

MINUTES OF THE REEDSPORT CITY COUNCIL FEBRUARY 4, 2019, 7:00 P.M.
CITY COUNCIL CHAMBERS

PRESENT: Mayor Linda McCollum
Councilors Mark Bedard, DeeDee Murphy, Leslee Collier,
Rich Patten, Ellen Anderson and Debby Turner.
City Manager, Jonathan Wright
City Attorney Steve Miller

OTHERS PRESENT: Deanna Schafer, Vera Koch, John Stokes, Duane Wisehart,
Dennis Swartz, Ron Eberlein, Joe Liedtky

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.
3. PRESENTATIONS, PROCLAMATIONS, AWARDS
4. APPROVAL OF THE AGENDA

City Manager Jonathan Wright asked that the Council to amend the agenda by striking the items A. B. and C. under General Business.

Councilor Mark Bedard motioned to approve the Agenda as amended.

Councilor Ellen Anderson seconded the motion.

MOTION:

that the City Council approve the Agenda as amended.

VOTE:

AYES 7 NAYES 0

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

5. PUBLIC HEARINGS

- A. Shall the City Council adopt Resolution 2019-003 authorizing a supplemental budget and budget revisions to the 2018-19 FY budget?

Mayor Linda McCollum opened the public Hearing and explained that the hearing will be held in order to consider adoption of Resolution 2019-003 in order to authorize a supplemental budget and budget amendment to increase the 2018-2019 FY budget expenditures by \$446,000 for the purpose of adjusting beginning fund balances in the Wastewater (024) and Street (026) Capital Funds.

Municipal Financial Consultant Vera Koch read the following staff report:

A resolution has been drafted which provides for changes in the form of a supplemental budget and budget revisions to the 2018-19 fiscal year budget.

The following amendments are necessary:

- Fund 024: Increase beginning fund balance by \$375,000 (resource); Increase Interfund Transfer: Transfer Out to Fund 004 by \$375,000 (requirement).
- Fund 026: Increase beginning fund balance by \$71,000 (resource); Increase Interfund Transfer: Transfer Out to Fund 002 by \$71,000 (requirement).

The purpose of these amendments is to increase the beginning fund balance of each fund. The balances were under-estimated at the time of budget adoption and in order to close these funds, the beginning balances need to be increased and the transfer out equally increased. Transfers out will be made to the corresponding operating funds:

- The balance in Fund 024 (wastewater capital) will transfer to Fund 004 (wastewater).
- The balance in Fund 026 (streets capital) will transfer to Fund 002 (streets).
- Both Funds 024 and 026 will be closed by this action.

According to ORS 294 a local government may prepare a supplemental budget if a condition that was not known at the time of the budget requires a change in financial planning. At the time of budget adoption, the fund balances were unknown and were estimated to the best of staff's ability.

Also in accordance with ORS 294, a public hearing is required to be held if the supplemental budget will increase expenditures by more than 10 percent.

The recommended adjustments do not increase the property tax levy.

The total budget will be increased by \$446,000 with no increase or decrease in property tax.

There were no public comments.

The Public Hearing was closed.

Councilor DeeDee Murphy motioned to adopt Resolution 2019-003 authorizing a supplemental budget and budget revisions the FY 2018-19 budget.

Councilor Debby Turner seconded the motion.

MOTION:

that the City Council adopt Resolution 2019-003 authorizing a supplemental budget and budget revisions the FY 2018-19 budget.

VOTE:

AYES 7 NAYES 0

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

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 City Council Work Session of January 14, 2019.
- B. Approve minutes of the City Council Regular meeting of January 14, 2019.
- C. Approve Quarterly Report.
- D. Motion to approve the Consent Calendar.

Councilor Ellen Anderson motioned to approve the Consent Calendar.

Councilor Rich Patten seconded the motion.

MOTION:

that the City Council approve the Consent Calendar.

VOTE:

AYES 7 NAYES 0

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

7. GENERAL BUSINESS

- ~~A. Shall the City Council adopt a resolution deferring payment of utility charges for furloughed Federal employees? (Council Letter 2019-010)~~
- ~~B. Shall the City Council issue a contract to Anderson Perry for further Geotechnical Analysis for the Reedsport levee? (Council Letter 2019-011)~~
- ~~C. Shall the City Council issue a contract to Anderson Perry for renovation and upgrades to a stormwater pump station? (Council Letter 2019-012)~~
- D. Shall the City Council authorize a transfer to the Lower Umpqua Library District?

