

DRAFT  
MINUTES OF THE REEDSPORT CITY COUNCIL REGULAR SESSION FEBRUARY 7,  
2011 7:00 P.M. CITY HALL COUNCIL CHAMBERS.

PRESENT: Mayor, Keith Tymchuk  
Councilors Ginger Anderson, Diane Essig, Mike Macho, Bill Otis,  
Bill Walker, and Kathi Wall-Meyer  
City Manager, Scott Somers  
City Attorney, Steve Miller

OTHERS PRESENT: Leon Bridge, Douglas Buck, Jason Busch, Floyd Dollar, Robin Dollar, Roger Elsevier, Mark Fandrey, Norman Floyd, Cynthia Hiers, Vera Koch, Lorelyn Laurence, Debbie McKinney, Frank Maxwell, Lori Newman, Diane Novak, Bob Schafer, Deanna Schafer, Marlene Swift, Roy Swift, Jessica Terra, and Jim Wood.

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.*

Bob Schafer of 3065 Ridgeway Drive expressed concern over the wastewater rate increase that took effect on January 1, 2011. He asked the Councilors if they had water meters. Councilor Wall-Meyer and Councilor Otis both indicated that they had meters. Schafer stated that it was unfair of the councilors to raise the rates 95%-125% for metered users, but only 20% for flat rate users, especially when the majority of the council was on a flat rate. Schafer suggested that if the council was going to raise the flat rate 20%, then they should raise the metered rate only 20%. People spent \$250-\$350 to install their meters. He said that the councilors on a flat rate should have abstained from voting. Schafer said his sewer bill went from \$93.00 to \$200.00 on his four-plex last month, but the flat rate only increased \$11.25. He said it was unfair to reduce the ERU from 1216.8 cu ft to 625 cu ft. This change affected 128 metered businesses. Schafer concluded that low income households couldn't afford these fees and people were being forced to move out of town.

Roy Swift of 847 Ranch Road also expressed concern over the recent fee increases. Swift stated that the population had gone down, homes were not selling, property values had decrease, and jobs were decreasing. He was concerned that the City Council was trying to increase the size of City staff and collect more fees. He said that some issues were unavoidable, such as the sewer plant upgrade, although he did not agree with the cost overrun. Swift explained the number of increases he's seen since he moved to Reedsport. He said that he pays \$696.00 per year more for his water/sewer. With property tax increases, he's paying \$2402.78 per year more than he was 10 years ago. He commented that his income did not go up. He has read in the paper how the City is trying to encourage customers to install water meters. In the past that was done by raising the

flat rate, now it seems to him that metered users are paying more. Swift said that more staff would have to be hired to install the meters and to read the meters. It was his opinion that everyone should be on a flat rate and treated the same.

Swift expressed concern over the new boat launch parking fee. He said that it would cost too much money to print the pass, set up a fee station, hire someone to regulate the permits, and it would require staff time to account for and collect the money. He didn't think that two dollars would cover those costs. He asked the council and staff to monitor their spending on items such as the Rainbow Plaza project. He said the City was already having a difficult time funding their parks.

Cynthia Hiatt of 338 N 9<sup>th</sup> Street a case worker also expressed concern for herself, her daughter, and low income citizens who would have a difficult time paying such high rates. She told the council that she was a metered water customer and heard that her bill would increase \$100.00 each of the next three years.

Councilor Anderson explained metered user rates would only increase \$3.00 each year.

Tymchuk added that it had been a struggle to determine these figures. The council was still struggling to find the average metered use for a single family home in Reedsport. At this point, they were using their best estimate.

Hiers suggested that staff write a letter to DEQ requesting them to extend the loan for the wastewater treatment plant project.

Somers explained that the City had not been required to go through DEQ for this loan, but that DEQ was federally regulated under the Clean Water Act to limit the terms of the loan to 20 years. It could not be extended under current legislation. Somers explained that he had written letters to our representatives regarding the issue. The City has explored selling revenue bonds in order to refinance the loans too.

Roger Elsevier of 598 Evergreen Loop asked what the total debt amount was for that project.

Somers responded that it was about \$12,250,000.

