



## Harrisburg City Council Minutes April 12, 2017

The Harrisburg City Council met on this date at City Hall, located at 120 Smith St., at the hour of 7:14pm, directly following the HRA Board meeting. Presiding was Mayor Robert Duncan. Also present were as follows:

- Kimberly Downey
- Robert Boese
- John Loshbaugh
- Adam Keaton
- Sarah Puls
- City Administrator Brian Latta
- City Recorder/ACA Michele Eldridge
- Finance Officer Tim Gaines

Absent this evening were Councilor Mike Caughey and Youth Advisor Makenzie Thompson.

### The matter of Approving the Consent List

- Downey motioned to approve the Consent List, and was seconded by Boese. The City Council then voted unanimously to approve the Consent List. That action approved the following:
  - Payment of the March 2017 Bills
  - The Minutes of March 8, 2017 and March 22, 2017
  - The Out of State Travel for the PW Director

### The matter of a Discussion with a Representative from the Linn County Sheriff's Office

**LCSO Report:** Sergeant Greg Klein was present, and presented detail from the reports for March, which are located in the consent packet. He is planning on looking into the aggressive driver situation on the detail list. He told the Council that there was a lost dog that was found, a black lab, over on the corner of 9<sup>th</sup> & Territorial. The dog was in the LCSO pound. He also noted that a lot of people are leaving their keys in their cars, or leaving them unlocked. People need to remember to lock their doors and vehicles, and to remove valuables.

- Downey asked if he could please send the information about the dog to the City Administrator; we can share that on Facebook.
- Sergeant Klein said that the dog has tags, but nobody has come forward. They keep them for 30 to 60 days if nobody claims it, and then work to adopt it out.

- Mayor Duncan asked if they had seen more minors in possession with the legalization of marijuana?
- Sergeant Klein said that they are seeing more, because it's easier to get to. Adults now can have it legally in the house, and the kids are taking it school. He also spoke about the newest thing, which was a Drug Use Zone; those are places that are allowing people to use drugs in certain areas.
- Downey wanted to thank Deputy Frambes for doing a fantastic job. A citizen was driving down Powerline Drive, and somebody backed out of the driveway in front of them; the driver swerved, and went into the ditch. They said the deputy was great, and she wanted to pass it on. She also wanted to remind everyone of the next Crime Prevention Seminar, being held on April 20<sup>th</sup> at 6:30 at the Harrisburg Justice Center. People can get to know the deputies who work in our community.
- Sergeant Klein also talked about a motorhome on N. 7<sup>th</sup> St., and how he and Chuck Scholz had partnered to get it towed.
- Latta said that he had connected with Deputy Frambes just this morning. He was working on another RV situation, where someone is living in an RV on rented property. We will likely need to issue a citation for that. In any case, he appreciated the Deputy, because he was coming and talking about issues he had seen, and communicated with us about things that he felt were a problem. He really liked that approach.
- Everyone thanked Sergeant Klein for his report.

The matter of Approving Ordinance No. 951, “**AN ORDINANCE AMENDING HARRISBURG MUNICIPAL CODE 10.05.130**”

- Downey **motioned to approve Ordinance No. 951, “AN ORDINANCE AMENDING HARRISBURG MUNICIPAL CODE 10.05.130” and was seconded** by Puls. **The City Council then voted unanimously to approve Ordinance No. 951. This would add the word ‘unmuffled’ to the traffic code in HMC 10.05.130 for the City.**

The matter of Approving Ordinance No. 952, “**AN ORDINANCE AMENDING HARRISBURG MUNICIPAL CODE 15.05.010(8)**”

- Downey **motioned to approve Ordinance No. 952, “AN ORDINANCE AMENDING HARRISBURG MUNICIPAL CODE 15.05.010(8)”**. She was **seconded** by Puls, and the **City Council voted unanimously to approve Ordinance No. 952, and thereby updating the building code for the City.**

The matter of Approving Resolution No. 1155, “**A RESOLUTION AMENDING THE CITY OF HARRISBURG EMPLOYEE MANUAL; POLICY NO. 111 HOURS OF WORK AND WORK SCHEDULES**”

**Staff Report:** Eldridge explained that this policy was enacted at the end of 2015. After reviewing the results, the City Administrator suggested that we remove that portion of the policy. The Personnel Committee asked her to find out what other cities were doing in relation to exempt employees timekeeping. The survey, which is attached, shows that most cities are not following the same practice with their exempt employees. The Personnel Committee is

therefore recommending that the City Council approve the resolution to remove that section from the policy.

