

**CITY OF SUTHERLIN**  
**Regular City Council Meeting**  
**Civic Auditorium – 7pm**  
**Monday, January 28, 2013**

**COUNCIL MEMBERS:**

Tom Boggs, Frank Egbert, Patricia Klassen, Todd McKnight, Karen Meier, and Forrest Stone

**MAYOR:** Denny Cameron

**CITY STAFF:** City Manager, Jerry Gillham  
City Recorder, Vicki Luther  
Community Development Director, Dan Huff  
Finance Director, Ron Harker  
Police Chief, Kirk Sanfilippo  
District #2 Fire Chief, Greg Marlar

**Audience:** Bertha Egbert, Pam Cameron, Mike Meier, Deborah Utter, Sue O'Brien-Malen, Greg Henderson, Duane Waller, Richard Smith, Mary-Jean Morey, Richard and Faye Fink, Rick Murphy, Dwayne Gettys, Mark Nichols, Debbie Hamilton, Dana Foley.

Meeting called to order by Mayor, Denny Cameron.

Flag Salute

Roll Call: Excused: Councilor Boggs

Intro of  
Media: None present.

**PUBLIC COMMENT:** (agenda items only)

None received.

**ANNOUNCEMENTS / APPOINTMENTS**

**Budget Committee – appointments and terms**

Mayor Cameron reported the following citizens were chosen to fill vacant seats on the Budget Committee:

- Greg Henderson
- Tim Bradley
- John Lahley
- Tadd Held
- Michelle Sumner

City Recorder, Luther, reported two of the appointments will be to finish up terms ending 12/31/2013 with the other three serving full three-year terms ending 12/31/2015.

**MOTION** made by Councilor Klassen, second by Councilor Stone confirming appointments to the Budget Committee: Greg Henderson, Tim Bradley, John Lahley, Tadd Held, and Michelle Sumner; terms to be determined at a later date.

**DISCUSSION:** None

In Favor: Councilor Egbert, Klassen, McKnight, Meier, Stone, and Mayor Cameron

Opposed: None  
Motion carried unanimously.

The committee members will be contacted to see how long they wish to serve on the committee. If the terms cannot be decided that way Council will make that decision at a future meeting.

### **Friends of the Library – Announcement/Invitation**

President of the Friends of the Library group, Sue O'Brien-Malen invited all council members to attend an open house to be held in their honor at the library on February 19<sup>th</sup> between 5PM and 6PM. This will be a meet, greet, and eat event; a time to share with you what services the library provides. Printed invitations were provided for each member of Council.

### **PRESENTATIONS/PROCLAMATIONS**

#### **2012 Department Safety Award**

Police Chief, Sanfilippo, on behalf of the City Safety Committee, presented the annual Department Safety Award (plaque) to Community Development Director, Dan Huff; this award earned by the Operations Department. It was noted the Operations Department has won this award seven out of the past nine years. The award is presented to the department/work unit demonstrating excellence in their safety efforts.

### **CONSENT AGENDA**

#### **January 14, 2013 Minutes of Regular Meeting**

**MOTION** made by Councilor Stone, seconded by Councilor McKnight to approve the Consent Agenda as submitted.

In Favor: Councilors Egbert, Klassen, McKnight, Meier, Stone, and Mayor Cameron

Opposed: None

Motion carried unanimously.

### **ACTION ITEMS**

#### **Ordinance – Amending SMC 9.08.010 – First Reading**

Staff Report: Police Chief, Sanfilippo, reported historically this section of the code has enumerated each and every section of the Oregon Revised Statute that should be adopted. By changing the wording constant amendments would not be necessary and would guarantee alignment with the ORS on an ongoing basis.

Mayor Cameron questioned the wording, “as closely as feasible” – what does this mean? ***This is more of a legal term than a particle term.***

First Reading - Since this ordinance was not posted as required by City Charter, therefore was read, in full, by the City Recorder.

**MOTION** made by Councilor Meier, seconded by Councilor McKnight to accept the first reading of ordinance amending SMC 9.08.010 as presented.

In Favor: Councilors Egbert, Klassen, McKnight, Meier, Stone, and Mayor Cameron

Opposed: None

DISCUSSION: None

Motion carried unanimously.

