



Coburg City Council

April 14, 2020

Coburg City Hall

91069 North Willamette St., Coburg, Oregon

Councilors Present: Ray Smith, Mayor; Nancy Bell, Mark Alexander, Kyle Blain, John Lehmann, Patricia McConnell. At approximately, 6:13 p.m., John Fox joined the meeting

Staff Present: Anne Heath, City Administrator; Sammy Egbert, City Recorder; Jeff Kernen, Planning; Brian Harmon, Public Works Director; Mandy Balcom, Court Administrator

1. CALL TO ORDER

Mayor Smith called the meeting to order at 6:02 p.m. and made a brief announcement about Zoom meeting protocols. Mayor Smith then led the City Council and staff in the Pledge of Allegiance.

2. ROLL CALL

City Recorder Sammy Egbert called the roll and announced a quorum was present.

3. CITIZEN TESTIMONY

No citizens' testimony or comments were presented.

4. INFORMATION REPORTS

A. JOHNNY DIAMOND PARK UPDATE: Brian Harmon reported that the park is coming along nicely and that the colored concrete paths were being installed. He did alert the Council that a change order for the park structure would be presented at the next City Council meeting on April 21. The change order reflects complications due to Covid-19 and obtaining a prefabricated structure. Harmon put forth that having the contractor build a stick-structure would save time and money.

Councilor Lehmann remarked that the contractor asked about extending the culvert from 8' to 16' due to safety concerns. Harmon affirmed that he and the contractor had also spoken about this. Harmon requested the contractor to check in with the architect about any OSHA standards about extending the culvert. He expects an answer soon.

Anne Heath offered a financial and scheduling update on the park. She expects that there will need to be a supplemental budget ask for the final park remodeling.

Harmon gave the Council a financial expense report that includes the change order amount. She remarked that the original timeline did not provide enough design time; additionally, the schedule was extended further due to inclement weather. Councilor Blain asked what the timeline for park completion is currently. Harmon replied that the goal is completion by Labor Day weekend.

Going back to the structure, Mayor Smith asked if the design would be the same. Harmon replied that it will be comparable, and he is including two visual examples for the April 21 Council packet.

B. DEVELOPMENT APPLICATION TIMELINE AND PROCESS: Jeff Kernan provided an update on a major land use project this is being presented to the Council: a subdivision application at the intersections of Coleman and Skinner Streets. On a 10-acre parcel, 39 single-family dwellings are being proposed. Due to Covid-19 restrictions, the public hearing on this development proposal was cancelled. A new meeting is scheduled for May 6 and will likely be held online. Kernan also outlined the procedures regarding this proposal specifically the 120-day requirement after an application is complete. A review by the Planning Commission is first. However, if the case arises that the Planning Commission decision is appealed by the developers, a final decision regarding this development must be made by the Council (acting as a quasi-judiciary body) by June 24. Due to that possibility, he cautioned that the Council members should avoid having any conversations about this application with community members.

Mayor Smith confirmed that caution; any such conversation is considered *ex parte* which must be declared if the appeal went to the Council. He noted that any conversation of this type must be documented with date, time, place, persons in the conversation, and general discussion summary. Any *ex parte* would need to be announced at the beginning of an appeals meeting. Unless there are a number of connections with a Council member and community members (which could constitute bias), this process will cover any incidental conversations about this application. Additionally, he recommended that if such a conversation occurred to email Sammy Egbert with the documentation so that it can be an official record.

Councilor Alexander wondered if unsolicited comments to any Councilor from the community should also be declared. Kernan replied that generally documenting those are also a good idea. Mayor Smith clarified that if comments are consistent in approval or disapproval statements, to document that [a certain number] of constituents expressed their disapproval. This documentation relieves any claim of influence on Council decision-making.

Councilor Lehman asked two questions: 1) could an appeal could continue past a Council's decision and 2) would the appeal meeting by Council be procedural or substantive. Kernan replied to 1) that a Council decision could be appealed in

Oregon State Court and 2) an appeal to the Council can be procedural, substantive, or both depending on the content of the appeal.

