



September 16, 2021
City Council Regular/Work Session (Via Zoom)
Willamette Activity Center Room 8
47674 School Street
7:00 p.m.

MINUTES

1. CALL MEETING TO ORDER- 7:00 pm

Council Present: Mayor Holston, Councilors Bobbie Whitney, Michele Coker, Melissa Bjarnson, Audy Spliethof and Dawn Kinyon

Staff Present: City Administrator Bryan Cutchen, Finance Director Eric Kytola, Mikal McPherson and City Recorder Jackie Sims

2. Pledge of Allegiance

3. Roll Call-Councilor Hollett was excused

4. Additions, corrections or adjustments to the agenda

Add 10.1.1 Eugene, Cascades & Coasts 2022 Visitors Guide

5. Public Comment

Dan Barclay 47501 Hwy 58-The ESF fund is a horrible ordinance, the city council wants it separate from the water bill, the majority of council says one thing and does another.

Mayor Holston-read a letter from Gary Carl (See attached)

6. Mayors Comments / Announcements / Proclamation

Mayor Holston-Terry McDonald from St. Vincent DePaul is retiring, she will honor him in Oakridge.

It is important to watch the Covid numbers in Oakridge, she strongly encourages business owners to encourage mask wearing inside their businesses.

There will be an Executive Session next Tuesday at 5:00 pm.

7. Council Comments / Announcements

Councilor Spliethof-asked the mayor if she wrote and sent the thank you letter to Inbound yet?

Mayor Holston-no she has not had a chance to do that yet, you are more than welcome to write one if you'd like. She will get this done.

Councilor Kinyon-responded to the letter from Mr. Carl that was read in public comment. She did not publicly announce

8. Consent Agenda

- 8.1 Approval of Minutes from August 19th
- 8.2 August Financial report

Motion: Councilor Whitney moved to approve the consent agenda. Councilor Coker seconded the motion.

Spliethof (aye), Bjarnson (aye), Whitney (aye), Coker (aye), Mayor Holston (aye), Kinyon (aye). Motion passed 6-0

9. Business from the City Council-none

10. Business from the City Administrator

10.1 CA Update

10.1.1 Approval to place advertising in the Eugene, Cascades & Coast Visitors Guide

Bryan-read the issue

Motion: Councilor Whitney moved to approve the contract for \$2,176 to allow placement of an advertising page in the Eugene, Cascades & Coast 2022 Visitor Guide using TRT funding. Councilor Coker seconded the motion.

Councilor Spliethof-asked how many years we have done this in the past?

Bryan-we have been doing this for the three years that he has been here, since Covid there has been a shortened version, but they are back to the full version this year.

Mayor Holston-this serves a good purpose for showcasing in Oakridge and gives our businesses an opportunity to showcase themselves.

Coker (aye), Spliethof (aye), Kinyon (aye), Mayor Holston (aye), Whitney (aye), Bjarnson (aye). Motion passed 6-0

Bryan-he is looking for one city councilor to be on the review board for the city engineer RFP's that we received.

Councilor Kinyon-she would like to be on the board.

Bryan-our RAIN representative is resigning for a new opportunity in Mexico.

10.2 Finance Update

Bryan-if you have any questions email Eric.

10.3 Police Update

Mikal-gave the police update and talked about the patrol vehicles.

10.4 Fire Department Update-none

10.5 Public Works Update-none

11. Items removed from the Consent Agenda-None

12. Ordinance, Resolutions and Public Comments

12.1 Ordinance 937 Adopting a Public Safety Fee and Effective Date (second reading)

Councilor Bjarnson- are we going to have discussion? We don't want to see people get their water shut off for not paying the fee.

Mayor Holston-what Dan Barclay said in public comment was in error, we did take that out.

Bryan-the council agreed that it would be a separate piece of paper, but would go out with the water bill to save postage.

Councilor Kinyon-it says it is on the water bill.

Bryan-that is the assessment, not the billing.

Mayor Holston-she thinks we have accurately reflected what council wanted to do in this Ordinance.

There was discussion about landlords and tenants and how this will work with the ESF fee and if they qualify for the low income exemption.

Bryan-the owner can pass it on to the tenant or not pass it on, we have no say in what the landlords do.

Bryan-read Ordinance 937 in full.

