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City of Falls City  
Special City Council Meeting Minutes  
Monday July 28, 2020 6:00 PM  
Meeting Location: 320 N Main Street, Falls City, Oregon 97344

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**Council Present:** Lori Jean Sickles, Jennifer Drill, Tony Meier, Cliff Lauder, Dennis Sickles, T.J. Bailey

**Staff Present:** Mac Corthell, City Manager; Jamie Ward, City Clerk

**1. Call to Order and Roll Call**

Mayor Gordon called the meeting to order at 6:00PM. Clerk Ward took roll call.

**2. Pledge of Allegiance**

Mayor Gordon led the pledge.

**3. Motion to adopt the entire Agenda**

A motion was made by Councilor D. Sickles and seconded by Councilor C. Lauder to adopt the entire agenda with the addition to amend the June 10, 2019 Meeting Minutes. Motion carried 6-0-0-0. Ayes: Lori Jean Sickles, Tony Meier, Cliff Lauder, Dennis Sickles, T.J. Bailey.

**4. Work Session**

- a. City Manager Corthell explained that the purpose of this works session was for council to go over the information gathered at the One-Stop meeting the City Manager, Mayor and Mid-Willamette Valley Council of Governments attended with potential funding partners on July 07, 2020. The objective of the meeting was to discuss funding options for the construction of the new wastewater facility. Corthell went over the excel presentation (See exhibit A) he prepared for the packet.

The presentation came up with three (3) different scenarios. Option one (1) details that Falls City would partner with Business Oregon and Oregon Department of Quality. Option two (2) details if Falls City partnered with Business Oregon and USDA. Option three (3) details if Falls City partnered with Business Oregon only. See exhibit for contributing and financing breakdowns.

Council went over all three (3) options focusing on which one would be the best cost wise for both the City and residents. After council discussion a motion was made directing staff to put together a resolution agreeing to option two (2). They feel that event with the forty (40) year term it was the most particle of the three (3).

A motion made by Councilor J Drill and Seconded by Councilor T. Bailey to move that the City Council of Falls City direct City Staff to write a resolution to choose option two (2). Motion carried 6-0-0-0. Ayes: Lori Jean Sickles, Jennifer Drill, Tony Meier, Cliff Lauder, Dennis Sickles, T.J. Bailey.

Councilor D. Sickles Left to another meeting at 6:46 PM

**5. New Business**

- a. Approval of Dynamite Design Business License. Dynamite Design is owned by Jo Meza and will be an in-home business selling jewelry, fossils, rocks, coffee, comic books, baseball cards, and collectibles.

A motion made by Councilor J Drill and Seconded by Councilor T. Bailey to move that the City Council of Falls City approve the Business License for Dynamite Design. Motion carried 5-0-0-1. Ayes: Lori Jean Sickles, Jennifer Drill, Tony Meier, Cliff Lauder, T.J. Bailey.

**6. Old Business**

- a. City Manager Corthell explained that he is requesting Council approval to apply for, receive and administer a USDA grant purposed to complete the required cultural resources survey required for the design of the new wastewater facilities. The USDA grant will provide the necessary funds to complete the CRS so the city can finalize and close the CBDG grant without having to reimburse the funds. There is no match requirement for the grant in question.

A motion made by Councilor L. Sickles and Seconded by Councilor T. Meier to move that the City Council of Falls City adopt RESOLUTION 19-2020, A resolution authorizing the City Manager to apply for, Receive and Administer a USDA Grant to Fund a Cultural Resources Survey. Motion carried 5-0-0-1. Ayes: Lori Jean Sickles, Jennifer Drill, Tony Meier, Cliff Lauder, T.J. Bailey. Dennis Sickles was absent.

**7. Adjourn**

No Motion was made  
The meeting adjourned at 6:50 PM.

Attested:  \_\_\_\_\_ Mayor, Jeremy Gordon  
 \_\_\_\_\_ City Clerk, Jamie Ward

ONE-STOP PROJECT SUMMARY

Date July 7, 2020

Client Name City of Falls City

Name of Project Improvement of a sewer treatment facility.