Mayor Tymchuk explained that the City of Coos Bay was having the same issue. Their wastewater treatment plant project cost about \$75,000,000. Tymchuk added that the Council would continue to explore different options.

Dollar informed the audience that the life of the new treatment plant was approximately 40 years, with pumps and other equipment expected to last 20 years. The capacity of the plant, 7500 users, was calculated by State requirements, based on a 25 year growth rate.

Elsevier asked why he was being taxed for the Urban Renewal District.

Somers explained that the tax bill does not change because of the creation or existence of an Urban Renewal District. The permanent rate of the tax bill and the amount of taxes collected

does not change either. What changes is how these dollars, the taxes collected, are divided up.

Frank Maxwell of 535 N Hills Court told the Council that he also thought it was unfair that the metered water customers received an increase of 90% and non-metered users only received a 20% increase.

Roy Swift asked whether meters were being mandated or recommended.

Tymchuk responded that they were being recommended, but would eventually be mandated.

Somers added that the City's water rights could be in jeopardy if the City doesn't have a conservation plan in place that doesn't include water meters.

Dollar added that Reedsport was above the State average for per capita water use.

Schafer said the council should have made the increase 30% to everyone. Ideally, meters were supposed to create an incentive for conserving.

Tymchuk concluded that this issue was a difficult one that the Council had been struggling with and will revisit. He added that most cities in the State of Oregon do not have to find a balance between metered rates and flat rates. The majority of cities are entirely metered.

3. PRESENTATIONS, PROCLAMATIONS, AWARDS

None.

4. APPROVAL OF THE AGENDA

Mayor Keith Tymchuk amended the agenda to add item 7.A1. An update from Jason Bush Executive Director of the Oregon Wave Energy Trust and item, 7.D. Shall the City Council authorize the City Manager to accept a 2010 Homeland Security Grant (HSGP) award of \$13,927?

Councilor Macho motioned to approve the agenda as amended.

Councilor Anderson seconded the motion.

MOTION:

that the City Council approve the Agenda as amended.

VOTE:

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

AYES 7 NAYES 0

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

Mayor Tymchuk declared the motion passed unanimously.

5. PUBLIC HEARINGS

6. 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 work session of January 3, 2011.
- B. Approve minutes of the regular session of January 3, 2011.
- C. Shall the City Council appoint members to the City's boards and committees?

On January 3, 2011 the City Council appointed several community members to various City Boards and Committees. At that time there were several positions that remained open due to lack of applicants and one application that needed address verification.

The needed verification has been received and an additional application has been received.

**Traffic Safety Advisory Committee:**

1 Vacancy No term limit

Applicant: Norman Floyd

In addition to the above openings there are also several other open positions on City Board and Committees. At this time there are no applicants for these positions. They are as follows:

Dangerous Buildings Abatement Board of Appeals-	5 Vacancies
Senior Citizen Center Advisory Board-	4 Vacancies
Urban Renewal District Advisory Board-	1 Vacancy

**\*1. Make appointments to fill vacancies on the City's various citizen participation boards and committees.**

- D. Motion to approve the Consent Calendar.

Councilor Essig motioned to approve the agenda as presented.

Councilor Macho seconded the motion.

MOTION:

that the City Council approve the Agenda as presented.

VOTE:

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

AYES 7 NAYES 0

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

Mayor Tymchuk declared the motion passed unanimously.

7. GENERAL BUSINESS

A.1. Update from Jason Bush Executive Director of the Oregon Wave Energy Trust.

Jason Bush, Executive Director of the Oregon Wave Energy Trust (OWET) introduced himself. He explained that he was interested in hosting a conference in Reedsport. The Reedsport Charter School would hold 300 people for the conference.

Bush continued that Mayor Tymchuk had invited him to the Council meeting so that he could talk about the Oregon Wave Energy Trust. He began saying that it was a non-profit group, which consisted of about 12 people from different sectors. Bush said that the group receives funding through the Oregon Innovation Council. The purpose of OWET is to attract industry to Oregon and help promote the responsible development of ocean energy. OWET looks at the potential environmental impact of ocean energy to ensure that the development of ocean energy is done in a way that is respectful to existing users, primarily the fishing community. OWET's primary purpose is job creation.

