



## MINUTES

### Coburg City Council

Regular Meeting

April 9, 2013 – 6:45 P.M.

Coburg City Hall

91069 North Willamette - Coburg

**COUNCILORS PRESENT:** Jae Pudewell, Mayor; Jerry Behney, Sharyl Brannon-Abbaspour, John Fox, Don Nelson, Brian Pech, Ray Smith, Jeffrey Kaliner

**COUNCILORS ABSENT:** None

**STAFF PRESENT:** Petra Schuetz, Kenny Allen, Bob Butler, Laura Comstock, Sammy Egbert, Jeanine Lavers, Milo Mecham, Don Mulholland, Larry Larson, Rob Sutton, Ramona Sweere, Paul Thompson, James Wilson, Kirsten Zulyevic

**RECORDED BY:** Dan Lindstrom

Mayor Jae Pudewell called the meeting of the Coburg City Council to order at 7:30 p.m. Councilors joined in the Pledge of Allegiance. Minutes Recorder Dan Lindstrom called the roll and stated that a quorum was present.

Mayor Pudewell announced that citizen Don Ledford was making an audio recording of the meeting for his own purposes. He also stated that because of persistent rumors, it was important to assure the public that no consideration was being given to suspending operation of the Coburg Police Department.

### 1. CITIZEN TESTIMONY

Mayor Pudewell noted that the Council had received written communications from William Hudson regarding his water bill and from John Thiel recommending appointment of an applicant to fill his recently resigned position on the City Council.

Janelle McPherson, 90942 S. Coleman, stated that she was a member of the Coburg Community Charter School Board of Directors. She expressed appreciation for the Coburg Police Department and its relationship with the school. She said expert advice had been given regarding protective device changes made to its operation and maintained public safety as needed. She reported her personal experience of Police work during the investigation of a burglary at her home and the confidence built by the Police at her place of business.

Bill Ledford, 32443 Coburg Bottom Loop Road, recounted his experience testifying at the March 12, 2013, Council meeting and how he had provided the minutes recorder with an audio recording made of it. He said he believed City Attorney Milo Mecham was in conflict of interest when he acted as both the City legal counsel and as co-manager of the Wastewater Treatment System construction project. He quoted passages from the minutes of the Council meeting of March 28, 2011, and others which he said supported his contention. He also stated that he believed Mr. Mecham was guilty of perjury in his submission of loan applications for the

Wastewater Project and provided the U.S. Department of Agriculture with a false description of the Coburg Urban Renewal District.

Scott Schultz, 9108 Abby Road, suggested that public respect for the Coburg Police would be affected by reducing its financial support. He said it would increase police response times in emergency situations and create a situation where public safety would need to be provided by the under staffed Lane County Sheriff. He said he believed the procedure for notifying Officer Kristin Ziegler of her temporary dismissal did not follow proper policy. He suggested that the City Council had the authority to intervene in the process and that actions of the City Administrator regarding the Police needed to be reviewed.

Susan Henderson, 32820 Bush Garden, stated that she was a member of the Coburg Community Charter School Board of Directors and represented parents of the students in the school. She said she was concerned about the safety of the school if the City reduced financial support for the Coburg Police.

Mollie Smith, 91102 Austin, said she believed the Police were important for the safety the Coburg Community Charter School. She expressed special appreciation for the efforts of Chief Larry Larson. She said she believed citizens should be better informed of potential Council actions regarding financial support of the department to better enable public support for alternative actions that would not reduce public safety in Coburg.

Scott Rohter, Vita Resident, distributed copies of a February 2013 article he had posted on his Internet Blog "LessGovistheBest" entitled "The Worst Little Town in America: Coburg, Oregon" and of a photograph which he stated illustrated damage to his vehicle from a collision with a deer. He recounted his experience that days after the incident he was cited by a Coburg Police Officer for only having one headlight. He said it was immediately before he was scheduled to have the damage repaired. He said he had appeared in court to contest the citation and was fined \$160. He said he did not believe the conviction was fair and that the City Council should dismiss the infraction, rather than having his driving license suspended because he was unable to pay the fine.

