



City of Eagle Point

City Council

REGULAR MEETING MINUTES
AUGUST 11, 2020

1. CALL TO ORDER – 6:00 P.M.

Mayor Jenks called the regular meeting of the Eagle Point City Council to order via teleconference on August 11, 2020 at 6:00 p.m.

Council Members Present: Ruth Jenks, Bill Fierke, Bernie Grossman, David Lacombe, James Mannenbach, Michael Stanek, and Kevin Walruff.

Staff Members Present: Aaron Prunty, City Administrator; Ryan Vanderhoof, City Attorney; Kendell Ferguson, City Attorney; Darin May, Police Chief; Robert Miller, Public Works Director; Melissa Owens, Finance Director; Mike Upston, Planning Director; and Cindy Hughes, City Recorder.

Guests: Jay O'Neil, Butte Creek Mill Foundation (BCMF) Board Member; Dennis Godfrey, BCMF Advisory Committee Member, and Planning Commissioner; Therese Hoehne, BCMF Advisory Committee Member; Bob Russell, BCMF Advisory Committee Member; Jerry Close, Planning Commissioner; Suzi Collins, Planning Commissioner; Lorin Myers, Eagle Point Budget Committee Member; Bob Pinnell, Eagle Point Budget Committee Member; and members of the public and press.

Mayor Jenks welcomed everyone and discussed the designated period for audience questions or comments. Members of the audience were asked to refrain from commenting during the meeting and to mute phones if possible. It was further noted that general questions or additional comment could be made by contacting City Hall during regular business hours.

2. AUDIENCE QUESTIONS/COMMENTS CONCERNING ITEMS NOT ON AGENDA

Mayor Jenks requested audience questions or comments to be brief and limited to items of an urgent nature. There were no audience questions or comments.

3. CONSENT CALENDAR

3.1 Presentation of City Council Meeting Minutes of July 28, 2020.

Mayor Jenks announced the Consent Calendar. There were no questions or comments. Councilor Mannenbach moved to approve the Consent Calendar, and Councilor Fierke seconded the motion. There was no discussion. Roll call: Kevin Walruff, yes; Bill Fierke, yes; Bernie Grossman, yes; David Lacombe, yes; James Mannenbach, yes; Michael Stanek, yes; and Ruth Jenks, yes. The motion passed unanimously.

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4. PRESENTATION OF BILLS TO BE PAID

Mayor Jenks asked if there were questions about the bills to be paid including the additional bills list. There being no questions, Councilor Lacombe moved to approve the Bills to be Paid in the amount of \$186,046.01 and the Additional Bill List of \$24,645.65 for a Grand Total of \$210,691.66 (Submission No. 1). Council President Stanek seconded the motion. There was no further discussion. Roll call: Bill Fierke, yes; Bernie Grossman, yes; David Lacombe, yes; James Mannenbach, yes; Michael Stanek, yes; Kevin Walruff, yes; and Ruth Jenks, yes. The motion passed unanimously.

5. OLD BUSINESS

- 5.1 Resolution No. 2020-32. A Resolution authorizing the City's withdrawal and termination of Intergovernmental Grant Agreement No. RS1909 with the Oregon Business Development Department (OBDD), and a Subgrant Agreement with the Butte Creek Mill Foundation, for the Historical Rebuild of the Butte Creek Mill.

Mayor Jenks announced Resolution No. 2020-32. Aaron Prunty, City Administrator, reported this item had been on several agendas and he had been contacted by OBDD regarding formal action to withdraw from the grant. Mr. Prunty further reported that over the last couple of months, the Council has worked with the Butte Creek Mill Foundation to receive additional information. He also discussed the basics of grant cycles with time periods to receive funds or be lost. While this grant is technically expired, Oregon Business Development Department (OBDD) let Mr. Prunty know the funds could be received by Eagle Point or awarded to another project in the region if a decision was made during the Council meeting.

