



MINUTES

Coburg City Council
Regular Session
September 12, 2006 - 7:00 P.M.
Coburg Municipal Court
32694 East Pearl Street - Coburg

COUNCILORS PRESENT: Mayor Judy Volta; Bill Judd, Don Nelson, Michelle Sunia, John Thiel, Mike Watson

COUNCILORS ABSENT: Brian Pech

STAFF PRESENT: Don Schuessler, John Bosley, Sammy Egbert, Craig Gibons, Milo Mecham, Kelly O'Neill

RECORDED BY: Dan Lindstrom

I. CALL TO ORDER

Mayor Judy Volta called the meeting of the Coburg City Council to order at 7:05 p.m.

Minutes Recorder Dan Lindstrom called the roll, noted the absence of Councilor Brian Pech and stated that a quorum was present.

Councilors joined in the Pledge of Allegiance.

II. CHANGES TO THE AGENDA

City Administrator Don Schuessler reported changes to be made to the agenda – Lane County Income Tax presentation to be made by Douglass Harclerod, not Jim Johnson; a new document regarding Region 2050 Project had been distributed and an appointment to fill a vacancy on the Planning Commission added to the Planning Department report; action on the Fire Suppression Ordinance was requested to be postponed in the Public Works Department report; and a supplemental list of bills to be approved for payment had been distributed.

Mayor Volta determined there was no one present to testify in the Public Hearing regarding the Fire Suppression Ordinance and stated that the matter would be considered at the City Council meeting scheduled for October 10, 2006.

Councilor Mike Watson requested that Councilor Bill Judd report on the effect of the newly adopted Special Events Ordinance on the recently held Coburg Antique Faire. Council Judd replied that he would make such a report at a later Council meeting when all of the accounts of the event were compiled.

Mayor Volta stated that consideration of the Heritage Committee would be postponed until the next meeting of the Council.

III. COMMENTS FROM CITIZENS

None.

IV. MAYOR'S COMMENTS

None.

V. PRESENTATIONS

A. Building Department Fees

Charcie Kaylor stated that she was Manager of The Building Department of Lane County Public Works Department that administered State building codes, conducted inspections, and collected fees for the City of Coburg. She referred to her September 12 memorandum and reviewed changes it recommended to Structural, Plumbing, and Mechanical fee schedules and processes.

Ms. Kaylor explained that fee changes were decided by local elected officials and overseen by the State of Oregon Building Codes Division. She requested that the City Council consider acting on the recommendations to enable their implementation by November 15, allowing a 45-day period for notification of interested parties before January 1.

Councilors discussed the presentation, determining that the recommended changes did not involve any changes in service, and that they were not related to other recently adopted changes in Planning Department fees.

Councilor Michelle Sunia moved, seconded by Councilor Don Nelson, to hold a Public Hearing, and act on recommended changes to building code fee schedules and processes before November 15, 2006. The motion was adopted unanimously, 5:0.

Mayor Volta set the Public Hearing for the regular Council Meeting scheduled for November 14, 2006.

B. Lane County Income Tax

Douglass Harcleroad stated that he was the Lane County District Attorney, represented the Lane County Board of Commissioners, and was asking the City Council to adopt a resolution supporting the Lane County Charter Amendment enacting a county public safety income tax ordinance. He referred to the Agenda Item Summary that included a memorandum from Jim Johnson, consultant to the Public Safety Task Force, and proposed Resolution R-091206-1.

Mr. Harcleroad reviewed the status of public safety services in Lane County and how the proposed tax would address their shortcomings. He explained details of the pro-

posed tax emphasizing its rate cap, unchangeable dedication, provisions for property tax relief, and requirement for establishing Lane County reserves. He said although federal and state retirement income was required to be exempt from the proposed tax, recipients from such programs would also not benefit from its property tax relief provision. He said recent additions to the list of endorsing organizations included the City Councils of Creswell and Eugene, the municipal judges association, and a social service agency director's organization.

Councilor Watson asked if funding for public safety programs currently supported with County General Fund resources could be directed elsewhere by County Commissioners. Mr. Harclerod replied that such "back fill" procedures were prohibited by a provision that all public safety programs be funded only by the income tax.

Councilor Sunia asked if the income of persons receiving public retirement benefits would be subject to the proposed tax. Mr. Harclerod replied that such taxation was prohibited by federal and state laws, but that persons who did not pay the income tax would not receive its property tax relief benefit.

