunteers but that it is hard to get and keep dedicated volunteers. It takes time to train them and the library couldn't survive without the volunteers they have. She went on to say that even with all of the volunteers they have it is difficult to get everything done that needs to be done. She said that had just sent another article to the local newspaper seeking volunteers.

Lucas asked Harris what her position was with regard to people who are running for council who advocate closing the library. Harris said that she did not feel this was an option not only because she has been working at the library for many years but because she sees many people coming in to use the library; that here were 121 new patrons last year. She said that families who cannot afford to do anything else get so much out of the library which is free and people who are out of jobs are utilizing the computers to look for jobs and file unemployment claims. She said that we are fortunate that the Friends of the Library bought new computers. She went on to say that the library is a vital part of the community and always has been.

Morgan said that this community has committed to that library and that a large amount of the City's budget goes toward the support of the library. He thanked Harris for her input and for what she has presented to Council.

Michelle Keirse-Coulibaly said that she wanted to re-iterate what had been said here this evening. She commented that she had spent most of her adult life in the community and had been and now was a member of the Planning Commission and it was an awesome community. She said that years ago Council meetings and Planning Commission meetings were friendly and not hateful. When she returned to the community after a 5 year absence it saddened her to see the change. She said that she felt that the only way the community was going to get past this is to practice forgiveness and that pride needs to be swallowed. She said that she felt that the community had lost its wonderful heart and if the situation doesn't get turned around it will never get better. She also commented that volunteers to serve on the Planning Commission were needed.

ACTION ITEMS.

Lucas said that traditionally the Council has given the City employees a turkey for Thanksgiving and he would like to have Council consider giving the employees either \$50 or a turkey. McNerney stated that the employees previously had been given \$50 gift certificates. Some of the gift certificates came from Walmart and, at the request of some of the employees, from Roth's in Stayton. This gift has been given to all City employees. Lucas then made a motion that the City continue with the procedure that had been followed in the past which is to give each City employee a \$50 gift certificate from a business of their choosing in appreciation for their service to the City and that it be done immediately. Burroughs seconded the motion. Voice vote. Motion carries.

Conner made a motion that non-contractual bills over \$1,000 come before Council for approval prior to being paid. Burroughs seconded the motion. Voice vote. Motion carries.

Lucas made a motion that the Council receive a report from the City Manager on the Bills Paid from Council meeting to Council meeting. (Cut off when note books are prepared for Council members use at the meeting) Conner seconded the motion. Voice vote. Motion carries.

Donohue made a motion to approve Resolution #470, A Resolution Transferring General Fund Monies to the Cemetery Fund. Lucas seconded the motion. Voice vote. Motion carries.

Lucas made a motion to approve Resolution #471, A Resolution Transferring General Fund Monies to the Library Fund. Donohue seconded the motion. Voice vote. Motion carries.

Conner made a motion to approve the July 24, 2012 Minutes. Lucas seconded the motion. Voice vote. Motion carries.

Lucas made motion to approve the payment of the bills on the current Vendor Detail report from September 22 through October 10, 2012. Burroughs seconded the motion. Voice vote. Motion carries.

Conner made a motion to approve the payment of the August and September bills. Lucas seconded the motion. Voice vote. Motion carries.

Morgan asked Council members for their availability for the November 27, 2012 Council meeting. After discussion, all Council members indicated their availability.

There being no further business to come before the meeting, the meeting adjourned at 7:45 P.M.

Audrey McNerney
Assistant City Manager