

MINUTES OF THE REEDSPORT CITY COUNCIL REGULAR SESSION AUGUST 1, 2016 7:00 P.M. CITY HALL COUNCIL CHAMBERS

PRESENT: Mayor Linda McCollum  
Councilors Frank Barth, Diane Essig, Leslee Collier, DeeDee Murphy, Rich Patten and Debby Turner  
City Manager, Jonathan Wright  
City Attorney, Steve Miller

OTHERS PRESENT: Deanna Schafer, Jessica Terra, Chief Wisehart, Ed O'Carroll, Debbie McKinney, Joann Patten, Darlene Ash, Christopher Damitio

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.*

None.

3. PRESENTATIONS, PROCLAMATIONS, AWARDS

None

4. APPROVAL OF THE AGENDA

Councilor Frank Barth motioned to approve the agenda.

Councilor Diane Essig seconded the motion.

MOTION:

that the City Council approve the Agenda.

VOTE:

AYES 7 NAYES 0

(Mayor Linda McCollum, Councilors Barth, Essig, Collier, Patten, Murphy and Turner voted in favor of the motion.)

5. PUBLIC HEARING

None.

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 July 11, 2016.
- B. Approve minutes of the regular session of July 11, 2016.
- C. Shall the City Council sign an agreement with Grimsted and Associates to confirm an understanding of the services to be provided?

On April 4, 2016 the Reedsport City Council approved a contract extension with Grimstad and Associates for the annual auditing services. These services are to be performed for the City of Reedsport and the Reedsport Urban Renewal Agency for the year ending June 30, 2016. A complete description of the services to be performed for each audit, is outline in the letters attached. The attached agreements should also be signed by the Mayor as further acceptance of the auditor's services to be performed.

A yearly audit fee will be paid through an allocation from the major budget funds.

\* Authorize the mayor to sign an agreement with Grimstad and Associates to confirm an understanding of the services to be provided.

- D. Motion to approve the Consent Calendar.

Councilor Leslie Collier motioned to approve the Consent Calendar.

Councilor DeeDee Murphy seconded the motion.

MOTION:

that the City Council approve the Consent Calendar.

VOTE:

AYES 7 NAYES 0

(Mayor Linda McCollum, Councilors Barth, Essig, Collier, Patten, Murphy and Turner voted in favor of the motion.)

7. GENERAL BUSINESS

- A. Shall the City Council adopt Resolution 2016-024 to amend the City's budget to allow for the acceptance of a Department of Agriculture Grant for the purchase of new police vehicles?

Chief Duane Wisehart said that the Department of Agriculture has awarded the Reedsport Police Department with a USDA CF Grant in the amount of \$92,695. The purpose of this grant is to fund three new police cars for the Police Department. The City has been setting money aside annually, in order to gradually purchase new cars, rather than buying used ones from other agencies, which seem to accumulate more maintenance and repair costs in the long run. While it was not anticipated to purchase another new car until the next fiscal year, this grant award allows the City to be able to replace older vehicles with these new warrantied vehicles much sooner.

The City of Reedsport will need to make a budget adjustment to expend an additional \$92,695 for new police cars from line item 025-525-725300. While this amount does not cover the full cost of three police cars, the City has already budgeted an additional \$40,000 in the Capital Improvements Fund to supplement the difference. These changes will reflect a total of \$132,695 budgeted to 025-525-725300 for the purpose of purchasing new police cars.

Councilor Diane Essig motioned to adopt Resolution 2016-024 to amend the City's budget to allow for the acceptance of a Department of Agriculture Grant for the purchase of new police vehicles.

Councilor Rich Patten seconded the motion.

MOTION:

that the City Council adopt Resolution 2016-024 to amend the City's budget to allow for the acceptance of a Department of Agriculture Grant for the purchase of new police vehicles.

VOTE:

AYES 7 NAYES 0

(Mayor Linda McCollum, Councilors Barth, Essig, Collier, Patten, Murphy and Turner voted in favor of the motion.)

- B. Shall the City Council adopt a Resolution 2016-025 transferring a telecommunications franchise from CoastCom Inc. to Astound Broadband, LLC to operate and maintain a telecommunications network within the City of Reedsport?

