

CITY OF SUTHERLIN
Regular City Council Meeting
Sutherlin Civic Auditorium
Monday, October 12, 2015 – 7:08pm

COUNCIL MEMBERS:

Tom Boggs, Frank Egbert, Wayne Luzier, Karen Meier, Forrest Stone, Wes Anderson

MAYOR: Todd McKnight

CITY STAFF: City Manager, Jerry Gillham

City Recorder, Debbie Hamilton

Deputy City Recorder, Diane Harris

Finance Director, Dan Wilson

Community Development Director, Vicki Luther

Public Works Operations Superintendent, Aaron Swan

Chief of Police, Kirk Sanfilippo

Fire Chief, Charles Perdomo

City Attorney, Chad Jacobs (via Skype)

Audience: Jim Houseman, Floyd Van Sickle, Pat & Bert Bales, Brian Burke, Sr.

Meeting called to order following Executive Session by Mayor McKnight at 7:08pm.

Flag Salute:

Roll Call: Councilors Anderson and Egbert – Excused

Introduction of Media: None present

PUBLIC COMMENT (agenda items only)

- Resident and Volunteer Fire Fighter, Floyd Van Sickle, requested Council table decision on tonight's agenda regarding water rates until all Council members can be present at next meeting.

CONSENT AGENDA

- **September 28, 2015 Minutes – Regular Meeting**

MOTION made by Councilor Boggs to approve Consent Agenda as presented; second by Councilor Luzier.

Discussion: None

In Favor: Councilors Luzier, Stone, Boggs, Meier, and Mayor McKnight

Opposed: None

Motion carried unanimously.

ACTION ITEMS/GENERAL BUSINESS

Mayor asked Council for consensus to move forward or table agenda item [Resolution 2015.15] requesting approval for proposed water rates fee schedule. Councilor Meier confirmed if resolution is voted on it can be changed at a later date. Council members were in agreement to leave agenda as is.

- **Resolution 2015.15 – Fee Schedule Water Rates**

Staff Report – Finance Director, Dan Wilson – Resolution will increase water rates by CPI (Consumer Pricing Index) this year and establish automatic CPI increase for next five years. Also included is an increase to \$15 for late fees and \$25 for 30-day temporary water service. Wilson explained time consuming processes associated with the services; current fees are outdated and don't represent actual cost of activities associated with them. CPI increase is for keeping up with inflated costs in maintaining debt coverage ratios, personnel, materials, services and future capital outlay expenditures.

Questions and concerns:

- Councilor Meier – City has a loan with no pre-payment penalty; interest is 2.375% with maturity date of 2053. **Cooper Creek Water Treatment Plant Loan.** Wondering, if over the maturity of the loan City puts extra revenue toward it, such as the \$108,000 collected last fiscal year. How much would it save the City in the long run? Concerned if money is saved, it would be spent by next Council. This way would ensure savings due to the reduction in the loan balance.
- Councilor Luzier – What happens next year if City doesn't make that amount again?
- Councilor Meier – City Charter states can raise water rates as much as we want if raising base rate.
- Councilor Luzier – Doesn't think that is good budgeting.

Wilson – Increasing rates and implementation are two separate things. Increasing rates to keep up with cost increases is prudent. How the money is spent should be addressed as policy decision each year at budget time. Additionally, part of the strategic plan is to project revenues and expenses over a five-year horizon. As a starting point, this provides what the needs may be based on projections of revenues.

- Councilor Meier – Have a problem with going out five years. See no reason why these rates have to be raised right now and concerned they won't come back to Council for review.

City Manager, Jerry Gillham – Policy making easily solves that issue by providing annual status reports for Council to review prior to adopting the budget. This proposal offers stability for a five-year period, providing a comfort level that City will not enter a financial crisis situation.

- Council Stone – What rate does the CPI increase effect? **Water base rate and usage.**

Wilson – Would rather raise rates in small increments, creating ability to plan for future needs.

