



MINUTES

Coburg City Council

Regular Session

April 22, 2008 - 6:00 P.M.

Coburg City Hall

91069 North Willamette - Coburg

COUNCILORS PRESENT: Mayor Judy Volta; Jerry Behney, John Fox, Bill Judd, Brian Pech, John Thiel, Mike Watson

COUNCILORS ABSENT: None

STAFF PRESENT: Don Schuessler, John Bosley, Sammy Egbert, Craig Gibons, Milo Mecham, Petra Schuetz

RECORDED BY: Dan Lindstrom

I. CALL TO ORDER

Mayor Judy Volta called the meeting of the Coburg City Council to order at 7:00 p.m.

Councilors joined in the Pledge of Allegiance.

Minutes Recorder Dan Lindstrom called the roll and stated that a quorum was present.

Mayor Volta determined there was no one present wishing to present testimony unrelated to the Public Hearing to be held on forming Local Improvement Districts (LID).

II. AGENDA CHANGES

Finance Director Craig Gibons requested that consideration of a proposal to contract for an analysis and review of the financial plan for the wastewater system be added to the Agenda.

City Administrator Don Schuessler reported that no additional remonstrance objecting to the LID had been received, but that Resolution 2008-08, Exhibit F, had been updated and distributed at the beginning of the meeting.

Mayor Volta determined that there were no objections to the requests and the Agenda was amended.

III. DEPARTMENT REPORTS

A. City Administrator

Mr. Schuessler referred to Agenda support material regarding Building Permits Services. He noted that the report had been prepared at the request of the Council to provide information about the possibility of changing Coburg services from The Building Department to Lane County Land Management Division.

Planning Director Petra Schuetz described preparation of the report and her recommendation to transfer building permits services to Lane County. She said no formal action was requested, but that she wanted to provide the information, take necessary preparatory steps, and serve notice that a decision on the recommendation would be requested at the May meeting of the Council.

Councilors discussed the report.

B. Wastewater Project

Mayor Volta stated that the Council would hold a Public Hearing on Resolutions 2008-06, 2008-07, and 2008-08, regarding the formation of LID related to construction of the Coburg wastewater collection, treatment, and water reclamation project.

Mayor Volta determined that no Councilor declared himself to have a conflict of interest regarding establishment of the LID. She described the process to be followed in conducting the public hearing.

Mayor Volta opened the Public Hearing and called for the staff report.

City Attorney Milo Mecham referred to his report and copies of the resolutions and their attachments distributed before the meeting. He explained that three LID were being proposed for separate Council actions because of the different financial considerations for different parts of the project. He reviewed the elements, financing formulas, and special considerations of each LID.

Mr. Mecham reviewed the processes involved in forming LID established in the Coburg Code, state statutes, and Oregon Constitution. He explained that property owners were required to have received estimates of the assessment to be made by the LID before any construction on its project was begun. He said notices of preliminary assessments and of the public hearing had been sent to the most recent address of all owners as registered with the Lane County Department of Assessment and Taxation, as required. He said final assessments would be established at the completion of the project, but that the formulas for determining them would remain unchanged.

Mr. Mecham explained that City ordinances and State statutes required that an opportunity to file a remonstrance (written objection) to a proposed LID and a process for dealing with them had to be provided. He said the Coburg Code provided that the City Council should consider all remonstrance at the public hearing set for action on the proposed LID. He explained that if the value of the assessments for the properties for which a remonstrance had been received totaled more than 66 percent of the total LID assessment, the Council would be required to stop the project for at least six months. He reported that, as of the time of the Public Hearing, the total value of assessments for

assessments for which a remonstrance had been filed was approximately two percent of the total.

Mr. Mecham explained that Oregon required that an opportunity be provided for LID assessments to be paid over a ten year period. He added that the City Council had also agreed that a low-income deferral of payment of the assessments would be provided. He said the details of the deferral had not been decided, but that it was likely it would provide for payments to be required when the property was sold, or the conditions for deferral were no longer met.