Councilor John Thiel said he was concerned that if the measure was not approved, the property tax proposal did not provide that the Board of County Commissioners could not enact it without the approval of voters. Mr. Harclerod replied that as an Oregon Home Rule County, such an action was always possible in Lane County, but that it would be subject to referendum referral to voters within 90-days of its enactment.

Councilor Thiel stated that he believed Coburg placed high value on public safety for its citizens, but that he had mixed emotions about endorsing the proposed income tax. He said it seemed unfair that city residents should be required to pay for county services.

Mr. Harclerod stated that city residents required more than municipal court and police public safety services. He said incarceration, felony prosecution, prevention, probation, and treatment programs to be funded by the proposed tax were essential to local law enforcement activities.

Councilor Thiel said he wished there were a way for those who violated the law to pay the cost of enforcing it. Mr. Harclerod replied that the vast majority of offenders received Public Defender services, indicating their inability to pay any cost. He added that few convicted of crimes are able to pay imposed fines and are required to serve penalties with jail sentences, increasing public safety costs.

Councilor Nelson said he did not believe the proposed tax was fair because it was to be collected on income earned in Lane County by persons who resided outside the county. Mr. Harclerod replied that it was true that such taxpayers would not benefit from public safety protection to their home, but that it would be provided for their places of employment and on streets and road they traveled.

Councilor Nelson said he did not believe the proposed tax would provide a fair level of public safety services to city residents. Mr. Harclerod replied that it had been estimated that 40 percent of all Lane County public safety services went to residents and agencies of the City of Eugene.

Mayor Volta reviewed the options of the City Council related to the resolution regarding support for the proposed ballot measure to change the Lane County Charter – adopt, amend, oppose, take no action. She said she believed there was a public safety crisis in Lane County that needed to be addressed.

Councilor Watson said he supported the proposed income tax, even though he did not believe it was perfectly crafted.

Councilor Watson moved to adopt Resolution R-091206-1, A Resolution Expressing Support for Measure 20-114, A Measure to Change the Charter of Lane County Government.

Mayor Volta determined that the motion would not be considered because it had no second.

Councilor Judd said he supported the efforts of Lane County to improve its public safety services and would vote for Measure 20-114, but that he was not ready to take a position that asked Coburg citizens to support its adoption. He said he believed the City Council should adopt a resolution encouraging citizens to study the measure.

Mayor Volta said it would be possible for the Council to take such an action.

Councilor Watson said he feared that anticipated elimination of federal resources currently used in the Lane County General Fund would dangerously further erode support for public safety programs.

Mayor Volta determined that that no Councilor wished to propose an action.

VI. DEPARTMENT REPORTS

A. Planning

Councilor Watson reported that the Planning Commission had interviewed Lisa Hellemn in response to her application to be appointed to a vacant position. He referred to an Agenda Item Summary regarding the appointment. He said the Commission recommended that she be appointed.

Ms. Hellemn presented herself and answered questions regarding her interest, experience, views about development in Coburg, and personal strengths.

Councilor Watson moved, seconded by Councilor Sunia, to appoint Lisa Hellemn to a two-year term on the Coburg Planning Commission, starting October 2006. The motion was adopted unanimously 5:0.

Councilor Watson referred to an Agenda Item Summary regarding endorsement of the Region 2050 Regional Strategy. He noted that it reported that the Planning Commission had adopted a motion to not make a recommendation regarding endorsement until a Joint Meeting was held with the City Council to discuss questions and concerns regarding it. He said he believed elements of the Strategy, such as its population projection for Coburg, were important for future planning and develop-

ment, but that he questioned the adequacy of other elements such as a map plotting locations for population growth.

Councilor Watson discussed the value of the Strategy in light of the refusal of the City Councils of Cottage Grove, Eugene, and Springfield to endorse it. He said the seven-year effort had produced much valuable data and analyses that would be indispensable for small cities such as Coburg. He reported that he had been informed that endorsement of the Strategy would not delimit any planning effort.

Councilor Judd asked for a legal explanation of the difference between “endorsing” and “adopting.”

City Attorney Milo Mecham said it had been determined that it would be impossible for a city participant to adopt a finding of the Region 2050 Regional Strategy later without previously endorsing it. He explained that endorsement did not bind one to adopt it later. He said it would be possible to “pick and choose” elements without having to “redo” the whole process.