Mayor Pudewell gave abbreviated responses to Citizen Testimony: (1) Rumors regarding budget adjustment to be considered eliminating the Police Department were not true. Considerations were to discover parameters of a financial situation and to review actions being taken to correct it. It was positive to hear the community support that existed for the Police. (2) The Oregon State Assembly was currently considering legislation which could allow municipalities facing budgetary "compression" to submit fee levies for voter approval that allowed revenue measures that were beyond current limits. (3) The City Council did not have any authority to change or alter fines or decisions by the Coburg Municipal Court. There are judicial appeal procedures available to citizens to contest judgments made. (4) Allegations made regarding the Urban Renewal District/Agency had been considered numerous times by the Council and by federal and state agencies involved with the Wastewater Project.

## **2. SPECIAL PRESENTATION – Oregon Business Development Services**

Sean Stevens stated that he represented Oregon Business Development Services (formerly Oregon Economic Development Agency) with responsibilities for communities in Lane, Linn, and Benton Counties. He described the services of his agency – retention/expansion of Oregon businesses, innovation for Oregon businesses, recruitment of new business to Oregon.

Mr. Stevens reviewed what he named economic building blocks and described current condi-

tions in Coburg – infrastructure currently being built, good number of available buildings, access to large labor force, adjacent to interstate, and positioned for growth. He reviewed business development programs of his agency – <[expandinoregon.com](http://expandinoregon.com)>, industrial site certification, and regional significant industrial areas.

Mr. Stevens reviewed business development incentives available in Oregon – Enterprise Zones, utility rate benefits, SDC adjustment, workforce training, and financing.

### 3. AGENDA REVIEW

Mayor Pudewell and City Administrator Petra Schuetz identified requests for changes in presenters and the order of the Agenda. There were no objections to the requests.

### 4. MAYOR'S COMMENTS

Mayor Pudewell invited applicants for appointment to vacant Council position #3, Jeffrey Kaliner and Kevin Wright to present themselves to be interviewed. He asked four questions prepared in advance and Councilors each asked additional questions of each applicant. The candidates responded with descriptions of their interest in being appointed, relevant experience, views of Coburg, and the responsibilities of a City Councilor.

Councilors agreed that the candidates were both well qualified. City Recorder Sammy Egbert distributed ballots to Councilors. Mayor Pudewell collected and read the returns. Collation and reporting showed results as follows: Jeffrey Kaliner – three votes, Kevin Wright – two votes.

***Councilor Pech moved, seconded by Councilor Abbaspour, to appoint Jeffrey Kaliner to the City Council to complete the unexpired term of Position #3 through December 31, 2014.***

City Attorney Milo Mecham conducted the swearing in ceremony of Councilor Kaliner.

Mayor Pudewell described the responsibilities of City Council President.

***Councilor Abbaspour moved, seconded by Councilor Pech, to elect Councilor Jerry Behney as Council President for the remainder of the current term. The motion was adopted, 5:0:1, with Councilor Behney abstaining from voting out of personal diffidence.***

### 5. CITY ADMINISTRATION

Representing Pauly Rogers and Co. P.C., Certified Public Accountants, Kenny Allen distributed copies of a document entitled "Communication to the Governing Body of the City of Coburg for the Year Ended June 30, 2012." Copies of a volume containing full details of the annual audit of the financial records of Coburg were also distributed.

Mr. Allen reviewed the purpose of the annual audit and the responsibilities of auditors. He said it was the auditor's responsibility to express an opinion as to whether financial statements were fairly presented, to determine if internal controls were in accordance with federal requirements, and report assurance that financial statements were free of misstatements.

Mr. Allen stated that his firm provided an "unqualified opinion" on the Coburg financial statements (a "clean" opinion with no reservations). He explained that minimum state standards

were met, and found no issues of non-compliance or cost questions related to federal awards.

Mr. Allen reviewed recommendations made by auditors for changes in financial statement preparation and presentations:

- Correct General Fund negative balance
- Avoid over appropriation of expenses included in the budget
- Adopt a plan to eliminate current deficits
- Reconcile Utility Billing and General Fund records
- Reconcile all accounts within two months.

Mr. Allen described management agreements to correct the deficiencies.

Mayor Pudewell thanked Mr. Allen for his presentation, determined that the only required Council action was to accept the report, and to schedule conferences with staff about recommended changes to procedures and ensure that they were followed by the end of the next fiscal year. There appeared to be consensus that the requirements would be followed.

Lane Council of Governments (LCOG) Program Manager Paul Thompson referred to Agenda support material entitled "2013 Water Rate Study Update." He reviewed the Coburg contract with his agency to prepare a water rate methodology incorporating revenue and expense projections. He reviewed results of studies of water consumption and production, water account types, Water Fund financial summaries, and average water bills.

