

**CITY OF HUBBARD  
CITY COUNCIL MEETING MINUTES  
FEBRUARY 8, 2022**

**CALL TO ORDER:** The Hubbard City Council meeting was called to order by Mayor Charles Rostocil at 6:30 p.m.

**FLAG SALUTE:** Mayor Charles Rostocil led the group in reciting the Pledge of Allegiance.

**CITY COUNCIL PRESENT:** Mayor Charles Rostocil, City Councilor James Yonally, City Councilor Robert Prinslow (Zoom), City Councilor James Audritsh, City Councilor Tyler Thomas (Zoom).

**STAFF PRESENT:** Director of Administration/City Recorder Vickie Nogle, Public Works Superintendent Michael Krebs, Police Chief Dave Rash, Public Works Administrative Manager Melinda Olinger, Administrative Assistant / Court Clerk Julie Hedden, City Attorney Emily Matasar, Fire Chief Joe Budge.

**COUNCIL RECESS PUBLIC (OPEN) MEETING AND CONVENE THE (CLOSED) EXECUTIVE SESSION TO CONDUCT DELIBERATIONS WITH PERSONS DESIGNATED BY THE GOVERNING BODY TO CARRY ON LABOR NEGOTIATIONS ORS 192.660(2)(d). PURSUANT TO ORS 192.660(4) COUNCIL SPECIFICALLY REQUEST THAT MEMBERS OF THE MEDIA AND OTHER ATTENDEES NOT DISCLOSE MATTERS DISCUSSED IN THE EXECUTIVE SESSION.** Mayor Charles Rostocil declared the ORS and recessed the public open meeting at 6:30 to go into the Executive Session

**COUNCIL CLOSE EXECUTIVE (CLOSED) SESSION AND RECONVENE PUBLIC (OPEN) MEETING.** Mayor Charles Rostocil closed the Executive Session at 6:50 p.m. and reconvened the public open meeting at 7:00 p.m.

**AWARD PRESENTATION.** Public Works Superintendent Mike Krebs accepted a plaque and on behalf of Public Utility Worker Tim Steele for 5 years of service to the City.

Sergeant Chris Anderson was recognized and awarded a plaque for his 15 years of service to the City.

**CONTINUED DISCUSSION REGARDING FUNDS RECEIVED UNDER THE CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS ESTABLISHED UNDER THE AMERICAN RESCUE PLAN ACT (ARPA) – City Attorney Emily Matasar, Beery, Elsner and Hammond.**

**A) Hubbard Fire District ARPA Request – Fire Chief Joe Budge.**

Fire Chief Joe Budge submitted the plans for the remodel of the Hubbard Fire Station that he requested a portion of the ARPA funds to be used for.

Mayor Charles Rostocil said that he thought Council decided last meeting to allot the Hubbard Fire District 20% of the cost of the remodel which would be approximately \$30,000.

Director of Administration/City Recorder Vickie Nogle said there was no decision made at the last Council meeting approving it, it was only discussed. She said Michael Kahrmann requested a letter from City Council to take to Marion County to help advocate for funding, but she has never received the information so is not sure what to include in the letter. She continued to say a decision of the City Council would need to be made on how much money to allot the Hubbard Fire District.

Mayor Charles Rostocil said that he would like to see the City give the Hubbard Fire District 20% and would like for City Staff to recommend where the money should come from and somehow rebalance the money allotments on the list provided in the packet by the Department Heads.

City Councilor James Yonally questioned if the Marion Carl Veterans Memorial meets the criteria to be included in the allotment of the ARPA funds. He went on to say it is allotted \$5000, and could be cut because it does not meet the guidelines.

City Attorney Emily Matasar said since the last meeting when Council had discussed this and she raised her concerns about some expenditures not meeting the guidelines, there was a Final Rule the Federal Government came out with on the use of the ARPA funds. She stated it clarified that non-profits, even non-profits that are not service providers to the broader community helping the community cope with the effects of the pandemic, if the non-profit itself suffered from the pandemic, such as being able to raise revenues and fundraise, then they would be eligible. Furthermore, she said with the change between the interim rule and the final rule, her legal analysis is that this expenditure is within the federal guidelines.