- Boese asked about the end sentence of the policy; it was shown as being crossed off, but he thought it should still be in there.
- Eldridge thought that perhaps it was corrected in the actual resolution version, rather than the red-lined form?
- Latta confirmed that it wasn't corrected in that version either.
- Downey then **motioned to approve Resolution No. 1155, "A RESOLUTION AMENDING THE CITY OF HARRISBURG EMPLOYEE MANUAL; POLICY NO 111 HOURS OF WORK AND WORK SCHEDULES"**, with an amendment to reinstate the last line of the policy; *'However, if all leave banks are exhausted, exempt employees salary may be reduced for full day absences'*. She was seconded by Boese, and the **City Council voted unanimously to approve Resolution No. 1155, and thereby changing the method in which exempt employees did their timekeeping in relation to time out of the office, with the amended section to be added back into the resolution.**

#### The matter of Discussing the Refinancing of the General Obligation Bond and our Revenue Bond

- Matt Donahue, of D.A. Davidson & Co, 1300 SW 5<sup>th</sup> Ave, Suite 1950, in Portland, Oregon, was still here for this portion of the meeting. He told the Council that this is page 3 in the report handed out in the HRA Board Meeting. He noted that we used the balances on the loans with the Rural Utilities Service (RUS...a specific division within the USDA) and the United States Department of Agriculture (USDA). Those are both pre-payable at any time. The GO Bond is set to expire in 2040, the suggestions here take it to 2046. The left side is similar to what you pay now, with a lower interest rate. The right side represents the same thing, but shows what happens if you shorten the term slightly. You will get more savings by refinancing these. The savings aren't enormous on an annual basis, as you can see from the graph, but they do add up over time.
- Latta said that as we discussed in the HRA meeting, we get a better deal if we refinance while also funding some of the projects we have planned. Since we said we would engage on the HRA side, he suggests that we engage in this as well. There's no point in not saving money.
- *City Council Consensus was to go ahead with pursuing the details on refinancing the USDA and RUS bonds.*

#### The matter of Considering the Sale of the City Water Tower Property, also known as Tax Lots 8300 and 8400 of Linn County Assessors Map No. 15S-04W-16AA

**Staff Report:** Latta said that this property is comprised of two separate tax lots, with 3 historically platted lots. The Council at the last meeting, decided that they would accept no offer lower than \$80,000 for those two lots. He has interest on that amount from a buyer who is here tonight (Debbie Magnuson), and Hurds Hardware, which is represented by Mike and Glenn

Hurd. He suggested that we give both parties an opportunity to talk to them, and then the Council could discuss what to do next.

**Debbie Magnuson**, 31871 Herman Rd, Eugene, had gone to school here, and her daughter also went to school here. Their son wants to come back to the community after he graduated from dental school. They are trying to help him pay off the more than \$500,000 in debt that he is for his education. Right now, Harrisburg has a dental office that is open only one day a week. They thought that there was a great opportunity to be open on Friday's, when Harrisburg doesn't have school. She had five different points to suggest to Council.

1. She is working on securing the property, and is developing a site plan.
2. She has already worked on securing contractors (two of them are ready to move on to her project soon.)
3. She has secured the financing for the property, and has a check to pay Council for the property tonight.
4. She is working on buying the practice from the dentist here, but unfortunately, he turned her down; she'll have to work harder on that.
5. Since the building she is planning is adequate for another business, she has been working on getting a business, like a pizza place, for this location.

She is involved in the community; she'll be paying to fund one of the movies this summer, and she's also helping with equipment/uniforms for the football team. She'd like to have a pizza shop in the building, but she's had some problems with getting a pizza business for the other side....she's talked to the Coburg Pizza place, and another one in Eugene. They say because of Oregon's minimum wage that they are hesitant to start a 2<sup>nd</sup> business elsewhere; she's still trying to get more information and find someone willing to start a food business. It's astronomical to start up a dental business; it costs between \$50,000 and \$60,000 to just run all the lines and conduit through the building, and another \$200,000 to \$240,000 for constructing the building, let alone purchasing any of the chairs, or other equipment. They did own a business in Brownsville at one time too; her husband is a dentist, and they are trying to give their son a head start in the business. They operate a clinic in Eugene.

- Latta asked if the offer she had for Council was \$80,000.
- Magnuson confirmed that she had a check with her, and was prepared to sign it over to us.

**Glenn Hurd, 26022 High Pass Rd, Junction City, and Mike Hurd, 30710 Cartney Dr, Harrisburg, were here to represent Hurds Hardware.** Mike told the Council that it was probably about 8 years or so ago, when the water tower property was originally for sale, that they were the only ones who made an offer; which the City rejected. Their interest wasn't lost, but they sat back to see where things went. Then about 5 or 6 years ago, they were encouraged to make another offer. They were approached by the City about two weeks ago, letting them know about this opportunity. They probably would have approached the City before now if they had known that the property was still for sale. That property is necessary for them to expand the business; because obviously, they can't build to the north or the east. It would give them an opportunity to expand the business. They thought it could be more of a hardware

store, and a building supply kind of place, than what they have now. That's why they are here; to secure the property so that they have an opportunity for the business to grow.