Mayor Jenks noted there were two contracts involved with requirements and information recently requested by the State. Some of the State's concerns were with regard to project completion, operating maintenance plan, and whether or not project funds were secured and available. Mayor Jenks reported on the City Council allowing the Foundation time to address concerns, and the Foundation had provided a lot of information last week. OBDD responded with additional concerns that were forwarded to the Council and Foundation. Mayor Jenks also reported concerns with the 10-year Cash Flow, and whether or not the project would be completed or is viable.

Mayor Jenks introduced Jay O'Neil, and with the Council's permission allowed an update. Mr. O'Neil reported on the Foundation submitting numerous documents and working nearly 24-7. The Foundation has a new Board which Mr. O'Neil reported as being Eagle Point residents. A lot of work has also been done at the Mill with the turbines running, the millstones in place and turning, and the millwrights coming next week.

Mr. O'Neil further reported on the new Board wanting to reach out to the City to make everyone comfortable, and he also spoke about being open to a Council member serving on their Board. Discussion turned to the Business Plan and Cash Flow document that does not include the \$200K with this grant. Mr. O'Neil

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discussed the Flour Milling document with 51-tabs showing the Mill as viable although it would be in the red for the first couple of years. Mr. O'Neil spoke about the excitement of the new Board with a soft opening in November, and making the Mill the center point of the City again.

Mayor Jenks opened discussion with the Council beginning with Councilor Fierke. Councilor Fierke had questions about the State's deadline dates and the Mill's unresolved lawsuit with a contractor. Mr. O'Neil reported on the Foundation's first meeting with Dave Hammonds of Hamcon about negotiating an outstanding invoice and agreeing to keep things out of the court system. Councilor Fierke further inquired about donations and progress on funding. Mr. O'Neil reported continuing to apply for grants, Board commitments, in-kind matches from the Sacramento area, as well as Medford Fabricators committing to design, build and install water gates. Donations for the interior of the Mill were also discussed. Councilor Fierke reserved further comments until after others made questions.

Councilor Lacombe reported taking a tour of the Mill and meeting with Mr. O'Neil and Mr. Russell to get an up close picture of what is going on. He further reported being excited about its direction.

Councilor Grossman asked about sustainability and negative cash flow projections. Mr. O'Neil noted it would be much healthier if the grant were approved, and combined with the 51-tab Excel spreadsheet is healthier after the 2nd year. Mr. O'Neil noted there had been challenges getting all of the information in the 51-tab Excel spreadsheet but the documents should be considered together. In addition, Councilor Grossman inquired about the loan payoff to Mr. Russell for the property, and the \$175K due to the bank. Mr. O'Neil responded about plans to renegotiate a loan extension with People's Bank. He further reported on the Capital Goal of \$2.5M, and anticipates the interior finish will cost between \$400-500K. Mr. O'Neil further responded about accounting for inventory, and payroll for a Mill Wright and Store Manager included in figures. Having been on the Foundation Board for six weeks and the rest of the Board for only two weeks, Mr. O'Neil discussed the Foundation's desire to regain the good faith of the Council.

Council President Stanek also reported taking a tour of the Mill with Mr. Russell. He further reported on the beauty of the Mill and being humbled. In addition, Council President Stanek asked about whether the Foundation had received the letter from OBDD about not retiring debts with the Grant. Mr. O'Neil confirmed they had received the letter and knew about not retiring debts with the grant. He also discussed using the grant funds to pay off construction costs. Council President Stanek discussed another letter from OBDD with a recommendation of \$300K in the bank. A brief discussion followed but it was not clear as to whether it was \$300 or \$400K.

Councilor Walruff discussed questions being answered and expressed appreciation for Mr. O'Neil's work.

Councilor Mannenbach noted his main questions were answered and expressed appreciation to Mr. O'Neil and everyone for working on this. Councilor Mannenbach

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asked about the 10-year projections with a loss every year. Mr. O'Neil reported that conclusion could be reached if looking just at the Cash Flow document but in reviewing the 51-tab Excel spreadsheet, Years 1 and 2 are in the red and then the following years are in the black. Mr. O'Neil emphasized that the Excel spreadsheet is exact down to the 5 lb. bags of flour.

