

MINUTES OF THE REEDSPORT CITY COUNCIL NOVEMBER 6, 2017, 7:00 P.M.
CITY HALL CONFERENCE ROOM

PRESENT:

Mayor Linda McCollum

Councilors DeeDee Murphy, Leslee Collier, Frank Barth, Debby Turner. (Councilor Mark Bedard was absent).
Student Councilor Claire Havener.

City Manager, Jonathan Wright

City Attorney, Steve Miller

OTHERS PRESENT:

Deanna Schafer, Jessica Terra, John Stokes, Duane Wisheart, Ron Eberlein, Richard Davison, Joe Coyne, Sam Baugh, Norman Floyd, Debbie McKinney, Jon Parks, Colleen Eberlein, Denise Gore, Randal Gore, Dennis Swartz, Ellen Anderson

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.

Mr. and Mrs. Denise and Randal Gore of 3144 Maple Court, Reedsport addressed the Council concerning a back billing charge that was added to their utility account. Recently it was discovered that the water portion of the utility billing had never changed from the vacant readiness-to-serve charge to an active account. The billing error resulted in several hundreds of dollars being back billed to them. They have spoken to the Utility clerk and was told that they could appeal to the City Council to seek resolution. They don't feel they should have to pay the back charges because of the error.

Council directed them to meet with City Manager Jonathan Wright to seek a resolution.

Mr. Dennis Swartz addressed the Council concerning allocations that he feels were never followed up on. He would like to see City Attorney Steve Miller retire and he would like to seek his position.

Mr. Sam Baugh director of the South Coast Development Council introduced himself and spoke on current happenings concerning economic development in the area.

3. PRESENTATIONS, PROCLAMATIONS, AWARDS

Mayor Linda McCollum read a Proclamation of Annual Sale of Buddy Poppies by Veterans of Foreign Wars Proclamation.

Mayor Linda McCollum read a 2017 National Rural Health Day Proclamation.

4. APPROVAL OF THE AGENDA

City Manager Jonathan Wright said that he would like to request that two items be added to the agenda. A resolution regarding appointing Municipal Judges Pro Tempore and a letter authorizing the use of debit cards for setting up accounts payable transactions.

Councilor Rich Patten motioned to approve the Agenda as amended.

Councilor DeeDee Murphy seconded the motion.

MOTION:

that the City Council approve the Agenda as amended.

VOTE:

AYES 6 NAYES 0

(Mayor Linda McCollum, Councilors Barth, Turner, Murphy, Patten and Collier voted in favor of the motion. Student Councilor Claire Havener cast an advisory vote in favor.)

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 October 2, 2017.
- B. Approve minutes of the regular session of October 2, 2017.
- C. Approve minutes of the special session of October 16, 2017
- D. Motion to approve the Consent Calendar.

Councilor DeeDee Murphy motioned to approve the Consent Agenda.

Councilor Frank Barth seconded the motion.

MOTION:

that the City Council approve the Consent Agenda.

VOTE:

AYES 6 NAYES 0

(Mayor Linda McCollum, Councilors Barth, Turner, Murphy, Patten and Collier voted in favor of the motion. Student Councilor Claire Havener cast an advisory vote in favor.)

7. GENERAL BUSINESS

A. Shall the City Council appoint members to the Budget Committee?

City Manager Jonathan Wright said that due to the appointment of Mr. Mark Bedard to the City Council the City now has a second opening on the City of Reedsport Budget Committee.

These positions and various others were advertised and an application for the Budget Committee was received from Ellen Anderson.

Staff recommends to appoint Ms. Ellen Anderson

One position will remain vacant until filled.

Councilor Frank Barth motioned to appoint Ellen Anderson to the City Budget Committee with a term expiring December 31, 2019.

Councilor Debby Turner seconded the motion.

MOTION:

that the City Council appoint Ellen Anderson to the City Budget Committee with a term expiring December 31, 2019.

VOTE:

AYES 6 NAYES 0

(Mayor Linda McCollum, Councilors Barth, Turner, Murphy, Patten and Collier voted in favor of the motion. Student Councilor Claire Havener cast an advisory vote in favor.)

B. Shall the Reedsport City Council consider and select a financing option for the Dunes NRA remodel and building expansion?

Interim Finance Director Jessica Terra said that city staff has been researching financing options for Dunes NRA building expansion over the past year, while re-negotiating the Dunes NRA lease. All three local financial institutes, First Interstate Bank (formerly Bank of the Cascades), Umpqua Bank, and First Community Credit Union, were contacted in order to gather information on process, timeline, and to gauge current interest rates on a municipal construction loan. Based on a 10 year term, interest rates ranged anywhere from 3.95-5.15% resulting in annual payments of \$145,000 - \$155,000 for a \$1.2 million loan.

Staff also contacted Business Oregon Infrastructure Finance Authority (IFA). The agency indicated that the City could qualify for a Special Public Works Fund loan, similar to the one paid off last year for the Bolin Island Water Improvement project. At that time IFA was contacted the rate was 3.78% for up to 25 years. The annual payments would equate to \$142,000 for a 10 year loan (equal to the term of the increase lease payments, negotiated with GSA).

Since that time, staff has learned of another financing option. Oregon Local Budget Law allows for a governing body to loan money from one fund to another. Interfund loans are allowed, subject to a few simple requirements:

- The loan must be repaid in full over a term not to exceed 10 years,
- A resolution must be adopted, stating the repayment schedule and interest rate,
- The interest rate can be any rate that the governing body determines, including 0, and
- The loan shall be budgeted as a resource in the fund, which the loan is being repaid to, in the following year(s).

Staff finds that the Wastewater Capital Fund is fiscally fit enough, with a fund balance of just over \$2,000,000 and the majority of the capital projects being long-term projects, to lend this money to the Dunes NRA Fund for the remodel and building expansion project.