- Puls thought that they weren't interested in the property.
- Latta said that actually, before either of these two people were here, our current dentist in town was interested in that lot, and started asking questions about it. That was right after the bond for the fire district went through, about seven or eight months ago. He talked to Kevin Grimes at that time, and he said that Hurds only had a moderate interest in the property. That's why he thought that they weren't that interested. So after he asked Council to come up with the lowest amount that they would accept, he went over to Hurds to talk to them about it, along with Magnuson.
- Mike Hurd said that yes, they are highly interested in the property.
- Latta asked if they were ok with the \$80,000 as well.
- Mike Hurd said yes, they want to get this moving.
- Mayor Duncan asked the Council for how they wanted to proceed.
- Downey said that they are both viable businesses. She wanted to hear their testimony, so she could determine if somehow one is more important to the community than the other. However, they are both important for different reasons. Personally, she thinks that probably the only option is for us to accept the highest offer, just like any other real estate that is for sale.
- Boese agreed with her. Hurds has been here forever, but he would also love to see a dentist to be established here too.
- Magnuson said that she had given up another piece of property she was interested in. It's not financially to her advantage to have to tear down a building or two before being able to construct.
- Boese said that he's in a quandary as to which business is more viable. The highest bidder is all he can think of too.
- Loshbaugh said that he would have to agree with Boese. Whoever wants to put up the most money; but he doesn't know who will get it either. He thinks Hurds to a point has a vested interest.
- Puls said yes, and they can't expand anymore within their current location.
- Loshbaugh agreed.
- Keaton said that he felt sort of the same way that they did. He doesn't know a better way to do this, other than an auction.
- Latta said that in fairness, he should mention that Hurds did try to buy the property before, and we turned them down the first time.
- Keaton asked if we brought the price down.
- Downey said it was a market price; we had an appraisal done.
- Mayor Duncan told him that Council was looking out for the best interest of people's money. They were under the price we were told should be the minimum offer.
- Mike Hurd said that you had a recommendation from your real estate person, and they did too.
- Latta said and then...the market crashed.

- Puls said that she realizes that Hurds can't expand anywhere else, but felt it still needs to go the highest bidder.
- Mayor Duncan asked Gaines for his opinion as the money guy for the City.
- Gaines said that's the problem with the location. We could use a dentist, but Hurds is constricted there.
- Glenn Hurd asked if anyone here knew that Molly's has sold now. The company that bought it owns Buddy's Diner in Eugene. They are open in the mornings, and are remodeling in the afternoons. His wife is related to them; which is why he knows about it.
- Gaines said that in answer to that first question, he's been here since he was little, and Hurds has been here all that time. We don't want to get emotional with money, but he also really wants a dentist here. If you get good offers, and it's close, then you can decide.
- Mayor Duncan said that even though he won't be breaking any ties, that he wants to throw in his two cents too. He is really, really concerned about Hurds not being able to grow. That is a concern to him. He also knows that most of Council remembers that he didn't get to see a dentist until he was 15 years old. He has been in so much pain in his life from his teeth. He's probably put in \$100,000 in his teeth in his life; he knows the value of a dentist. He remembers when Subway came in. They found it was in the historic district, and didn't want to have to comply with the standards. But two years later, they came back, and came up with what they needed to meet our standards. He's concerned about Hurds not growing, but also is incredibly concerned about kids not having access to a dentist.
- Keaton said that obviously, he knows that this is about the location; but Magnuson had a solid plan. Other than location, does Hurds have a solid plan?
- Mike Hurd said that they haven't had any time to look at the market. But we know if we don't have that property, that we don't have an opportunity to expand.
- Pastor Gordon, who was still in the audience, said that he actually has been a customer of the Magnuson's. They had the friendliest, warmest dentistry, and made you feel like part of the family. We need something like that in Harrisburg; and right now, the dentist is here only one day a week. If the son is anything like Debbie and her husband, then he will be warm and friendly too.
- Loshbaugh asked if Magnuson had looked at other properties in town; he knew that there was one for sale that used to be a salon.
- Magnuson said that she did look at that. However, the type of construction is not conducive to putting in conduit. It makes it extremely expensive. Their current location in Eugene, would not be conducive to remodeling either. She doesn't want to have a piecemeal building; she wants a quality dentist office. She's not comfortable walking into the dentist office we have here; it's quite older. They aren't just trying to make money though; she wanted to let them know that they provide a free dental clinic, and have given away over  $\frac{3}{4}$  of a million dollars in dental services. They have oral surgeon's that assist them in the clinics. They also have all 7 of their doctors help with volunteering in the medical van.
- Mayor Duncan asked if you had looked at other properties in town?