Mayor Jenks added that the response from this team within a month is highly impressive. She further discussed frustration during the last 2 years in attempting to get this type of documentation. Mr. O'Neil responded about the Mill having been open in the past and paying its own way. He further noted the Foundation Board is open to a Council member being on their Board and wanting to partner with the City Council and the Community.

Next, Mayor Jenks asked about the checking account balance, grant account, and restrictions. Mr. O'Neil reported the Carpenter Foundation had lifted its donation restrictions for the general good of the Mill. Mayor Jenks also inquired about segregating funds for Debbie's Garden and Mr. O'Neil reported they are in the process of segregating but there is not currently a line item. Mayor Jenks went on to discuss the budget for the Interpretive Center, Ice House, landscaping, special events, and construction costs. Discussion continued with Mr. O'Neil reiterating that the cash flow sheet was to show primarily operation expenses, and an estimated \$400-500K is needed to complete construction. Mr. O'Neil further stated they can open and produce flour very quickly, and hope to produce enthusiasm to make things happen sooner rather than later. Mayor Jenks stated the numbers are thoughtful but don't come together to say yes. Further discussion resulted in Mr. O'Neil projecting they will clear \$109-110K per year over 10 years off of the Mill Stones, but the Country Store generally doubles or produces 50-60% of the Mill Stones.

Mayor Jenks stated being comfortable with the work done to date but had concern about the Foundation's fragile position in terms of available cash, the ability to proceed with construction through December, and getting to November. Mr. O'Neil acknowledged they have big challenges in front of them and it will take everyone's support to make this a successful project. In addition, Mr. O'Neil reported the Board believes it is doable and important for the community to get Mill running.

Council discussion continued with another round robin starting with Councilor Fierke expressing appreciation to the Foundation Board for their hard work and getting the information to the City Council. Councilor Fierke further discussed the State's letter about retiring debt, 10-year projections, and thought the State's requirements had been covered. With regard to the short term cash flow, Councilor Fierke was hopeful there would be enough money available to complete the inside work for an opening in November.

Councilor Lacombe stated being realistic but a lot of this is possible with the new Foundation leadership, and that the Mill is the cornerstone and symbolism of the City.

Councilor Grossman expressed concerns with the grant, and thinks the grant providers will consider the failure of the project to date. He further wished the

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Foundation Board had been in place before. Last, he discussed concern of failure and the City being required to pay back the \$200K grant funds to the State, noting it had not been budgeted. Mr. O'Neil reported in reviewing the grant that he believed the funds had been put to use as intended.

Mayor Jenks went on to discuss the purpose of the grant and requirements about a viable business. Further, Mayor Jenks reported the contract had expired and the Council was gathering data to make the best decision and demonstrating due diligence to protect the City. Mr. O'Neil discussed the Foundation working hard and the Mill bringing jobs and a business to enhance the livability of Eagle Point. However, Mayor Jenks discussed the State's perspective of possibly being two years too late and that another entity could use the funding appropriately.

Council discussion continued wherein Councilor Grossman inquired about whether or not the Foundation would move forward without the grant and Mr. O'Neil confirmed that they would although it would put them back. Council President Stanek reported most of his concerns were covered and he was impressed with the unprecedented amount of documentation submitted by the Foundation. Councilor Walruff echoed Council President Stanek's comments and being impressed thought if Mr. O'Neil had been on the Board a year ago the Council would not be making this difficult decision. Further, Councilor Mannenbach expressed appreciation to Mr. O'Neil for the honesty and transparency, and also looks forward to seeing the Mill succeed.

However, Councilor Walruff discussed multiple extensions granted by OBDD and the fiscal responsibility of the City. Aaron Prunty, City Administrator, confirmed the contract had expired but an extension was allowed by OBDD to August 15. Attorney Ferguson joined in the discussion about the terms of the grant and the responsibility going back to the City if the terms are not met. Melissa Owens, Finance Director, also responded about Rainy Day Funds but not budgeted in the event OBDD determines the terms had not been complied with.

Next, Mayor Jenks offered to entertain a motion to approve Resolution No. 2020-32; however, no motion was made. A brief discussion followed as to the status of the motion; however, there was no motion or action taken.