Bush explained that several years ago, there was a study done which identified a site off of Gardiner as the best place on the Oregon Coast to conduct this project. A preliminary permit was placed on that site and OWET has been moving forward. Phase 1 was to construct and place a single buoy at that site. The machine was constructed by Oregon Iron Works and it weighs about 200 tons. The cost was about \$5-6 million. Sauce Brothers will be deploying it about 2.5 miles off the shore of Gardiner, this summer. Phase 2 will be at the same location, but it will require 9 buoys. These buoys may be identical to the one that was just built, equaling 150 kilowatts each or they will be 500 kilowatt devices. He said the site, at that point, would meet all of Reedsport's electrical needs. In the future, extra power would go onto the grid and could be sold elsewhere. Phase 3 will be a 15 megawatt site. That would require 100 buoys.

Debbie McKinney asked Bush exactly how big the buoy was.

Tymchuk responded that the spar was about 130 feet long, 100 feet below the water and about 30 feet above the water. He said there was a float on the spar that resembles a donut. The float slides up and down in the waves generating electricity. The size of the float is approximately 6 feet deep, 6 feet high, and 32 feet across.

Bush concluded that Oregon was a great place for this project. He said the wave resource was available, there was underutilized infrastructure on the coast, good State policies, manufacturing capacity, the desire for renewable energy, and a need for jobs. He anticipates that in 15-20 years there will be a mature Ocean Energy Industry in the state.

- A. Shall the City Council approve extension of contract for auditing firm of Grimstad and Associates?

Finance Manager, Vera Koch explained that the audit firm of Grimstad & Associates has been under contract with the City of Reedsport for the past three fiscal years to provide financial auditing services. The three-year contract expired upon completion of the audit of the past fiscal year but had the provision for a two year extension upon approval of Council.

The extension would provide continuity as the City will have its final year of audit of the wastewater treatment plant construction which involves federal funds and therefore a single audit will be conducted at the end of the fiscal year. Staff has appreciated the year round availability of the Grimstad & Associates audit team for advice on a variety of municipal financial issues.

Grimstad & Associates has submitted a two year proposal for personal services for financial auditing services for the next three years as follows:

Fiscal Year 2010/11	\$14,120
Fiscal Year 2011/12	\$14,350

The proposed audit fees reflect a small increase from fees quoted in the bid process in 2007.

Koch announced that it was in the best interest of the City to continue working with Grimstad & Associates. She explained that the City was finishing up the wastewater treatment plant project and its budget. She said it would be best to continue working with the same firm on that project.

Tymchuk added that Grimstad & Associates was initially chosen because they were very highly recommended, but also very competitive in their pricing.

Councilor Macho motioned to extend current contract for an additional two years for financial auditing services of Fiscal Years 2010 / 011 through 2011 / 012 to Grimstad & Associates.

Councilor Essig seconded the motion.

MOTION:

that the City Council extend current contract for an additional two years for financial auditing services of Fiscal Years 2010 / 011 through 2011 / 012 to Grimstad & Associates.

VOTE:

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

AYES 7 NAYES 0

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

Mayor Tymchuk declared the motion passed unanimously.

B. Shall the City Council appoint an insurance agent of record?

Finance Manager, Vera Koch said that it is the City's practice to designate an Insurance Agent of Record every 3 years. Fullhart Insurance Agency, Inc. was renewed as the City of Reedsport Insurance Agent of Record at the regular Council meeting of March 3, 2008. Staff is proposing to change the length of service from three years to five years for efficiency purposes.

A Request for Proposal was published in The World newspaper. The invitation to bid was mailed to each of the Insurance Agency companies which have a business office in Reedsport. Two insurance firms responded by the designated close date of February 2, 2011. They were Fullhart Insurance Agency, Inc. of Reedsport and Abel Insurance Inc. of North Bend. On February 2<sup>nd</sup>, City Manager Scott Somers, Finance Officer Vera Koch reviewed the proposals. Both companies were deemed qualified. Each proposal was evaluated by the criteria base as outlined in the RFP.