### **REPORTS**

#### **Budget – Post Audit Report**

Staff Report: Finance Director, Ron Harker, reported the focus of this report was on fund balances as of the end of the 2012 fiscal year and the start of the 2013 fiscal year; actual verses budgeted. Harker

provided explanations of significant variations between actual and budgeted balances and spoke to emerging/developing issues which need to be addressed. The aggregate projection of fund balances differed only by 1.06% from the actual, with the actual coming in more than the projected. Harker believes we do a good job in our projections.

City Manager, Gillham, reported many agencies will purposely under-budget revenues and under-budget expenditures. Although that is a common process we have tried to budget as accurately as possible rather than plan to have excess funds at the end of the fiscal year.

Councilor Stone questioned how the Ridgeview Repair water was reflected in this report. *Although we had not yet started the repair in 2012 fiscal year there was some expenditure reflected in this report due to some site prep work.*

Mayor Cameron asked if there was anything in this report that highlights an area where we could improve in the budgeting process. *This is the work and projections from department heads and their staff. There will always be times when unexpected expenses have not been reflected when producing the budget. This year reflects a great result in the budgeting process.*

City Manager, Gillham, commended Harker for successfully working through a tough year, three different city managers, unplanned chaos, while continuing to come close in meeting the budget projections.

Councilor Meier was pleased with the budget being within 1% of actual expenditures/revenue.

#### **Update – Water Liens / Deposits / Revenues**

Staff report – Finance Director, Ron Harker

This report focused on matters pertaining to the water utility specifically dealing with liens, deposits, and revenues.

**Liens:** The City's Municipal Code is not in conformance with state statutes as pertaining to the transfer of city claims against renter to the landlords, therefore, these claim transfers, which become liens on the property, cannot be enforced by the City. All previous liens have been removed from the City's electronic lien document until such time the municipal code can be updated to comply with state statute.

ORS 91.255 (3) "A municipal utility shall not transfer a claim against a tenant to the owner of the real property unless the municipal utility provided notice of the delinquent status to the tenant and mailed a copy of the notice of delinquency by first class mail to the last address of the owner or owners agent that is on file with the utility, within 30 days from the time of the payment is due on the account."

Staff has begun to identify corrections and or modifications needed to be made to the Sutherlin Municipal Code to come into compliance with State Statutes; the City will need to prepare an ordinance to make those corrections. This action would also include development of potential policy actions providing for landlord responsibility to unpaid utility bills. Staff has completed a comparison analysis of city utility accounts with county assessor property records identifying 951 potential rental properties. There were, however, concerns with the assessor's records being outdated.

Staff proposed the 'best practice' or 'best language' for inclusion in the municipal code might be modeled after the City of Gresham, which reads: "Tenant Accounts. (1) The city's claim against a tenant is transferred to the owner of the property when the city provides notice of the delinquent status to the tenant and mails a copy of the notice of delinquency by first class mail to the last address of the owner or owner's agent that is on file with the city, within 30 days from the time the payment is due on the account. The transferred claim shall be a lien against the property served from the date the notice of delinquent status is mailed to the owner of the property. The transfer does not relieve the tenant of the obligation to pay the claim."

While staff has eliminated ‘utility liens’ from the electronic lien docket, it has not eliminated individuals responsibility to make good on outstanding account balances by sending accounts to collections. Currently the City has \$92,598 in collections and efforts are ongoing to collect on those accounts. The benefit of adopting the proposed language is the City would be able to enforce SMC 13.04.080 (F) Refusal of Service, which states: “The City shall refuse service to the premises where a lien exists for delinquent water service charges until the lien has been paid in full.” The City would then be able to realize a tremendous decrease in accounts that go to collections improving cash flow for the City’s utilities.

**Deposits:**

Currently the City is charging \$50 deposit on all accounts; this amount has not been changed for over twenty years. The deposit is reimbursed to the customer once they have paid their bill on time for twelve consecutive months. If we are still holding their deposit at the time their account is closed the deposit is applied to their outstanding balance and any remaining balance of their deposit is then returned to the customer.

