

MINUTES OF THE REEDSPORT CITY COUNCIL REGULAR SESSION JUNE 18, 2014 7:00 P.M. CITY HALL COUNCIL CHAMBERS

PRESENT: Mayor, Keith Tymchuk
Councilors Frank Barth, DeeDee Murphy, Linda McCollum, Diane Essig, Debby Turner and Kathi Wall-Meyer
City Manager, Jonathan Wright

OTHERS PRESENT: Vera Koch, Deanna Schafer, Diane Novak, Chief Duane Wisehart, Allen Teitzel, Debbie McKinney, Deborah Yates, Ed O'Carroll, Paula DeWeise, Connie Leinum, Lee Bridge, Dennis Swartz

CALL TO ORDER/PLEDGE OF ALLEGIANCE

1. APPROVAL OF THE AGENDA

Councilor Diane Essig motioned to approve the agenda.

Councilor Kathi Wall-Meyer seconded the motion.

MOTION:

that the City Council approve the agenda.

VOTE:

AYES 7 NAYES 0

(Mayor Keith Tymchuk, Councilors Barth, Murphy, Essig, Turner, Wall-Meyer and McCollum, voted in favor of the motion.)

Mayor Tymchuk declared the motion passed unanimously.

2. GENERAL BUSINESS

- A. Shall the City Council adopt a Resolution 2014-014 authorizing Supplemental Budget and Budget Revision for Fiscal Year 2013 / 2014?

The Council letter prepared by Finance Director Vera Koch stated that a Resolution has been drafted which provides for unforeseen changes in the form of a Supplemental Budget and budget revisions for fiscal year budget of 2013 / 2014. This revision is concerning recognizing additional revenue that the fire department received from insurance reimbursements for responding to accidents.

Councilor Diane Essig motioned to adopt Resolution 2014-014 authorizing a Supplemental Budget and Budget Revision for Fiscal Year 2013 / 2014.

Councilor Debbie Turner seconded the motion.

MOTION:

that the City Council adopt Resolution 2014-014 authorizing a Supplemental Budget and Budget Revision for Fiscal Year 2013 / 2014.

VOTE:

AYES 7 NAYES 0

(Mayor Keith Tymchuk, Councilors Barth, Murphy, Essig, Turner, Wall-Meyer and McCollum, voted in favor of the motion.)

Mayor Tymchuk declared the motion passed unanimously.

3. OPEN SESSION

1. Discussion and preparation for the public town hall meeting.

Mayor Keith Tymchuk said that he would like to see a town hall meeting that has an open forum with questions and answers encouraged. Topics that will be raised will need to be identified.

Councilor Kathy Wall-Meyer asked what the purpose is of the town hall meeting.

City Manager Jonathan Wright said that if the City intends to present a ballot measure in November, the Council has to be prepared to adopt a resolution including a ballot title by the August 4th Council meeting. The purpose is to make sure that citizens are well informed to make a decision.

Councilor Frank Barth said that he wants the meeting to be modeled after the recent town hall meeting that Oregon Department of Fish and Wildlife held. They presented facts and allowed the citizens to be involved in the discussion.

Mayor Tymchuk agreed, he said that experts should present on the facts.

Councilor Wall-Meyer also agreed and said that people are affected by examples. She said that there was a lady that attended the FEMA presentation that had actually lived in the flood plains in the southern states. Her examples of what they do in Mississippi were enlightening.

City Manager Wright said that he would invite people from communities that are in the same situation.

Mayor Tymchuk said that we could invite them and help pay their travel expenses.

Wall-Meyer asked if there would be two measures on the ballot, a refinance one and a Charter amendment.

City Manager Wright said that he has obtained an opinion from the City Attorney that the Charter amendment could contain language making it retroactive which would eliminate the need for a second one.