Mayor Charles Rostocil said Chief Rash and the other Department Heads did a good job of on breaking down how the funds of how they should be used, but that was before the Fire Department came forth and mentioned they would like funding for their remodel.

There was a consensus of the City Council that 20%, which would be \$30,000, should be allocated to the Fire District for this project, and asked the Department Heads to come back next month with a revised list with suggestions of what areas could be cut to allow for the \$30,000 for the Fire Department.

Public Works Superintendent Mike Krebs said the bulk of the funds awarded are going to the water and wastewater systems and so we could cut the money for the Fire Department from there. He said that still gives Public Works \$600,000 which will go a long way for getting the water treatment process completed. It was decided the money for the Fire Department would come out of the first tranche, which means that Public Works would get \$250,752 instead of \$280,752 out of the first tranche.

Police Chief Dave Rash and the other Department Heads will have the ARPA funding usage list revised, with the \$30,000 for the Fire Department added in, and have it ready to present it at the next City Council meeting.

Public Works Superintendent Mike Krebs gave an update on the Grant from Marion County that was requested to be used for the Wastewater project. He said they have been going through the budget the last couple of weeks and with what they hope to get from the ARPA funds, which is \$600,000, there is \$2.88 million to put towards the project, the total cost for the project is approximately \$4 million; \$2.7 million to do the upgrades for the inside of the water plant which includes a new filter, a new roof, a SCADA system and a pressure system; \$900,000 for the distribution portion of it which will replace some antiquated lines throughout town. Furthermore, \$400,000 would be placed in contingency to take care of the water mains that could break due to the increased pressure.

Public Works Superintendent Mike Krebs said there are 2 options to choose from to start the Wastewater project and he is asking the City Council how they would like him to proceed. The first option is to use the \$2.8 million and just take care of what they can in the project and the second option is they start with the project because they are on a timeline with the ARPA funds, and need to get this going fairly quickly. M. Krebs said after meeting with the agency for the State revolving fund loan, he was told there would be a lot of money going into the system through the recently passed federal infrastructure bill and there is a higher possibility of getting a forgivable loan, and the amount that is needed is about \$1.3 million.

Mayor Charles Rostocil said there is no guarantee the city would get in on the next round of funding.

Public Works Superintendent Mike Krebs said they told him that it is very favorable to the city because of the infrastructure bill, which is different than the ARPA money, they are doing these loans to smaller communities to do these types of projects. M. Krebs stated he was also told the rules state it's a 51% payback and 49% forgivable, which doesn't mean the city would get that but even if we could get a 25% forgivable loan, we can get this done and would only cost the ratepayers less than \$1 million.

Public Works Superintendent Mike Krebs said his recommendation is to submit a letter of intent to the funding agency that would tell them the city is interested in getting a loan, and then in September when the money comes in, they will rate the city and see how much of a loan the city would be able to receive and how much would be forgivable, but at no time does this mean that the city is locked in, it just gives the city the option.

City Councilor Tyler Thomas said he is concerned about the forgivable loan because he does not think the Federal Government is going to forgive any loans. T. Thomas stated it is a very big risk and needs to be taken into account when this project comes to completion. He went on to say he does not trust the Federal Government to forgive any loan.

Mayor Charles Rostocil said what he heard from Public Works Superintendent Mike Krebs is the city is not committed to actually doing any project.

Public Works Superintendent Mike Krebs said this is right we go ahead and start the project with the money we have which will take care of the Engineering, which will take a few months, then at that point we go out to bid and take a look at getting the loan. He added this would be an Oregon

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State loan, it is not a federal loan, the money comes to the States for the Feds to disburse.