City Manager Jonathan Wright said that the Lower Umpqua Library District (LULD) was established in June of 2018 and took over operations of the library building on December 1, 2018. Per the intergovernmental agreement established between the City and the LULD, the IGA requires that all unrestricted funds be forwarded to the District. At this time approximately \$46,000 remain (in John Warden Funds, miscellaneous donations, and library fee revenues), which need to be forwarded to the Lower Umpqua Library District.

It should be noted that the City will still maintain approximately \$30,000 of Oregon Community Foundation grant funds, which will be fully expended by the close of the 2018-19 fiscal year and reported on accordingly.

At the end of the fiscal year, the Library Fund (Fund 036) will be closed. Any future shared capital expenses that may be required to be shared between the City and the LULD will be paid from General Capital Funds.

This transfer will expend approximately \$46,000 from the Library Fund (Fund 036).

Councilor Debby Turner motioned to authorize a transfer not to exceed \$46,000 to the Lower Umpqua Library District.

Councilor DeeDee Murphy seconded the motion.

MOTION:

that the City Council authorize a transfer not to exceed \$46,000 to the Lower Umpqua Library District

VOTE:

AYES 7 NAYES 0

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

- E. Shall the City Council adopt a Resolution amending a position classification and the employee pay plan of the City's Personnel Rules & Regulations?

City Manager Jonathan Wright said that the position of Payroll Clerk was omitted from the City's Personnel Rules & Regulations at some point over the years due to various changes and restructuring of staff positions. The Payroll Clerk position should be re-entered as a Range 10 Union. It should also be added to the IAM Employee Pay Plan at the Range 10 salary.

There is no fiscal impact created with this change.

Councilor Ellen Anderson motioned to adopt a Resolution amending a position classification and the employee pay plan of the City's Personnel Rules & Regulations and assign 2019-005 as the title.

Councilor Rich Patten seconded the motion.

MOTION:

that the City Council adopt a Resolution amending a position classification and the employee pay plan of the City's Personnel Rules & Regulations and assign 2019-005 as the title.

VOTE:

AYES 7 NAYES 0

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

F. Shall the City Council amend a job description for the position of Accounts Payable/Receivable & Payroll Clerk?

City Manager Jonathan Wright said that approximately three years ago, the Finance Department began to see cuts in staffing levels. As long-time employees began to retire, the positions were not re-filled, but rather duties were reallocated in an effort to save money and balance the budget. In time, the City has begun to slowly add back those positions. The final function to be added back to the Finance Department is Payroll, which is currently performed by the City Recorder/Administrative Assistant. This will bring the Finance Department back to a level of being fully staffed.

In order to complete this action, staff is proposing that the Accounts Payable/Receivable position, which is currently a part-time job, be moved to full-time, adding the function of Payroll Clerk. This position was planned for in the current (2018/19) fiscal year's budget, so there would be no unexpected financial impact to the budget. This position is set as a Range 10 in the City's Personnel Rules & Regulations and falls under the IAM Union.

Staff is requesting that the City Council consider modification of the Accounts Payable/Receivable position to incorporate Payroll functions as outlined in the attached job description. Upon approval, the position will be advertised internally for 5 days. If the position is not filled internally, it will be advertised per the City's job recruitment policy as outlined in the Personnel Rules & Regulations.

The proposed amendment has already been factored into the adopted budget for FY 2018-19. There will be no unplanned fiscal impact with this change.

Councilor Mark Bedard motioned to approve the amendment as proposed.

Councilor Debby Turner seconded the motion.

MOTION:

that the City Council approve the amendment as proposed.

VOTE:

AYES 7 NAYES 0

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

G. Shall the City Council adopt Resolution 2019-006 authorizing a supplemental budget and budget revisions to the 2018-19 FY budget?

Municipal Financial Consultant Vera Koch said that a resolution has been drafted which provides for changes in the form of a supplemental budget and budget revisions to the 2018-19 fiscal year budget.

The following amendments are necessary:

- Fund 001-200: Add/increase a Traffic Safety Enforcement grant line by \$4,000 (resource); Increase Overtime by \$4,000 (requirement).
- Fund 012: Increase beginning fund balance by \$1,610 (resource); Increase Interfund Transfer: Transfer Out to Fund 004 by \$1,610 (requirement).
- Fund 013: Increase the beginning fund balance by \$265 (resource); Increase Interfund Transfer: Transfer Out to Fund 004 by \$265 (requirement).
- Fund 029: Increase beginning fund balance by \$6,000 (resource); Increase Interfund Transfer: Transfer out to Fund 003 by \$6,000 (requirement).
- Fund 034: Increase beginning fund balance by \$3,500 (resource); Increase Vehicle Maintenance by \$1,000 and Bonds & Insurance by \$2,500 (requirements).
- Fund 036: Transfer \$75,000 from the Capital Outlay category to the Materials & Services category for the purpose of transferring money to the Lower Umpqua Library District and expending the remaining OCF grant funds.