- Magnuson said that she looked at other properties, including the one with the barbershop. That's where the doctor is looking as well. Every month that she doesn't have a practice though, is a loss of money to them. They are ready to go.
- Puls asked if she had talked with the doctor at all?
- Magnuson said that she had, but there isn't enough room for both of us. If she limits herself to only two orthodontists, then she can't service Harrisburg the way it needs. They have 12 families in both Halsey and Monroe, that come to their practice in Eugene; they would love to come here instead.
- Latta asked about the property on the north side of Monroe across from Hurds. What is the plan for that?
- Mike Hurd said that his dad bought it about 30 years ago. It's basically for storage.
- Glenn Hurd said that they used to use the Harrisburg lot on the north side to store equipment.
- Latta said that he was talking about the property across the street from Hurds.
- Mike Hurd said that they would have to cross the street to get from one store to the other.
- Puls asked if they would be willing to swap?
- Latta said that was what he was thinking. If they were using it for storage, they could use the property behind them for storage instead.
- Magnuson said that she just needs the same square footage. She's already made her plan that way; she doesn't need the whole piece, just the parking lot and the building. She would need to brainstorm it.
- Downey thought it was a great idea!
- Latta said that was why he asked how the property was being used.
- Mike Hurd said that his vision was to leave that lot for parking their equipment and storage. Plus they could have the lot behind them for expansion.
- Latta said that was what he was wondering. So for Council to consider the offers tonight, he thought it would need to be final offers. If Council is willing to entertain a different offer on their end; it sounds like they value both of you. They would like to see both of you. So whichever one offers more money, it would be satisfactory. We could set a time in the future; whether that's next week, or tomorrow, and you could make what your final offer would be. Or you can do it tonight....it's whatever you are prepared to do.
- Magnuson said that she has an offer on the table, and they need to move forward. Her son has 3 kids, and she has another offer to pursue if this doesn't work out. She needs to be able to move ahead if this doesn't work out.
- Latta said ok, so you are able to make your final offer tonight. He asked Council and the potential buyers what they wanted to do. Do you want to just give us your offers?
- Boese said that perhaps for our benefit, they could handwrite them, and give them to the Mayor. He doesn't want a bidding war; he doesn't want to auction it off, and wanted it to be more discreet.
- Loshbaugh said that we have two parties, and at an auction, the highest bidder wins.
- Magnuson said that she doesn't mind bidding for it. This isn't her first time doing this.

- Latta said ok, so we have Magnuson at \$80,000; do we have Hurds at \$81,000? We could do it that way if they want.
- Downey said that she was really uncomfortable with doing it this way.
- Mayor Duncan said that if the Council is ok with both offers, as in yes, they could use either a dentist or a hardware store, then bidding works. Really, money isn't the issue. The issue is if 20 years down the road, Hurds is struggling because they aren't able to move forward, or in 20 years, we still don't have a dentist.
- Downey said that's why we can't make a decision....we shouldn't limit an enterprise.
- Latta said he thought it sounds like that's the easiest way to do this. It's in the best interest of the public dollars for us to take the highest offer.
- Loshbaugh said that you could go back and forth; each of you has a limit, and once you reach that limit, you're done.
- Mayor Duncan said we want to be sure that we are being fair. Are they both ok with handling it this way.
- Downey asked if they were ok with it as well.....

Glenn Hurd said that they would bid \$81,000. Magnuson bid \$82,000. Hurd bid \$83,000. Magnuson bid \$84,000. Hurd bid \$85,000. Magnuson bid \$86,000. Hurd bid \$87,000. Magnuson bid \$88,000.....Glenn Hurd said that's it...that's his limit. He then left the meeting. Magnuson thanked the Council and Mike Hurd for being here tonight. Mike Hurd thanked the Council as well, and also left the meeting.

- Latta said that we need a motion to accept an offer for \$88,000 for this property. Our attorney has already drafted a bargain of sale deed, and we are selling the lots as is. It only needs to have a buyer and price added to it. Whenever Magnuson is ready to write the check, we can proceed.
- Magnuson said that she was ready right now...she has no patience. She then wrote out a check for \$88,000 made out to the city of Harrisburg. She commented that she now needs to get busy!
- Latta said we can get the deed signed tomorrow then.
- Loshbaugh then **motioned to accept the offer for \$88,000 for the water tower property, and was seconded** by Downey. **The City Council then voted unanimously to approve the sale of the water tower property to Debbie Magnuson for a sum of \$88,000.**

The matter of Discussing and Approving Resolution No. 1156, “**A RESOLUTION FOR THE PROCEDURAL RULES & GOVERNANCE POLICIES FOR THE CITY COUNCIL; AND REPEALING RESOLUTION NO. 1099**”

**Staff Report:** Latta said that at the last meeting, we had agreed to re-do the committee's, and we had decided to keep the Personnel Committee, which would meet on an on-call or as needed basis. The draft resolution is on page 55.

- Downey said that what she offered the last time around about Personnel, she hoped would work. She thought that Mike would be willing to be on here too; Boese also said that he would like to stay on this committee.
- Mayor Duncan agreed with her that Mike would likely want to stay on this committee.



- Latta agreed that the Personnel Committee could stay. He said that the Personnel Committee can make recommendations to the Council. We could still meet indefinitely, as often as needed. That makes sense.
- Downey said that we do need to be a committee, because we are who people can make appeals to.
- Eldridge confirmed that we had a complaint process for the Department Heads. If they wanted to appeal the City Administrators decision, then they would need to take it the Personnel Committee.