Both agencies provided strong Letters of Transmittal, Tables of Contents, and Executive Summaries. Based on the information provided, Fullhart Insurance Agency appeared to have a stronger and larger project team than Abel Insurance Agency. Finally, Fullhart Insurance Agency showed it had a stronger Agency Profile than Abel Insurance Agency. Fullhart received strong marks for its local involvement, while Abel Insurance Agency received strong marks for its diverse client list of government agencies.

Somers and Koch added that Debbie McKinney, Fullhart Insurance agent, goes above and beyond in the local involvement category. She participates in safety meetings, City Council meetings, etc. That was a positive mark for Fullhart Insurance when reviewing the applications.

Councilor Walker motioned to designate Fullhart Insurance Agency of Reedsport as Agent of Record for five years beginning March 1, 2011.

Councilor Anderson seconded the motion.

MOTION:

that the City Council designate Fullhart Insurance Agency of Reedsport as Agent of Record for five years beginning March 1, 2011.

VOTE:

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

AYES 7 NAYES 0

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

Mayor Tymchuk declared the motion passed unanimously.

### C. Financial Report.

Finance Manager, Vera Koch presented the following financial report. She explained that the revenues were down in the wastewater fund because the account was created with the anticipation of a rate increase on July 1, 2010. A supplemental budget will be added to reduce the revenue budget item since the rates did not increase until January 1, 2011. Koch explained that the stormwater fund revenue was at 110% because the Army Corp. of Engineers returned the City's check in the amount of \$40,000.00 for contracting services with the engineers. All other accounts were on target.

### 2010 / 2011 Financial Report

February 7, 2011

target % received/spent

by end of 6th month of

budget year

**50%**

### Second Quarter of fiscal year 2010/2011

For period ending DECEMBER 2010

#### General Fund 001

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$576,430	\$660,888	114.65%	
<b>Revenue</b>	\$2,406,770	\$1,647,130	68.44%	Received
<b>*Expenditures</b>	\$2,554,200	\$1,158,289	45.35%	Expended

\*(less unappropriated expenditures)

#### Street Fund 002

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$1,000	\$27,939	2793.90%	
<b>Revenue</b>	\$218,800	\$95,140	43.48%	Received
<b>*Expenditures</b>	\$219,800	\$108,322	49.28%	Expended
*(less unappropriated expenditures)				

#### **Water Utility Fund 003**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$75,000	\$85,545	114.06%	
<b>Revenue</b>	\$861,800	\$424,482	49.26%	Received
<b>*Expenditures</b>	\$925,860	\$442,152	47.76%	Expended
*(less unappropriated expenditures)				

#### **Wastewater Utility 004**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$110,000	\$119,419	108.56%	
<b>Revenue</b>	\$1,876,390	\$604,227	32.20%	Received
<b>*Expenditures</b>	\$1,961,390	\$543,942	27.73%	Expended
*(less unappropriated expenditures)				

#### **Stormwater Utility Fund 005**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$60,000	\$59,055	98.43%	
<b>Revenue</b>	\$79,600	\$87,647	110.11%	Received
<b>*Expenditures</b>	\$138,240	\$31,993	23.14%	Expended
*(less unappropriated expenditures)				

#### **Bicycle/footpath Fund 007**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$28,200	\$28,479	100.99%	
<b>Revenue</b>	\$1,950	\$900	46.15%	Received
<b>*Expenditures</b>	\$30,150	\$0	0.00%	Expended

#### **Water SPWF Loan Debt Fund 010**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$63,190	\$63,094	99.85%	
<b>Revenue</b>	\$35,700	\$23,142	64.82%	Received
<b>*Expenditures</b>	\$98,890	\$22,030	22.28%	Expended
*(less unappropriated expenditures)				

#### **Water Filtration Debt/Reserve Fund 011**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$8,300	\$8,600	103.61%	
<b>Revenue</b>	\$127,650	\$89,917	70.44%	Received
<b>*Expenditures</b>	\$135,950	\$117,141	86.16%	Expended

#### **Wastewater DEQ Loan Debt Fund 012**

	<b>Budget</b>	<b>Actual</b>
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<b>Beginning Fund Balance</b>	464,330	967,388	0.00%	
<b>Revenue</b>	\$993,910	\$85,413	8.59%	Received
<b>*Expenditures</b>	\$1,458,240	\$0	0.00%	Expended