MSA/City Councilor James Yonally/City Councilor James Audritsh made a motion to move forward with Public Works Superintendent Mike Krebs recommendation of the plan for funding for the water/sewer plan and the letter of intent. City Councilor Robert Prinslow, City Councilor James Yonally, City Councilor James Audritsh, City Councilor Tyler Thomas and Mayor Charles Rostocil were in favor. Motion passed unanimously.

Director of Administration/City Recorder Vickie Nogle asked City Attorney Emily Matasar what the next step would be for paying the ARPA funds once City Council ratifies the list regarding the usage of the ARPA funds.

City Attorney Emily Matasar said she thinks that is a financial question more than a legal question, but that she can figure that out.

**FY 2020-2121 AUDIT REPORT – Ryan Pasquarcella, Grove, Muller, & Swank, P.C.** Ryan Pasquarcella with Grove, Muller, & Swank said in regards to the ARPA funds and the revolving loan fund, if you spend more than \$750,000 of Federal money during one fiscal year a federal audit is required by the Federal Government, and because of this, he has had clients make sure they don't spend \$750,000 in one year, they spread the spending out over a few years, because then that law does not apply.

Ryan Pasquarcella with Grove, Muller, & Swank presented the Financial Statements fiscal year 2020-2021. He said the City is required by Oregon revised statutes to receive an independent audit from an Oregon licensed Municipal auditor annually.

Ryan Pasquarcella presented the Governess letter dated December 14, 2022, which is the required communication between the independent auditors and the City. He pointed out a few items that are in the letter with the first being the responsibility related to the audit which is that the audit team is going to obtain reasonable assurance rather than absolute assurance about whether the financial statements are free of material misstatements, which means they are not going to guarantee that the financial statements given to the State are 100% free of errors, an audit only gives reasonable assurance. R. Pasquarcella stated they only look at a sampling of transactions and not all of the transactions for the year. He said if he was going to compare the audit done for fiscal year 2021 to the prior year, he was a bit scared coming into it because the City has been without a Finance Director, but he was very happy with how the audit went overall. He also said Director of Administration/City Recorder Vickie Nogle stepped up and she was the primary contact for them on the audit and answered more questions this year because she is the person that was in the office this year because there was no financial contact. R. Pasquarcella said the city has contracted with Financial Consultant Summer Sears and she assisted with the year-end wrap up on the audit making things ready for the auditors to come in, which he said was a very good choice, so the audit went much smoother than most losing financial personnel.

Ryan Pasquarcella said the Governess letter also contains an attachment that has adjustments the auditor recommended as part of their procedures. There are a lot more than in prior years due to the fact that Financial Consultant Summer Sears was not here all year and was coming in after the



fact and so she did not see every transaction that happened during the year, so as the audit went on things were needed to be changed, one of which was there were some transfers that were budgeted that did not get recorded during the year, so as the audit progressed journal entries were done to record some of those transfers. He went on to say the other item was the Police vehicles that were leased were recorded as an expense to the city, but they should be treated more as an asset and debt payment, which is not a big deal, it just needs to be recorded. R. Pasquarcella said the Director of Administration/City Recorder Vickie Nogle and Financial Consultant Summer Sears did a very good job of responding promptly to all of their questions, and the City did a very good job.

Ryan Pasquarcella presented a second document which was the Financial Statements which is what was submitted to the State Division of Audits, which includes the narrative of what happened during the year, and he gave a clean opinion on it, which means there were no material errors on it.

Ryan Pasquarcella presented a third document with was a handout he prepared showing how the City did last year as compared to this year. He went on to say not a lot has changed year over year. The 1<sup>st</sup> page is information on the General Fund, it is revenue based, and the money can be used for multiple things. The 2<sup>nd</sup> page is a chart showing that cash is the General Fund is steadily going up, which is a combination of the General Fund revenues being higher than the expenditures, and also there are internal charges that are hitting the General Fund which are also increasing it. Furthermore, the General Fund balance can be used to carry out special projects and also needs to carry the City into the next year until property taxes come in November, right now the cash at the end of the year was \$1.6 million which is close to what expenditures were in the 2021 fiscal year. He said that carry over should be able to last 6 months to carry over to the next year so the City would need \$800,000 and the City is sitting at just under \$1.6 million and is increasing.

