



October 3, 2019
City Council Meeting
Willamette Activity Center Room 8
47674 School Street
7:00 p.m.

MINUTES

1.0 CALL MEETING TO ORDER

Council Present: Mayor Kathy Holston, Councilors, Trisha Maxfield, Christina Hollett, Donald Hadley, Bobbie Whitney and Dawn Kinyon

Staff Present: City Administrator Bryan Cutchen, Finance Director Bill Jones, City Recorder Jackie Sims, Community Services Director Rick Zylstra, Police Chief Kevin Martin

2.0 Pledge of Allegiance

3.0 Roll Call – Councilor Forcum was excused

4.0 Additions, Corrections or Adjustments to the Agenda

Add September 19, 2019 minutes to the consent agenda

5.0 Public Comment for Items on the agenda

-Floyd Staley 76854 High Prairie Rd: Talked about safety and about thieves in Oakridge.

-Cher Houston 47524 School St: Commented on the vehicle speed on School Street recommends speed bumps.

Mayor Holston: Will be addressed by OPD and the Public Safety Advisory Committee.

-Gary Carl 48175 E 1st St: Supports the disc golf course at Osprey Park, believes it will help businesses in Oakridge. He hopes the council will consider it favorably.

6.0 Mayor and Council Comments / Announcements / Proclamations

Mayor Holston reminded everyone about the Clothing Swap on October 13th to benefit the Library and the Great Willamette Cleanup on October 7 at 9:00 a.m. at Greenwaters Park.

Meetings for this month are:

Lane ACT

Admin Committee on the 10th

Budget Committee pre-meeting on the 10th

LCOG

LRAPA are also meeting on the 10th

Lane Complete Count Committee on the 17th

OEDAC is meeting on the 21st

Preliminary audit begins on October 23rd-25th.

Councilor Kinyon: Encouraged council to send the Mayor thoughts about housing in Oakridge to inform for a meeting on the 14th.

7.0 Council Comments / Announcements

Councilor Kinyon: She will attend the Lane Complete Count Committee meeting at LCOG for Mayor Holston.

Councilor Hadley: Thanked the citizens, Council and the City for sending him to the LOC Conference in Bend.

8.0 Consent Agenda

8.1 Minutes from August 7, 2019 and September 19, 2019

8.2 Approval of City of Lowell IGA for Police Services

8.3 Approval of Lane County Sheriff's Office IGA for Dispatch Services

Action: Move we approve the consent agenda.

Motion- Councilor Maxfield

Second- Councilor Whitney

Vote- Passed unanimous

9.0 Business from the City Council

9.1 Town Hall Discussion and Date Approval – Councilor Kinyon

Mayor Holston: We agreed we wanted to consider our options about having a Town Hall.

The City Administrator read the agenda bill and the issue. The proposed date is November 20th and the estimated fiscal impact is \$400.

Action: Move we approve the date of November 20, 2019 to hold the Town Hall

Motion- Councilor Hollett

Second- Councilor Maxfield

Councilor Whitney: Do we have a location for the Town Hall?

Councilor Hollett: The committee has discussed the WAC gym.

Councilor Maxfield: What the \$400 will be used for?

City Administrator: It will be used for paper supplies, possible chair rentals and miscellaneous items out of the general fund.

Councilor Whitney: Has anyone reached out to possible attendees?

Police Chief: One of the Federal Judges is confirmed, our Judge and our City Prosecutor. He is trying to get a Circuit Court Judge also.

Mayor Holston: Have we narrowed down exactly what this is going to cover so they will know what to expect?

Councilor Kinyon: As a committee they will develop what the intention is, what they want their speakers to cover and how much time for Q and A. They will have some safety tips and information and statistics for Oakridge.

Councilor Hollett: We have preplanned information we want to get out. They will be question and comment cards for people to fill out to ask questions of the speakers.

Councilor Whitney: Are we are going to have the presenters share their piece of this big puzzle and share the gaps and the places they see that need improvements or changes?

Councilor Hollett: One thing she has already learned is that we are not alone, the issues we are facing are not unique to Oakridge.

Vote: Passed unanimous

10.0 Business from the City Administrator

10.1 Southern Willamette Forest Collaborative; Snow Event after action report

Sarah Altemus-Pope gave an after-action presentation on the Snow Event from the storm we had last February. This is an internal after-action report.

