



MINUTES

Coburg City Council
Work Session
October 24, 2006 - 7:00 P.M.
Coburg Municipal Court
32694 East Pearl Street - Coburg

COUNCILORS PRESENT: Mayor Judy Volta; Don Nelson, John Thiel, Mike Watson

COUNCILORS ABSENT: Bill Judd, Brian Pech, Michelle Sunia

STAFF PRESENT: Don Schuessler, Jack Harris, Milo Mecham

RECORDED BY: Dan Lindstrom

Mayor Judy Volta called the Work Session of the Coburg City Council to order at 7:05 p.m. She determined that a quorum was not present and stated that no business would be conducted.

City Attorney Milo Mecham stated that the Work Session had been requested by the Council to discuss alternative revenue sources.

Mr. Mecham referred to his report and noted its division of possible revenue sources into two general categories – modification in current revenue streams and creation of new revenue streams. He said there were opportunities for Coburg in each, but that all had limitations or other difficulties.

Modification of Current Revenue Streams

Mr. Mecham reviewed recent increases in fees charged for City services. He said Planning Department fees continued not to meet costs involved. He reviewed information in his report about planning fee structures based on the hours required to process applications.

Mr. Mecham referred to a chart providing information about current and potential Coburg franchise fees.

Councilor Don Nelson referred to a document he had prepared entitled “City of Coburg Franchise Fee Review Work Session.” He noted that it proposed that fees be collected on a monthly basis, that long-term franchise agreements be revised to permit periodic review and adjustment, and that increases in fees be considered, as follows:

1. Northwest Natural from three percent to five percent
2. Emerald Peoples Utility District (EPUD) from three and one-half percent to five percent

3. Quest from five percent to seven percent
4. Review Coburg Sanitation annual fee

Councilor Nelson said his proposal would provide additional annual revenue of \$41,740.

Mr. Mecham raised questions about the bases for some of the proposals of Mr. Nelson and provided information that suggested other proposals were not possible or would be actively opposed by franchisees.

Councilor Nelson requested that copies of an eleven-page document entitled "Proposal Overview" be made and distributed. It appeared to propose that Coburg "municipalize" the electric utility services provided to residents by PacificCorp and EPUD and suggest that EPUD was willing to assist the City in the process. He said the action would improve the reliability of the service and potentially result in financial benefits for the City.

Members did not engage in discussion about the proposal.

Mr. Mecham reported that several regional and national utility franchisees were cooperatively supporting bills to be proposed to the 2007 Oregon Legislative Assembly that would establish statewide utility franchises and eliminate local franchise arrangements. He suggested that Coburg consider adopting a utility tax on gross utility revenue based on the use of City right of ways. He said such an approach was being explored by other cities and would maintain and possibly increase revenue. He noted that all utility related fees were passed on to customers.

Members discussed utility fees and taxes.

New Revenue Sources

Mr. Mecham referred to his report and noted its cautions about the inequality of various sources related to the revenue generated, impact on payers, and administration.

Mr. Mecham referred to a document entitled "Sample List of Possible New Revenue Options for the City of Coburg" that identified the payers, scope, impact, administrative cost, use elsewhere, and other elements of ten revenue sources not used in Coburg:

1. Business License on all businesses
2. Business License on motor vehicle fuel dealers
3. Business License on public utilities
4. Business License on telecommunications
5. Business License on recreation vehicle dealers
6. Business License on manufactured home dealers
7. Payroll tax on all employers
8. Sales tax on all retail businesses and businesses
9. Income tax on all residents
10. Fine assessment by Municipal Court

Mr. Mecham noted that documents entitled "Required Gasoline Disclosures" published by the Oregon Department of Transportation and "Local Gas Tax Information" published by the League of Oregon Cities had been distributed.

Mayor Volta left the meeting at 8:20 p.m.

Members discussed the pros and cons of various new revenue sources – gasoline tax, lodging tax, retail sales, cell phone tax, and fine assessments.

President Mike Watson and Mr. Mecham determined there appeared to be agreement to ask staff to prepare additional information about revenue sources for consideration by the Council at a regular meeting, as follows:

1. Utility right of way charge to enable 5 percent revenue from franchisees
2. Gasoline tax
3. Business license fee for non-manufacturing sales
4. Surcharge on fines assessed by Municipal Court
5. Recalculation of Planning fees

Additional suggestions made for preparation of information for consideration included:

1. Reconsideration of instituting a Parks Service Development Fee
2. Lodging tax
3. Charge for excessive false alarms
4. Recalculation of Public Works fees

The meeting adjourned at 8:50 p.m.

ACCEPTANCE

Yes: _____

No: _____

Abstained: _____

Passed: _____ Rejected: _____

Signed this 14th day of November, 2006.

Judith Volta, Mayor

Attest:

Donald Schuessler, City Recorder