- Councilor Boggs – Services are picked up by the taxpayer, much better to do increases in small amounts rather than being forced to raise them at a higher rate.
- Councilor Meier – Not opposed to increasing rates, opposed to not doing something with overage collected.
- Councilor Boggs – That's a budget issue. Need to be tucking that money away, not just spend it today, but have it for future needs.

Councilor Meier requested Wilson calculate how much City would save if \$100,000 was put toward the loan each year over the term of the loan? **Creating a policy stating City has to pay down the debt changes ability to earn more money on it. Estimated if \$100,000 is put toward loan each year it will save \$2,375 per year on the interest.** That is seventy-some thousand dollars over a 38-year period. **Which may or may not be a good decision, good to save that interest, however it's bad if that money is needed for something else next year and need to come up with those funds from somewhere else?**

Councilor Meier - Every City tries to do that, but then a future Council comes in and changes it.

Councilor Boggs – Cannot account for future Councils, can only account for present Council's intentions.

MOTION made by Councilor Luzier to approve Resolution 2015.15 – Fee Schedule as presented: Water Rates; seconded by Councilor Boggs.

Discussion: None

In Favor: Councilors Luzier, Stone, Boggs, and Mayor McKnight

Opposed: Councilor Meier

Motion carried.

REPORTS

- None

CITY MANAGER UPDATE

- State [Oregon Department of Transportation] approached City notifying they believe funds may be available for N. Comstock project after all. Since money for Valentine Avenue project has not yet been spent, would like to go back into partnership with County and move on the N. Comstock project this year. Should be notified if funds are available in December, will then know which direction to move. County stated they will provide their match if City provides its portion.

Councilor Stone – If this doesn't work out, will Valentine project be stalled for another year? **Will move forward with Valentine project when notified.**

CITY COUNCIL COMMENTS

Councilor Luzier –

- None

Councilor Stone –

- Would like to extend a thank you to all safety officers regarding recent shooting incident at Umpqua Community College.

Councilor Boggs –

- None

Councilor Meier –

- Noticed in weekly report, City’s loan for Wastewater Treatment Plant with DEQ hasn’t closed yet. *Paperwork is currently being reviewed by City’s bond counsel prior to signing; interest rate has been locked in.*
- Are there plans to hire a new Assistant Fire Chief? *Chief of Police, Kirk Sanfilippo – Have not moved forward looking for an Assistant Chief, rather looking at possibly two hires, currently contemplating ranks needed.* If two are hired, doesn’t that mean City will be stuck back with the union again? *We could be.* Spent a lot of money getting out of the union.

Gillham – State has changed the rules regarding that; even a Chief and Assistant Chief can unionize. It doesn’t matter what the title is or if confidential employee. If not supervising two full time employees you can unionize. If hiring two full-time employees, don’t they have to join the union? Not unless that is what those employees choose to do. No one has to do anything.

Mayor McKnight –

- None

PUBLIC COMMENT –

- Resident, Patricia Bales – Shared copies of an article from AARP called “Making Communities Better Places to Live” and requested Council gives some of their time in reviewing it. Bales also shared her enthusiasm for recently [almost] completed portion of Red Rock Trail, stating her husband rode all the way to town in 6-minutes. They really enjoy it.

ADJOURNMENT –

With no further business meeting adjourned at 7:32pm.

Announcement –

Mayor McKnight announced a 5-minute break before going into Executive Session. ORS 192.660(2) (e) – Real Property Transactions to deliberate with persons designated by the governing body to negotiate real property transaction.

Executive Session called to order at 7:35pm.

Executive Session – ORS 192.660(2) (e) – Real Property Transactions

Executive Session adjourned at 7:45pm.

Approved: Jerry Gillham
Jerry Gillham, City Manager

Respectfully submitted,

Diane Harris
Diane Harris, Deputy City Recorder

Todd McKnight
Todd McKnight, Mayor

APPROVED BY CITY COUNCIL OCTOBER 26, 2015