City Manager Jonathan Wright gave a hand out containing the following information:

STORMWATER AND WASTEWATER ISSUES
REFINANCE AND STORMWATER OPTIONS (ESTIMATED)

	EXTEND EXISTING TERM	GROSS ANNUAL SAVINGS	STORMWATER INCREASE (\$3)	STORMWATER INCREASE (\$4)	STORMWATER INCREASE (\$5)	RATE INCREASE* (NO CHANGE)
1	0	\$96,274	\$23,274	-\$726	\$-24,726	
2	3 YEAR	\$189,227	\$116,227	\$92,227	\$68,227	3 -6 YEARS
3	5 YEAR	\$236,984	\$163,984	\$139,984	\$115,984	6-10 YEARS
4	6 YEAR	\$257,712	\$184,712	\$160,712	\$136,712	8-11 YEARS
5	7 YEAR	\$276,688	\$203,688	\$179,688	\$155,688	9-14 YEARS
6	8 YEAR	\$294,146	\$221,146	\$197,146	\$173,146	11-15
7	9 YEAR	\$310,196	\$237,196	\$213,196	\$189,196	12-17
8	FULL TERM	\$325,061	\$252,061	\$228,061	\$204,061	13-NONE REQ.
* 5 YEARS PRIOR TO NEGATIVE FUND BALANCE						

STORMWATER DEBT SERVICE (ESTIMATED)

RATE INCREASE	YEARLY REVENUES FOR DEBT SERVICE	DEBT SERVICE
\$3 PER EDU	\$73,000	\$930,000 (5%/20/YR)
\$4 PER EDU	\$97,000	\$1.2 (5%/20/YR)
\$5 PER EDU	\$121,000	\$1.5 (5%/20/YR)

LEVEE COSTS (ESTIMATED)

ITEMS	COST
STUDY/ENGINEERING ASSESSMENT	\$496,150
IMPROVEMENTS REQUIRED	\$4,363,085
TOTAL	\$4,859,235

DEBT OBLIGATIONS OF REFINANCING

(FROM DEQ)

The bond purchase agreement requires that the City is required to charge fees that will cover the debt service. In the case that the City wasn't/couldn't charge sufficient fees, what is the plan to manage the shortfall? If the City prefers, a General Obligation of the City could be used to secure the bond purchase? Here is some language from the DRAFT bond purchase agreement for your reference:

Debt Service Coverage Requirement. The Municipality shall maintain wastewater rates and charge fees in connection with the operation of the Facility that are adequate to generate Net Operating Revenues in each fiscal year sufficient to pay (i) all debt service (excluding debt service on the Bond), (ii) all other financial obligations imposed in connection with prior lien obligations of the Municipality, and (iii) an amount equal to the debt service coverage factor of ____% multiplied by the debt service payments due under the Bond in that fiscal year.

Wastewater Rate Adjustments. The Municipality shall review its wastewater rates and fees at least annually. If, in any fiscal year, the Municipality fails to collect fees sufficient to meet the debt service coverage requirement described in ARTICLE 5(B)(1), the Municipality shall promptly adjust its wastewater

rates and fees to assure future compliance with such coverage requirement. The Municipality's adjustment of the wastewater rates and fees does not constitute a cure of any default by the Municipality of the debt service coverage requirement set forth in ARTICLE 5(B)(1). The Municipality's failure to adjust rates shall not, at the discretion of DEQ, constitute a default if the Municipality transfers to the fund that holds the Net Operating Revenues unencumbered resources in an amount equal to the revenue deficiency to the Facility that produces the Net Operating Revenues.

~~I don't think DEQ can compel you to conduct a rate study.~~ DEQ will not compel the City to conduct a rate study.

REFINANCE DEBT BASED ON INTEREST SAVINGS (ESTIMATED)

	EXTEND TERM	EXISTING	TOTAL SAVINGS
1	0		\$1,424,224
2	3 YEAR		\$992,673
3	5 YEAR		\$718,987
4	6 YEAR		\$581,061
5	7 YEAR		\$442,417
6	8 YEAR		\$303,056
7	9 YEAR		\$162,978
8	FULL TERM		-\$4,273

The consensus was to plan a Town Hall meeting during the week of July 14th-18th and invite other community leaders and experts on the levee certification.

4. ADJOURN

Mayor Keith Tymchuk

ATTEST:

Deanna Schafer, City Recorder