Motion: Councilor Whitney moved to adopt Ordinance 937, Adopting a Public Safety Fee and Establishing an Effective date. Mayor Holston seconded the motion.

Coker (aye), Whitney (aye), Mayor Holston (aye), Spliethof (nay), Kinyon (nay), Bjarnson (aye). Motion passed 4-2

12.2 Resolution 09-2021 Establishing the FY 21-22 Public Safety Fee

Bryan-read the issue.

Bryan-the Oakridge Budget Committee determined the need for the revenue, in 937 it will determine the amount for fiscal year 21-22 this amount will be put in our schedule of fees so each year the amount will be reviewed so council has control over the fee. If you go in with a reduced fee that means the anticipated revenue from that fee could be half of what was calculated. You need to take into account without the incentive to pay the fee or have your water disconnected if you hold up your obligations looking at the ambulance revenue default rate we are expecting a 20% default rate. You are looking at only getting 70% of the revenue projected by staff that is why we are sticking with the \$30 figure.

Councilor Whitney -asked if they could have discussion before a motion.

Councilor Kinyon-asked Bryan about the \$30 fee and had questions about the amount of money we needed.

Bryan-with council's permission he is happy to share what you and the finance director discussed this week which came up with a number, he is happy to discuss it.

Councilor Kinyon-that is completely separate from this question.

Bryan-not in my mind it isn't, I am looking at the operating deficit of the city and you and the finance director together agreed that is \$397,000 approximately. That is using \$100,000 of grant revenue to help defray that as well the reductions he already implemented into the budget, if you add those two things back in that takes you back up \$540,000. That is why we are recommending \$30, it has nothing to do with budget deficit it has to do with the operating deficit for this year as he sees it.

Councilor Whitney-wanted to talk about when we start implementing the fee and will that be for only six months and not a whole year?

Bryan-it is going to be somewhere around a 30% less revenue and we will have to find a way to make up that difference.

Councilor Whitney-so if we go with the lower fee then it's going to have a greater negative impact.

Bryan-the lower amount exasperates that yes.

Mayor Holston-the council asked Councilor Kinyon to meet with the Finance Director and go over these numbers. Everyone received a copy of the recording so you could follow along with the conversation. She asked Councilor Kinyon to update the council on this and what the result was, are they in agreement or do they still differ?

Councilor Kinyon-we had a really good meeting, we were in agreement on everything, and we went through everything. She presented what they discussed and the findings.

Mayor Holston-you have said some things in here that the council has not agreed on, but she wants to know what number did you agree was the number we needed to reach? Not the proposals on what you want us to consider and how to get there that is what council needs to determine. We kept hearing from you that there was a difference in what the actual deficit was.

Councilor Kinyon-she would have to say no because that is not what they discussed. She said she never disagreed with the numbers that were presented, her sole purpose was to offer another solution.

Mayor Holston-so all of these suggestions that you are calling suggestions that have already been put into place right now if we were to determine what the public safety fee should be then we need to determine what reductions we need to have. Council needs to determine if we want to use some of the grant money to help defer some of the cost. Councilor Kinyon wants us to use \$43,000 transfer from the water fund and also \$50,000 loan. She is in favor of the \$30, she does understand that we can whittle it away a little bit.

Councilor Whitney-she would not be in favor of a loan transfer from water and she knows we have a system that has the potential for a catastrophic failure and we need to keep safe water flowing to homes. She does agree with the \$100,000 from the ARPA grant. She is glad Bryan reminded us of the removal of the water fee. If we reduce too much in other areas it is going to make it harder for other areas of the city to function, we are at pretty bare bones that is why she is in agreement with the full amount. There will be another additional resource that will help low income people with their water bills, it hasn't come out yet, but she knows about it from her job. She doesn't want us to lose services.

Mayor Holston-asked Bryan if we used the 100k what would that bring the fee down too?

Bryan-it would be about \$27 and also don't forget that Councilor Whitney did not want to see changes from the water fund so that changes the figures.

Councilor Whitney-when she said that that was not her intention, but she sees where you are going with that. We are in September and we don't know how things are going to look for services and we have already cut. She would prefer to leave it there for other things, we don't know what will come up. A good example is when we had the levy failure after the snow storm, we moved money all over the place to keep that bridge and levy in place. We don't know for sure who is going to pay the fee and who is not.