City Manager Jonathan Wright said that in October of 2014 City Council granted a telecommunication franchise to CoastCom Inc. to operate and maintain a telecommunications network within the City of Reedsport. The agreement is a non-exclusive privilege to use the public rights-of-way for the purpose of providing a broad array of communication services such as internet and telephone via fiber and copper transmission lines.

On July 11, 2016 the City received a letter and draft resolution asking the City to approve a reassignment and transfer of this franchise to Astound Broadband, LLC, a wholly-owned direct subsidiary of WaveDivision Holdings, LLC ("Wave"). According to the letter Astound is Wave's largest subsidiary and is a registered CLEC in Oregon, Washington and California. A definitive purchase agreement to acquire the assets and operations of CoastCom has been entered into for the purpose of expanding telecom operations throughout the Northwest.

CoastCom is asking for no amendments or modifications to the original Franchise agreement.

The telecommunications franchise agreement with CoastCom Inc. includes a fee equal to 5% of annual gross revenue.

Councilor Frank Barth motioned to adopt a Resolution granting reassignment of a non-exclusive telecommunications franchise from Coastcom, Inc. to Astound Broadband, LLC and assign 2016-025 as the title.

Councilor DeeDee Murphy seconded the motion.

MOTION:

that the City Council adopt a Resolution granting reassignment of a non-exclusive telecommunications franchise from Coastcom, Inc. to Astound Broadband, LLC and assign 2016-025 as the title.

VOTE:

AYES 7 NAYES 0

(Mayor Linda McCollum, Councilors Barth, Essig, Collier, Patten, Murphy and Turner voted in favor of the motion.)

C. Shall the City of Reedsport enter into an Intergovernmental Agreement with Oregon Department of Transportation for administration of the City fuel tax?

City Manager Jonathan Wright said that due to recent cuts in staffing at City Hall, the lobby is no longer open for the lunch hour and in-service days are now being implemented to help staff catch up with the ever growing workload. Last May the voters of Reedsport approved a seasonal gas tax to provide much needed revenue for the City's street infrastructure. As with any tax there is a complex task of collection, administration and even audit. City staff do not have the time nor the expertise required to administer this tax at this point; however, ODOT does. ODOT provides collection services to over a dozen other Cities as well as administering the state and federal fuel tax collection.

This intergovernmental agreement set the framework for the collection of the City's fuel tax by ODOT. Like with any vendor there is a startup fee required as they must adapt their software for Reedsport and set up systems and procedures for the collection of the tax. Once complete the tax will be collected automatically through the ODOT electronic system making reporting and administration much easier for all involved, especially the fuel vendors and the City. ODOT will perform these services for a portion of the fuel tax proceeds, proposed at a rate of .4702%. The City will have to reimburse this fee through existing street funds since the local tax cannot be used for administrative costs.

The setup fee for the collection software is estimated at \$31,830; however this fee can be split with up between three municipalities and at this point we are likely in with Troutdale and possibly Portland. While the \$31,830 is worst case scenario we have been informed that Troutdale is almost certain to join with us making our share potentially \$15,915 and potentially \$10,610 with Portland. Also, we will have to reimburse ODOT staff time at a rate of \$55.00 per hour for the setup. This has been estimated at between \$2,200 - \$7,500 and they have already been working to implement the Reedsport tax since it went into effect July 1, 2016. This includes notification to the fuel stations of the tax and mailing the appropriate forms to be used until the electronic system goes online. These fees are only for the onetime set up and will not be required on an annual basis.

Annual costs at .4702% are estimated to be less than \$5,000 for the collection of the seasonal tax.

Councilor DeeDee Murphy motioned to approve the Intergovernmental Agreement with ODOT for the collection of the Reedsport fuel tax and allow the City Manager to sign the agreement.

Councilor Leslee Collier seconded the motion.

MOTION:

that the City Council approve the Intergovernmental Agreement with ODOT for the collection of the Reedsport fuel tax and allow the City Manager to sign the agreement.

VOTE:

AYES 7 NAYES 0

(Mayor Linda McCollum, Councilors Barth, Essig, Collier, Patten, Murphy and Turner voted in favor of the motion.)

D. Shall the City Council approve a revised lease agreement for the Chamber of Commerce for the placement of a sign on City property?