The Police Department has received a grant to support traffic safety enforcement and will provide funds supporting overtime costs. The amount of this grant is \$4,000.

Funds 012, 013, and 029 will each receive an increase (as listed above) to the beginning fund balance in order to reflect the accurate beginning balance on July 1 and subsequently, transfer out the balance to the corresponding operating funds. Funds 012 and 013 will transfer to the Wastewater Fund (004). Fund 029 will transfer to the Water Fund (003). Funds 012, 013, and 029 will be closed by this action.

The beginning fund balance of the Dial A Ride Fund (034) was also underestimated, so an adjustment is being proposed to increase by \$3,500. The increase will provide an offset to Bonds & Insurance and Vehicle Maintenance costs.

The Library Fund (036) received two large grant awards and has been holding John Warden Funds. As the Library has transitioned to the LULD the John Warden Funds need to be transferred and the OCF funds will need to be expended. These costs were not anticipated at the time of budget adoption, so budgeted Capital Outlay money should be moved to Materials & Services to offset these transactions.

According to ORS 294 a local government may prepare a supplemental budget if a condition that was not known at the time of the budget requires a change in financial planning. These items were unknown at the time of budget adoption and therefore an amendment is necessary.

Since the adjustments will each increase expenditures by less than 10 percent of the fund balances, no public hearing is required.

The recommended adjustments do not increase the property tax levy.

The total budget will be increased by \$15,375 with no increase or decrease in property tax.

Councilor Leslee Collier motioned to adopt Resolution 2019-006 authorizing a supplemental budget and budget revisions the FY 2018-19 budget.

Councilor Rich Patten seconded the motion.

MOTION:

that the City Council adopt Resolution 2019-006 authorizing a supplemental budget and budget revisions the FY 2018-19 budget.

VOTE:

AYES 7 NAYES 0

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

H. Shall the City Council adopt a Resolution referring an amendment to section 45 of the City of Reedsport Charter?

City Manager Jonathan Wright said that in 2012, the Reedsport City Charter was amended by Initiative Measure 10-119. The amendment requires any tax or utility fee passed by the City Council after August 1, 2010, to receive voter approval. With this proposed Resolution, placing a referral on the May ballot, Staff is seeking authorization

to able utility rate changes without a vote when the adjustment is necessary to keep up with inflation costs?

While electricity and telecommunications costs continue to climb and the price of materials and chemicals used for utility operations increase, the City has no ability to adjust fees to counter these costs without a lengthy and costly ballot process. This process has been attempted by the City before without success and with some utility fees as old as 13 years the funding for staff and system improvements is steadily declining. This amendment would allow the City Council the discretion to adjust fees commensurate with the increased costs of providing the service to the public and based off of current inflation data, without a vote of the people. Larger increases would still be subject to voter ratification.

Section 45 of the Reedsport City Charter reads:

*“Section 45. **Voter Approval.** Any such ordinance, resolution or order approved by a majority of the council, which creates or increases any tax or public utility rates, shall not be effective unless ratified by a majority of the city's qualified electors who cast a ballot. Public utility rates for the purpose of this Section mean water, waste water, and storm water rates, as applicable. ”*

Staff is proposing a Resolution, to be considered by the City Council, to place a referral on the May ballot to amend the wording of this Section. Staff recognizes that public utility rates (i.e., water, wastewater and stormwater) have caused controversy and this proposal is in essence a compromise that allows the ability to adjust these rates within restricted parameters, usually 1%-3% so that the City can continue to offer utility staff competitive wages and keep up with the rising cost of maintaining the aging utility systems.

1.12.050 “Charter Amendments” of the City’s Municipal Code, in relevant part states:

“An amendment to the Charter of Reedsport may be proposed and submitted to the legal voters thereof by resolution of the Common Council without an initiative petition...and no amendment to the Charter shall be effective until it is approved by a majority of the votes cast thereon by the legal voters of the city.”

