

**CITY OF SUTHERLIN**  
**Council Workshop Meeting**  
**Sutherlin Civic Auditorium**  
**Monday, January 26, 2015 – 7:55pm**

**COUNCIL MEMBERS:**

**MAYOR:** Tom Boggs, Frank Egbert, Wayne Luzier, Karen Meier, Forrest Stone, Wes Anderson  
Todd McKnight

**CITY STAFF:** City Manager, Jerry Gillham  
City Recorder/HR Manager, Debbie Hamilton  
Deputy City Recorder, Diane Harris  
Finance Supervisor, Dan Wilson  
Community Development Director, Vicki Luther  
Chief of Police, Kirk Sanfilippo  
Interim Fire Chief, Rich LaBelle  
Finance Advisor, Andy Parks

**Audience:** Jim Houseman, Mike Meier, Pam & Denny Cameron, Bertha Egbert, Anthony Harris,  
Brian Burke Sr.

Meeting called to order by Mayor McKnight, at 7:55pm.

**WORKSHOP**

• **Budget Goals & Finance Committee Discussion**

City Manager, Jerry Gillham, explained the three major topics for tonight's discussion:

- Confirm Budget Schedule
- Re-institute Finance Committee –
  - To review and update existing Finance Policies and procedures, previous finance committee included three Councilors
  - Possibly consider including representative(s) from Budget Committee to be part of Finance Committee
- Update rate equity process and financing with DEQ (Department of Environmental Quality).

Gillham stated he is seeking permission from Council to form a Citizen's Advisory Committee to discuss rate equity. Committee would present recommendations and options to Council at a future meeting.

Councilor Meier – Would there be members of Council on Citizen's Advisory Committee? ***From our perspective, Finance Committee should be involved with advisory committee.***

Mayor McKnight asked Councilors Boggs, Meier (previous Finance Committee Members), and Councilor Luzier, if they were interested in being on the committee, which they agreed to participate in. Forming a combination Council/Budget Finance Committee was discussed. Consensus was to include 2-3 members of the Budget Committee members, as well.

Discussion was held regarding the budget calendar and dates presented. Finance Supervisor, Dan Wilson, reminded Council the process will start earlier than in previous years.

Forming of the Citizen's Advisory Committee was discussed regarding sewer rate equity issues. It was suggested to possibly involve a variety of citizen's on the committee: Chamber, various organizations, business owners, apartment complex owners, SKP Park, and/or manufactured home parks managers/owners. The equity rate committee (Citizen's Advisory) and Finance Committee (three Councilors, two to three Budget Committee Members) will be two separate committees, however the Finance Committee will participate in the sewer rate equity study and advisory committee. Council discussed amount of citizen's needed to be on the advisory committee. Goal is to create a rate structure

that would cover the Wastewater Treatment Plant loan debt, but be fair for everyone, which requires citizen involvement.

Financial Advisor, Andy Parks, provided an update on interest rates. City is looking at \$18.2 million finance package with DEQ; interest rates on 30-year loan, last quarter ending December 31<sup>st</sup> was 2.23%. Current rate for this quarter is down to 2.04%. Need to close by March 31<sup>st</sup> to qualify for the current rate. Council will need to approve a rate resolution showing rates in place that will ultimately generate revenue to repay the debt. Without rate equity considered, single family residences may see an increase from \$34.10 to \$64.50 per month.

Parks explained in detail the rate inequity affecting commercial, industrial, multi-family, churches, manufactured home parks, local business and single family residences. When dealing with this kind of rate restructure, recommendation is to make sure customers understand the issues involved. Will need to present resolution to Council no later than 2<sup>nd</sup> meeting in March, or hold a special meeting in order to close by March 31<sup>st</sup>.

Rate equity information will be ready for the committee to consider by second week in February.

Discussion continued regarding the amount of hook-ups, rate categories and details regarding the rate inequity issues.

**ADJOURNMENT** –

Meeting adjourned at 8:30pm.

Respectfully submitted,

*Diane Harris*

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Diane Harris, Deputy City Recorder

Approved:

*Jerry Gillham*

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Jerry Gillham, City Manager

*Todd McKnight*

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Todd McKnight, Mayor

**APPROVED BY COUNCIL FEBRUARY 9, 2015**