



MONDAY, NOVEMBER 7, 2022

CITY COUNCIL MEETING

WORK SESSION ~ Coronavirus State and Local Fiscal Recovery Funds (American Rescue Plan Act of 2021) Discussion with Budget Committee, 6pm

Mayor Burge opened the work session at 6:00pm.

Present: Mayor Scott Burge; Council President Megan Greisen; Councilor Brandon Lesowske; Councilor Pete McHugh; Councilor Tyler Miller; City Manager Alexandra Rains; Legal Counsel Peter Watts; Police Chief Steven Lougal; Assistant to Public Works Director Huell Whitehaus; Finance Administrator Carol Almer; City Recorder Susan Reeves; Budget Committee Member Rita Bernhard; Budget Committee Member Michelle Brown; Budget Committee Member Chris Vitron; Budget Committee Member Teresa Keller; and Assistant to City Manager Isaac Butman.

Remote: Councilor Jeannet Santiago; Councilor Josh Poling; Anna Del Savio, South County Spotlight; Kim Holmes; and Natalia Ochmanek (arrived at 6:41pm and left at 6:54pm) .

City Manager Rains explained we are back to discuss the remaining ARPA Funds that are available to be allocated.

Assistant to Public Works Director Huell Whitehaus went over the staff report. He recapped a couple of the highlights. He explained they updated the list based on the last meeting we had. He explained there have been a couple of new requests added from the Police Department and Public Works. He explained the total amount received was \$1.68 million dollars and total allocated to date is \$1.04 million dollars and that leaves \$636,077 left to allocate.

Police Chief Lougal went over items # 1 & 2. He explained in order to keep up with best practices, we have been pretty much noncompliant with the evidence room before he got here, so they are able to secure an evidence tech for two days a week, which would get us up to best practices/best standards.

1. Part-Time Evidence Technician (Police Department) – In keeping with law enforcement best practices, it is the intent of the Scappoose Police Department to hire a part-time evidence tech that will bring our handling, storing, securing, destruction, and chain of custody evidence management to recommended levels in the profession. The position is needed to facilitate record keeping best practices and court ordered returns and destructions. Cost: \$15,000 – 0.9% of total allocation.

Police Chief Lougal explained we don't have the capability for field training, so we are going to send two of our recruits to the academy, one in December and one in February and we have no

field training officers here that will be eligible to train them, and Forest Grove was kind enough to offer us that solution. He explained we are not sure where financially it is going to fit in but that is the ballpark we are figuring. He explained this way they will come back fully trained otherwise they get out of the academy, and they sit.

2. Field Training Officer Training Services (Police Department) – The Scappoose Police Department has a strong desire to fill the ranks within the department, and – as with the majority of law enforcement agencies across the country – low staffing levels affect certain areas of operation. For Scappoose, the most affected area is the lack of field training officers. An opportunity has presented itself to work with field training officers from the Forest Grove Police Department to facilitate and assist with field training of Scappoose's officers. Cost: \$20,000 – 1.2% of total allocation.

Assistant to Public Works Director Huell Whitehaus went over item # 3 and item # 4.

3. Frontage improvements for proposed affordable housing development (Columbia County Habitat for Humanity). Cost: \$282,035 (See Exhibit A) – 16.8% of total allocation