Councilor Spliethof-he is in favor of the \$100k from the ARPA grant.

Motion: Councilor Spliethof moved to use 100k from the ARPA Grant to reduce the amount of the ESF fee. Councilor Kinyon seconded the motion.

Mayor Holston- it is more important to hold them aside, we have infrastructure that needs repairs that we haven't even looked at yet to see how much money it is going cost. And we have money there to do repairs with and have money to leverage to get money. Council has not had the opportunity to review all of these ARPA funds and discuss them in a work session, but because we haven't done that yet, she is against allocating 100k to this.

Bryan-understand that if we are going to use the 100k to plug an operating deficit that was an estimate, and it all depends on how many Covid transports our people did. We could say up to 100k because he may not be able to get up to 100k.

Mayor Holston-asked Councilor Spliethof if after hearing that would he like to amend his motion?

Councilor Spliethof-he would agree to that change to say *up to 100k*.

Amended motion: Councilor Spliethof moved to use up to 100k from the ARPA Grant to reduce the amount of the ESF fee. Councilor Kinyon seconded the motion.

Bjarnson (aye), Mayor Holston (nay), Kinyon (aye), Whitney (aye), Spliethof (aye), Coker (aye). Motion passed 5-1

Mayor Holston-so we know we will be using up to 100k that should help influence what we are determining here as far as what our level would be. Knowing this will bring it down to about \$27 do we have any other further discussion on the Resolution?

Motion: Councilor Kinyon moved that we will accept the beginning fund balance changes that Eric has proposed. Councilor Spliethof seconded the motion.

Mayor Holston-this is a supplemental budget issue, she is hesitant to say that we can go ahead and accept this without seeing the documentation in front of us and without making a supplemental budget.

Bryan-the opening balance is the opening balance, it is not something to be adjusted, and it is what it is. He doesn't know what we would be voting on here.

Mayor Holston-this is not a legal process here, but it can be wrapped into a supplemental budget if there were corrections.

Councilor Kinyon-scratch her motion.

Motion: Councilor Kinyon moved to do a supplemental budget to reflect the beginning fund balance changes that were discussed by council on August 5th and are reflected in Eric's beginning fund balance estimation that he has provided to council. Councilor Spliethof seconded the motion.

Mayor Holston-again, you are asking us to do something without numbers in front of us, she does not think this is wise. She understands what you are trying to do. We should concentrate on your other motion on how to reduce.

Councilor Kinyon- the budget the way it is written has a beginning fund balance for the general fund of \$60,000 in actuality it ended the year at around \$364,000.

Mayor Holston-she agrees that changes need to be made, but they need to be made in a supplemental budget and be brought to us by the Finance Director. She is very uncomfortable voting on something that we don't have the numbers in front of us.

Councilor Whitney-she agrees with the Mayor, we should not do this, for one, we are lacking our Finance Director at this meeting. Yes we have a document that was shared and she watched the video of their meeting and she knows that you guys are still in discussion on some of the items that were brought up in that meeting and she knows that some of the items were not resolved between the two of you. She thinks we need to do a supplemental instead of just saying *the budget from this date*. She is not prepared to vote on this.

Councilor Spliethof-he was unable to watch the video so he is not even privy to that information.

Mayor Holston-we will help you with that outside of council so you can watch it.

Councilor Spliethof-the consequences from that could have a change in value from what we may present to you guys. What he got from Dawn is that Eric lowered that amount.

Bryan-he can pull that sheet up again, they all agreed upon which is all that video is about. It would be premature to present a supplemental budget if you don't know what your revenue is going to be. Bryan pulled up the sheet again for Councilor Spliethof and explained it again.

Mayor Holston-we need to wait for the Finance Director's input. We have a motion in front of us, we know that we have other things that need to be done in the supplemental motion.

Councilor Kinyon-withdrew her motion. With the motion that Councilor Spliethof just made and the motion she is about to make for the \$43,000 that needs to be changed, the supplemental budget is going to come up with a number that we should charge, it's not that we should be making up a number.

Mayor Holston-we are not making up a number, we have a graph in front of us that says if this is where we are at then this is what we will get for it.

Councilor Kinyon-withdrew her motion.