Mr. Thompson reviewed factors and assumptions in the study including annual growth in water usage; changes in personnel services expenses, budgeted materials and services expenses; debt service; reserve requirements; Capital Expense and water meter replacement needs; and collection of funds to meet requirements of an additional water reservoir, needed capital deferred maintenance; and the requirements of replacing foregone revenue resulting from the Limited Income Assistance Program.

Mr. Thompson stated that the result of the study was to recommend an increase in current water rates of 60 percent. He explained how the recommendation was calculated and reviewed five alternatives for implementing the increase included in the material he had prepared.

Mayor Pudewell thanked Mr. Thompson for his report and observed that postponement of consideration of its recommendations would only make the matter "more painful," but not allow it to go away. Councilors discussed the report and recommendations of the study.

On the suggestion of Mr. Mecham, the Council agreed to consider the recommendations of the study during the upcoming meetings of the Budget Committee.

Ms. Schuetz pointed out that the contract with LCOG for the Water Rate Study was about to expire and consideration was needed if there was a need for its extension.

LCOG Program Manager Dan Mulholland referred to information included in Agenda support material entitled "Ground Lease for Telecommunications Equipment." He reviewed the LCOG use of a federal grant to install fiber optic cable to the Coburg City Hall, fire station, and school. He explained that a location for equipment allowing connection to the system (and its possible future expansion by a franchisee to individual properties) was needed and had been identified as next to the north side of City Hall. He said the proposed lease provided for a one-time payment to Coburg of \$2,000, operation of the equipment by Hunter Communications, and provi-

sions for moving of the facility at LCOG expense if the City Hall should be moved.

***Councilor Behney moved, seconded by Councilor Ray Smith, to authorize the City Administrator to sign the Ground space Lease Agreement with Lane Council of Governments. The motion was adopted, 5:0:1, with Councilor Hanson abstaining from voting because he said he was unclear about the "definition between the parties" involved.***

Mayor Pudewell referred to Agenda support material entitled "Budget Committee Appointment." He noted that it included an application for appointment by Jeffrey Milam. He also noted that a second application from Linda Kroeger had been distributed at the beginning of the meeting.

Mayor Pudewell invited Mr. Milam to be interviewed about his application. He noted that Ms. Kroeger was not present. Councilors discussed the interest and experience in serving on the Budget Committee of Mr. Milam.

***Councilor Nelson moved, seconded by Councilor Pech, to appoint Jeffrey Milam to a three-year term on the Coburg Budget Committee expiring June 30, 2014, and to appoint Linda Kroeger to a three-year term on the Committee expiring June 30, 2015. The motion was adopted unanimously, 6:0.***

Ms. Schuetz referred to Agenda support material entitled "Water and Wastewater Construction Charge Limited Income Assistance Program – FY 14 Adjustment to Methodology." She reviewed information it contained and explained the limited changes made to the current policy.

***Councilor Pech moved, seconded by Councilor Behney, to approve the Limited Income Assistance methodology for fiscal year 2014, as recommended. The motion was adopted unanimously, 6:0.***

## 6. WASTEWATER PROJECT

Wastewater Project Construction Manager Rob Sutton referred to Agenda support material entitled "City of Coburg Water Reclamation Facility – Phase 3" and "Monthly Status Summary." He described current subcontractor construction progress and preparation for testing and installation of major membrane components. He answered questions from Councilors.

Mr. Mecham referred to Agenda support material entitled "Wastewater Project – Phase IV Easements" and a collection of documents entitled "Conveyance of Wastewater Easement." He described the nine easements recommended and the reason for the need for two possible easements to reach Kamping World.

***Councilor Pech moved, seconded by Councilor Behney, to authorize the City Administrator to accept Phase 4 easements as described and that payment be made for the easements at the agreed upon prices. The motion was adopted, 5:1, with Councilor Nelson voting no.***

## 7. DEPARTMENT ACTIONS AND UPDATES

Ms. Schuetz referred to Agenda support material entitled "City Administration Summary." She reviewed information it included regarding activity in the Planning Department. She answered

questions as she was able.

Finance Director Ramona Sweere referred to Agenda support material entitled "Finance Department Monthly Report." She reviewed information it contained and answered questions from Councilors.

Mayor Pudewell referred to Agenda support material entitled "Budget Shortfall – Police Department" and stated that he believed the issue should be given thorough discussion during the Budget development process. He emphasized that it was a City problem, not one of the Police Department and Municipal Court.