\*(less unappropriated expenditures)

**Wastewater OECDD Loan Debt Fund 013**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	0.00	0.00	0.00%	
<b>Revenue</b>	\$435,500	\$335,311	76.99%	Received
<b>*Expenditures</b>	\$435,500	\$335,311	76.99%	Expended

\*(less unappropriated expenditures)

**Fire Equipment Fund 014**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$134,000	\$135,105	100.82%	
<b>Revenue</b>	\$35,000	\$13,302	38.01%	Received
<b>*Expenditures</b>	\$169,000	\$114,858	67.96%	Expended

\*(less unappropriated expenditures)

The Volunteer Fire Department continue to supplement revenue by providing assistance at motor vehicle accident scenes.

**Dunes NRA Fund 016**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$22,700	\$23,218	102.28%	
<b>Revenue</b>	\$93,950	\$39,300	41.83%	Received
<b>*Expenditures</b>	\$116,650	\$43,906	37.64%	Expended

\*(less unappropriated expenditures)

**Riverfront Fund 017**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$26,900	\$45,306	168.42%	
<b>Revenue</b>	\$151,950	\$82,447	54.26%	Received
<b>*Expenditures</b>	\$173,850	\$64,603	37.16%	Expended

**Library Renovation Fund 018**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$32,600	\$70,208	215.36%	
<b>Revenue</b>	\$153,025	\$7,229	4.72%	Received
<b>*Expenditures</b>	\$185,625	\$2,207	1.19%	Expended

**System Develop-Water Fund 020**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$56,700	\$52,455	92.51%	
<b>Revenue</b>	\$8,760	\$4,000	45.66%	Received
<b>*Expenditures</b>	\$65,460	\$0	0.00%	Expended

\*(less unappropriated expenditures)

**System Develop-Waste water Fund 021**

	<b>Budget</b>	<b>Actual</b>
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<b>Beginning Fund Balance</b>	\$126,775	\$126,813	100.03%	
<b>Revenue</b>	\$8,050	\$0	0.00%	Received
<b>*Expenditures</b>	\$134,825	\$0	0.00%	Expended
*(less unappropriated expenditures)				

**System Develop-Storm water Fund 022**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$5,000	\$5,108	102.16%	
<b>Revenue</b>	\$2,015	\$0	0.00%	Received
<b>*Expenditures</b>	\$7,015	\$0	0.00%	Expended
*(less unappropriated expenditures)				

**Wastewater Capital Enterprise Fund 024**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$1,129,000	\$1,293,235	114.55%	
<b>Revenue</b>	\$21,120	\$10,155	48.08%	Received
<b>*Expenditures</b>	\$1,150,120	\$290,334	25.24%	Expended
*(less unappropriated expenditures)				

**General Capital Improvement Fund 025**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$210,000	\$210,976	100.46%	
<b>Revenue</b>	\$65,325	\$6,097	9.33%	Received
<b>*Expenditures</b>	\$275,325	\$42,705	15.51%	Expended
*(less unappropriated expenditures)				

**Street Capital Fund 026**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$170,000	\$93,398	54.94%	
<b>Revenue</b>	\$11,120	\$99,562	895.34%	Received
<b>*Expenditures</b>	\$181,120	\$3,045	1.68%	Expended
*(less unappropriated expenditures)				

**Water Enterprise Capital Improvement Fund 029**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$1,400,000	\$1,432,609	102.33%	
<b>Revenue</b>	\$101,270	\$50,638	50.00%	Received
<b>*Expenditures</b>	\$1,501,270	\$24,077	1.60%	Expended
*(less unappropriated expenditures)				

**Wastewater Enterprise DEQ Capital Improvement Fund 030**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	0	\$0	0.00%	
<b>Revenue</b>	\$1,000,000	\$530,001	53.00%	Received
<b>*Expenditures</b>	\$1,000,000	\$530,001	53.00%	Expended
*(less unappropriated expenditures)				

**Wastewater Enterprise OEDD Capital Improvement Fund 031**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$0	\$0	0.00%	
<b>Revenue</b>	\$500,000	\$10,205	2.04%	Received
<b>*Expenditures</b>	\$500,000	\$10,205	2.04%	Expended