Mayor Holston: We had over 100 people volunteer during this disaster; we have a great wealth of skill sets in this community. She thanked Sarah for all her efforts she put into this and for bringing it to our meeting.

10.2 Disc Golf Course Installation at Osprey Park

Councilor Whitney: On September 23 she attended her first Parks and Community Services meeting. One of the first things she wanted to talk to the committee about was the Resolution that established the committee. They established a minute taking process and developed a tracking chart for the different projects they have going on.

Citizen Gary Carl: Is there is a plan to let the rest of the world know we have this disc golf course. If we don't publicize this no one will know it is here.

Mayor Holston: Asked Gary if he would be willing to write an article for the Register Guard and he agreed.

The Community Services Director distributed the Public Works Monthly report for September.

Councilor Whitney: Do we know if the insurance company is covering damages to Well #2?

City Administrator: We filed a claim with CIS and they deferred it to Chubb Insurance Company. It is still under consideration.

11.0 Reports of Boards, Commissions and Committees-None

12.0 Items Removed from the agenda-None

13.0 Ordinances, Resolutions and Public Comments

13.1 Resolution 09-2019 A Resolution adjusting the fee for water charges

The City Administrator read the issue and described the options:

1) Do nothing and default on the debt.

2) Approve the lower amount of \$6.17 allowing the water fund to just fund itself and accommodate the debt servicing that begins this year. An amount would be set aside each year for Capital Improvements.

3) Approve the higher amount at +\$11 to subsidize through the General Fund some Public Safety services. As a council, you are deciding that you are going to use Water Fund money to subsidize those operations from the General Fund.

Mayor Holston asked for public comment at this time.

-Dennis Patterson 47871 W 1st St: He talked about the rate hike in 2015 where it was approved without any vote from the subscribers. Over half of the residents in Oakridge are retired and on a fixed income. He advocated asking the citizens if they would support a water rate hike.

-Trudy Hammond 47752 Berry Street: Her question was answered, she was asking what would happen if we didn't raise the water rates. It is her understanding that it could affect EMS, Fire and Police. What other areas could it affect?

The Finance Director furnished the council with a lot of information and gave his presentation to the council.

Mayor Holston: So, what we are looking at then is in order to maintain some solvency we will have to raise the rates and the Finance Director has presented why we need to raise the rates. The proposal is to readjust the administrative overhead and bring it down to a reasonable allocation. Do we raise the rates higher so that we can have additional money that would then be able to be loaned to the General Fund to continue to support EMS and Fire?

What happens if we go to \$6.17 and we adjust the administrative overhead to what is a reasonable amount, how is that going to affect Fire and EMS?

Finance Director: The net flow from overhead allocations and other inter-fund transfers into the General Fund is \$298,000, so for every dollar you take out of that you are going to affect the estimated ending capital.

Councilor Whitney: From conversations we've all had the last several years there are other projects that have to do with infrastructure, have you taken any of this into consideration?

Finance Director: that is an excellent question, the Wastewater Fund is going to operate in a deficit based on the budget even before we do any allocations from the General Fund.

Councilor Whitney: Why is it operating at a deficit?

Finance Director: The deficit is very marginal; expenses have gone up and there is a capital outlay of \$35,000.

Mayor Holston: Remember that part of the reason it is operating at a deficit is because Administrative Overhead has taken \$308,000 from it.

Councilor Maxfield: If we are looking at increasing the rates then maybe we can look at adjusting the base rate by \$6.00 and tack on the rest to the actual usage so that people will have more control of their water bills.

Finance Director: With the \$6.17 increase on the after-debt service line in fiscal year 2021 we will have about \$65,000 after we pay all the expenses which we can then set aside for capital improvements.

Councilor Hollett: She is having a hard time understanding when the council in 2016 passed a water rate raise, where the money went, what it did and where is going now.

Finance Director: While he is looking at these expense lines, most of the rate increase went to pay direct expenses; they increased so dramatically that even with the rate increase there wasn't enough money to service the debt.

Councilor Hollett: What are direct expenses?

Finance Director: Direct operating expenses are personnel salaries for people who work in the wastewater plant, supplies and equipment.