Staff has determined the average residential water bill between July and December was \$52.20 and when the sewer charge of \$33.50 is added in the average utility bill becomes \$85.70. Typically municipal utilities will require a deposit f 1.5 – 2 times the average monthly utility bill. This takes into account the fact that when a customer receives their utility bill they will already have two weeks of additional consumption they have not yet been billed for, and when the payment due date arrives on their bill, the customer will already have four additional weeks of consumption they have realized but have not yet been billed for nor have they paid. When they are shut off for non-payment even more time has passed. Charging a deposit of 1.5 – 1 times the average monthly bill provides some protection while at the same time not being too harsh to new customers. A benefit of increasing our deposit requirements is it would hopefully decrease the amount held in collections as it may eliminate the need in some instances to send accounts to collections and in other cases may certainly reduce the amount of the claim that is sent to collections. The net impact to the City utilities would be improved cash flows.

Question: How would the City address charging deposit for those properties with water service but no sewer? ***Currently there is no difference between these services; it is a flat rate for all accounts.***

Councilor McKnight would like to be provided a copy of the survey recently presented showing what other cities are charging.

Councilor Meier suggested, as long as we are being required to run a credit report, we could tier the deposits based upon credit ratings. It was reported Douglas Electric offers a choice for their customers to pay the deposit or allow a credit check. If the credit check comes back good then no deposit is required.

Consensus was to increase water deposits from a flat \$50 to a flat \$100 while also increasing the time the deposit is held from twelve consecutive months of timely payments to twenty-four months.

**Water Revenues –**

This report reflected additional revenue realized since the new water rate structure was implemented. Revenues are running a little above the straight projected budget. It expected the ‘year to date’ revenues will dip below the budgeted amount in the coming months but should increase again with spring approaching. This trend is encouraging on a budgetary basis for the City. Water is not up dramatically but has increased since the new water rate structure was established.

Councilor Egbert shared his concern with the high increase in meter rates when we set the new structure; said he didn’t understand why we made such drastic changes. ***These rates were set using based upon recommendation of our consultant. All proposed rate increases were before council over several***

*workshops and meetings and were ultimately adopted by Council. The larger meters put into place for fire suppression are not being billed on a monthly basis.*

Mayor Cameron reminded everyone this information is available on the City website.

### **CITY MANAGER UPDATES**

- Ridgeview Repair Project – Bill Galli has been asked to provide a formal letter addressing issues raised by Mr. Kenwisher. *There still needs to be a seal placed on top of the asphalt once we have enough dry weather to get it done.*
- New foot bridge from Everett to the festival grounds will be installed next week.
- Power Point presentation from classes attended at the League of Oregon Cities conference was emailed to all council members this afternoon.
- Economic Development website is progressing and should be completed within the next couple of weeks. The commercial inventory will be added soon; there will also be a link added to the Port of Portland for anyone interested in ocean transport. *Mayor Cameron questioned signage that would address major companies located in Sutherlin; wants to see a physical sign.* A physical sign has been added to Council's "to do" list.
- Negotiation of the rodeo easement has been completed which will be coming forth to Council at the next meeting.
- We should have feedback from the ODOT grant application by the 8<sup>th</sup> of February. This is a grant of approximately \$500,000 for storm water, curbs, etc. Preliminary presentation received high priority response from ODOT.
- City Attorney, Shelby Rihala, will be leaving the Harrang Long law firm therefore it will be necessary for us to seek out a new city attorney. Gillham asked permission to seek out another attorney. Wants to bring Emily Jerome in at the next meeting for Council to meet, interview, and consider filling that position. Jerome was city attorney for Sutherlin some years back prior to her working exclusively for the City of Eugene.

*Councilor Egbert would like an RFP done for city attorney services. Mayor Cameron asked how we have done this in the past.* Harrang Long was approached, they offered up an attorney who came before Council where it was agreed we would work with them for our legal services. Gillham would like to have her come spend a day at City Hall to meet with City staff and any council members who wish to interview her. *Mayor Cameron suggested staff bring back some cost comparisons. Mayor Cameron and Councilor Egbert would like to see what other cities are paying for their legal services. Consensus was for staff to move forward with bringing Jerome in for an interview and to also provide some comparable fees.*

- Police Chief Sanfilippo, along with his department, have been making great strides in addressing long term broad based knowledge of issues where nothing has been done. Gillham called on Sanfilippo to provide a short report on these recent cases.