Ms. Schuetz described her efforts in developing a plan to deal with a shortfall in the budget of the Police and Municipal Court of \$86,000:

- Transfer of \$50,000 from funds available in the General Fund
- One temporary Police Officer lay-off
- All temporary Police and Court staff reduced to .8 full time equivalency (20% reduction to a four-day work week for the remainder of the fiscal year)
- Between one and three all-staff furlough days, closing the City Hall on those days.

Councilors held an extensive discussion of the issue – causes of the shortfall, how and why it was not anticipated, obligations of the City to its employees, the responsibility for rectifying the problem.

***Councilor Pech moved that the City Council endorse the actions of the City Administrator in addressing the Budget shortfall in the Police Department.***

***Mayor Pudewell determined that no Councilor wished to second the motion and its consideration was not continued.***

Councilor Kaliner commented that he supported the work of the Police in Coburg and believed that the Budget actions of the City Administrator were correct and would be effective.

Ms. Sweere referred to Agenda support material entitled "Resolution 2013-05, a Resolution Approving a Revenue Contract with Lane Council of Governments for Scenario Planning." She reviewed Council consideration of the topic in a presentation by Kent Howe at its February 12 meeting. She noted that the contract provided for payment of the \$8,060 City match to be met by participation in the process by the City Administrator.

***Councilor Pech moved, seconded by Councilor Smith to approve Resolution 2013-05; a resolution approving a revenue contract with Lane Council of governments for Scenario Planning Services." The motion was adopted unanimously, 6:0.***

City Recorder Sammy Egbert referred to Agenda support material entitled "Paper of Record" and explained the complications and expense of the February 2012 Council decision to designate the *Tribune News* (aka *Tri County News*) as the Coburg official Paper of Record.

***Councilor Pech moved, seconded by Councilor Kaliner, to designate The Register Guard as the official Paper of Record for the City of Coburg. The motion was adopted unanimously, 6:0.***

## 8. PROJECT UPDATES

Mayor Pudewell noted that the Council had received written reports regarding City projects, as follows:

- "Transportation System Plan Progress Report"
- "Coburg Loop Multi-Use Path (Segments 1, 2, and 3)"
- "Economic Development Strategy Progress Report"
- "Historic Preservation Program Progress Report"
- "Follow-Up on Public Comments – Bill Ledford"
- "Manley vs. City of Coburg – Pioneer Valley Estates Pre-Litigation"

**Councilor Pech moved, seconded by Councilor Abbaspour, to authorize the City Administrator to proceed with negotiations for the purchase of a building as discussed in the Council Executive Session held on April 9. The motion was adopted, 4:1:1, with Councilor Nelson voting no, and Councilor Wright abstaining from voting because he said he had not attended the Executive Session.**

Mayor Pudewell noted that the Consent Calendar included acceptance of the minutes of the March 12, 2013, Council meeting and approval of Bills to be Paid presented by the Finance Director.

**Councilor Pech moved, seconded by Councilor Behney, to approve the Consent Calendar, with amendments to the minutes to correct the spelling of the name of Councilor Pech. The motion was adopted unanimously, 6:0**

Councilor Behney asked if there were procedures to inform water customers of suspected problems with sudden massive increases in water usage, as was the case of William Hudson. Ms. Egbert replied that such spikes in water usage were immediately reported to customers when revealed by reading of a water meter. The damage to the water lines of Mr. Hudson was only discovered and repaired when the extra high usage was reported. Provisions for repayment of the exceedingly high water bill were also offered.

The meeting adjourned at 12:15 a.m.

### ACCEPTANCE

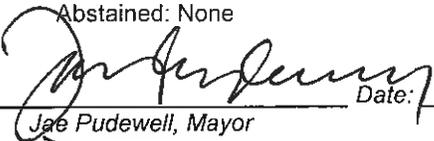
Approved: May 14, 2013

Yes: 6

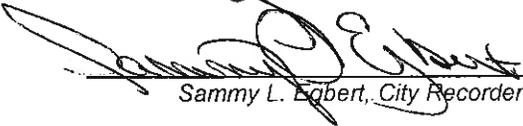
No: 0

Abstained: None

Attest:

  
Joe Pudewell, Mayor

Date: 5/15/2013

  
Sammy L. Egbert, City Recorder

Date: 5/15/13