Latta noted that we had three other committees' planned. You can identify their purposes, and decide who services them, how long to keep them, and how often they should meet. This is tied into the strategic plan of the city. Those committees are related to the Water Study, 4<sup>th</sup> Street, Street Maintenance, and the Justice Center Rehabilitation. They could be citizen advisory committees. Keaton liked that name better than Ad-Hoc. It was more accurate, and better.

City Council started discussing the committee's, and how many citizens should be on them, in relation to Council members. They debated the merits of having as many people who were interested in a subject being on a committee, to only having a handful, who might be able to be more focused. They also decided that the street committee's should be combined, since they are so related. Therefore, they would have a water committee, street committee, and justice center committee.

Latta suggested that perhaps we should ask first, which committee's council members wanted to be on? We couldn't have more than three councilors on a committee, because it would constitute a quorum. He asked for interest levels for each potential committee.

Water Project Committee: *Loshbaugh, Boese, and Puls.*

Street Project Committee: Downey expressed interest in the street committees, because she hasn't gotten involve much on the Public Works side of things. *Puls, Downey, and Keaton* were interested. Downey felt aht *Caughey* would also like to be on that one.

Most of the Councilors wanted to be on the Justice Center Rehabilitation committee. Boese admitted that he would go to all of them, if he could, because he is interested in all of the subjects. Latta reminded them that we aren't assigning committees, we are just gauging interest. Keaton wanted to know what would happen if a 4<sup>th</sup> Councilor showed up for a meeting? Downey said that we had that happen a lot between the Personnel Committee and Government Committee. John would come before they were done with their meeting, and he would be just an observer. He wouldn't vote, or weigh in on anything.

Justice Center Rehabilitation Committee: *Downey, Boese, Loshbaugh....Keaton* expressed a little bit of interest on being on this one.

The council returned to the discussion of how they would proceed with each committee. They returned to having a lot of people on a committee, vs. an odd number, like 7, 9 or 11. Concern was expressed about having too many disparate opinions. Mayor Duncan admitted that if there was a group, such as 3 councilors, and 6 citizens, and if he spilled his guts and thoughts, and then had everyone ignore them, it would piss him off. He's sure a lot of people would feel the same. Puls suggested that the votes are advisory only. They bring collective concerns. Downey thought it would be like what Puls does with CWCOG meetings. Latta said that in his legislative committee for the LOC, there are 20 to 30 people there, and all of them

vote; everyone participates. There are some people who attend who don't vote. It's a larger scale, but there is a recommendation taken to the LOC board. Puls thought we could try a trial of whatever we decide on. We can always return to the original way, or try a different way if we don't like it. Latta said that we could designate a chairperson for each committee, which would likely be one of the councilors. However Puls said that's going away from what she wanted. Instead of a PW committee, it's called a Water Committee. She was trying to get away from that.

Latta said what if he took away the voting; the Councilor, or a staff person could be a chairperson, but they are there to guide the discussion; saying these are what the general topics are. We could get more feedback from the people there. Puls said that her main purpose for changing is to eliminate redundant information. She said that maybe we don't need a Water Study Project Committee, because it's an issue that is so important to all of us. Everyone agreed with her. They also agreed that in something like the streets, that they should allow Chuck to do his job and to decide which streets needs more attention, rather than a committee doing so. The Council decided that they would not have either a Water Project Committee, or a Street Project Committee.

Latta asked for guidelines on the Justice Center Rehabilitation Committee. The City Council again started discussing the merits of a citizen advisory board vs. a regular committee. They really liked the idea of the citizen advisory board, but were worried about how many people might want to be on it. Latta suggested that they wait until the end of the month of April, when the Library surveys are all back to decide. We have about 50 of them in our hands. We'll review those at the May meeting. Then we can have a work session on May 24<sup>th</sup> to start deciding what we want to do from there. If we established a temporary committee, then Downey didn't think we needed to include it in the resolution. Puls agreed with that. Latta asked if it was the Charter that establishes the Council's right to create Committees. Eldridge told him that was correct. Latta then recommended that when Council adopts the resolution; remove numbers 25.3, 25.4 and 25.5.

- Downey **motioned to approve Resolution No. 1156, "A RESOLUTION FOR THE PROCEDURAL RULES & GOVERNANCE POLICIES FOR THE CITY COUNCIL; AND REPEALING RESOLUTION NO. 1099", with an amendment to remove 3, 4, and 5, in section 25. She was seconded by Puls. The City Council voted in favor for the resolution 3 to 1, with the opposing vote coming from Loshbaugh.**
- Loshbaugh admitted that he had a lot of concerns about the Justice Center Rehabilitation project. He felt that there would need to be a committee on that, because there will be a lot of work in getting that building to where we want it as a Council, and a City.
- Latta said that we'll be discussing that at the meeting in which Council will get the results of the survey.
- Loshbaugh asked what was happening at the Justice Center.
- Latta told him that Judge Lemhouse had already moved out. There is still equipment and files that are being moved out. He see's someone there about one day a week. We'll go in and adjust our WIFI and Internet services, which were provided through an IGA with the Justice Court. But as far as evaluating, and starting work on the building, the official end date is June 22<sup>nd</sup>.