Councilors Fox, Lehman & Alexander asked for general details regarding the development including lot size, name of the development, and number of parcels, quality of home, price, as well as street layout and entrances. Kernan answered that the 39 lot sizes varied, no name yet, quality is speculated to be good, average market price, and street layout/entrances similar to Hayden's development.

C. 2020-21 BUDGET UPDATES AND PROCESS: Anne Heath referred the council to the budget documents in their packets. She noted that the budget dates may change and that the documents would be shared with the budget committee. She is waiting to see if the governor issues any budget deadline allowances, but none are forthcoming at this point. Most cities are proceeding with original budget deadlines, Heath said, but they acknowledge there are so many unknowns now. She is proceeding with a standard budget based on last year with some CPI index and cost of living increases. Heath stated that staff had specific budget requests; she mentioned the ask of a third police officer and a car for that officer but did not specify other staff requests. She plans to present a list of the extras, not put any of those in the budget, and revisit those asks in the fall. She offered that the budget committee could prioritize staff requests with caveats on funding per the financial climate in late fall 2020. She shared concerns that asking City staff to look at their budgets in terms of what could be cut could cause a really rough environment. The City knows there will be revenue loss, but there's no estimation of how much at this time until the state lockdown is lifted. May 19th and 26th are scheduled budget meetings with June set for budget adoption. Budget packets will go the Council and budget committee on May 12.

Councilor Alexander asked what avenues constitute the City losing money and how much could we really lose? Heath responded that she included in the packet possible scenarios such as: delinquent property taxes; increasing revenue from liquor and cigarette taxes; a small drop in franchise fees, utilities fees, and police citations; and a large reduction of transit and gas taxes in the fourth quarter of this fiscal year (an estimated loss of \$5,000 to \$6,000). Regarding state revenues, she stated that we don't know at this point. She suggested a "no growth" review scenario for FY21. This will be a basic budget that will be adjusted in the months to come. There was a small discussion around the flattened income from the new gas tax.

D. UTILITY RATE STUDY FINDINGS: Anne Heath said the utility rate study has been proceeding for the last eight months due to the complexity of the task. Last week, they met with the contractor compiling the study. Findings thus far indicate that the water rate is appropriate, and the sewer rate could be increased by \$1.34 increasing it a little each subsequent year.

Councilor Blaine asked if the sewer rate increase was recommended to pay down debt or because of increasing costs. Heath replied that both of those are considered regarding the rate price along with any future capital projects or additional property developments within the next 20 years. The study was commissioned, in part, to develop a utilities rating platform for the City to follow.

Mayor Smith then offered some history on Coburg considering utilities rate increases through an annual review. Councilor Lehman commented that he feels the public understands the need for cost of living increases for necessary infrastructure. Heath commented that she was happily surprised by the study's findings as the rate increase was much lower than an earlier proposed \$5.00 rate increase. However, she reminded Council that these finds are based on assumptions such as the 39-lot housing development going through as well as other growth factors. Heath also said that originally Doug Gabbard was going to present the findings in person to the Council. Given the current circumstances, Hearn is offering some broad strokes of it now and there is hope that Gabbard can present the full findings in the near future. Heath stated that the rate for 2021 would be \$1.70 and that larger rate increase could be adopted by Council in FY21.

Heath offered that when the Urban Renewal District was formed, industrial-zoned land was brought into the district. Heath and Mayor Smith explained that based on a ratio used at the time, \$9 million from the district funds could be used to pay the sewer debt. Heath reported that the Urban Renewal District boundaries can be amended, but to more than 20% of the existing. The Council could look into amending the district by adding property to the east of Interstate 5 as that could increase that amount that the district would contribute to the sewer debt which then could alleviate sewer rate increases. Staff is researching this possibility. Mayor Smith asked Heath to speak about the fire district as an Urban Renewal offset affects the fire district and their budget. The fire district chief indicated he would support an amendment as long as they did not lose revenue based on current assumptions. However, an amendment would be a lengthy process. The following Council members expressed their interest in the \$1.70 FY21 rate increase: Lehman, Blaine, Alexander, Fox, Bell, McConnell, as did Mayor Smith. There was discussion on framing and marketing an increase.