Ryan Pasquarcella said nothing has really changed in water and sewer, the operating income is positive in both of them.

Ryan Pasquarcella concluded his presentation saying that what he is seeing is status quo on what he has seen in the past few years and he is happy it is going that way.

Mayor Charles Rostocil said he can understand the adjustments that were done since we have been without a Finance Director for the entire year and Director of Administration/City Recorder Vickie Nogle and Financial Consultant Summer Sears have been doing the best job possible covering. He went on to say he is glad to see the City is still on secure financial footing, and we have not been spending needlessly and the City seems to be rather healthy financially.

City Councilor James Yonally asked Ryan Pasquarcella if the city needs to maintain historical cost or depreciation records for capital assets.

Ryan Pasquarcella said the city does not need to do that, out of the State of Oregon only about 40% of the governmental entities report on the cash basis which is what we do, which is allowable, that means we are not reporting our capital assets in our financial statements. There is no requirement the City tracks their capital assets from a financial reporting standpoint because the City is reporting on a cash basis. However, the City does need to know what they have for capital

assets from an insurance standpoint, but it would be very difficult from a financial reporting standpoint for the City to create those records, that is why there is no requirement, or something the City needs to try to figure out how to do.

**DISCUSSION REGARDING CITY ENGINEERING CONTRACT.** Public Works Superintendent Mike Krebs said the City Engineering contract is expired and it needs to be renewed, and is recommending a slight change in the wording which would alleviate the City from having to go out and get three bids every time they have a project. M. Krebs stated because of this change the contract would have to go through legal for the changes in wording, so he is seeking City Council's approval to extend the existing contract for three months while they are working on the new contract.

City Councilor Tyler Thomas asked whose responsibility was it to make sure the contract was looked at before we needed to extend it, why weren't we looking at it a few months ago so that we could just approve a new contract.

Public Works Superintendent Mike Krebs said it was his mistake and it just caught up with him without realizing it was that time.

City Councilor Tyler Thomas said he thinks as a Department Head that is really an unacceptable excuse and we need to be on top of these things.

Public Works Administrative Manager Melinda Olinger said normally when we renew the Engineers Agreement it is a very simple process and it was just recent when they started discussing how we can expedite and move our Public Works projects forward a lot quicker, because when we have to go out for bids it can add up to 6 months to a project, and that is why they decided they would like to cycle that into this contract to make it easier to move quickly on projects that need to be accelerated.

MSA/City Councilor James Audritsh/City Councilor Robert Prinslow made a motion to extend the City Engineering Contract for three months. City Councilor Robert Prinslow, City Councilor James Yonally, City Councilor James Audritsh, City Councilor Tyler Thomas, and Mayor Charles Rostocil were in favor. Motion passed unanimously.

**MAYOR'S AND/OR COUNCIL'S PRESENTATIONS.** Mayor Charles Rostocil said he attended the Hubbard Fire Districts Strategic Planning session last week and was honored to be invited.

City Councilor James Audritsh on behalf of the City, commended the Hubbard Fire District for the amazing job they did giving support to last Thursday at the tragic fire in St. Paul, and they are very proud of all the hard work they did.

**STAFF REPORTS:**

**POLICE DEPARTMENT- Police Chief Dave Rash.** Police Chief Dave Rash said they had a couple of notable cases. A trailer was stolen in December, and the victim found it on Facebook marketplace, and set up a meeting point with the person selling the trailer. Officer Bentley was

able to work with the Woodburn Police Detectives to set up a semi-sting and was able to apprehend the thief and recover the trailer for our citizen.

Police Chief Dave Rash said a couple of FBI agents came to the Police Department on January 27, 2022, to express their gratitude and said they were impressed with our officers who helped with a child pornography case.

Police Chief Dave Rash said Officer Mark Wai has completed his training and is out on his own. He also said there have been three applicants for the vacant police officer position and oral boards are set for February 16, 2022.