Mayor Holston: We are at 9:00 P.M. so she is asking council to approve moving ahead another 30 minutes.

It was agreed to continue the meeting.

Councilor Kinyon: for many years every single fund has been charged Administrative Overhead, it was even across the board and then 2018 they stopped charging the police, the fire department, the library and they increased the funds that had revenue.

City Administrator: His personal thought is, if you look at it and go the other route where you keep the revenue where it belongs, the Fair Allocation, and you do a transfer, there are rules that go along with the transfer. This was about getting around some of the budgeting restrictions and move those funds around to fund the General Fund, Fire, EMS and Police.

Councilor Kinyon: She is really concerned that the original budget was \$2.6M and that is what the \$4.50 increase was based on which meant we should set aside funds to have made all the payments. Based on the recent \$140,000 change order that we approved there is an additional \$1.2M dollars of overspending on this project that wasn't being watched. It's not fair to ask people to pay for the mistakes that were being made by the people that should have been paying attention.

Mayor Holston: How do we ask our citizens, when we already said we will raise your rates enough so there will be a reserve that will be put aside, only to discover that it had never been put aside because they were sucking it up in expenses without coming back to the council. We all understand that we don't want to be in this position. We have a decision to make moving forward, she can say that it is not fair to raise your water rates, my water rates, she can say that is not fair, but she also recognizes we must do something. Not fair won't pay her bill and not fair won't pay the loan.

Councilor Kinyon: Why aren't we talking about cutting somewhere?

Mayor Holston: OK, that is a good suggestion; where could we possibly cut that would allow us to bring that money in and not raise our rates, where would that money come from because she is not seeing it anywhere.

City Administrator: If you want to force that argument then choose a lower rate and you're going to see some significant changes in the only places that that can occur and that is the General Fund. You'll see dramatic changes in your Fire, EMS, Police and regular services funded from the General Fund. That \$6.11 makes the water fund self-supporting and that is no more extra money for any other fund, so if you really want to pull that card that's how you do it.

Councilor Kinyon: What are we spending money on now that we weren't in 2011 when we cut everything back because we had no money to spend? How many positions exist across the departments that did not exist in 2011 we know we can afford to go back to level.

Councilor Hadley: Look how many employees were let go overnight because of this same thing, at least we are confronting this now.

Mayor Holston: The question is are we at the minimum level right now for employees, and it is her understanding that we are.

Councilor Kinyon: We probably are, but we've been lower, and we survived.

Councilor Whitney: If you start taking away from those budgets we run into a lot of other problems as a city later.

Councilor Kinyon: What she is saying why we haven't looked at that, the only option is to charge more, or we are going to default on our debt and that is not even true, right now we can afford to make our payment.

Finance Director: Even though we can pay; we don't meet that 120% ratio that's still a default on the debt.

Councilor Whitney: Say we go a route that Councilor Kinyon is suggesting and start cutting somewhere else, how does that impact the 120% of debt services.

City Administrator: It doesn't do any good, we will still be in default if we don't raise water rates.

Finance Director: Operating revenue vs. operating expenses; if we could dramatically cut operating expenses that would increase the net revenue and would allow you to have more left over for debt service. So, that would have an impact, we are looking at all expenses across the board.

Councilor Maxfield: Looking at the overhead that you have projected for FY 21 you look to cut that almost in half, does that help us and is it realistic?

Finance Director: Yes, it helps tremendously, and it lowers amount of increase needed. The amount of overhead allocated to the water fund was way too much.

Police Chief: I have been with cities that have had to make cuts before and the hard thing is, the only real cuts you can make to save the city money are employees. He can attest you can't cut Police, Fire and EMS employees without a reduction in service. You can't cut any employees from Public Works and still be able to provide sewer and water. You would have to make cuts in City Hall in employees, that would be the only way to save money.

Councilor Kinyon: She has no desire to cut in the Police Department or Fire Department. Her point is that why aren't we even looking at cost savings there?

Mayor Holston: She is willing to raise rates by \$11.00 because she knows that is going to help with the future and the infrastructure. She is not willing to see anything cut in our Police, Fire or Public Safety. This is one of the first step that need to happen. Let's talk about how to help those people that are going to have to pay the \$11.00 extra; other communities do fund raising. Let's figure out ways to help our fellow community members.

