

MINUTES OF THE REEDSPORT CITY COUNCIL REGULAR SESSION OCTOBER 4, 2010
7:00 P.M. CITY HALL COUNCIL CHAMBERS.

PRESENT:

Mayor, Keith Tymchuk

Councilors Bill Otis, Bill Walker, Mike Macho, Diane Essig and
Ginger Anderson (Councilor Tonya Wahl was absent)

City Manager, Scott Somers

City Attorney, Steve Miller

OTHERS PRESENT: Deanna Schafer, Vera Koch, Lori Newman, Debbie McKinney, Steve
Majors, Kathi Wall-Meyer, Allen Teitzel, Merv Cloe, Harold Rose, Joe Coyne, Lee Bridge,
Lorelyn Lorence

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

2. CITIZEN COMMENTS

*This time is reserved for citizens to comment on items that are not on the Agenda.
Maximum of five minutes per item, please.*

Assistant Fire Chief Harold Rose presented the final design and material sample for a new sign at
the Frontage Road fire hall. This station was named the Jack Turner Station several months ago
and the sign has been in the plans. Artist Bill Blumberg has submitted the concept for the sign and
the final cost should be approximately \$3,200. Rose said that all funds will be donated; no
department moneys will be expended.

3. APPROVAL OF THE AGENDA

Councilor Diane Essig moved that the City Council approve the Agenda.

Councilor Bill Otis seconded the motion.

MOTION:

that the City Council approve the Agenda.

VOTE:

A vote was taken on the motion with the following results:

AYES 6 NAYES 0

(Mayor Tymchuk, Councilors Essig, Macho, Otis, Anderson and Walker voted in favor of the motion.)

Mayor Tymchuk declared the motion passed unanimously.

4. CONSENT AGENDA

Routine items of business that require a vote but are not expected to require discussion by the Council are placed on the Consent Calendar and voted upon as one item. In the event that a Councilor or citizen requests that an item be discussed, it will be removed from the Consent Calendar and placed under General Business.

- A. Approve minutes of the emergency session of August 30, 2010.
- B. Approve minutes of the work session of September 13, 2010.
- C. Approve minutes of the regular session of September 13, 2010.
- D. Approve a resolution in support of a transportation enhancement grant application for improvements on highway 38 and Winchester Ave.

At the last Council meeting on September 13, 2010, a letter of support was unanimously approved by the City Council. The Transportation Enhancement Grant application requires the support of the Council be authorized in the form of a Resolution rather than a letter of support. Therefore, a resolution has been prepared for the Council's authorization to meet the grant application requirements, which reiterates the action that Council took at the last meeting.

***1. Approve the Resolution for a grant application to the ODOT Transportation Enhancement Program.**

- E. Motion to approve the Consent Calendar.

Councilor Ginger Anderson moved that the City Council approve the Consent Calendar.

Councilor Mike Macho seconded the motion.

MOTION:

that the City Council approve the Consent Calendar.

VOTE:

A vote was taken on the motion with the following results:

AYES 6 NAYES 0

(Mayor Tymchuk, Councilors Macho, Essig, Otis, Anderson and Walker voted in favor of the motion.)

Mayor Tymchuk declared the motion passed unanimously.

5. GENERAL BUSINESS

- A. Shall the City Council consider amending Section 3.20 Utilities Systems Development Charges of the Municipal Code?

City Manager Scott Somers said that at the September 9, 2010 the Planning Commission, the Planning Commission recommended that the City Council consider approving an ordinance allowing for the deferral of system development charges (SDCs).

Local residential, industrial, and commercial development has slowed due to the current economic situation. Local governments are looking for creative tools to stimulate development and construction to assist with economic recovery. Front-end permitting fees can impact local development. Local fees and charges imposed at the time of permit issuance consist of building permit fees, plumbing and electrical fees, and system development charges (SDCs).

Per ORS 223.297-314, System Development Charges (SDCs) provide a uniform framework for the imposition of SDCs by local governments, to provide equitable funding for orderly growth and development in Oregon's communities and to establish that the charges may be used for capital improvements, or future projects that add capacity to the city's systems. System Development Charges for a single-family home (EDU) in Reedsport are:

Water - \$4,330

Sewer - \$4,000

Stormwater - \$878

Total - \$9,208

Under current procedures, SDCs and other fees must be paid before any permits are issued. As a result, significant funds need to be expended before construction financing or sale proceeds become available. Allowing a homebuilder or developer to defer payment of front-end permitting costs such as SDCs until the request for issuance of a final occupancy permit would ease the financial burden associated with starting residential, industrial, and commercial construction.