Councilor Sunia said she did not support holding a joint meeting with the Planning Commission regarding the Strategy. She said she believed that the Council should clearly state in an endorsement that the population growth projection map was not approved.

Councilor Thiel said he was hesitant to act on the request for endorsement of the Strategy without any recommendation from the Planning Commission.

Councilor Thiel moved, seconded by Councilor Nelson, to hold a joint meeting with the Planning Commission to discuss endorsement of the Region 2050 Regional Strategy. The motion was defeated, 2:3, with Councilors Thiel and Nelson voting yes.

Councilor Sunia moved, seconded by Councilor Judd, to endorse the Region 2050 Regional Strategy, not including the population growth projection map. The motion was adopted, 3:1:1, with Councilor Nelson voting no, and Councilor Thiel abstaining from voting because he said he believed he did not have adequate information to form an opinion.

Mayor Volta noted that a printed Planning Department Report had been received.

B. Municipal Court

Mayor Volta noted that a printed Municipal Court Report had been received.

C. Public Works

Mayor Volta noted that a memorandum regarding new water rates for fire suppression hookups had been received.

D. Police

Mayor Volta noted that a printed Police Department Report had been received.

E. City Attorney

Mayor Volta noted that no printed report had been received from the City Attorney.

F. Finance

Finance Director Craig Gibbons referred to his memorandum regarding selection of an Auditing Firm. He reviewed the process used to solicit proposals for auditing services and make his recommendation to establish a three-year contract with Pauly, Rogers & Company.

Councilors discussed the recommendation – review of references, and cost comparison with current audit services.

Councilor Thiel moved, seconded by Councilor Watson, to authorize the City Administrator to enter into a three-year contract for auditing services with Pauly, Rogers & Company, with provisions for annual review. The motion was adopted unanimously, 5:0.

City Staff Kelly O'Neill referred to an Agenda Item Summary regarding Park System Development Charges (SDC). He said he had been asked to develop a recommendation for their approval because of the "tight" condition of City resources. He explained that the cost of the methodology proposed for creating the SDC would be more than repaid by fees generated. He said the proposal had been discussed at the August meeting of the City Council and was endorsed by the Parks Committee.

Councilor Nelson said he agreed that the City would benefit from the establishment of Park SDC, but that he believed current General Fund shortages encouraged cautious spending. He recommended that consideration of the recommendation be postponed.

Councilor Watson asked if Park SDC were allowed to be spent for more than expansion of City park holdings. Mr. Mecham replied that it would be possible to structure such SDC to cover improvements or reimbursements, based on the adopted Park Plan.

Councilor Thiel asked what would be the financial impact of Park SDC. Mr. Gibbons replied that he considered such funding mechanisms to be a "fundamental building block" for the future financial stability of the City.

Councilor Judd asked if payment for the creation services would be required "up front." Mr. Mecham replied that billing for such services was normally done on a quarterly basis.

Mayor Volta asked if there were designated funds in the Budget that could be used for payment of the cost of creating Park SDC. Councilor Nelson replied that he did not believe designated funds in the Budget could be used for such purposes. Mr.

Mecham said that it would legally be possible to use designated funds or other reserved resources for such purposes.

Mayor Volta determined there was consensus to table further consideration of the creation of Park SDC at this time.

Mr. O'Neil referred to an Agenda Item Summary regarding Transient Room Tax. He noted it reported that four businesses in Coburg paid the tax but that the remittances of two had not been credited to Coburg since December 2004. He said he would report further on the situation at a later meeting.

Mr. Gibons referred to an Agenda Item Summary regarding the Financial Status of the City. He suggested that information it contained be received and discussed for clarification at the current meeting and that a Council Work Session be scheduled at a later date to develop action plans engendered by it.

Mr. Gibons reviewed his September 6 memorandum attached to the Summary regarding short and long-term issues and possible solutions related to the financial position of Coburg – cash in the bank, cash carryover, beginning fund balances, contingency funds, anticipated revenue, unanticipated expenses, and Water Fund contributions to the General Fund.

Councilor Watson said he appreciated the “concretization” of the situation, as presented by Mr. Gibons.

Mayor Volta said she agreed and that it showed that the Council had started to “right the ship” and needed to “keep a steady hand on the wheel.” She said she believed it would be important to identify significant sources of new revenue to address the problems identified.