6. NEW BUSINESS

6.1 Resolution No. 2020-34. A Resolution authorizing a City of Eagle Point Personal/Professional Services Contract with Central Pipeline for the Linn Road Inlet Tie In.

Robert Miller, Public Works Director, reviewed the related agenda statement and explained about this being a cleanup item for the main Linn Road construction contract with Central Pipeline. Outstanding items included the side culverts and inlet tie in modifications on Bosc Way, Comice Way, and De Anjou Avenue. The Linn Road Inlet Tie In was budgeted at \$35,000 in the Linn Road Improvements Project and funded from the 2019/2020 Stormwater Fund. The project was completed prior to the paving of Linn Road to avoid disruption of the new pavement. However, the

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punch list work by Central Pipeline, Inc. for the inlets was completed in July 2020 with a final cost of \$28,847.48, and staff recommended approval.

There being no further discussion, Mayor Jenks offered to entertain a motion to approve Resolution No. 2020-33. Council President Stanek made a motion to approve Resolution No. 2020-33, a Resolution authorizing a City of Eagle Point Personal/Professional Services Contract for the 2020 Seal Coat Project with C. R. Contracting LLC; and Councilor Walruff seconded the motion. Roll call: David Lacombe, yes; James Mannenbach, yes; Michael Stanek, yes; Kevin Walruff, yes; Bill Fierke, yes; Bernie Grossman, yes; and Ruth Jenks, yes. The motion passed unanimously.

6.2 Discussion regarding the intersection of Alta Vista Road and South Shasta Avenue

Robert Miller, Public Works Director, discussed the 2020 traffic analysis and traffic counts at the South Shasta Avenue and Alta Vista Road intersection by Southern Oregon Transportation Engineering, LLC. Both roads are classified as arterials and there are increasing concerns over near miss accidents at the intersection. This analysis was more in depth than the 2017 sight distance analysis. While the minimum sight distance is met for the intersection, the desirable sight distance in either direction is not met for the current configuration.

Mr. Miller further reported the current operational level of service in the morning is "D." Two accidents were reported over the last 5 years, with one related to turning at the intersection. Three alternatives were analyzed and summarized in the traffic analysis, and staff sought the Council's consensus to move forward with Alternative 1 (Shown below) followed by Alternative 2 at some point in the future.

- 1) Restripe the existing intersection, with no widening. This alternative was recommended as a first step while the City pursues Alternative 2. Restriping will improve safety by increasing the sight distance with some improvement to operations.
- 2) Widen the intersection to include a center turn lane and striping improvements. This alternative provides for the best operation of the intersection as it widens the intersection.
- 3) Striping improvements, with an all-way (4-way) stop controlled intersection. This alternative reduces operations with increased delays but improves safety.

Mr. Miller noted prior discussions with developers for commercial improvements on two of the corners at the intersection, and their future participation with the improvements.

Council discussion ensued wherein Councilor Fierke recommended starting with striping. Councilors Lacombe and Grossman expressed concern about the safety of the intersection and favored Option 2, while Council President Stanek and Councilor Walruff concurred with striping as a first step in reducing speed and reevaluating. Councilor Mannenbach also agreed with striping as a first step and working toward Option 2. Mayor Jenks reported looking for something more aggressive in the

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mornings. Mr. Miller supported a phased approach with pursuit of future widening although potential growth and opening of Arrowhead could shift traffic to Nita Way and lessen traffic at the intersection. Mayor Jenks briefly discussed hearing Option 2 as the Council's direction and Mr. Miller noted Option 1 could be completed while pursuing Option 2. There being no further discussion, Mayor Jenks moved on to the next item.

7. REPORTS FROM CITY COUNCIL AND CITY COMMITTEE REPRESENTATIVES

Councilor Fierke reported the School Board's special meetings and interviews for appointments to the Board with the unanimous selection of Josh Graves for appointment. Additionally, Dan Hodges officially announced resignation and a recruitment/replacement selection will follow. Further, an agreement with Kids Unlimited was satisfactory. Last, a comprehensive virtual learning plan was presented by the Superintendent.