- Loshbaugh admitted that some of his interest in the building is because we used to hold Council meetings where the deputy sub-station is located, on two fold up tables.

**Others:**

Island Annexation

- Latta said that we had two properties that we processed an island annexation on, and wasn't certain of when it was.
- Eldridge supplied that it must have been in 2011, because the date of the change is 2021.
- Latta said that it gave options to the owners. If they wanted to annex into the City before the date, then they could, and they wouldn't have to pay SDC's. (Eldridge added that they would have to pay connection charges). However, if the lots were sold, the new owner would be required to pay the SDC's, and the annexation would be finalized. There are parts of the SDC code, under Collection of Charge, that talks about what Council can do in this situation. They can collect the charge, or they can make findings to allow the annexation because it's a benefit for it to be in the City. There is also a part of the code that exempts a property from SDC's, if the structure existed within the City limits on or before May 8, 1996. Unfortunately, the property in question, while having a home from the mid-50's, was outside the City limits. They weren't in the City limits, but it was surrounded by the City.

Mayor Duncan asked if the person there wanted develop the property, and Latta told him that he wanted to divide it. He added that we do have an appeal process to follow, if Council wants to require him to file one. This gentleman is willing to pay the SDC's; he's just asking if he can make payments of around \$550 a month so that he can pay them off over two years. He (Latta) thinks it's reasonable; but only for these two cases, because of the island annexation situation.

City Council had a discussion on the SDC's....they didn't feel that someone should be allowed to waive them; they had already had the discussion in relation to this when the annexation was done. That's why the owners were given the option to annex into the City and not be charged SDC's, while new owners annexing would be required to. They also didn't want to set up a precedent where someone else could ask for the same things. Downey brought up the situation that she dealt with when they purchased the garage, only to find out that there was a pending sidewalk improvement project that the buyer forgot to tell them about. The City shouldn't operate as a lender. She added that when we discussed that issue in 2011, that we felt that the SDC's could be built into the sale price. She said that if the City is benefited, perhaps that would be different. Latta said that the only benefit is for the tax rolls, and if he divides the property, that will be more. Downey said that if there is a benefit, she might be ok with it, but...it will need to be a lien. Puls agreed with her, and said that it would definitely need to be a lien on the property, if we allow it. Latta would talk to him (the buyer) tomorrow, and let him know that he can either pay them, or appeal it to City Council. He'll let him know that he would need to make a proposal to Council for why they should allow the payment plan.

- Mayor Duncan reminded Council that his daughter would be at the next meeting, in order to discuss Trauma Informed Care. He was inviting the school district, fire district, and the LCSO to join us, so the meeting will be held at the Harrisburg Justice Center.
- Keaton invited Councilors to the Linn County Republican Spring Gala Fundraiser. (He's a PCP in the Republican Party in Linn County.) The event is being held on May 13<sup>th</sup>. The keynote speaker is Kris Anne Hall. He would send information to everyone, if they were interested.

**With no further business to discuss, the City Council adjourned at the hour of 9:07pm.**

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Mayor

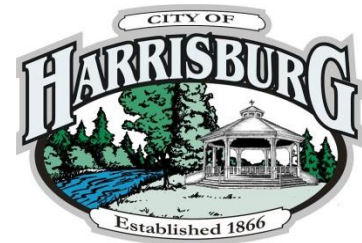
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City Recorder



**D | A | DAVIDSON**  
FIXED INCOME CAPITAL MARKETS

**Financing Scenarios Presentation for:**



**Matt Donahue**  
Vice President  
Public Finance  
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**Matt Gierach**  
Associate  
Public Finance  
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April 5, 2017

**D.A. DAVIDSON & CO.**  
Oregon Public Finance  
1300 S.W. 5<sup>th</sup> Avenue, Suite 1950  
Portland, Oregon

# Urban Renewal Area – New Money Financing

Scenario 1 - 20-Year Payment Schedule			
Interest Rate: 3.264%			
Period Ending	Project Fund Amount		
	\$2,600,000	\$3,075,000	\$3,822,000
6/30/2018	\$175,939	\$208,853	\$260,848
6/30/2019	\$177,300	\$208,200	\$263,150
6/30/2020	\$175,050	\$205,575	\$264,250
6/30/2021	\$177,275	\$207,350	\$265,200
6/30/2022	\$174,425	\$208,975	\$261,000
6/30/2023	\$176,500	\$205,525	\$261,800
6/30/2024	\$177,900	\$206,400	\$261,000
6/30/2025	\$173,700	\$206,500	\$265,000
6/30/2026	\$174,400	\$206,400	\$263,600
6/30/2027	\$174,900	\$206,100	\$262,000
6/30/2028	\$175,200	\$205,600	\$260,200
6/30/2029	\$175,300	\$204,900	\$263,200
6/30/2030	\$175,200	\$208,900	\$260,800
6/30/2031	\$174,900	\$207,600	\$263,200
6/30/2032	\$174,400	\$206,100	\$260,200
6/30/2033	\$173,700	\$209,300	\$262,000
6/30/2034	\$172,800	\$207,200	\$263,400
6/30/2035	\$176,600	\$209,800	\$264,400
6/30/2036	\$175,100	\$207,100	\$265,000
6/30/2037	\$173,400	\$209,100	\$265,200
<b>Total</b>	<b>\$3,503,989</b>	<b>\$4,145,478</b>	<b>\$5,255,448</b>
<b>Total Interest Paid</b>	<b>\$1,053,989</b>	<b>\$1,250,478</b>	<b>\$1,346,654</b>