Mayor Volta stated that appeal of the decision of the Council about establishing the LID was possible. Mr. Mecham explained that since establishing a LID was not a land use decision, appeal would not be through the Oregon Land Use Board of Appeals, but through a civil court process.

Mayor Volta invited public testimony regarding formation of the LIDs.

Chalmers Blatch, 91110 Austin Street, stated that he had submitted a remonstrance, objecting to the formation of a sewer system LID, and that he opposed adoption of the Resolutions because the project was too expensive and would likely cost more than was estimated. He said operating the system would require new property development in Coburg, which he said he feared would turn out to be similar to recent residential area developments in Eugene that he considered undesirable. He also said new development would attract families with children and eventually overcrowd the Coburg Elementary School, which the school district would never replace.

Don Nelson, 91099 Austin Street, stated that the residents of Coburg could not afford a sewer system because the cost of everyday living was increasing. He said he feared that those with fixed incomes would lose their financial stability. He expressed appreciation for recently held public meeting regarding the sewer project, but said he believed the 20 percent contingency included in its budget should be eliminated to reduce assessments made through the LIDs. He said he did not believe owners of property which had septic tanks that met the requirements of the proposed system were given proper benefit in the assessments. He said the significant increase in the cost of the project from the time of its inception raised concern that it would not be affordable in the future, especially if large commercial property owners were to close their operations.

Larry Wimber, 32800 East Dixon, stated that he had written a letter regarding his objections to the proposed sewer project, but had not been given concrete answers to his questions. He said there were no studies that showed the contribution of residential versus agricultural use to groundwater contamination in the Coburg area. He said that without facts, adopting the proposal would be "signing a blank check." He also said he did not believe the Council had provided a basis for the project and that it was a "pie in the sky" with the citizens footing its bill.

Will Rasmussen, stated that he was from the firm of Miller Nash LLP, 111 Southwest Fifth, Suite 3400, Portland, and that he represented Paul Williams, a Coburg property owner. He said he would file a remonstrance for four parcels of land owned by Mr. Williams on the east side of Interstate 5, if the public hearing was not continued for 30 days. He explained that the objections of Mr. Williams were that he had received notice of the LID proposal for only one of his properties, that he already had a functional

tional wastewater system on his property and would suffer the loss of an investment, that his assessment was disproportionate and unjust, and that Oregon statutes regarding LID were misused in the proposal by establishing the entire city as its boundary.

Tom Gloude, 2045 36th Avenue, Albany, stated that he had filed a remonstrance because the Equivalent Dwelling Unit (EDU) on his property had been miscalculated due to a major water system leak during the period of time on which it was based. He said he believed his recreation vehicle park should be treated in the LID in the same way as an apartment complex. He said the maintenance cost for his wastewater treatment would be significantly increased by the creation of a sewer system and that he would be forced to pass the cost on to his tenants.

Mayor Volta invited Mr. Mecham to respond to public testimony.

Mr. Mecham explained that the 20 percent contingency cost included in the budget for the wastewater system was standard procedure for large public infrastructure projects. He said it was planned that all possible delays and cost overruns would be covered in the surcharge. He stated that, ideally, the final cost of the project and the resulting property assessments would be lower than what was estimated in the budget. He said the LID assessments would pay only a portion of the cost of the project, the rest being covered by grants successfully acquired and continued to be explored, contributions from the Urban Renewal Agency, and Service Development Charges paid by construction of new development.

Mr. Mecham suggested that concern about the style and quality of new development in Coburg should be tempered by the already established residential design standards and additional Development Code updates recently authorized.

Mr. Mecham said the Eugene School District 4J had delayed its proposed closing of the Coburg Elementary School because of the potential of an increased student population brought about by development made possible by the creation of a sewer system.