Anyone wishing to defer fees under the proposed program would be required to execute a request for and consent to an enforcement agreement in the amount of the charges deferred on each real property for which a deferral is requested. The request and consent would be made on a form prepared by the Community Development Director who, upon receipt, would file the enforcement agreement with the City Recorder. Upon authorization of the deferral, a lien would be placed on the legal address of the property at the Douglas County Clerk's office. Any standard recording and satisfaction of lien fees would be added to the cost of the original SDC charges. The enforcement agreement would authorize the City of Reedsport to withhold setting

a water meter on the property for which a deferral has been requested, or, if the property is already receiving water service, to remove the water meter pursuant to Section 3.04.300, and withhold service to their property until the deferred charges have been paid in full.

When discussed with the Planning commission, it was proposed to not place a lien on the property since it was expected to take more administrative time. However, upon further research, time to place a lien should be minimal. Therefore, staff is recommending including placing a lien on properties requesting deferment in addition to withholding or removing a water meter as a means of ensuring payment of SDCs. Additionally, the proposal would allow the deferral of SDCs on new construction only with full payment of all fees required before the issuance of a final occupancy permit. Staff is recommending that the deferral of SDCs be applied to building permits which are pending on the effective date of the enabling ordinance.

Staff anticipates little to no fiscal impact since SDCs will continue to be collected, just at a later date.

Councilor Bill Otis said that in his experience with purchasing properties that have liens against them is that they have to be paid prior to purchase.

Somers said that it is the intention of the City to receive monies during escrow prior to the lien being released.

Councilor Ginger Anderson asked if a contractor is developing a project that requires new infrastructure such as water and sewer line extensions, who pays for those lines?

Somers said that generally the System Development Charges are assessed for the new customer buying into the existing system not new water or sewer lines on the property. The developer generally pays for those.

City Attorney Steve Miller asked a question about wording contained in the Ordinance referring to when the lien would be due, at occupancy or when it is sold. Optional wording was agreed on by all parties to say that the fees will be deferred until the final occupancy certificate is issued.

City Manager Scott Somers will amend the Ordinance and include a copy in the City Manager Bulletin.

Councilor Ginger Anderson moved that the City Council amending Section 3.20 Utilities Systems Development Charges of the Municipal Code as presented.

Councilor Mike Macho seconded the motion.

MOTION:

that the City Council approve the Consent Calendar.

VOTE:

A vote was taken on the motion with the following results:

AYES 6 NAYES 0

(Mayor Tymchuk, Councilors Macho, Essig, Otis, Anderson and Walker voted in favor of the motion.)

Mayor Tymchuk declared the motion passed unanimously.

- B. Shall the City Council award a bid for Phase 3, City Hall improvements and authorize the City Manager to sign needed documents?

City Manager Scott Somers said that the siding on the north wall (back side) of City Hall is rotting and needs to be replaced. The current siding is plywood T-111 and would be replaced with Hardiplank lap siding to match the other three sides of City Hall that were replaced in 2006.

This project consists of removing and replacing the existing siding, trim, and flashing; removing and replacing two pair of existing double doors; removing and replacing a dry rot beam and some wood flooring.

The City of Reedsport received a \$50,000 grant from USDA Rural Development for this project. The estimated project cost was \$82,150, including \$7,850 Architects fees.

The City of Reedsport held a bid opening for the siding project on September 9, 2010. Four bids with bid amounts were received and follow:

- | | | |
|---------------------------------------|-----------------|------------------------|
| 1. Americorp Construction. | Bandon, OR. | Bid Amount \$49,990.00 |
| 2. Jerry Fedler Construction, Inc. | North Bend, OR. | Bid Amount \$54,990.00 |
| 3. Tom E. Gayewski Construction, Inc. | Coos Bay, OR. | Bid Amount \$59,999.00 |
| 4. Ron Kaufmann – Builder | Reedsport, OR. | Bid Amount \$76,000.00 |

Lon Samuels, the architect for the project, has reviewed the bids and recommends that the bid be awarded to Americorp Construction of Bandon, OR.

Since the low bid for the project is less than the grant amount awarded by USDA Rural Development, the fiscal impact to the City is engineering fees only.

Councilor Ginger Anderson moved that the City Council award a bid for Phase 3, City Hall improvements and authorize the City Manager to sign needed documents.

Councilor Mike Macho seconded the motion.

MOTION:

that the City Council award a bid for Phase 3, City Hall improvements and authorize the City Manager to sign needed documents.

VOTE:

A vote was taken on the motion with the following results:

AYES 6 NAYES 0

(Mayor Tymchuk, Councilors Macho, Essig, Otis, Anderson and Walker voted in favor of the motion.)

Mayor Tymchuk declared the motion passed unanimously.

- C. Shall the City Council approve a change order request from R & G Excavating Inc. for additional cost to complete the outfall construction at the Wastewater Treatment Plant?