\*(less unappropriated expenditures)

**Reedsport Urban Renewal District. Fund 150**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$72,000	\$74,360	0.00%	
<b>Revenue</b>	\$79,300	\$63,225	79.73%	Received
<b>*Expenditures</b>	\$151,300	\$2,599	1.72%	Expended

D. Shall the City Council authorize the City Manager to accept a 2010 Homeland Security Grant (HSGP) award of \$13,927?

Police Chief, Mark Fandrey explained that the 2010 HSGP award is a 2 year grant that does not require matching funds. The grant funding achieves phase I of the council goal to develop an incident command vehicle.

Funding under the FY2010 HSGP will be used to upgrade radio base stations for improved interoperable communications, narrowband compliance and the development of a mobile command center. Interoperable communications between emergency and public works responders is critical for the operation of county and local CBRNE(Chemical, biological, radiological, nuclear, high-yield explosives equipment)/terrorism and the entire spectrum of all-hazard event Emergency Operations Plans.

Grant funding will be used to replace base station radios that are obsolete, have failed, or do not meet narrowband compliance requirements. Funding will also be used to eliminate two communication systems that rely on above ground telephone lines that are vulnerable to failure in extreme weather events that frequently occur in our community.

The Police Department received a command vehicle from the local hospital. Grant funding will be used to purchase and install the radio equipment necessary to develop a mobile emergency command vehicle / secondary dispatch center to be used for on-site emergency management.

It is critical to use a single radio repair provider responsible for the maintenance, repairs and upgrades to complex radio systems. Silke Communication is responsible for having a thorough working knowledge of all emergency radio systems within Reedsport.

ORS 279B.075(2a) Sole-source procurements allows capital projects to be awarded without a bidding process when... “The determination of a sole source must be based on written findings that may include: That the efficient utilization of existing goods requires the acquisition of compatible goods or services.”

The Police Department will assume normal maintenance of the system upgrades once in place. Although the Police Department does not have adequate Capital Funds to accomplish this project, radio maintenance is a normally budgeted item within the Police Department's materials and services budget. The upgrade of new radios in our base stations and repeater sites should reduce future maintenance costs / fiscal impact.

The addition of an incident command vehicle will increase the number of radio systems the police department must maintain once the warranties have expired.

Councilor Macho motioned that the City Council authorize the city manager to accept the 2010 HSGP grant, the expenditure of funds outlined in the budget summary, and award the project under authority of ORS 279B.075(2a) Sole-source procurements, continuation of operations and adopt the findings as set forth.

Councilor Essig seconded the motion.

**MOTION:**

that the City Council authorize the city manager to accept the 2010 HSGP grant, the expenditure of funds outlined in the budget summary, and award the project under authority of ORS 279B.075(2a) Sole-source procurements, continuation of operations and adopt the findings as set forth.

**VOTE:**

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

AYES 7 NAYES 0

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

Mayor Tymchuk declared the motion passed unanimously.

8. MISCELLANEOUS ITEMS  
(Mayor, Councilors, City Manager, City Attorney)

Mayor Tymchuk expressed that he was pleased with the discussion over wastewater rates. He stated that both the public and staff acted admirably and civilly.

Councilor Anderson commended a citizen for his work on the irrigation system for the downtown planters, as well as, Kathi Wall-Meyer and Allen Teitzel for their hard work.

City Manager, Scott Somers informed the councilors that a public hearing will be held at the March 7, 2011 City Council meeting to consider an appeal of the Planning Commission's interpretation of the Reedsport Municipal Code 10.72.070-B.1 and -C.4, which allows "residential quarters as a secondary use" in the commercial (C-2) zone.

City Attorney, Steve Miller advised the Council not to discuss this item with anybody. He continued that if someone had already discussed it, they should remember the discussion because it would have to be disclosed at the hearing. Miller added that if someone read the newspaper article on this subject, then it should be read at the hearing and a copy entered into the record.

9. ADJOURN

The meeting was adjourned at 9:15pm.

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Mayor Keith Tymchuk

ATTEST:

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Deanna Schafer, City Recorder