Mr. Mecham explained that the City Council had adopted a low income deferral policy to reduce the negative impact of LID assessments on fixed income property owners. He reported that Coburg did not qualify for a number of federal and state programs providing grants to municipalities for infrastructure projects because the median income level of its residents was too high.

Mr. Mecham responded to the suggestion that budgeted contingency amounts be eliminated to reduce LID assessments by saying that to do so would not allow for any unexpected or increased costs. He said it was better to over-estimate than to underestimate the cost of a project.

Mr. Mecham pointed out that property owners with septic wastewater systems that met the standards required for the new municipal collection and treatment system received the same benefit from it as those with substandard septic systems that would be replaced as part of the project. He said to adjust preliminary assessments on each individual property based on the condition of its current wastewater system would inordinately delay the project and would add more expense than would be saved by the indi-

saved by the individual homeowners with new systems.

Mr. Mecham reported that large manufacturing firms such as Marathon and Monaco had been lured to Coburg with the promise of a public sewer system. He explained that although their contributions to the project would be extensive through LID assessments and being required to update their own septic systems, it was likely that their overall wastewater treatment expenses would be less with the new system. He said the LID assessments were on property, regardless of its owner. He said he believed the chances of either firm leaving Coburg were higher without development of the sewer system than with it.

Mr. Mecham pointed out that the objections raised by Mr. Wimber to the project were based on his not accepting that Coburg residential septic systems significantly contributed to area groundwater contamination. He said that although the Oregon Department of Environmental Quality (DEQ) did not separate residential and agricultural contributions to the contamination, there were scientifically sound studies supporting the contention that residential septic systems did make such contributions. He suggested that the significant reduction in contamination that resulted from installation of the River Road/Santa Clara sewer system was also evidence its benefit.

Mr. Mecham spoke to the concerns raised by the representative of Mr. Williams. He explained that notices had been sent to the legal addresses of the owners of all properties affected by the LID. He said the law required that they be sent, not that they be received.

Mr. Mecham said discussion of the remonstrance of Mr. Williams had led to adjustments to his LID assessments and that they had been included in the revision of Exhibit F of Resolution 2008-08 distributed earlier.

Mr. Mecham said that the concern of Mr. Williams that he was not receiving benefit for his investment in a septic system that met the requirements of the new sewer system was shared by the owners of all commercial properties and of some residences. He said all property owners were contributing to the improvement of groundwater contamination through the LID assessments.

Mr. Mecham reviewed the proposed policy that grants received from some federal agencies only benefit the areas of the City for which they were received. He noted that the properties of Mr. Williams did not benefit from grants received from the Oregon Economic and Community Development Department because they had been designated to ensure that employment opportunities were maintained in Coburg, but that they did benefit from grants received for development of the Wastewater Treatment Plant.

Mr. Mecham referred to the testimony of Mr. Gloude regarding the water flow rate used in the calculation of the EDU for his property. He said any corrections to be made to such data would be used in the calculation of all final assessments in the LID. He said that the Council had determined that manufactured home parks would not be treated in the same way as apartment complexes in LID assessments because of the complexity of their systems – individual hookups, more than one septic tank, etc. He explained that such properties would receive a \$2,000 assessment credit as partial recognition of their unique qualities.

Mr. Mecham reported that including remonstrances that were reported that would be filed, they continued to total less than five percent of the proposed total LID assessment.

In response to a question from Mayor Volta, Mr. Mecham explained that errors in the calculation of any assessment would be corrected before they were made final.

Councilor Behney asked, if the proposed resolutions were adopted, could the formulas used in calculating assessment be changed. Mr. Mecham replied that formula factors such as the role of SEDs and EDUs in the calculations could not be changed, but that the data involved in them would likely not be the same and consideration could be given to the weight of various factors could be changed.

In response to a question from Councilor Fox, Mr. Mecham explained that the percentages of contributions of various elements in assessment methodologies identified in the proposed resolutions were based on the current status of financing obtained and were not intended to be final.