Councilor Lacombe announced the Community Development Commission had not met. However, he expressed enthusiasm about the functionality of mill stones and seeing the project move forward.

Councilor Grossman concurred there had been no Community Development Commission meetings to report.

Council President Stanek discussed meeting with Councilor Walruff and Mr. Prunty at the Mayor's request about holding learning sessions for the Council to go over Council Rules and the like. Without making a decision, it was recommended to hold off until after the election as there will be new Council members.

Councilor Mannenbach reported attending a Southern Oregon Regional Economic Development, Inc. (SORED) zoom meeting. SORED continues to work on adjusting grants and services to align with the One Rogue Valley initiative. Consideration was given to 5G Wireless to help with distance learning, loss of businesses, and supporting being flexible with children's school and family work schedules.

Mayor Jenks circled back to Council training and discussed having less formal topics than Council Rules. Council President Stanek discussed the Council Rules review being due every four years as a starting point next year with additional procedural items such as recusal.

There were no other reports.

8. STAFF REPORTS

Mike Upston, Planning Director, reported that most everything to report is in Friday Letter, but the City just approved a partition on Onyx Street into three tax lots for future homes. In addition, building permit applications and plans for small single family detached homes in Poppy Village, and Eagle Point Hardware is working to consolidate outdoor operations into a large storage building that will require approval. Other planning activities include remote monthly meetings with Rogue Valley Metropolitan Planning Organization Technical Advisory Committee, and a regional planners meeting.

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Melissa Owens, Finance Director, reported working with auditors and everything going well. Ms. Owens invited the Mayor to attend the Exit Interview with auditors and later Bill Fierke volunteered to attend the meeting. Audit work was reported to consume the majority of staff's time and everything else in Friday Letter.

Robert Miller, Public Works Director, discussed notifications about the upcoming 20-minute delays on Robert Trent Jones Boulevard for Jackson County's fog seal of the pavement. With regard to staffing, interviews are anticipated in early September for the Public Works Supervisor position.

Chief May reported that in addition to the information in the Friday Letter, two staff members were in training in addition to firearms training.

Cindy Hughes, City Recorder, reported on upcoming elections for City Council positions and the August 21st deadline.

There were no other staff reports.

9. INFORMATION

There were no Information items to discuss.

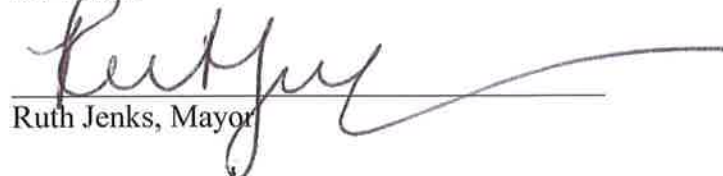
10. ADJOURN

There being no further business, Mayor Jenks closed the meeting at 8:16 p.m.

Respectfully submitted,


Cindy Hughes, City Recorder

ATTEST:


Ruth Jenks, Mayor

City Council - August 11, 2020
Submission No. 1 - Melissa Owens, Finance Dir.

Cindy Flynn 8-11-2020

8/11/2020
 ADDITIONAL BILLS

<u>CHECK #</u>	<u>VENDOR</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
43569	ASANTE PHYSICIAN PARTNERS	PHYSICALS	\$ 397.00
43570	CHARTER COMMUNICATIONS	UTILITIES	\$ 74.98
43568	KATHERINE SIMI	ASHPOLE REFUND	\$ 30.00
43571	LIL' PANTRY	VEHICLE MAINTENANCE	\$ 95.00
43572	OAWU	MISC DUES 20/21 MEMBERSHIP	\$ 1,100.00
43573	OREGON ACCREDITATION ALLIANCE	ACCREDITATION	\$ 1,155.00
43574	STAPLES	SUPPLIES	\$ 165.59
43575	THE BUILDING DEPARTMENT	BUILDING OFFICIAL	\$ 21,628.08
SUBTOTAL			\$ 24,645.65
Regular Bill list			\$ 186,046.01
GRAND TOTAL			\$ 210,691.66