Chief Sanfilippo reported the department has been focused on growing and enhancing quality of life in Sutherlin which could mean several things. These particular cases were all related to theft and bad behavior of drug use and welfare of children. Search warrants were written by our officers and executed by our officers with the assistance of other law enforcement agencies. Four search warrants were served:

1. Home on NW Pine Street - child welfare, narcotics, illegal firearms and stolen property; there will also be some follow-up with some code enforcement issues.
2. Home on Gleason – theft, stolen property.
3. Relax Inn – stolen property and narcotics and distribution; owner has been placed on notice.
4. Highway Haven Park – felon in possession of firearm, explosives, stolen property and narcotics.

Chief Sanfilippo commended the work completed by the officers in all these cases.

*Why are we using other agencies in these search warrants; are there necessary resources our officers don't have?* This is common practice; other county agencies regularly assist in these events while we reciprocate when help is needed elsewhere. The entire county needs to collaborate and share our resources; more staffing would be nice but is not realistic. *Mayor*

*Cameron thanked Chief Sanfilippo and asked that he pass the thanks onto the officers involved in these cases.*

## **COUNCIL COMMENTS**

**Councilor Egbert –**

- Concerned that we are planning to take an annexation proposal to the people for a vote in retaining fire services. Thought we ought to talk with Bay City to consider ambulance service. Also reported North Douglas Fire District has made it known they would be happy to take over our fire service; have City officials talked with them? Wanted to know what the difference in ISO would be if we were to go back to a volunteer fire department; would like to have all the information before a decision is made by council to move forward or not. Would like to know we are reviewing all alternatives; wants all information collected passed on to Council members.

**City Manager, Gillham, reminded Councilor Egbert we have a contract that says we will move forward presenting the annexation question for the vote of the people. Once that vote has taken place, if the results are negative, then would be the time to get into other options.**

Councilor Egbert believes the people should have all the options before we ask them to vote. Mayor Cameron also felt the people need to have all options on the table before they consider a vote for annexation. Councilor Stone felt we should get the best we can for our dollars even if that means we need to take back the fire department and give up the ambulance service. He also felt there should be a survey. *A survey has been completed; the results just came in and will be forwarded to Council members.*

Fire District Chief, Greg Marlar, reminded Council when this contract was negotiated it was approved based upon Council agreeing to seek annexation into FD2.

Councilor Stone did not believe the City of Sutherlin should have to pay additional tax dollars, especially since the Fire District will likely continue to use our buildings and apparatus. *City Manager, Gillham, reported all City assets will need to be negotiated; they will not be handed over to Fire District 2 without some consideration of the value. Gillham reported he has been proceeding within the spirit of the contract; if the annexation is voted down we would then look into multiple options. He asked Council how they wish for him to proceed at this point; do they want him to expend resources to provide options prior to any vote of the people?* Councilor Stone concerned the contract has not been made available to the citizens. *Councilor Meier reported this contract has been available for public review; it is a public record and was made part of the council packet at the time it was approved. Councilor Klassen agreed that when this went before the Council it was a big deal; there was a lot of communication and news coverage.*

Councilor McKnight questioned survey status. *One of the surveys has been completed; they are still working on the other one due to receiving phone numbers and contacts that were not up to date.*

Fire District 2 Chief, Marlar, reminded Council there is an ‘out’ clause in the current contract; either party may end the contract with a 365 day notice.

Mayor Cameron reported there is another agency willing and ready to take over in less than 365 days. *City Manager, Gillham, did not think they may work out as he received a call from the Chairman of their Board who indicated the Board was not interested in providing ambulance service; we should not assume another agency would be ready to take over this service in a timely manner. Finance Director, Ron Harker, provided historical financial information regarding the status of the ambulance service; spoke to the advantage of having the ambulance*

*coupled with the fire service if you plan on running a professional department verses a volunteer department.*

Councilor Stone questioned what the tax rate was for fire and ambulance service prior to contracting with FD2. *The tax rate has not changed; the fire department received an amount on an as needed basis from year to year. The tax rollback being considered in \$1.86/\$1000 with FD2 proposing to charge \$3.16/\$1000 or \$3.00/\$1000.*

Councilor Egbert was concerned that the rollback in our tax rate would reduce our total tax rate of approximately \$3.50/\$1000. He did not believe we would be able to sustain the city on that reduced tax rate.