Mayor Holston-we have already directed that we are going to use up to 100k of the ARPA funds to help with the crisis that we are in, now we are at a point where we need to put a number in to the resolution that we passed for the PSF. If we include the 100k we are at \$27 or \$28 whichever, recognizing we are already into the month.

Motion: Councilor Whitney moved to adopt Resolution 09-2021 establishing the FY 21-22 Public Safety Fee rate at \$30.00 per month. Mayor Holston seconded the motion.

Councilor Coker-as much as this hurts her to say this, she knows we need a fee she is just not set on the \$30.

Spliethof (nay), Mayor Holston (aye), Bjarnson (nay), Whitney (aye), Kinyon (nay), Coker (nay). Motion failed 2-4.

Mayor Holston-how do we feel about bringing it down to \$27, she could support that, she wouldn't go any lower than \$25 because we are already seeing the effect of these funds are going to be lessened and we are going to have folks who are going to choose not to pay it. Councilor Coker, where would you be comfortable at?

Councilor Coker-she was thinking more \$22, but she would be ok with \$25.

Mayor Holston-asked Councilor Bjarnson where she would be comfortable at?

Councilor Bjarnson-she would prefer to be closer to the \$22.

Mayor Holston-asked Councilor Spliethof, she knows he doesn't want a fee at all.

Councilor Spliethof-he doesn't want a fee and as far as discussing a fee he can't do it.

Councilor Whitney-she is good with \$27, we need to be really thoughtful that this isn't going to be a full fiscal year that we are going to be able to do this in.

Councilor Kinyon-she is not interested in a fee.

Mayor Holston-can we try \$25, is that something we are going to be comfortable with?

Councilor Whitney-she can do that.

Councilor Coker-she is not sure, she needs a minute.

Councilor Bjarnson-she would like to see \$22.

Mayor Holston-asked Bryan to bring up the chart again, if we do \$22 it only brings in \$380,000 and if we add the 100k if we are able to that could bring it up to \$480,000. We would have to still work on reductions.

Councilor Whitney-is that \$380,000 based on 12 months?

Bryan-yes

Councilor Whitney-we don't even know what our fee is for the second year. If we do \$22 we won't even see the reality of what that \$22 will bring based on this chart and this chart is based on 12 months and we don't have the 12 months to collect on that.

Councilor Coker-asked what the \$22 would bring in?

Mayor Holston- the \$380,000 was the \$22 fee.

Councilor Kinyon-if we go with the \$22 and it brings in \$380,000 and up to another 100k from the ARPA the actual beginning fund balance differences that we are going to end up having and the \$43,000 transfer that we will end up happening in the supplemental it would be sufficient.

Mayor Holston- \$43,000 transfer? Remember if we pass the PSF the intention is to lower the water rate.

Bryan-the staff's position was that the individual water rates would go down by \$2.73.

Councilor Whitney-and we are not going to realize the \$380,000 because we don't have the 12 months to collect on that.

Councilor Bjarnson-we need to keep the cuts we have already made and do the \$22 fee and continue to compromise and look at where else we can bring in more money.

Motion: Councilor Coker moved to adopt Resolution 09-2021 establishing the FY 21-22 Public Safety Fee rate at \$22.00 per month. Councilor Bjarnson seconded the motion.

Whitney (aye), Spliethof (nay), Bjarnson (aye), Kinyon (nay), Mayor Holston (aye), Coker (aye). Motion passed 4-2

13. Public Hearings-None

14. Appointments-None

15. Public Comment

Dan Barclay-he understands the need for the fee, how we got here is infuriating, he appreciate the time and energy that has finally made a decision.

Ashley Chase-thanked the council, she has been following this and she is glad they didn't go with the higher rate.

Councilor Spliethof-he sat at Dowell Towing for 45 and saw OSP pull over three people, if we had an officer out there we could make more money.

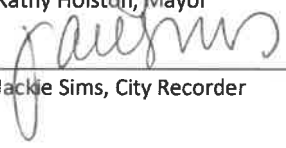
Mayor Holston-while we have differences of opinion, we all agree on how important public safety is. She thanked the council and the public.

16. Adjourn- 9:07 pm

Signed: _____


Kathy Holston, Mayor

Signed: _____


Jackie Sims, City Recorder