Police Chief Dave Rash said we have registered for National Night Out, which is August 2, 2022, and if anyone wants to register, they can contact Police Administrative Assistant Molly Schwartz. He stated he is going to go over to the 55 & over Park to see if someone on that side of the highway would like to host an event.

Police Chief Dave Rash stated Administrative Assistant Molly Schwartz will have the accreditation done next month.

City Councilor James Yonally said on B Street there have been some complaints about some dogs getting loose and he heard they attacked another dog. He stated there are a number of children who live in the area and he asked if the city would be able to do anything.

Police Chief Dave Rash asked him to email the addresses of the house where the dogs reside and then he will assign an officer to make contact with the dog owners.

**HUBBARD FIRE DISTRICT – Chief Joseph Budge.** Chief Joseph Budge thanked the City Council and staff for their support of the Fire District by allotting ARPA funds to them for the remodel of the fire station. He also went on to thank Mayor Charles Rostocil for his involvement in the strategic planning, and appreciated his insights.

Chief Joseph Budge said the Fire Service has suffered quite a loss with the death of Austin Smith last Thursday. He stated the Hubbard Fire District was on scene when the explosion happened and they did try and resuscitate Austin, but unsuccessfully. The Hubbard Fire District members are in St. Paul tonight helping to cover calls, they along with Fire Districts all over the Region will be helping to cover those calls through next Saturday's service. He added that it was a tragic accident and there wasn't any wrongdoing, but a case of being in the wrong place at the wrong time. They are also expecting hundreds of fire apparatus staged in Woodburn for the processional into St. Paul and will be quite an event.

City Councilor Robert Prinslow commended John Koenig for working with the city to try and get the final schedule and round of events for Saturday's procession. He went on to also thank Chief Budge for allowing him to help with it.

**ADMINISTRATION DEPARTMENT – Director of Administration/City Recorder Vickie Nogle.** Director of Administration/City Recorder Vickie Nogle gave an update on Financial

Consultant Summer Sears. She said Summer Sears has been off working through some personal things but she talked to Ms. Sears today and is planning to get the city up to date with bank reconciliations and other important tasks, then she would be unavailable for 2 weeks, and then get back to work, so city staff is working through whatever we can with her schedule.

**PUBLIC WORKS DEPARTMENT - Public Works Administrative Manager Melinda Olinger.** Public Works Superintendent Mike Krebs had an update on item # 4 on the Public Works report. He said the equipment that is listed is what they will go forward with to replace the screw pump, he said they have had it working at the wastewater plant since New Year's Eve and they have not had any problems with it, so they have made the decision to go ahead and install it. M. Krebs stated it is a two-pump system, so if one fails there is a backup. Furthermore, he would like Council to approve a transfer from the contingency fund into the equipment maintenance and supply fund for this purchase. The replacement cost for the screw pump was originally quoted at \$154,000 but he was able to find a significantly less costly option with the price coming in around \$25,000.

Public Works Superintendent Mike Krebs stated in regard to item # 5 on the Public Works report. He said they have received the replacement gearbox and it should be up and running soon.

Public Works Superintendent Mike Krebs stated in regard to item # 7, the well motor has been repaired and is up and running, so it does not have to be replaced, it was repairable.

Mayor Charles Rostocil asked if Public Works Superintendent Mike Krebs had recommendation on which sidewalks should be looked at to repair when we have funds available that were listed on the sidewalk condition inventory list that was included in the packet. Public Works Superintendent Mike Krebs said his recommendation would be to replace the old sidewalk on 3<sup>rd</sup> Street between A and D, and also on 5<sup>th</sup> Street between F and G, which is the section they did not get done when the improvements were on 5<sup>th</sup> Street. He went on to say the sidewalk is in poor condition between A and D, it is walkable but if we had the money, he would replace it. Furthermore, A Street would be another one, but we are trying to write a grant for that through ODOT.