City Manager Scott Somers said that the construction on the wastewater treatment plant is nearly complete. The in-water construction for the wastewater treatment plant outfall remains. Staff and R&G Excavating were hopeful this component of the project would have begun in November 2009. Unfortunately, construction was postponed due to delays by the permitting agencies for issuing the in-water construction permit. The delay will require R&G Excavation to remobilize to construct the outfall. Remobilizing, unfortunately, comes with additional costs.

The outfall is required by the Department of Environmental Quality (DEQ) as part of our Mutual Agreement and Order (MAO) with DEQ. The MAO settled past violations and required the City to upgrade the wastewater treatment plant. In March 2008, DEQ approved plans for construction. The approved project included a new influent pumping station; a new wastewater treatment and a new multiport diffuser outfall to the Umpqua River.

R&G Excavation estimates remobilizing efforts to cost an additional \$67,054 in order to construct the outfall. City staff has made inquiries to other qualified contractors to obtain estimates to compare to R&G's estimate. Based on staff research and the opinions of the City Engineer, Steve Major and Jack Detweiler of Kennedy Jenks, little to no savings would be realized if the City were to rebid this portion of the project. In fact, one of the original contractors that bid on this project informed staff that R&G's estimated amount for the outfall construction was lower than their own estimates for outfall construction.

The in-water permit issued by the Department of the Army requires a floating or fixed silt curtain to be installed and remain in place during the in-water construction phase of the project. The silt curtain, when installed properly, assists in mitigating turbidity in the water. R&G Excavating has expressed concern that the integrity and effectiveness of the silt curtain may become compromised during construction due to the velocity of the current in the Umpqua River. Should the curtain become uninstalled or compromised, the permit requires construction to cease

until the curtain can be reinstalled. This process could result in time delays, thus resulting in stand-by time for the contractor and subcontractor(s). In order to minimize the potential of having the silt curtain dislodged and uninstalled, it has been suggested to park a barge or large boat parallel to the silt curtain and perpendicular to the shore as a means of limiting velocity in the river. While there is a financial cost to securing a barge or ship for this purpose, City staff, the engineers involved in the project, and the contractor estimate it would likely cost less than the cost of stand-by time.

If, by the time the Council meeting date staff has obtained a quote for a barge or boat, the cost will be added to the change order total. If a quote is obtained after the Council meeting, staff anticipates asking the Council to reconvene for a special Council meeting in order to approve the additional cost if the cost is over \$10,000. If this quote is under \$10,000, staff anticipates approving the additional cost per City financial policy, unless directed otherwise from the Council.

Finally, it has come to City staff's attention that several community members have expressed interest in delaying or outright eliminating the outfall project. Staff has asked DEQ to provide information on why the outfall is needed and required.

The total cost for the outfall installation would be \$215,935 which includes the original bid amount of \$148,881 plus the R&G Excavating remobilization change order of \$67,054. The cost of the barge or large boat has yet to be determined.

Mayor Keith Tymchuk said that since it was not the City's fault that the project was delayed, maybe some other agency is responsible for some of the cost.

City Engineer Steve Majors said that while staff is looking into what the holdup was, it is unlikely that any one agency is responsible. These types of permits generally take up to two years to receive. It was unfortunate that it wasn't received before the November work window but this happens sometimes.

Majors said that the change order is high but the alternative is to go out to bid and he projects that the outfall project alone wouldn't bid for less than \$200,000.00. He said that some of the expenses may not occur such as the housing is bid for \$2,000.00 a month for three months. If the project doesn't take that long, the cost would be less.

Councilor Ginger Anderson moved that the City Council approve a change order request from R & G Excavating Inc. for additional cost to complete the outfall construction at the Wastewater Treatment Plant not to exceed \$67,054.00.

Councilor Mike Macho seconded the motion.

MOTION:

that the City Council approve a change order request from R & G Excavating Inc. for additional cost to complete the outfall construction at the Wastewater Treatment Plant not to exceed \$67,054.00.

VOTE:

A vote was taken on the motion with the following results:

AYES 6 NAYES 0

(Mayor Tymchuk, Councilors Macho, Essig, Otis, Anderson and Walker voted in favor of the motion.)

Mayor Tymchuk declared the motion passed unanimously.

6. MISCELLANEOUS ITEMS

(Mayor, Councilors, Student Councilors, City Manager, City Attorney)

A public candidate forum will be held at 6:30pm at the Pacific Auditorium on Thursday the 7th of October for the November 2, 2010 elections.

Councilor Bill Walkers said that during the League of Oregon Cities conference there were many excellent motivational speakers. He said that his optional tour was of the City of Creswell and he was impressed with everything they are doing.

Diane Essig said that there will be a Pub Crawl fundraiser for the library renovation on Wednesday the 6th.

ADJOURN

Mayor Keith Tymchuk

ATTEST:

Deanna Schafer, City Recorder