Finance Director: Unfortunately, we have very little control over the revenue side of things. Property taxes are already pretty much at the limit we are allowed, so we can't raise any significant money there for the General Fund for Police or Fire. Other fees that we have like Franchise Fees, those kinds of fees we really have no control over.

Councilor Kinyon: Could we consider including more water in the standard base rate or reducing the CPI increases to instead of every year to maybe every two years or something like that.

Finance Director: We have been losing ground on that, the revenue increase has been less than the expense increase. If you reduce that you are going to reduce your net number and potentially have to come up with another source to meet the 120% requirement.

Councilor Maxfield: How many extra gallons are used that are not allocated in the base rate? Do we know how many people are using over the base rate?

Community Services Director: He does not have that information now but he could get it.

Councilor Whitney: said one is as we get our monthly reports from the Finance Director, we show everyone where that \$11.00 is going.

Finance Director: It will be entirely transparent. Whatever detail that people feel is necessary is what we will use.

The council agreed to go another 30 minutes.

Councilor Maxfield: Strongly feels that dividing up the increases will at least allow people a little more control especially those on a fixed income who don't go over the 1,000 gallons then it's not hitting their pocket books as hard. We certainly won't get as much money as if we raised the base rate on everybody, but she feels that is a solid compromise.

Mayor Holston: Only if the base rate is at the minimum of the six dollars then add the remainder to the second thousand gallons.

Finance Director: Would be the intention of the council that if there is excess above the administrative overhead figure then that would be transferred to support the General Fund or EMS?

Councilor Maxfield: The \$6.11 would cover the debt service and then the extra \$1.00 that you are putting on top of the 1,000 gallons could go to the overhead, but it's not going to be as much as we want.

Councilor Whitney: We keep talking about how raising the rates will impact seniors and it will impact people with low incomes and yes it will, but at the same time if we have cuts in other places and a lot of those people in that demographics utilize those services heavily. It takes away in other ways that are more important than just a few dollars. The impact is big in the whole picture.

Public comment:

-Cameron Anderson: Asked if there is a stipulation in the fiscal budget that would penalize the transfer of funds in order to pay another loan.

City Administrator: Not the case with water, he hasn't found anything that prohibits using water revenue to fund other General Fund expenditures.

-Joy Kingsbury: In order to be able to furnish the EMT Fund and Police we are going to pay the full \$11.00 is that correct?

Mayor Holston: That is correct.

-Joy Kingsbury: We need to bite the bullet and pay the full \$11.00.

-Dennis Patterson: What is the difference between the two Administrative Overheads on line 19 and line 39 on the charts?

-Finance Director: One is being allocated to the Water Fund and the one on the second line is what is actually in the administrative department that is getting allocated.

-Sara Altemus Pope: She'd like to express to the council that we know the quandary that got us to this point and that has to be dealt with; she suggests that you don't hamstring your new leadership team that is trying to do things right.

-Sissy Cutchen: She just wants to say how inspired she is that council and the city carry the burden so greatly.

-Trudy Hammond: Have we milked the State for all of the funds that they could possibly have?

Mayor Holston: No and we will continue to try to milk them.

Action: Move we adopt Resolution 09-2019 a Resolution Adjusting the Fee for Water charges adjusting the base rate by \$11.16 with an effective date of November 1st, 2019.

Motion- Councilor Whitney

Second- Councilor Hollett

Vote- Passed unanimous

Mayor Holston: Would like to see on the next agenda a way we can create a citizen participation fund to help others and then formally ask the Admin Committee at that time to study the option.

Councilor Hollett: Can we do an executive session on what Councilor Kinyon said about recouping some of our money?

City Administrator: Request we not hold that session until the end of the current change order mediation.

Councilor Whitney: I would like to have our attorneys present.

Mayor Holston: Yes, we will have them here.

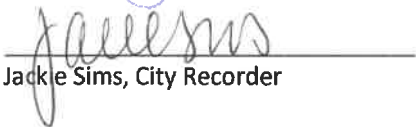
14.0 Public Hearings- None

15.0 Appointments-None

16.0 Public Comment

17.0 Adjourn – 9:55 P.M.

Signed: 
Kathy Holston, Mayor

Signed: 
Jackie Sims, City Recorder