Project Description  
 Use of failing drain fields resulting in high probability of sub-surface flows surfacing, causing public health and water quality issues, and non-compliance with NPDES Permit and Clean Water Act. DEQ Letter and summary of correspondence.

Project Solution  
 Construction of a lagoon style wastewater treatment plant, relocation of the city's wastewater outfall, and associated infrastructure to accommodate both.

Project Background	
Type of Project	Sewer
Compliance Issue	Yes
Business Commitment	No
# Jobs Created/Retained	-

Project Financing	
Estimated Project Cost	\$4,100,000
Local Contribution	\$79,000
Assistance Requested	\$4,021,000
Source of Loan Repayment	User Fees

Water and Sewer Only	
Projected OM&R	\$170,000
Current OM&R	\$170,000
Existing DS	\$0
Current Avg Monthly OM&R + DS per EDU	\$82.36
Current Avg Monthly User Rate per EDU	\$46.00
Property Tax applied to Utility	\$0.00

Demographics	
EDU's	172
Connections	173
Population	980
Unemployment Rate	3.90%
Community MHI	\$39,583
Statewide MHI	\$59,393
Percentage of Statewide MHI	67%
LMI %	53.77%
Distressed Index	Distressed
County	Polk County
Affordability Rate	\$41.23

Term Key	
EDU	Equivalent Dwelling Unit
MHI	Median Household Income
LMI	Low/Moderate Income
OM&R	Operations, Maintenance, Repair
DS	Debt Service

ONE-STOP SCENARIO #1

Estimated Project Cost	\$4,100,000
Local Contribution	\$79,000
Assistance Requested	\$4,021,000

Projected Monthly OM&R + Existing DS per EDU	\$82.36
Monthly New DS per EDU	\$27.71
Projected New Avg Monthly Rate per EDU	\$110.08

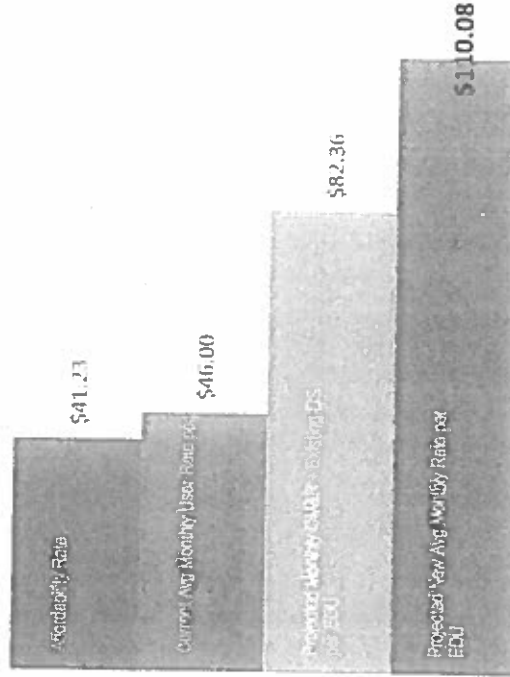
Partner	Program	Total Financing	Grant Amount	Loan Amount	Loan Repayment Term (Yrs)	Financing Terms	
						Estimated Interest Rate	Annual Debt Payment
BIZOR	CDBG	\$2,137,436	\$2,137,436	\$0			
DEQ	CWSRF	\$1,883,564	\$500,000	\$1,383,564	30	1.450%	\$57,203

Total Financed **\$4,021,000**

Financing Gap **\$0**

Annual Debt Service **\$57,203**

Impact per EDU



	Notes
CDBG	Must be a 41% LMI and meet affordability criteria. Grants limited to \$20K per permanent residential connection for a maximum \$2.5M. This program can only fund design or construction per application.
CWSRF	DEQ Rate is "Effective rate" which includes 5% fee. DEQ will require a Debt Service Reserve be established. Fiscal Sustainability Plan and Cost and Effectiveness analysis (both may already be included in the facility plan). Environmental report (requires 30 day public comment period). Comply with federal cross cutting authorities Davis Bacon for BOT (whichever is more), American Iron and Steel certification. Applications 3 times a year scored regionally. Depending on project timing, may need to document qualifications based procurement for Architectural & Engineering contracts (OR law already requires qualifications based procurements when A&E).