In response to a question from Councilor Thiel, Mr. Mecham explained that an appeal of the approval of the LID by the Council would take place via procedures established in the Circuit Court.

Determining that Councilors had no further questions of Mr. Mecham, Mayor Volta closed the Public Hearing and invited deliberation on the proposed resolutions.

Councilor Fox stated that he appreciated the significant citizen input the Council had received in public testimony and written communications. He said it was important to realize that the Council had been considering the ramifications of the decision to form LID as a funding mechanism of the sewer system for a many months. He said he believed that despite the objections raised by some, the vast majority of Coburg residents supported the proposal. He said he also believed most of the concerns raised, such as about the impact of assessments on low income property owners, had been satisfactorily met.

Councilor Behney said he found it significant that no remonstrance to the proposed assessments had been filed by any large commercial property owner. Mayor Volta added that she believed the businesses had been waiting for completion of the sewer system for many years.

Councilor Watson said that he had been involved as a Councilor in decisions regarding the wastewater system for many years and that he believed most Coburg citizens supported its construction and the funding mechanism developed for it.

Mayor Volta expressed appreciation to staff, councilors, and members of the public for their contributions to developing funding plans for the sewer system. She said she was committed to continuing to seek funding grants and monitoring development of the project. She called for motions regarding the proposed resolutions.

Councilor Watson moved, seconded by Councilor Fox, to approve Resolution Number 2008-06, A RESOLUTION CREATING A LOCAL IMPROVEMENT DISTRICT FOR THE CONSTRUCTION OF A SANITARY SEWER AND RESIDENTIAL STEP

RESIDENTIAL STEP SYSTEMS WITHIN THE CITY OF COBURG. The motion was adopted unanimously, 6:0

Councilor Watson moved, seconded by Councilor Pech, to approve Resolution Number 2008-07, A RESOLUTION CREATING A LOCAL IMPROVEMENT DISTRICT FOR THE CONSTRUCTION OF A SANITARY SEWER SYSTEM WITHIN A PORTION OF THE CITY OF COBURG. The motion was adopted unanimously, 6:0

Councilor Watson moved, seconded by Councilor Judd, to approve Resolution Number 2008-08, A RESOLUTION CREATING A LOCAL IMPROVEMENT DISTRICT FOR THE CONSTRUCTION OF A WASTEWATER TREATMENT SYSTEM TO SERVE THE CITY OF COBURG. The motion was adopted unanimously, 6:0

IV. WASTEWATER RECLAMATION PROJECT FINANCIAL PLAN

Mr. Gibons referred to his April 22 memorandum containing a proposal to contract with a Financial Planner. He explained that the Council had authorized a request for Proposals for a review and analysis of the wastewater system financial plan and the reasons for his recommendation to contract with Boise State University for the project.

Councilor Pech moved, seconded by Councilor Behney, to authorize the City Administrator to enter into negotiations with Boise State University to perform financial analysis duties for the City of Coburg. The motion was adopted unanimously, 6:0.

V. FUTURE MEETINGS

Mayor Volta reviewed future meetings of the Council identified in the Agenda.

The meeting adjourned at 7:45 p.m.

ACCEPTANCE

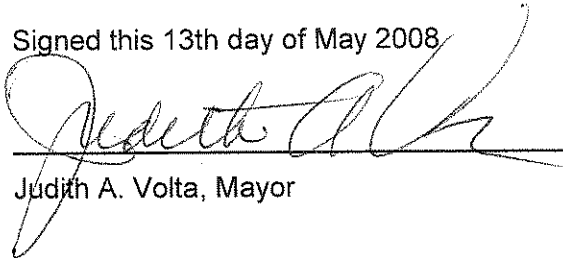
Yes: 5 _____

No: 0 _____

Abstained: None _____

Passed: X _____ Rejected: _____

Signed this 13th day of May 2008



Judith A. Volta, Mayor

Attest:



Sammy L. Egbert, City Recorder