

CITY OF COTTAGE GROVE
CITY COUNCIL
Agenda Session Minutes
October 21, 2011

City Council Members Present: Mayor Gary Williams and City Councilors Mike Fleck, Victoria Doyle, Garland Burback and Jeff Gowing. Absent: City Councilors Heather Murphy and Jake Boone.

City Staff Present: City Manager Richard Meyers, Police Chief Mike Grover, Public Works Director Jan Wellman, Finance Director Bert Olsen, City Engineer Ron Bradsby and City Attorney Sean Kelly (8:29).

The meeting was called to order by Mayor Gary Williams at 8:16 a.m. in the City Council Chambers at City Hall.

Wastewater Rate Adjustment Resolution

Public Works Director, Jan Wellman, said staff was providing three options for Council to consider to raise wastewater rates for biosolids management. He said the first option was to adjust the basic meter size rate by \$1 and larger meter sizes would be charged proportionately. He said the second option was a flat across the board charge for each customer of \$1.25 regardless of meter size. He said the third option would be a rate increase based on consumption and said there was a chart in the packet that showed the existing rates. He said there was a monthly base charge of \$6.26 for all classes of wastewater customers with a volume rate of \$3.25 per thousand gallons of consumption. He said those rates would be raised by 4.7% which meant the base charge would increase to \$6.55 per month and the volume rates would go to \$3.36.

Jan said with the increase it allowed the City to generate approximately \$53,000 a year, according to which option the Council chose. He said the cost estimate for hauling biosolids to the Heard Farms location was approximately \$50,500 per year. He said the problem was the City was already into the fiscal year by three months and the wastewater fund was right up against the edge so the City could be faced with a potential short fall in the fund of around \$20,000 by the end of the year. He said the City could also, from now until the end of the fiscal year, start to manage the fund tighter and cut costs and absorb it during the current fiscal year.

He said the Council would have to chose which option they wanted to implement for the resolution. He went over the charts provided in the packet that showed the current surcharges collected. He said the current rates were shown in black, Option 2 was shown in red, Option 3 was green ink and the meter size adjustment was in blue ink.

Councilor Fleck asked what the current expenditures were for the current process of disposing of biosolids.

Jan said the hard costs included fuel, the rental of a front end loader and testing costs and was between \$7,500 and \$10,000. With adding in the soft costs, which were employee costs and the wear and tear on the vehicles, the total was between \$15,000 and \$18,000.

Councilor Fleck said that amount was almost in the range of the \$20,000 shortfall.

Richard said the biosolid costs had already been spent in this fiscal year as the biosolid hauling was in July.

Councilor Fleck asked if all three options would be short \$20,000.

Richard said that was correct.

Councilor Fleck said if the wastewater fund was so tight, that maybe the rates should be adjusted to cover the current fiscal year and future excess could go into a reserve fund.

Richard said at the beginning of the fiscal year, the wastewater fund was expected to have \$152,000 as carry over, however it ended up being only \$122,000 for a difference of \$30,000. Also there was only a \$53,000 contingency in the wastewater fund and there was no ending fund balance.

Councilor Fleck said he wanted to see at Monday's meeting, what it would mean to add an additional \$20,000 to the wastewater rates this fiscal year. He said next fiscal year, that money could be put into the reserves.

Richard said for the meter size it would probably increase to \$1.50, flat charge would be about \$2.00 and then the consumption amount would have to be figured out.

Councilor Fleck said his thought was to do it once.

Richard said there was a rate increase scheduled for July 1, 2012 in the wastewater and would be a consumption rate adjustment. He asked if Council wanted to do the increase now and then not do anything in 2012. Or did they want to do the biosolid now and the wastewater adjustment next year.

Councilor Fleck asked how big the adjustment was.

Ron said it was 4.5%.

Councilor Fleck said his first thought was to do them separately. He felt the consumption option was the fairest way to do the increase.

Richard said it would probably be beneficial to the small businesses because most of them had very little consumption. He said for most of them the increase would be \$1.04 or less. He said for users who had a higher volume, they would have a higher amount.

Councilor Fleck said Community Sharing had two meters and used less than 1,000 gallons and they were looking at consolidating those meters.

Jan said part of the problem with what Councilor Fleck was proposing to do was to raise the rates during the current fiscal year to make up the short fall and then the City would be in a position to having to roll it back.

Richard said it would just be a lower increase next year.