Scenario 2 - 15-Year Payment Schedule			
Interest Rate: 2.955%			
Period Ending	Project Fund Amount		
	\$2,600,000	\$3,075,000	\$3,822,000
6/30/2018	\$207,639	\$249,816	\$314,177
6/30/2019	\$212,500	\$252,300	\$310,900
6/30/2020	\$214,175	\$253,350	\$311,075
6/30/2021	\$215,050	\$253,475	\$310,150
6/30/2022	\$210,850	\$248,525	\$314,000
6/30/2023	\$211,575	\$253,425	\$312,625
6/30/2024	\$211,400	\$252,200	\$314,900
6/30/2025	\$215,200	\$249,900	\$310,800
6/30/2026	\$213,700	\$252,300	\$311,400
6/30/2027	\$212,000	\$249,400	\$311,600
6/30/2028	\$215,000	\$251,200	\$311,400
6/30/2029	\$212,700	\$252,600	\$310,800
6/30/2030	\$210,200	\$248,700	\$314,700
6/30/2031	\$212,400	\$249,500	\$313,100
6/30/2032	\$214,200	\$249,900	\$311,100
6/30/2033			
6/30/2034			
6/30/2035			
6/30/2036			
6/30/2037			
<b>Total</b>	<b>\$3,188,589</b>	<b>\$3,766,591</b>	<b>\$4,682,727</b>
<b>Total Interest Paid</b>	<b>\$748,589</b>	<b>\$881,591</b>	<b>\$1,097,727</b>

Harrisburg City Council Minutes

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- Indicative interest rates as of April 4, 2017
- Interest Rate includes costs of issuance

# Debt Refinancing Scenarios

Debt Service Comparison and Savings Summary							
Scenario 1 - "Level Savings" Structure							
Date	2005 USDA Sewer Revenue			2000 USDA Water System (GO)			Total Savings
	Existing Payments	Refunding Payments	Savings	Existing Payments	Refunding Payments	Savings	
6/30/2018	\$125,155	\$118,876	\$6,280	\$66,097	\$61,543	\$4,554	\$10,834
6/30/2019	\$125,155	\$119,313	\$5,843	\$66,097	\$60,188	\$5,910	\$11,752
6/30/2020	\$125,155	\$118,313	\$6,843	\$66,097	\$59,438	\$6,660	\$13,502
6/30/2021	\$125,155	\$122,038	\$3,118	\$66,097	\$58,688	\$7,410	\$10,527
6/30/2022	\$125,155	\$120,688	\$4,468	\$66,097	\$57,938	\$8,160	\$12,627
6/30/2023	\$125,155	\$119,338	\$5,818	\$66,097	\$62,113	\$3,985	\$9,802
6/30/2024	\$125,155	\$117,763	\$7,393	\$66,097	\$61,063	\$5,035	\$12,427
6/30/2025	\$125,155	\$120,863	\$4,293	\$66,097	\$59,863	\$6,235	\$10,527
6/30/2026	\$125,155	\$118,863	\$6,293	\$66,097	\$58,663	\$7,435	\$13,727
6/30/2027	\$125,155	\$121,763	\$3,393	\$66,097	\$57,463	\$8,635	\$12,027
6/30/2028	\$125,155	\$119,563	\$5,593	\$66,097	\$61,163	\$4,935	\$10,527
6/30/2029	\$125,155	\$122,263	\$2,893	\$66,097	\$59,763	\$6,335	\$9,227
6/30/2030	\$125,155	\$119,863	\$5,293	\$66,097	\$58,363	\$7,735	\$13,027
6/30/2031	\$125,155	\$122,363	\$2,793	\$66,097	\$61,863	\$4,235	\$7,027
6/30/2032	\$125,155	\$119,763	\$5,393	\$66,097	\$60,263	\$5,835	\$11,227
6/30/2033	\$125,155	\$122,063	\$3,093	\$66,097	\$58,613	\$7,485	\$10,577
6/30/2034	\$125,155	\$119,263	\$5,893	\$66,097	\$61,806	\$4,291	\$10,184
6/30/2035	\$125,155	\$121,363	\$3,793	\$66,097	\$59,894	\$6,203	\$9,996
6/30/2036	\$125,155	\$118,363	\$6,793	\$66,097	\$57,981	\$8,116	\$14,909
6/30/2037	\$125,155	\$120,263	\$4,893	\$66,097	\$60,963	\$5,135	\$10,027
6/30/2038	\$125,155	\$121,963	\$3,193	\$66,097	\$58,775	\$7,322	\$10,515
6/30/2039	\$125,155	\$118,456	\$6,699	\$66,097	\$61,413	\$4,685	\$11,384
6/30/2040	\$125,155	\$119,738	\$5,418	\$66,097	\$58,938	\$7,160	\$12,577
6/30/2041	\$125,155	\$120,806	\$4,349	\$65,067	\$61,350	\$3,717	\$8,066
6/30/2042	\$125,155	\$121,663	\$3,493				\$3,493
6/30/2043	\$125,155	\$122,306	\$2,849				\$2,849
6/30/2044	\$125,155	\$122,600	\$2,555				\$2,555
6/30/2045	\$125,155	\$117,650	\$7,505				\$7,505
6/30/2046	\$124,427	\$117,588	\$6,840				\$6,840
<b>Total</b>	<b>\$3,628,779</b>	<b>\$3,485,707</b>	<b>\$143,072</b>	<b>\$1,585,298</b>	<b>\$1,438,099</b>	<b>\$147,199</b>	<b>\$290,271</b>