City Manager Jonathan Wright said that last July the City of Reedsport entered into a lease agreement with the Reedsport Winchester Bay Chamber of Commerce for the placement of a reader board on City owned property. Since then the Oregon Department of Transportation (ODOT) has asked that we amend the easement language to prevent having to file for an offsite advertising permit. The reader board would be exempted from ODOT regulation if no compensation is listed in the agreement. The previous version had the Chamber paying the City for the lease via free advertising for the City. This has been corrected and now the agreement is a simple mutual use agreement without the stipulation for compensation. ODOT has reviewed the revisions and agrees with the amended language.

Councilor Frank Barth motioned to approve the amended lease agreement and authorize the City Manager to sign all documents.

Councilor Leslee Collier seconded the motion.

MOTION:

that the City Council approve the amended lease agreement and authorize the City Manager to sign all documents.

VOTE:

AYES 7 NAYES 0

(Mayor Linda McCollum, Councilors Barth, Essig, Collier, Patten, Murphy and Turner voted in favor of the motion.)

E. Receive Quarterly Financial Report.

Interim Finance Director Jessica Terra gave the following financial report:

**2015 / 2016 Financial Report**

target % received/spent  
by end of 12th month of  
budget year **100.00%**

**FOURTH Quarter of fiscal year  
2015/2016  
For period ending June 2016**

**General Fund 001**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$853,500	\$1,084,020	127.01%	
<b>Revenue</b>	\$2,292,080	\$2,221,521	96.92%	Received
<b>*Expenditures</b>	\$2,835,580	\$2,279,404	80.39%	Expended

\*(less unappropriated expenditures)

**Street Fund 002**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$65,000	\$78,956	121.47%	
<b>Revenue</b>	\$274,800	\$293,018	106.63%	Received
<b>*Expenditures</b>	\$339,800	\$301,046	88.60%	Expended

\*(less unappropriated expenditures)

**Water Utility Fund 003**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$85,000	\$120,949	142.29%	
<b>Revenue</b>	\$793,000	\$784,385	98.91%	Received
<b>*Expenditures</b>	\$878,000	\$770,393	87.74%	Expended

\*(less unappropriated expenditures)

**Wastewater Utility 004**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$220,000	\$311,958	141.80%	
<b>Revenue</b>	\$1,862,800	\$1,840,987	98.83%	Received
<b>*Expenditures</b>	\$2,082,800	\$1,755,383	84.28%	Expended

\*(less unappropriated expenditures)

**Stormwater Utility Fund 005**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$35,000	\$52,527	150.08%	
<b>Revenue</b>	\$73,200	\$74,249	101.43%	Received
<b>*Expenditures</b>	\$108,200	\$67,536	62.42%	Expended

\*(less unappropriated expenditures)

**Bicycle/footpath Fund 007**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$36,200	\$36,239	100.11%	
<b>Revenue</b>	\$2,380	\$2,626	110.35%	Received
<b>*Expenditures</b>	\$38,580	\$10	0.03%	Expended

**Water SPWF Loan Debt Fund 010**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$83,950	\$83,983	100.04%	
<b>Revenue</b>	\$25,500	\$25,559	100.23%	Received
<b>*Expenditures</b>	\$109,450	\$25,202	23.03%	Expended

\*(less unappropriated expenditures)

**Wastewater DEQ Loan Debt Fund 012**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$527,000	\$777,899	147.61%	
<b>Revenue</b>	\$602,000	\$603,187	100.20%	Received
<b>*Expenditures</b>	\$1,129,000	\$573,374	50.79%	Expended

\*(less unappropriated expenditures)

**Wastewater OECD Loan Debt Fund 013**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$100,900	\$101,038	100.14%	
<b>Revenue</b>	\$154,500	\$154,576	100.05%	Received
<b>*Expenditures</b>	\$255,400	\$154,247	60.39%	Expended

\*(less unappropriated expenditures)

**Fire Equipment Fund 014**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$132,000	\$135,293	102.49%	
<b>Revenue</b>	\$22,250	\$28,731	129.13%	Received
<b>*Expenditures</b>	\$154,250	\$6,851	4.44%	Expended

\*(less unappropriated expenditures)

**Dunes NRA Fund 016**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$106,000	\$109,237	103.05%	
<b>Revenue</b>	\$96,150	\$88,498	92.04%	Received
<b>*Expenditures</b>	\$202,150	\$89,289	44.17%	Expended

\*(less unappropriated expenditures)