4. Oak Street and Myrtle Street Water Mains (alternative) – Should Habitat for Humanity develop its property fronting along Oak and Myrtle, Habitat will be conditioned to upsize a portion of the water mains in order to serve the increased residential demand their development will bring. The Oak Street segment of steel water main is currently undersized and at the end of its useful life. Constructed in the 1960's, this 825-foot section between SE 3rd and SE 4th is one of the last 2-inch water mains currently in the distribution system. Myrtle Street features 815 feet of both 6-inch ductile iron and 4-inch cast iron water mains built in the 1970's. The City's current Public Works Design Standards stipulate that new water mains be constructed out of PVC and no less than 8- inches in diameter to ensure adequate fire flow to homes served by the line. City staff developed a cost estimate for the waterline work, based off of a similar, recent project that the City formally solicited construction bids for. Unfortunately, costs for materials and construction labor have increased substantially alongside inflation this year, meaning that funding *both* waterlines may not be feasible. If Council decides to appropriate funds for this request, City staff recommends selecting the Oak Street line, due to its older age, diameter, and pipe material type. Staff has estimated the cost of construction of either line to be around \$230,000. Staff also received a quote for completing the engineering plans for \$20,000 per waterline. Please see Exhibit B of the staff report for an aerial site exhibit. Cost: Oak Street Line ~ \$250,000 – 14.9% of total allocation cost. Myrtle Street Line ~ \$248,000 – 14.8% of total allocation.

Legal Counsel Peter Watts explained item # 4 would be a lower risk than item #3. He explained Oak Street really checks as many boxes as possible.

Assistant to Public Works Director Huell Whitehaus explained any development that occurs at that property that Habitat for Humanity owns, they will be required to upsize a portion of the line that serves their property on their frontage. He explained Habitat for Humanity wouldn't be

on the hook for replacing all of Oak Street so we would have this patch work of a 2-inch line coming in to an 8-inch line then back down to a 2-inch line on the other side of their property so in those circumstances the City would want to make sure we are thinking strategically where these improvements need to happen.

Assistant to Public Works Director Huell Whitehaus went over item # 5.

5. Wastewater Infrastructure Projects – The City received grant funding from the State last year for several wastewater infrastructure projects. Due to rising costs for professional engineering services, construction labor and materials, as well as critical shortages of manufactured materials, staff expects that the \$1.9 million in grant funds received for this project will not be sufficient to fully cover the project costs for engineering and construction. As was discussed during the October 17th City Council Meeting, the increased costs scenario has become evident for the first of the wastewater infrastructure projects that received state funding: the Class A Biosolids Dryer – the first project on the WWTP Phase I Improvements list. The City's contracted engineering firm for the Phase I Improvements (Conzor Engineers, formerly Murray Smith) has evaluated multiple dryer variants and selected the one with the lowest capital procurement and operating costs. The manufacturer of the dryer model is quoting nearly \$1,660,000 (excludes engineering design, civil site improvements, and construction services). In addition, the lead time for the dryer equipment itself is 12 months; the grant funds need to be fully expended within the next 20 months to meet the funding agency's deadline. The total project cost – inclusive of engineering design, equipment, and construction services – is anticipated to be in the range of \$2.2 million to \$2.3 million. Both Consor and City staff believe that this cost can be decreased to some extent, utilizing value engineering techniques, however, a budget shortfall of about \$400,000 now exists.

At this juncture, the City needs to determine how to fund the shortfall:

- 1) add the project to the SRF loan and request an increased amount;
- 2) reserve funds; or
- 3) the City's ARPA allocation.

City staff is requesting *up to* \$400,000 to cover the grant funding shortfall for the dryer. Staff is cognizant of the fact that there are more requests for funding than is available from the City's ARPA allocation – any amount of additional ARPA funds that Council may choose to appropriate for this request will take pressure off of utilizing City reserve funds or further expanding the City's SRF loan, both of which would be ultimately borne by ratepayers. Cost: up to \$400,000 – 23.8% of total allocation.

Council President Greisen stated based on the cost estimate it seems like we are \$400,000 short. She asked where do we sit with our contingency and when do we tap into that?

City Manager Rains explained each fund is going to have some amount of contingency built into it. She explained we do budget conservatively, it's not that it would be impossible to absorb those costs, but as with anything when you are dipping into contingency it is less beginning cash for the next year and it has a trickledown effect. She explained we felt like knowing that

some of those costs were coming at us and there was still ARPA money available we felt that it was incumbent upon us to at least bring up the fact that this could be a good use.

Budget Committee Member Chris Vitron asked if there were any grants?