Councilor Nelson asked if the Deficit Fund Balances identified in the memorandum of Mr. Gibons were actually deficits. Mr. Gibons replied that they were. Councilor Nelson suggested that it would be helpful for such a report to be regularly made. Mr. Gibons said it would be prepared for the Council each month.

Mr. Schuessler referred to a document entitled “Fiscal Year 2006-2007 General Fund Reduction Action Plan – Summary.” He reviewed activities and completion dates it identified, as follows:

1. Urban Renewal Agency authorization for prepayment of budgeted expenses – 8/24/06
2. Meet with department heads for discussion of target reduction amounts – 8/25/06
3. Individual department reduction plans submitted to City Administrator – 8/31/06
4. Administrative review of department reduction plans – on-going
5. Financial Oversight Committee briefing and review of reduction plan – 9/13/06

6. Submission of revised or suggested administrative changes in reduction plans from Financial Oversight Committee meeting to department heads – 9/15/06
7. Revised reduction plan returned to City Administrator and administrative review – 9/20/06
8. Distribution of Reduction Plan to Budget Committee – 9/26/05
9. Budget Committee/Council Work Session and referral of recommended action plan to City Council – 9/26/06
10. Council Action – 10/10/06
11. Budget Reduction Plan implementation – 11/01/06

Councilor Watson asked if budget adjustment recommendations would include reduction of anticipated income from fines and bails. Mr. Schuessler replied that an accurate estimate of the actual income from such sources was now possible and would be included in calculations. He said the current budget had been based on the experience of previous years.

Mayor Volta said she hoped the scheduled Budget Committee/Council Work Session would include discussion of additional revenue. Mr. Schuessler said a presentation about such sources was being prepared with the assistance of Mr. Mecham.

Councilor Nelson said he did not believe consideration of new revenue sources would be as productive as discussion of other possible actions because they would not have an immediate impact on the financial crisis faced by the City. Mayor Volta replied that only treating what was wrong would leave the City in continued financial difficulty.

Councilor Judd said he hoped the City Administrator would encourage department heads to proposed ways to generate new income.

Councilor Sunia suggested that consideration of new revenue sources could overburden the Budget Committee/Council Work Session and that she preferred to focus only on budget adjustment proposals. Mr. Schuessler suggested that discussion of new revenue sources could be postponed until a latter meeting.

G. City Administrator/Recorder

Councilor Sunia said she preferred to continue to table discussion regarding Park SDC until a methodology to fund its creation was available.

Mr. Gibons said it would be possible to move Special Park Fund resources into the General Fund, with a proviso that it be refunded with other resources to be identified later.

Councilor Watson moved, seconded by Councilor Judd, to authorize preparation of a Park System Development Charge proposal, if it is determined that dedicated funds were available and could be used to pay the cost. The motion was defeated, 2:5, with Councilors Judd and Watson voting yes.

Mr. Schuessler referred to an Agenda Item Summary regarding Accountant Services and reviewed its recommendation regarding an independent contractor agreement with accountant Karen Jefferis.

Councilor Sunia moved, seconded by Councilor Watson to extend the contract with Karen Jefferis to provide accountant services through October 11, 2006, not to exceed \$1,932.

Councilor Thiel said he would vote for the motion, but did not believe the dispersion of the tasks of the Finance Director should set a precedent.

The motion was adopted unanimously, 5:0.

VII. COMMENTS FROM COUNCIL

Councilor Nelson reported that he had attended the memorial service for Bill Stevenson. He said the City had lost a good citizen when he died.

VIII. APPROVAL AGENDA

Mayor Volta noted that the Approval Agenda included acceptance of the minutes of the August 8 Council meeting and approval of Invoices for Approval totaling \$35,783.66 and Additional Invoices for Approval totaling \$4,371.05.

Mr. Schuessler noted that his suggestion in Paragraph 4 on Page 7 of the minutes to discuss shortening City Councilor terms from four to two years at the September Council Work Session would take place at the October meeting.

Councilor Watson moved, seconded by Councilor Thiel, to adopt the Approval Agenda. The motion was adopted unanimously, 5:0.

The meeting adjourned at 9:10 p.m.

ACCEPTANCE

Yes: _____

No: _____

Abstained: _____

Passed: _____ Rejected: _____

Signed this 10th day of October 2006

Judith Volta, Mayor

Attest:

Donald Schuessler, City Recorder