“Where an amendment to the Charter of Reedsport may be proposed and submitted to the legal voters thereof by resolution of the Common Council without an initiative petition, the resolution shall therein state the date of the regular municipal election, or the date of a special election at which the resolution will be submitted to be voted on.”

For City Referrals, Oregon Revised Statutes (ORS) Requires

250.035 Form of ballot titles for state and local measures.

“(1) The ballot title of any measure, other than a state measure, to be initiated or referred shall consist of:

(a) A caption of not more than 10 words which reasonably identifies the subject of the measure;

(b) A question of not more than 20 words which plainly phrases the chief purpose of the measure so that an affirmative response to the question corresponds to an affirmative vote on the measure; and

(c) A concise and impartial statement of not more than 175 words summarizing the measure and its major effect.”

250.285 Preparation of ballot titles by city governing body.

“(1) When the city governing body refers a measure to the people, a ballot title for the measure may be prepared by the body.”

Staff is proposing a ballot referral to amend Section 45 of the Reedsport City Charter in order to grant the City Council the authority to increase rates utility rates for the City's three current utility funds without voter approval so long as the increase does not exceed the annual inflation rate then current at the time of Council passage. This amendment would revise Section 45 as follows:

*Section 45. **Voter Approval.** Any such ordinance, resolution or order approved by a majority of the council, which creates or increases any tax or public utility rates **that exceed annual inflation**, shall not be effective unless ratified by a majority of the city's qualified electors who cast a ballot. Public utility rates for the purpose of this Section mean water, waste water, and storm water rates, as applicable.*

1.12.050 “Charter Amendments” of the City’s Municipal Code, in relevant part states:

“An amendment to the Charter of Reedsport may be proposed and submitted to the legal voters thereof by resolution of the Common Council without an initiative petition...and no amendment to the Charter shall be effective until it is approved by a majority of the votes cast thereon by the legal voters of the city.”

“Where an amendment to the Charter of Reedsport may be proposed and submitted to the legal voters thereof by resolution of the Common Council without an initiative petition, the resolution shall therein state the date of the regular municipal election, or the date of a special election at which the resolution will be submitted to be voted on.”

- The proposed ballot referral must be approved by Resolution of the City Council. If approved, this matter will be put before the voters of the City of Reedsport on May 21, 2019 for decision.

For City Referrals, Oregon Revised Statutes (ORS) Requires

250.035 Form of ballot titles for state and local measures.

“(1) The ballot title of any measure, other than a state measure, to be initiated or referred shall consist of:

- (a) A caption of not more than 10 words which reasonably identifies the subject of the measure;*
- (b) A question of not more than 20 words which plainly phrases the chief purpose of the measure so that an affirmative response to the question corresponds to an affirmative vote on the measure; and*
- (c) A concise and impartial statement of not more than 175 words summarizing the measure and its major effect.”*

- The ballot title is proposed as follows:

CAPTION: Proposed amendment to Section 45 of the Reedsport City Charter

QUESTION: Shall Charter be amended to allow utility rate adjustments by City Council without an election when based on annual inflation?

STATEMENT: Prices for goods and services needed to operate City owned utilities continue to rise but revenues are not keeping pace with these increases and must be adjusted to avoid adversely impacting the City’s ability to provide and maintain these services.

A “YES” vote will amend Section 45 of the Reedsport City Charter and establish a cap on the amount that any City operated utility rate can be adjusted by the City Council without ratification by election. This would restrict the authority of the City Council to only make utility rate adjustments, as necessary, which are equal to or below the annual inflation rate. Any rate increase passed by the City Council that exceeds the annual inflation rate at the time at which the rate is passed, will have to be ratified by the City’s electors prior to the rate going into effect.

A “No” vote will keep the Charter the same and not establish a limit on Council implemented rate adjustments.

- The ballot title is consistent with the Criteria ORS 250.035.

250.285 Preparation of ballot titles by city governing body.

“(1) When the city governing body refers a measure to the people, a ballot title for the measure may be prepared by the body.”

- This matter is being brought on for review at the regular meeting of the Reedsport City Council on February 4, 2019. This matter requires passage by Resolution to be consistent with ORS 250.285.

After receiving the approved Resolution, the city elections officer (i.e., City Recorder) shall publish notice of the proposed ballot title in a newspaper of general circulation. This matter shall then be submitted to the voters of the City of Reedsport, Douglas County, Oregon, at the election to be held in Reedsport on the 21st day of May, 2019.