City Manager Rains replied with grants when it came to wastewater, we actually really didn't qualify so the best we could do was loans essentially.

Council President Greisen explained she feels we have such aging infrastructure, such as the types of water pipes that still remain under the ground that are going to burst and it might seem like contingency is heaving and we are in a really good place, but it is for those events that unfortunately will happen, and they will need to be taken care of immediately. She sees this as an opportunity to help us in those future situations as well as not put a burden on the taxpayers at this time.

Councilor Lesowske talked about cost increases on infrastructure projects. He explained as staff is indicating, we can address these infrastructure projects it is also to help alleviate the inflation associated so that when we are maybe three to five years down the line and are planning on doing the work it will be a cost savings that will be passed onto us as taxpayers. He stated he appreciates that.

Councilor Santiago talked about construction costs has gone up around 35% and we should keep that in mind when we are budgeting.

Assistant to Public Works Director Huell Whitehaus went over item # 6.

6. Columbia County Advanced and Additive Manufacturing Small Business Incubator (Columbia Economic Team – Columbia County) – This project request comes from Columbia Economic Team (CET) and addresses Council Goal 1.2 – evaluate the creation of a small business incubator. The project is intended to reduce barriers to entry for entrepreneurial, start-up and disadvantaged makers and manufacturers. More specifically, the Oregon Manufacturing and Innovation Center (OMIC) intends to expand their facilities in Scappoose by constructing a new 30,000 ft expandable facility, to provide flexible manufacturing and office space for incubator tenants. CET's request for funding is to cover the requisite System Development Charges (SDCs), should they seek to develop the property in question. Cost: \$110,726 (See Exhibit C) – 6.6% of total allocation.

Assistant to Public Works Director Huell Whitehaus went over item # 7.

7. Premium Pay - City staff added this request back on to the list following two letters received on this topic. Staff received one letter from a group of residents (Exhibit D) requesting that the City consider some sort of bonus as an incentive to address staffing issues with the Police Department. Additionally, staff received a letter (Exhibit E) from the AFSCME employee union following the last City Council meeting on ARPA in March, urging Council to consider premium pay for all City employees. Only employees that worked in-person between March 2020 and

March 2022 and are still currently employed with the City would be eligible to receive premium pay. For each employee that is eligible, the premium pay an individual employee would receive would be prorated depending on the employee's schedule (part-time vs. full-time) and their hire date. The options below exclude the City Manager, Chief of Police, any open positions, and employees that fall outside of the date range. If Council would like to consider this request, staff has calculated several options below:

Premium Pay	\$1,000	\$1,500	\$2,000
27 Employees	\$25,044	\$37,566	\$50,088
Payroll Expenses (Est)	\$11,637	\$14,851	\$19,801
Total	\$36,681	\$52,417	\$69,889
% of total allocation	2.2%	3.1%	4.2%

Councilor McHugh stated he just doesn't think this is the spirit of the way these funds are supposed to be used. He thinks these funds should be allocated as they were designed to for people who were hit the hardest and effected the most by COVID and he doesn't think our City staff has been. He wants to see our City staff be paid the best possibly they can be paid but he wants to see these funds be used the way they are supposed to be used.

Budget Committee Member Michelle Brown explained she feels the premium pay is appropriate from her standpoint.

Budget Committee Member Rita Bernhard asked what is the possibility of keeping these all on the list but reducing the amount of money?

Councilor Miller explained he is not sure if item 1 and 2 could be reduced, but as far as the rest of the items, as Budget Committee Member Rita Bernhard suggested, there is nothing keeping Council from reducing the percentage that is allocated and keeping them all on the list, if that is something we have a consensus for.


Councilor McHugh explained he would like to know what we are actually saving Habitat for Humanity.

The consensus of Council is to have items 1 and 2 on a future agenda to discuss funding and then the remaining items will be on a list for Council to discuss further.

Mayor Burge adjourned the work session at 7:01 p.m.


Mayor Scott Burge

Attest:


City Recorder Susan M. Reeves, MMC