**Riverfront Fund 017**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$25,100	\$53,407	212.78%	
<b>Revenue</b>	\$118,525	\$130,509	110.11%	Received
<b>*Expenditures</b>	\$143,625	\$128,734	89.63%	Expended

**Library Renovation Fund  
018**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$3,500	\$2,861	81.74%	
<b>Revenue</b>	\$0	\$0	100.00%	Received
<b>*Expenditures</b>	\$3,500	\$2,259	64.53%	Expended

**Sys. Development Fund Water 020**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$71,500	\$71,561	100.09%	
<b>Revenue</b>	\$270	\$318	117.78%	Received
<b>*Expenditures</b>	\$71,770	\$0	0.00%	Expended

**Sys. Development Fund Wastewater 021**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$133,320	\$133,364	100.03%	
<b>Revenue</b>	\$500	\$593	118.60%	Received
<b>*Expenditures</b>	\$133,820	\$0	0.00%	Expended

**System Development Fund Stormwater 022**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$6,050	\$6,054	100.07%	
<b>Revenue</b>	\$20	\$27	135.00%	Received
<b>*Expenditures</b>	\$6,070	\$0	0.00%	Expended

**Enterprise Cap. Improve. Fund -Sewer 024**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$1,714,300	\$1,688,610	98.50%	
<b>Revenue</b>	\$337,030	\$352,479	104.58%	Received
<b>*Expenditures</b>	\$2,051,330	\$177,380	8.65%	Expended

**General Capital Improve. Fund 025**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$290,000	\$316,728	109.22%	
<b>Revenue</b>	\$209,250	\$207,772	99.29%	Received
<b>*Expenditures</b>	\$415,250	\$154,005	37.09%	Expended

\*(less unappropriated expenditures)

**Street Capital Fund 026**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$423,000	\$458,746	108.45%	
<b>Revenue</b>	\$118,150	\$119,261	100.94%	Received
<b>*Expenditures</b>	\$541,150	\$63,915	11.81%	Expended

\*(less unappropriated expenditures)

**Storm Capital Fund 027**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$140,000	\$146,861	104.90%	
<b>Revenue</b>	\$603,300	\$426,223	70.65%	Received
<b>*Expenditures</b>	\$743,300	\$381,796	51.36%	Expended

\*(less unappropriated expenditures)

**Water Enterprise Capital Improvement Fund 029**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$1,607,000	\$1,602,877	99.74%	
<b>Revenue</b>	\$183,585	\$185,767	101.19%	Received
<b>*Expenditures</b>	\$1,790,585	\$179,611	10.03%	Expended

\*(less unappropriated expenditures)

**Reedsport Urban Renewal District. Fund 150**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$310,000	\$352,434	113.69%	
<b>Revenue</b>	\$83,810	\$115,183	137.43%	Received
<b>Expenditures</b>	\$393,810	\$285,938	72.61%	Expended

**URD MainStreet Fund 151**

	<b>Budget</b>	<b>Actual</b>		
<b>Beginning Fund Balance</b>	\$18,500	\$28,256	0.00%	
<b>Revenue</b>	\$63,000	\$66,760	105.97%	Received
<b>Expenditures</b>	\$81,500	\$51,806	63.57%	Expended

8. MISCELLANEOUS ITEMS

Public Works Director John Stokes said that several months ago a youth from Lakeside approached the Council about restoring a bridge/crossing area in Bicentennial Park as part of an Eagle Scout project. The project is now complete and he encouraged the Council to check it out.

City Manager Jonathan Wright said that due to the updating and revision of a Hazard Mitigation Plan, the City is now eligible to apply for FEMA grant funding. He also said that Peter Defazio will be in Reedsport at noon on Thursday, August 1, 2016 in the Community Center.

9. EXECUTIVE SESSION OF THE REEDSPORT CITY COUNCIL AUGUST 1, 2016 CITY HALL COUNCIL CHAMBERS

PRESENT:

Mayor Linda McCollum, Councilors Barth, Diane Essig, Collier, DeeDee Murphy, Rich Patten and Debby Turner

City Manager Jonathan Wright

City Attorney, Steve Miller

Pursuant to ORS 192.660(2)(e) – To conduct deliberations with persons designated by the governing body to negotiate real property transactions.

10. ADJOURN

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Linda McCollum, Mayor

ATTEST:

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Deanna, City Recorder