ONE-STOP SCENARIO #2

Estimated Project Cost	\$4,100,000
Local Contribution	\$79,000
Assistance Requested	\$4,021,000

Projected Monthly OM&R + Existing DS per EDU	\$82.36
Monthly New DS per EDU	\$16.20
Projected New Avg Monthly Rate per EDU	\$98.56

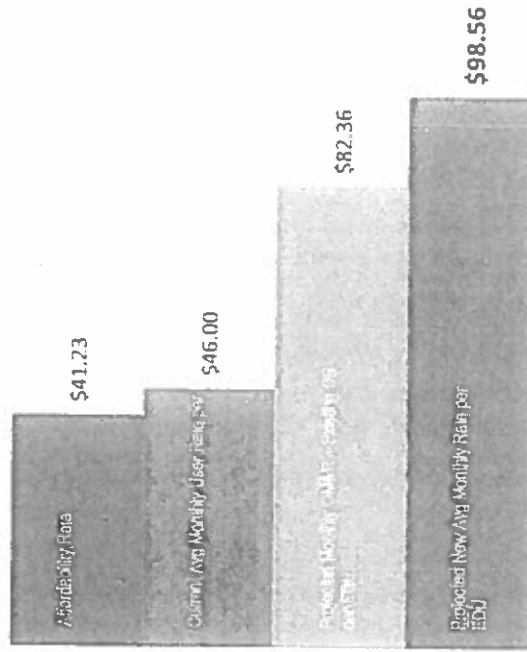
Partner	Program	Total Financing	Grant Amount	Loan Amount	Loan Repayment Term (yrs)	Financing Terms	
						Estimated Interest Rate	Annual Debt Payment
BizOR	CDBG	\$2,127,436	\$2,127,436	\$0			
USDA	RUS	\$1,893,564	\$893,564	\$1,000,000	40	1.500%	\$33,427

Total Financed **\$4,021,000**

Financing Gap **\$0**

Annual Debt Service **\$33,427**

Impact per EDU



Notes	
CDBG	Must be > 51% LMI and meet affordability criteria. Grants limited to \$20K per permanent residential connection for a maximum \$2.5M. This program can only fund design or construction per application.
RUS	For public body applicants, USDA's Rural Utility Service program typically purchases a Revenue bond. Revenue bonds and Notes (for non-profits) come with a reserve requirement equal to one annual payment that can be established in advance or accumulated over ten years equating to a 110% debt service coverage. GO Bonds have no reserve or coverage requirements. Interim financing is usually necessary. The interest rate is set at the time the funds are reserved. Should the interest rates be lower at the time of project completion, the customer will get the benefit of the lower rate. There are no fees or pre-payment penalties or restrictions. Davis Bacon does not apply. American Iron and Steel requirements do apply.

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ONE-STOP SCENARIO #3

Estimated Project Cost	\$4,100,000
Local Contribution	\$79,000
Assistance Requested	\$4,021,000

Projected Monthly OM&R + Existing DS per EDU  
 Monthly New DS per EDU  
 Projected New Avg Monthly Rate per EDU

\$82.36
\$26.12
<b>\$108.48</b>

Partner	Program	Total Financing	Grant Amount	Loan Amount	Loan Repayment Term (yrs)	Financing Terms	
						Estimated Interest Rate	Annual Debt Payment
BIZOR	CDBG	\$2,127,436	\$2,127,436	\$0			
BIZOR	WW	\$1,893,564	\$750,000	\$1,143,564	30	2.400%	\$53,911

Total Financed **\$4,021,000**

Financing Gap **\$0**

Annual Debt Service **\$53,911**

Impact per EDU



Notes	
CDBG	Must be a 51% Lbl and meet affordability criteria. Grants limited to \$20K per permanent residential connection for a maximum \$2.5M. This program can only fund design or construction per application.
WW	Must meet affordability criteria for subsidized interest rate and grant eligibility. Interest rates set quarterly. Oregon Bond Bank rates are set at time of the Bond Sale. IFA Board approval required for funding awards. 253M or grant 25500 000