Mayor Charles Rostocil asked if he has had a chance to revisit the incentives so the homeowners do the replacement, the incentive is \$300, and he had asked to see if there was some way we could change that incentive or find a way to make it more so we can get the homeowners to actually replace their sidewalks.

Public Works Superintendent Mike Krebs said that is on his list of things to do.

Public Works Administrative Manager Melinda Olinger said this will need to be budgeted so this would come into the budget cycle for next year.

City Councilor Tyler Thomas said the sidewalks are the responsibility of the homeowner so another route for getting sidewalks repaired or replaced would be to actually enforce the code and making the homeowner replace the sidewalks that are in poor condition. He went on to say he would be in favor of starting with an incentive and if they choose not to utilize the incentive then they would have 90 days to repair the sidewalk, it is really a non-negotiable, it is written in City



Code, and the fact the city doesn't enforce it, is kind of ridiculous, some people keep theirs in good condition, or have replaced them, others have neglected theirs and continue to neglect them. He went on to say they cause hazards, trips and falls, liability issues and there needs to be a plan to incentivize people to fix them, and if they choose not to fix them then we need to force them to fix them.

**CONSENT AGENDA.**

**A) Approval of City Council meeting minutes.**

- 1. December 13, 2021, Special.**
- 2. December 14, 2021**
- 3. January, 11, 2022.**

**B) Approval of the January 2022 Check Register Report.**

**C) Approval of Personal Service Agreement between the City of Hubbard and Prothman Company for the recruitment of a City Administrator, and authorize the Director of Administration/City Recorder to sign.**

**D) Resolution 722-2022. A Resolution transferring appropriations within the 2021/22 Budget. (Refer to Public Works Administrative Manager report)**

**E) Authorize Rivenes Park Use Application for Mobile Food Pantry 2<sup>nd</sup> Wednesday of the month contingent upon receipt of insurance documents. (Refer to Public Works Administrative Manager report)**

**F) Authorize Staff to start the recruitment process for the Utility Worker I position. (Refer to Public Works Administrative Manager).**

**G) Accept Business Oregon grant application, and authorize the Mayor to sign.**

MSA/City Councilor James Audritsh /City Councilor James Yonally motioned to approve the Consent Agenda as read. City Councilor Robert Prinslow, City Councilor James Yonally, City Councilor James Audritsh, City Councilor Tyler Thomas and Mayor Charles Rostocil were in favor. Motion passed unanimously.

**APPEARANCE OF INTERESTED CITIZENS.** Rocky Sherwood, 2622 Nina Place, Hubbard, said he is starting his bi-weekly walk/jog Wednesday at 4:30 p.m. at Barendse Park. He also said he would like Hubbard to send a card or flowers for Austin Smith, the fallen firefighter from St. Paul, and lower the flags to also honor him.

Scott Stierle, 3369 Ash Street, Hubbard, thanked the Hubbard Police Department for helping to recover his wife's cousins Utility trailer that was stolen.


**OTHER CITY BUSINESS.** City Council asked Director of Administration/City Recorder Vickie Nogle to send flowers on behalf of the City for fallen St. Paul Firefighter Austin Smith.

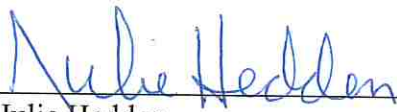
City Councilor James Audritsh said the Governor already did a proclamation to lower flags for 24 hours.

**ADJOURNMENT - (NEXT REGULAR CITY COUNCIL MEETING IS MARCH 8, 2022, AT 7:00 P.M.)** MSA/Mayor Charles Rostocil/City Councilor James Audritsh motioned to adjourn the meeting. City Councilor Robert Prinslow, City Councilor James Yonally, City Councilor James Audritsh, Mayor Charles Rostocil and City Councilor Tyler Thomas were in favor. Meeting adjourned at 8:26 p.m.

**ATTEST:**

  
Charles Rostocil, Mayor

  
Vickie L. Nogle MMC  
Director of Administration / City Recorder  
Recording

  
Julie Hedden  
Administrative Assistant / Court Clerk  
Transcribing