Councilor Fleck said he would propose to leave it in place and then add the 4.5% scheduled increase to it next year.

Ron said he wasn't sure the City would want to lower the fee next year if fees were increased this year, because the model made assumptions on inflation, etc. for next year's increase. He said it would be something to talk to the consultant about.

Councilor Doyle said Council was discussing the rate increase on the assumption that Council had already approved the Heard Farm hauling agreement. She asked if they were putting the cart before the horse.

Richard said the way the agenda was set up, Resolutions and Ordinances came before Business From the City Council. He said Council could move to change the order of the Agenda at the meeting.

Councilor Gowing said he would wait until the meeting to decide if he was going to vote for the Heard option. He said it would depend on the comments made at the meeting.

Councilor Doyle said she wasn't okay with charging the businesses more for wastewater usage. She asked about the possibility of doing a one time flat fee of \$5 to make up the \$20,000 shortfall. She asked about starting the increase in wastewater charges the first of the fiscal year 2012-13.

Richard said the City needed to start charging the extra fee immediately as there was almost a year's worth of biosolids that had to be hauled in the current fiscal year.

Jan said the \$20,000 shortfall could be covered by not purchasing several budgeted items and absorbing it in the current budget.

Discussion was held on which option would have a greater impact on business owners.

Councilor Burback asked Councilor Gowing what he meant by his comment regarding his vote on the issue.

Councilor Gowing said if those who were in attendance at the meeting Monday night beat up on the Council as they had done in the past, he was in favor of continuing with the current practice. He said the City wasn't doing anything wrong. It was Mr. Hendrickson's land and he was putting fertilizer on it.

Councilor Burback said he agreed, however he thought there would be continued problems if the City continued the current practice.

Richard said in the current DEQ agreement, there was a requirement to mitigate and it could cost the City more in the future. He said regardless of what the City did, there would be some odor with the biosolids and it could end up costing the City more than \$50,000.

Sean said he agreed with Councilor Gowing but just because the City might be right, didn't mean it couldn't be sued and it would cost the City.

Mayor Williams said based on experience nationwide and locally, the \$5 charge Councilor Doyle talked about wouldn't work. He said people would think even if it were a one time fee, it wouldn't go away. He said the consumption based option was the fairest and some businesses would pay more because it was based on consumption. He said those users that were currently using 7,500 gallons a month, might be more conservative. He talked about reserves and how they could be collected and used. He said regardless of how the City disposed of the biosolids, it was the City's responsibility and the City needed to be a good neighbor.

Councilor Fleck asked Jan about the absorbing of the \$20,000 shortfall and how it would affect the City in the future. Would the items that didn't get purchased or taken care of in the current fiscal year, be put in the next fiscal year's budget.

Richard said staff would keep an eye on the fund and see what happened as the City moved through the year and if it looked there was going to be a problem, towards the end, an adjustment would have to be made.

Councilor Fleck said he would like staff to crunch numbers and if an increase was going to be done, he would rather do both at the same time. He said he would like to see a worse case scenario. He didn't want the City to continue to dip into reserves.

Richard said the City wasn't dipping into or using reserves, the money was coming from operations. He said the digester project could reduce some of the operating costs such as electricity costs.

Jan said the number of customers also fluctuated during the year and the numbers presented to Council were at a low point.

Richard said something to watch when choosing the consumption option is users who use more than 6,000 gallons and in order to reduce their bill, they reduce their consumption, which could affect the generation of revenue.

Councilor Doyle said she disagreed with the Mayor's view on the \$5 one time charge. She said something to consider regarding rates was a flat rate brought in the same amount of revenue each month while a consumption rate fluctuated.

Richard explained the difference between a flat rate and a consumption based rate.

Mayor Williams explained how he felt about the one time \$5 charge and how it affected those on a fixed income.

Biosolids Hauling Agreement

Councilor Fleck asked about there not being a severability clause in the contract.

Sean said he could put one in the agreement, but he didn't feel it was necessary as there was only one subject matter of the agreement.

Councilor Fleck asked about language in the attachment to the agreement and change in State law that could affect the agreement.

Sean explained the ORS and said he didn't see any problem with the agreement.

Councilor Fleck asked if the exhibit needed to be referenced in the agreement.

Richard said it was referenced under General Provisions #10.

City Manager Performance Review and Employment Agreement

Councilor Fleck asked what the cost of living was that they talked about during Richard's evaluation.