ONE-STOP SCENARIO COMPARISONS

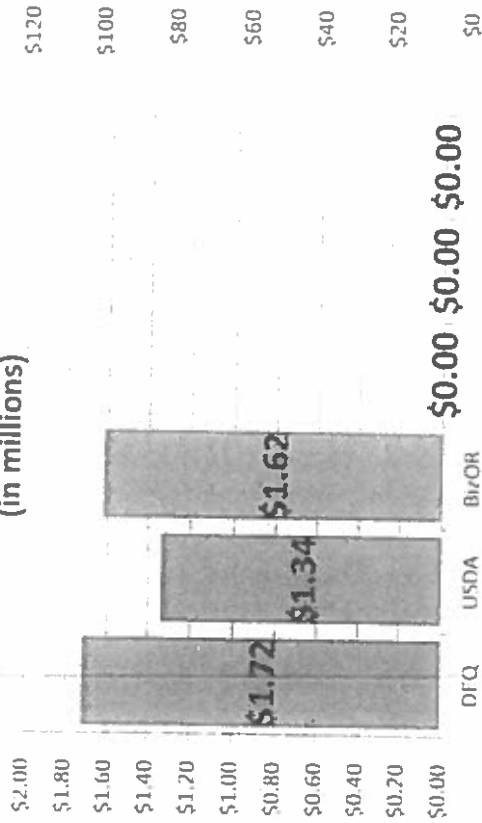
Estimated Project Cost	\$4,100,000
Local Contribution	\$79,000
Assistance Requested	\$4,021,000

Current Avg Monthly User Rate per EDU \$46.00

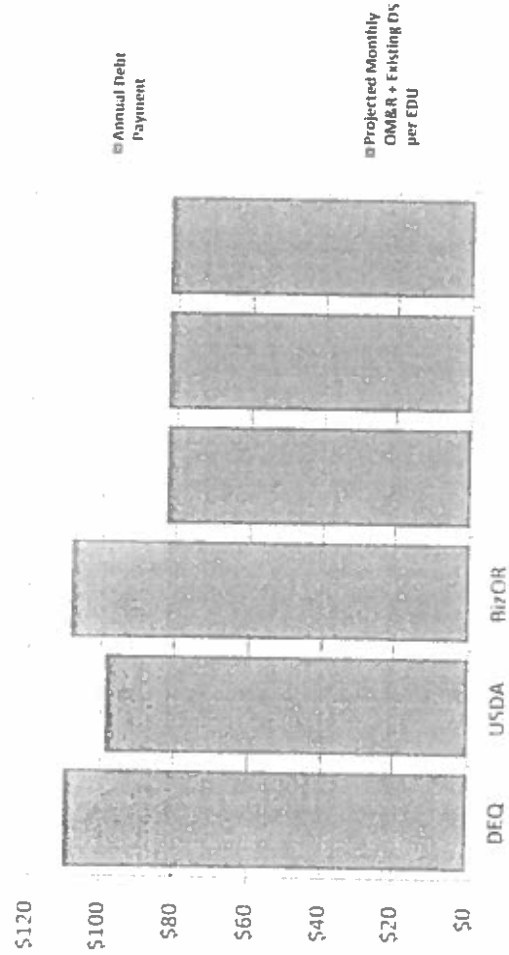
Projected Monthly OM&R + Existing DS per EDU \$82.36

Scenario	Total Financing	Grant Amount	Loan Amount	Annual Debt Payment	Total Payments over Life of Loan	Projected Monthly New DS per EDU	Projected New Avg Monthly Rate per EDU	# of Funding Partners	Rate	Term Years
DEQ	\$4,021,000	\$2,637,436	\$1,383,564	\$57,203	\$1,716,089	\$27.71	\$110.08	2	Various	Various
USDA	\$4,021,000	\$3,021,000	\$1,000,000	\$33,427	\$1,337,084	\$16.20	\$98.56	2	Various	Various
BizOR	\$4,021,000	\$2,877,436	\$1,143,564	\$53,911	\$1,617,327	\$26.12	\$108.48	2	Various	Various

Total Payments over Life of Loan (in millions)



