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MINUTES LYONS CITY COUNCIL MEETING December 15, 2009

OPEN MEETING 6:00 P.M.

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

GUESTS – Mike and Renate Medley, Allison Ford McKenzie, Steven Baldwin, Doug Morgan, Newell Robison and David and Pat DeLapp.

Mayor Lucas 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.

Update on 1st Year's Progress – Grow Program. Allison McKenzie introduced herself as the Enterprise Facilitator of the GROW North Santiam which is a group that offers free confidential business consulting to anyone who wants it from Aumsville to Idanha. She said that they wanted to make a report to the City Council for a number of reasons, one of which was that the City Council has supported them since they first got started and they wanted to say thank you. They also wanted to let the City Council members know what has happened over the past year so they have an idea of the results. She introduced Mike Medley, the Board Chair who is also the treasurer for the North Santiam Canyon Economic Development Corporation (NSCEDC) who is the parent corporation for GROW. Mr. Medley is also a member of the Mill City City Council. She stated that they had printed an update of what they had accomplished their first year and distributed a copy to each Council Member, a copy of which is attached hereto as Exhibit A and made a part hereof by reference. She stated that most of what she had to say was contained in the update and reported that in the first year they met with 75 clients. 11 of them were from the Lyons Mehama area. They met with each of these clients 1-20 times. She commented that they look for how passionate people are about their business and they help them set up their business in such a manner to enable them to be successful doing the things they love to do. She went on to state that they have had people come to them from 16 different industries. About 68% of those are owned by women or have a woman business partner. They have 4 clients who are disabled and over half of their clients are from low to middle income families. The reason this is important is that according to statistics compiled in 2007 the poverty rate in the Canyon is about 22 to 59% higher than the rest of the state. 39 new businesses have contacted them and 37 existing businesses have also contacted them. 19 full time and

more than 21 part time jobs have been created. She said that she had 13 new clients meet with her in November and the first part of December, which she felt was surprising because of the time of the year. Three of their clients are looking for staff people. As part of their structure they have a Resource Board of over 50 people who get together once a month to brainstorm for their clients. She named a number of people from the Lyons/Mehama area who are members of the Resource Board. In their first year they have had 4 grand openings which is unusual since it usually takes a few years to get any results. She enumerated a number of successes in which they have played a part during this first year. She discussed how they had helped existing businesses. She noted that all of the Resource Board members have gone through 3 hours of training and seven of them went through the same full 40 hours of training that she went through. They have clocked 1339 hours of volunteer time. Mike Medley, the Resource Board chair and one of the chief volunteers stated that what he wanted to do was to say "Thank You" to the City of Lyons for supporting the program. He said that originally he was one of the skeptics but after this first year he was astounded by what has been accomplished. McKenzie stated that what she has noticed is that the fabric between the business people up and down the canyon has been strengthened. Business people from the area who didn't know each other before have been connecting and as a result people are hiring bookkeepers, accountants, graphic and web designers, trying new restaurants and utilizing each other's services.

Lucas asked how the money toward the program was allocated. Medley stated that it was utilized to pay McKenzie's salary, part time administrative support and other expenses. He asked McKenzie how she envisioned the growth of the program over the next year. She responded that it was hard to predict. She felt that if the economy were to pick up it would be helpful. She said that the program will continue to grow and more firmly root in the community because it normally takes about 3 years to get results in a program such as this. She said that it was encouraging to see the ideas that people come up with and it was her job to help make them a reality. Mitchell commented that one of the best things offered by the program is the networking opportunities. The City of Lyons has utilized a number of the businesses that have come to the City's attention through the program. Medley said that he felt that they would double their contacts in the next year. It takes time to get the word out and to get people to understand the support that is available. Lucas said that their track record speaks for itself.

Lucas asked how and who would reach anyone of any industry type to bring anything into any of these communities which would employ more people. McKenzie stated that they are a "bottom up organization." They work with people from the ground up while most economic development is from the top down. SEDCOR, who is now participating in the Economic Development Committee at the Stayton Chamber of Commerce, is the one who looks for big employers like that. GROW is looking for the next person who is going to start something in their garage. McKenzie stated that she recently attended an Economic Development meeting in Stayton where they were talking about creating a quick response team. When a large employer is looking anywhere in this area they can discuss what is available in the canyon such as electricity, telephone, etc.

McKenzie and Medley expressed their appreciation to City Council for the City's sponsorship of the Community Development Block Grant application which will help fund the program. They then left the meeting.

CITY COUNCIL APPOINTMENT. Lucas stated that in his experience the City has not gone through the process of selecting a council person from among several applicants. He advised Council that Lyons

Municipal Code, Chapter VII, Section 31 entitled Filling of Vacancies (in Office) sets forth the manner in which a vacant elective office in the City shall be filled. That section reads as follows:

“Vacant elective offices in the City shall be filled by appointment by the Mayor and approved by a majority of the incumbent Council members. The appointee’s term of office shall begin immediately upon his appointment and shall continue throughout the unexpired term of his predecessor ...”

He also stated that the Council is constrained by Open Meeting Law of the State. You are not allowed to speak with one person one-on-one and then bring someone else in. The discussion must be in open forum. He said that three people had applied for the position. However, Clastine Ritchie is not present at tonight’s meeting. The other two applicants, both of whom are present, are Steve Baldwin and Doug Morgan.

The process that has been decided upon is that the Mayor will make the appointment which must be approved by the two Council members present. Lucas stated that he would ask a series of questions of each applicant, copies of which have been previously provided to them. In the event a Council member has a question in regard to what the applicant has said he is free to pose it. After the question and answer session Lucas said that he would make a recommendation and the Council members can concur with his recommendation or make a recommendation of their own if they so desire. After that Lucas will make the decision.