Debt Service Comparison and Savings Summary							
Scenario 2 - "Accelerated" Structure							
Date	2005 USDA Sewer Revenue			2000 USDA Water System (GO)			Total Savings
	Existing Payments	Refunding Payments	Savings	Existing Payments	Refunding Payments	Savings	
6/30/2018	\$125,155	\$123,048	\$2,107	\$66,097	\$65,712	\$385	\$2,493
6/30/2019	\$125,155	\$123,188	\$1,968	\$66,097	\$64,125	\$1,972	\$3,940
6/30/2020	\$125,155	\$122,063	\$3,093	\$66,097	\$63,225	\$2,872	\$5,965
6/30/2021	\$125,155	\$120,713	\$4,443	\$66,097	\$62,325	\$3,772	\$8,215
6/30/2022	\$125,155	\$124,288	\$868	\$66,097	\$61,425	\$4,672	\$5,540
6/30/2023	\$125,155	\$122,788	\$2,368	\$66,097	\$65,450	\$647	\$3,015
6/30/2024	\$125,155	\$121,038	\$4,118	\$66,097	\$64,225	\$1,872	\$5,990
6/30/2025	\$125,155	\$123,938	\$1,218	\$66,097	\$62,825	\$3,272	\$4,490
6/30/2026	\$125,155	\$121,738	\$3,418	\$66,097	\$61,425	\$4,672	\$8,090
6/30/2027	\$125,155	\$124,438	\$718	\$66,097	\$64,925	\$1,172	\$1,890
6/30/2028	\$125,155	\$122,038	\$3,118	\$66,097	\$63,325	\$2,772	\$5,890
6/30/2029	\$125,155	\$124,538	\$618	\$66,097	\$61,725	\$4,372	\$4,990
6/30/2030	\$125,155	\$121,938	\$3,218	\$66,097	\$65,025	\$1,072	\$4,290
6/30/2031	\$125,155	\$124,238	\$918	\$66,097	\$63,225	\$2,872	\$3,790
6/30/2032	\$125,155	\$121,438	\$3,718	\$66,097	\$61,425	\$4,672	\$8,390
6/30/2033	\$125,155	\$123,538	\$1,618	\$66,097	\$64,463	\$1,635	\$3,252
6/30/2034	\$125,155	\$120,538	\$4,618	\$66,097	\$62,338	\$3,760	\$8,377
6/30/2035	\$125,155	\$122,438	\$2,718	\$66,097	\$65,106	\$991	\$3,709
6/30/2036	\$125,155	\$124,138	\$1,018	\$66,097	\$62,769	\$3,328	\$4,346
6/30/2037	\$125,155	\$120,738	\$4,418	\$66,097	\$65,325	\$772	\$5,190
6/30/2038	\$125,155	\$122,238	\$2,918	\$66,097	\$62,700	\$3,397	\$6,315
6/30/2039	\$125,155	\$123,419	\$1,737	\$66,097	\$30,675	\$35,422	\$37,159
6/30/2040	\$125,155	\$124,275	\$880	\$66,097	\$0	\$66,097	\$66,977
6/30/2041	\$125,155	\$124,919	\$237	\$65,067	\$0	\$65,067	\$65,304
6/30/2042	\$125,155	\$120,456	\$4,699				\$4,699
6/30/2043	\$125,155	\$120,888	\$4,268				\$4,268
6/30/2044	\$125,155	\$120,963	\$4,193				\$4,193
6/30/2045	\$125,155	\$76,688	\$48,468				\$48,468
6/30/2046	\$124,427	\$0	\$124,427				\$124,427
<b>Total</b>	<b>\$3,628,779</b>	<b>\$3,386,654</b>	<b>\$242,125</b>	<b>\$1,585,298</b>	<b>\$1,363,762</b>	<b>\$221,536</b>	<b>\$463,661</b>

Harrisburg City Council Minutes  
April 12, 2017

• Indicative interest rates as of April 4, 2017