The City has no intention of raising any fees at this time nor are any new fees being approved by this Resolution. If approved by the voters, it will enable the City Council to raise fees, as needed, to keep pace with the rising costs of goods and services for the City utility funds.

Councilor Mark Bedard motioned to adopt a Resolution initiating a ballot referral and assign 2019-007 as the title.

Councilor Debby Turner seconded the motion.

MOTION:

that the City Council adopt a Resolution initiating a ballot referral and assign 2019-007 as the title.

VOTE:

AYES 7 NAYES 0

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

- I. Shall the City Council enter into an Intergovernmental Agreement with the State of Oregon for OR38:3rd to Fir Ave. Landscaping?

City Manager Jonathan Wright said that as part of the streetscape improvements identified in the City's Waterfront and Downtown Plan, the City applied for a State Transportation Enhancement Grant which resulted in the Highway 38 road improvements going in along Highway 38 from 3rd Street to Fir Ave. currently. As part of the Waterfront and Downtown Plan, street enhancements such as planters and benches were scoped to make the Downtown corridor as inviting and functional as possible. These enhancements fall to the City to install and maintain; however, the state is offering to assist with the cost by providing the City with funding to initially purchase and install the plants and landscape materials to complete this project.

ODOT is offering \$10,000 towards the cost of plants and landscape materials. Based on quotes received by the City's Main Street program, this should be enough to cover almost all the landscape costs.

Councilor Mark Bedard motioned to approve the agreement with ODOT for landscaping.

Councilor Debby Turner seconded the motion.

MOTION:

that the City Council approve the agreement with ODOT for landscaping.

VOTE:

AYES 7 NAYES 0

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

- J. Shall the City Council approve the "Notice of Intent to Award" regarding the apparent low bidder for the Dunes NRA Expansion and Remodel project?

Public Works Director John Stokes said that after final building design and permit review, the City publicly bid the Dunes NRA Expansion and Remodel project during the month of January, 2019 with the bid opening occurring on Tuesday, January 29, 2019. Two bids were received and after evaluation of the package and contractor licensure standing, RENCO General Contractors, LLC is the apparent and responsive low bidder.

This being the case, per ORS 279B.135, the City of Reedsport is required to approve and issue the attached Notice of Intent to Award (NOIA) to each bidder or proposer. The actual Notice of Award cannot be issued until after a review and approval of the bid breakdown by the Government Services Administration (GSA), which is anticipated to take nearly one month after it is submitted.

There is no fiscal impact with approval and issuance of the NOIA.

Councilor Rich Patten motioned to approve the NOIA for RENCO General Contractors, LLC and continue to proceed with submission of bid breakdown for GSA review.

Councilor Ellen Anderson seconded the motion.

MOTION:

that the City Council approve the NOIA for RENCO General Contractors, LLC and continue to proceed with submission of bid breakdown for GSA review.

VOTE:

AYES 7 NAYES 0

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

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

City Manager Jonathan Wright gave an update of current economic development activity. Mention the renovation of a Greenwood Ave. property into at CDB extraction facility.

Councilor Mark Bedard said that he is one of the last remaining officers of the local United Fund non-profit organization. He said that Mr. Noel Aasen is looking to retire and he would like to find someone that would take over the operation.

Councilor Debby Turner said that the next Chamber function will be The Chainsaw Carving Festival on Father's Day weekend. She said this will be the first year without the participation of the founder of the festival, Mr. Bob King.

EXECUTIVE SESSION OF THE REEDSPORT CITY COUNCIL FEBRUARY 4, 2019
CITY HALL CONFERENCE ROOM

PRESENT: Mayor Linda McCollum, Councilors Mark Bedard, Ellen Anderson, Leslee Collier, DeeDee Murphy and Debby Turner

City Manager Jonathan Wright

City Attorney, Steve Miller

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

10. OPEN SESSION

- A. Shall the City Council give the City Manager direction relating to real property transactions?

Councilor Mark Bedard motioned to direct the City Manager to negotiate a possible land exchange of a city owned parcel of property for privately owned property underneath the existing levee.

Councilor Ellen Anderson seconded the motion.

MOTION:

that the City Council direct the City Manager to negotiate a possible land exchange of a city owned parcel for privately owned levee property.

VOTE:

AYES 6 NAYES 1

(Mayor Linda McCollum, Councilors Patten, Turner, Murphy, Anderson and Bedard voted in favor of the motion.)(Councilor Collier voted in opposition.)

ADJOURN

Linda McCollum, Mayor

ATTEST:

Deanna, City Recorder