By going with the interfund loan option, the benefit is twofold. The City Council has the ability to set the interest rate lower than the industry standard, potentially lowering the overall cost of the Dunes NRA remodel project. Secondly, this means that the City of Reedsport is able to save the interest money by paying it back into the Wastewater Capital Fund to be utilized for future wastewater capital improvements.

Staff has prepared two interfund loan financing scenarios for comparison with the scenarios presented previously:

1. 10 year, \$1.2 million loan at 1.55% (current rate of the LGIP account) = \$130,000 annually (\$96,000 paid to interest over the life of the loan.)
2. 10 year, \$1.2 million loan at 2.00% = \$133,000 annually (\$125,000 paid to interest over the life of the loan.)

Based on the information provided, staff is seeking Council's direction on how to proceed with securing a loan for the Dunes NRA building construction, which will begin in early 2018.

Traditional lending – Annual repayment ranges from \$145,000 - \$155,000.

Business Oregon IFA - Annual repayment is approximately \$142,000.

Interfund loan option – Annual repayment ranges from \$130,000 - \$133,000 and interest is saved by paying it into the Wastewater Capital Improvement Fund.

Councilor Frank Barth motioned to direct staff to prepare a budget adjustment authorizing a \$1.2 million interfund loan at a rate of 2% for 10 years, to be transferred from the Wastewater Capital Fund to the Dunes NRA Fund, and budgeted as a resource to the Wastewater Capital Fund from the Dunes NRA fund in future fiscal year budgets.

Councilor Rich Patten seconded the motion.

MOTION:

that the City Council direct staff to prepare a budget adjustment authorizing a \$1.2 million interfund loan at a rate of 2% for 10 years, to be transferred from the Wastewater Capital Fund to the Dunes NRA Fund, and budgeted as a resource to the Wastewater Capital Fund from the Dunes NRA fund in future fiscal year budgets.

VOTE:

AYES 6 NAYES 0

(Mayor Linda McCollum, Councilors Barth, Turner, Murphy, Patten and Collier voted in favor of the motion. Student Councilor Claire Havener cast an advisory vote in favor.)

- C. Shall the Reedsport City Council adopt a resolution appointing Municipal Court Judges Pro-Tempore and assign 2017-020 as the title?

City Manager Jonathan Wright said that due to the resignation of the City Prosecutor prior to the recruitment of a new City Prosecutor, the need to appoint additional Pro-Tempore Municipal Court Judges has arisen.

A former City Prosecutor, Ms. Amy Muenchwrath has been retained to complete the term and fill in during the training of the new Prosecutor, however, this creates a conflict of interest in the case of Criminal matters because Honorable Matt Muenchwrath, the current residing Municipal Court Judge is her Spouse.

By adopting this resolution, the City has the option of utilizing an alternate Judge in a temporary capacity in the case of Criminal matters therefore eliminating the potential conflict of interest.

Councilor DeeDee Murphy motioned to adopt a resolution appointing Municipal Court Judges Pro-Tempore and assign 2017-020 as the title.

Councilor Leslie Collier seconded the motion.

MOTION:

that the City Council adopt a resolution appointing Municipal Court Judges Pro-Tempore and assign 2017-020 as the title.

VOTE:

AYES 6 NAYES 0

(Mayor Linda McCollum, Councilors Barth, Turner, Murphy, Patten and Collier voted in favor of the motion. Student Councilor Claire Havener cast an advisory vote in favor.)

- D. Shall the City Council approve a letter and designate the mayor to sign the letter, which authorizes the Finance Director to obtain a debit card on the City's regular checking account?

Interim Finance Director Jessica Terra said that in August, the City Council authorized Resolution 2017-014 granting staff the authority to pay regular, monthly invoices (primarily for utility services) via automatic withdrawal from the City's checking account. Since this time, staff has started migrating those vendors to electronic payment and has found that some of them do not accept electronic checks, but only debit/credit cards. To remedy this issue, staff is requesting that a debit card be issued to the Finance Director to be used for the purpose of paying regular monthly bills (such as Comspan, Southern Oregon Sanitation, NAPA, etc.) via debit card, to be automatically withdrawn from the City's checking account.

A Resolution 2017-014 (previously authorized) and a draft letter of request to Umpqua Bank was provided and if approved by the Council, is to be signed by the mayor.

The ability to pay vendors via automatic withdrawal from the City's regular checking account will save on supply costs, such as paper, checks, envelopes, and postage. There is no cost to have a debit card issued on the City's regular checking account.

Councilor Frank Barth motioned to approve a letter and designate the mayor to sign the letter, which authorizes the Finance Director to obtain a debit card on the City's regular checking account.

Councilor DeeDee Murphy seconded the motion.

MOTION:

that the City Council approve a letter and designate the mayor to sign the letter, which authorizes the Finance Director to obtain a debit card on the City's regular checking account.

VOTE:

AYES 6 NAYES 0

(Mayor Linda McCollum, Councilors Barth, Turner, Murphy, Patten and Collier voted in favor of the motion. Student Councilor Claire Havener cast an advisory vote in favor.)

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

Several local events were discussed.

Chief Wisheart said that the Police Department has a new K-9 dog. Officer Jim Woods has returned from training with JD a Spaniel, Lab cross.

The Public Works Department is on the last items of closeout for the Ultra Violet Water treatment system.

The Rainbow Plaza Boat Launch Rehabilitation is under way as well as the Elm Street Pump Station Seismic Retrofit project.

Main Street program will be holding a tree lighting ceremony on Saturday at 5:30pm.

ADJOURN

Linda McCollum, Mayor

ATTEST:

Deanna, City Recorder