Councilor Stone suggested it is the older, less valuable homes, which are burning to the ground, not the newer ones; the City could consider rebuilding those homes out of the \$800,000 we would be saving each year by not having a fire department.

Mayor Cameron called for a workshop after the next regular council meeting to further discuss the future of fire and ambulance service within the City of Sutherlin.

**Councilor Klassen –**

- Asked for status of irrigation added at the community center? *CDD, Dan Huff, assured Councilor Klassen this water would be in place and available by the time it is needed in the spring.*

**Councilor McKnight –**

- No business

**Councilor Meier –**

- No business

**Councilor Stone –**

- What is the status of hiring a public works operations supervisor? *We continue to have Chris Berquist serving in the position on a temporary basis.*
- Did the police ever get new pistols so they would all be uniformly alike? *Chief Sanfilippo reported the department has purchased four of the same pistols. Chief Schoen's vision and direction was somewhat different than Sanfilippo. Officers are allowed to carry one of three model guns; anyone wanting to use a department issued pistol is allowed to do so. This is consistent with contemporary and industry standards. These pistols were purchased with money received from the sale of weapons from evidence.*
- How are we doing with having an officer scheduled to be at each of our schools? *Officers have been randomly selected; there is not one at every school at any particular time; this is part of their patrol.*

**Mayor Cameron –**

- Asked for an update on the wastewater plans. *John Gasik, of DEQ, is scheduled to be at the February 26<sup>th</sup> council meeting to provide updated information. City Manager, Gillham, is still negotiating with property owner for purchase of storage pond areas.*
- Asked for update on getting someone certified in spraying herbicides; is someone going through the class or is someone scheduled to attend? *After looking closer at the laws we may not need to have someone certified depending on how we are applying the herbicide. There appears to be a difference between herbicide and pesticide.* Mayor Cameron would like a report.
- Inquired for status of drainage issues in Central Park. *City staff is working to get this corrected.*

## **PUBLIC COMMENT -**

### **Pam Cameron**

- Referred to the earlier council discussion of fire services noting this is a really big issue; she encouraged council to make sure the public knows what is available, the information and the options. She, for one, did not realize the City had agreed, as part of the contract, to promote the annexation. Citizens need to know the cost with the annexation verses a volunteer department. **Councilor Meier asked Cameron how she felt Council should be educating the public.** Go before different local groups and let them know, take a script so everyone is on the same page; hold public forums, put it in the paper and on the water bills.

### **Greg Henderson**

- Thanked Council for voting him to serve on the budget committee. He feels like the council would like to have a crystal ball while the city manager would like a blank check.....budgeting is a huge responsibility. **Mayor Cameron questioned Henderson as to what he saw was the budget committees mission/duties.** The committee needs to come to an agreement of what their primary responsibilities are, history issues, input from Council and administrative staff. They need to figure out how to divide up the dollars in a way to assure we get as much accomplished as possible.
- Encouraged everyone to attend the upcoming open house at the library, as well as the upcoming First Citizens Banquet; citizen participation is important.

### **Dana Foley**

- Fourteen-year resident of Sutherlin. Concerned with the riff raff that has taken place at the Relax Inn over recent years. Would like the City to consider revoking or not renewing their license as this establishment seems to be taking from the community rather than providing a service. **The City of Sutherlin does not issue business licenses therefore they have nothing to revoke.**

## **Adjournment-**

With no further business the meeting was adjourned at 10:00 PM.

Approved:

\_\_\_\_\_  
Jerry Gillham, City Manager

Respectfully submitted,

\_\_\_\_\_  
Vicki Luther MMC  
City Recorder

\_\_\_\_\_  
Denny Cameron, Mayor

**APPROVED BY COUNCIL FEBRUARY 11, 2013**