Lucas read the letters of application from each applicant and commenced the question and answer session. At the end of the question and answer session Lucas commented that it was difficult to make a decision when all of the candidates are so well qualified and have an interest in public service. He noted that whoever is appointed to Council will only serve through the year 2010. At that time there will be an election at which several of the current Council Members will be required to run for re-election. In the upcoming November 2010 election there may be more than one person running for each Council seat. Lucas stated that Clastine Ritchie was also being considered for the position; however since she had not been present for the question and answer session it was difficult to evaluate her suitability. He then recommended Doug Morgan to fill the existing vacant Council seat and asked the other Council members whether or not they concurred. Conner commented that it was a difficult choice but he concurred with Lucas’ recommendation. Burroughs also felt that while it was a difficult decision he concurred with the recommendation. Lucas told Baldwin that the City values what he had done and what he continues to do on behalf of the City and commented that there will be other opportunities for him to serve. Baldwin agreed that Lucas had made an excellent choice. Burroughs said that either candidate would have been an excellent choice.

Lucas said that he would accept a motion to appoint Doug Morgan to fill the vacant position on City Council. Burroughs so moved. Conner seconded the motion. Voice vote. Motion carries. Morgan was sworn in as a Council member and took his seat at the Council table.

CONSENT AGENDA.

Lucas asked if there were any questions or clarifications necessary in connection with the Minutes of the November 24, 2009 Council Meeting or the December, 2009 Bills to Pay Report. He also requested that

Mitchell be authorized to pay the December bills not yet received. After discussion Burroughs made a motion to approve the Consent Agenda and to authorize Mitchell to pay the December bills not yet received upon their receipt. Conner seconded the motion. Voice vote. Motion carries.

CONTINUING BUSINESS

- **North Santiam School District Construction Excise Tax Explanation Letter.** Lucas advised Morgan of the previous history of this issue. He explained that the City had been advised that every government entity was required to participate in the imposition of this tax. Mitchell researched this requirement and found that Linn County was not imposing the tax. He stated that Mitchell and the members of the Council have been proactive in discovering situations in various agreements by asking critical questions which have resulted in people having to do some “homework.” This situation is a good example. The City had been assured that the City was one of the last entities within the entire state that hadn’t entered into the Intergovernmental Agreement to impose and collect the Construction Excise Tax (CET). The Agreement was modified to a “much sharper agreement” because of the questions the City Council had raised. The letter which was sent to the City by the North Santiam School District 29J sets forth the explanation as to how the matter was handled by the School District. Lucas pointed out that because of Council’s diligence in questioning the issue of compensation to the City for the processing of the CET it was determined that the City’s portion of the fee would come out of the fee already being charged and not in addition thereto. The Agreement was then amended to provide for a 4% charge instead of a 1% charge.
- **WAVE Broadband Response Letter.** Lucas stated that this has been another ongoing issue where Council asked questions that no one else has. WAVE wanted to extend their franchise agreement. Mitchell asked them about paying franchise fees on telephone and internet services. Their representative assured Mitchell that there was no provision for cities to collect franchise fees on telephone and internet service. However, we know that franchise fees are collected from other telephone companies. There is a regulatory authority which dictates this. This matter has been referred to the City Attorney who will research this issue further.
- **Make Parenting a Pleasure Class Update.** The City had approved donating the sum of \$2500 to be utilized for a group of sessions where parents would discuss improving parenting skills. However, no one from Lyons signed up for the class. The group that was presenting the class returned most of the money since they had no participants from the City of Lyons.

NEW BUSINESS

- **Meals on Wheels Discussion.** Lucas stated that historically the City has set aside \$500 in the City’s Budget in support of Meals on Wheels which was distributed to the Council of Governments (COG) who parcels the funds throughout the various communities to support the program. The City has received a letter from the representative of Meals on Wheels in Mill City which asked the City to give the money directly to them. Lucas then stated that perhaps we need to look more closely at this issue since there is a possibility that the people of Lyons would get more benefit from the \$500 if the money were given directly to the Mill City Meals on Wheels program. Mitchell stated that McNerney will follow up on this matter to assist Council in making the determination as to how to fund this program in the manner which will best serve the people of Lyons.

- **Councilor Availability for January Meeting.** Lucas commented that Council would normally meet on the fourth Tuesday of the month. (January 26th) Lucas asked if any Councilor had a conflict with that date. There was discussion regarding changing the next Council meeting date to accommodate Councilors' schedules. After discussion Burroughs made a motion to reschedule the January 26, 2010 City Council Meeting to January 28, 2010. Conner seconded the motion. Voice vote. Motion carries.

Lucas asked Mitchell to contact Clastine Ritchie to advise her of Morgan's appointment as a Council member. He requested that Mitchell advise her that she was considered for the position but since she did not participate in the question he was unable to recommend her.

Lucas said that the cement work at the Library has been completed; the front door is going to be refinished; the cabinets have been refinished and two out of three cabinets are in place.

Baldwin stated that he would be attending the School Board meeting as the City's representative and wanted to know if there was any issue that Council would like to bring before the Board. Lucas said that he wasn't aware of anything but that if anything did come up he would have Mitchell let Baldwin know.

There being no further business to come before the meeting Conner made a motion to adjourn. Burroughs seconded the motion. Voice vote. Motion carries. Meeting adjourned at 7:20 P.M.

Audrey McNerney
Assistant City Manager