E. COVID-19 UPDATE AND INFORMATION: Anne Heath said that personnel costs have not gone over-budget during this time. Staff time related to any Covid-19 tasks are being recorded on timesheets. The total dollar amount of that staff focus is

around \$30,000. She does not expect to see any reimbursement for diverted staff time or expenses due to more urgent funding need for medical and larger government entities. Only one office employee was furloughed. Covid-19 expenses have been minimal. Coburg businesses are concerned around what's ahead. Heath is investigating what financial aid up to \$100,000 that the City could offer. That could look like creating a community development fund to offer seed money especially for the month of May. Anecdotally, SBA loans and the \$10,000.00 grants as well as bank-dispersed payroll protection plans have been complicated, difficult, and mostly ineffectual.

Mayor Smith said that he and Heath have been talking to the Foundation, the Chamber, and others. He clarified that the \$100,000 is something he feels that the City can afford to help Coburg small businesses and citizens. Prior to Covid-19, there were discussions on the City providing the Foundation for seed money investments. He clarified that the City is looking at contributing \$25,000 now and giving citizen's financial relief by waiving a month's utility bill (25% of the citizens' have requested this). He said that the Council would need to discuss this in depth, but also mentioned that the Foundation could accept donations and is eligible for grants to assist also. It offers more flexibility in ways to help businesses and citizens. Lane County, and the cities of Springfield and Eugene are offering \$450,000 for businesses in Central Oregon. Heath added that there is a complication here in that Serenity Lane has requested to not pay their biennial SDC payments which amount to approximately \$56,000.00 for the year. That's just one factor to consider within the total amount of \$100,000.00 available. Council will see that particular request on April 21.

Councilor Lehman asked if the monies from the \$100k would be no-interest, or low-interest loans, or grants. He personally would rather spend the money on a new police car rather than fund grants. He favors loans and is not inclined to give forbearance to Serenity Lane. Mayor Smith clarified with Heath that Serenity Lane is actually requesting to extend their contract by another year so that payment would be delayed, not forgiven. There may also be an option to postpone the June payment and have Serenity Lane request postponement again in six months if needed. Mayor Smith reiterated that funding the Foundation for the purposes of community / business relief offers more guidance, legwork, procedures, and options, as well as other funding sources. Councilor Blaine supported the month's utility waiver to citizens. He also wanted to see the City offer some financial support through the Foundation to small businesses. Heath expressed concerns about the Foundation loaning money as she does not believe that they would be able to set up for that. Councilor Blaine agrees that offering small business grants for the month of May could be a way to keep local businesses afloat. Councilor Lehman expressed doubt.

Councilor Fox asked what other small towns are doing. Heath reported that some cities are contributing to the Lane County development fund, others are discussing

their options like Coburg. Coburg does not have the funds to meet the minimum contribution. Some cities are funding City Foundations who are distributing monies through grants and loans. Mayor Smith has heard that cities who have Foundations are fortunate because the foundations are receiving donations also. Mayor Smith said there would be discussions around the parameters regarding any City monies being distributed. Heath raised some of the parameters that could be applied to this funding. Discussion followed. Heath also confirmed that this would be an action item at the next meeting.

5. FUTURE MEETINGS

City Council - April 21
Planning Commission – May 6
City Council - May 12
Budget Committee - May 19

6. ADJOURNMENT

Mayor Smith adjourned the meeting at 7:50.

APPROVED by the Mayor and Council of the City of Coburg this 9th day of June, 2020.



Ray Smith, Mayor

ATTEST: 

Sammy L. Egbert, City Recorder