Richard said the general unit of laborers was 2.5% and police was around 3%.

Parking Restrictions on South "T" Court

City Engineer Ron Bradsby, explained that Mr. Turriff had contacted the City in regards to parking issues near his driveway on T Court and asked what options were available to him to resolve the issue. Ron said staff looked at the problem, not only in T Court, but other cul-de-sacs in the neighborhood. He said the Council was the parking authority for the City and Mr. Turriff was asking them to approve painting two feet on both sides of his driveway to restrict parking. He said staff would prefer the installation of no parking signs due to maintenance

issues of having to paint each year. He said there were two issues before Council. The first was should they address only Mr. Turriff's parking issue or should they look at all cul-de-sacs in town. The second was what type of enforcement, if any, did Council want staff to take.

Discussion was held on the size of the parking area.

Councilor Fleck confirmed it was illegal if someone were parked over the edge of the driveway. He said he didn't see any problem with the parking and would go out and look at the area but with what he had already seen, he couldn't support the request.

Councilor Gowing said if Council was going to look at one cul-de-sac issue, they should look at all cul-de-sacs.

Discussion was held on parking issues in cul-de-sacs.

Councilor Burbach asked Councilor Doyle how parking worked in her cul-de-sac.

Councilor Doyle said they did have one neighbor who refused to park in their driveway. She said they always parked in the street in front of their house, but she just worked around it. She said all of the other neighbors worked well together.

Councilor Fleck confirmed that it was illegal to park head in to the curb.

Parking Advisory Commission

Richard said all the positions on the commission had expired and letters were sent out to the former members asking if they were interested in reapplying and the City received no responses. Letters were also sent to all the property owners in the downtown parking district and notices were delivered to a majority of the business owners. The City had received no interest or applications in the commission. He said the question to Council was did they want staff to continue to find people to be on the commission, or did they want to eliminate the ordinance and all downtown parking issues would come before the Council.

Councilor Fleck commented on the commission.

Concerns from the Council

Councilor Fleck said LRAPA's meeting had been changed to the third Thursday of the month. He provided a report of the meeting and talked about the stove replacement program and the discussion of a burning permit.

Mayor Williams provided his view on backyard burning and a discussion was held on responsible burning.

Councilor Doyle said she was the Council liaison for the Chamber of Commerce but it had become difficult for her to attend the meetings due to the time and day they were held. She asked the Mayor if it were possible for him to appoint another Councilor as the liaison.

Mayor Williams said he would appoint Mike Fleck as the new liaison.

Councilor Gowing said he had received a request for the placement of a stop sign at 10th Street and Grover Street.

Discussion was held and it was determined that it was actually 10th Street and Villard and the sign would be requested for Villard.

Report from the City Manager

Richard said he had received requests for the City to do eminent domain for the Pierce Barn. He provided information on eminent domain to the Council that had been prepared by the City Attorney. He said Mr. Stout had applied for and received his demolition permit.

He said the City received a Silver Safety Award from CIS.

Richard said it had been mentioned in the paper and been heard from others in the community, that the City was borrowing money from other funds and not paying it back. He said that was not correct. The City had borrowed \$193,000 to do the emergency removal of the Chambers Railroad Bridge from the Stormwater SDC Fund and it was being paid back from the Bicycle Footpath Fund yearly. He said any increase in rates had nothing to do with the loan.

He said on Thursday, October 27th was the City department's pumpkin carving contest. He asked Council if they could come in sometime on that date to judge the pumpkins. He said new this year was allowing the kids to vote on their favorite pumpkin. A rule was made that no department could do any kind of carving that had to do with biosolids or burger wars.

Richard said the Greening the Grove campaign was going on. EPA had changed the standards for the Green Power Community Award from 3.5% to 5%.

Mayor Williams asked Richard to get more statistics on the number of participants, etc.

Councilor Burback asked about the initiative petitions that were being circulated.

Richard said the Register Guard reported that they were being circulated in several downtown businesses and that they weren't going door to door. He said he heard that Diane Conrad was also taking the petitions around for signatures.

Discussion was held on the gathering of signatures.

Report from the City Attorney

Sean briefly talked about the process of gathering signatures.

Councilor Fleck commented on the consent agenda and how well the minutes were done.

The meeting was adjourned at 9:25 am.

Trudy Borrevik, City Recorder

Gary Williams, Mayor