Projected New Avg Monthly Rate per EDU



Annual Debt Payment

Projected Monthly OM&R + Existing DS per EDU

**ONE-STOP FUNDING PARTNER INFORMATION**

Partner	Program	Assistance Available	Key Considerations	How to Apply
Business Oregon	<u>SPWF</u> <u>W/W</u> <u>SDWRLF</u> <u>DWSPF</u> <u>CDBG</u>	Loans, Grants, TA Loans, Grants, TA Loans, Principal Forgiveness Loans, Grants Grants	*Estimated rates. Direct rates are set quarterly Oregon Bond Bank rates are set at time of the Bond Sale Debt Service Coverage Requirement	<a href="#">Contact your local Regional Coordinator</a>
DEQ	<u>CWSRF</u>	Loans, Principal Forgiveness Interim Financing (for USDA) Planning Loans	***DEQ Rate is "Effective rate" which includes 5% fee Debt Service Reserve Requirement	<a href="#">Contact your local Project Officer</a>
USDA	<u>RUS</u>	Loans, Grants	** USDA/RUS will require 10% Annual Debt Service G O or Revenue Bond Debt Service Reserve Requirement	<a href="#">Contact CP Area Specialist</a> <a href="#">Apply online</a>
WRD	<u>Project Feasibility</u>	Grants	Cost-Share 50% required (cash or in-kind)	<a href="#">Contact Becky Williams Grant Program Coordinator</a> <a href="mailto:Becky.S.Williams@oregon.gov">Becky.S.Williams@oregon.gov</a> (503) 986-0869
LOC AOC	<u>Project Implementation</u> <u>Pooled Bond</u>	Loans, Grants Bond, Loans, TA Interim Financing (for USDA)	Cost-Share 25% required for grants (cash or in-kind) administered by Wedbush Securities	<a href="#">Contact LOC</a> <a href="#">Contact AOC</a>
SDAO	<u>Services and Programs</u>	Loans, TA	special districts association funding program	<a href="#">Contact SDAO</a>
EDA OHA RCAC OAWU	<u>Public Works</u> <u>DWP</u> <u>Programs and Services</u>	Loans, Grants TA Loans, TA TA	federal financing for public works projects circuit rider for drinking water projects technical assistance water utility assistance	<a href="#">Apply online</a> <a href="#">More Information</a> <a href="#">Contact RCAC</a> <a href="#">Contact OAWU</a>



ONE-STOP CONTACT LIST

Table July 7, 2020

Client Name City of Falls City

Name of Project Improvement of a sewer treatment facility

Name	Title / Role	Representation	Phone	Email
Mike Cothrell	City Manager	City of Falls City		mcothrell@falls-city.org
Jeremy Gordon	Mayor	City of Falls City	502.855.4823	jgordon@falls-city.org
Brenda Wakoley	Mayor/Grant Administrator	City of Falls City	502.855.4823	wakoley@falls-city.org
Chris Hunsade	Project Engineer	Westech Engineering	503.986.1144	chunsade@westech.com
Elizabeth Dibley	Regional Project Manager	Business Oregon	503.986.1144	edibley@businessoregon.gov
Arlinn Espal	Public Finance Officer	Business Oregon	503.986.1144	espal@businessoregon.gov
Janine Grubbs	Regional Development Officer	Business Oregon	503.986.1144	grubbs@businessoregon.gov
Benjie Hothe	CDM Project Manager	Business Oregon	503.986.1144	hothe@businessoregon.gov
Paul Schmitt	Assistant Manager	Business Oregon	503.986.1144	pschmitt@businessoregon.gov
Ed Johnson	Project Officer	Business Oregon	503.986.1144	edjohnson@businessoregon.gov
Alexis Conley	Project Officer	Business Oregon	503.986.1144	conley@businessoregon.gov
Emily Halpin	City Area Specialist	OH DE	503.986.1144	emhalpin@ohde.gov
Lars Knutson	Program Analyst	OH DE	503.986.1144	knutson@ohde.gov
Sean Orent	DEI Environmental Quality	State of Oregon	503.229.1780	sean.orent@state.or.us
Huan McDowell	Regional Development Officer	Business Oregon	503.986.1144	huan@businessoregon.gov
John Schmitt	CDM			
Ryan DeGroot	Regional Development Officer	Business Oregon		ryan@businessoregon.gov