

City Council Meeting Minutes

THURSDAY, FEBRUARY 3, 2011

CITY HALL COUNCIL CHAMBERS

CITY OF COLUMBIA CITY, COLUMBIA COUNTY, OREGON

AGENDA ITEM 1 **CALL TO ORDER/ROLL CALL:**

CONVENED:

Mayor Young called the regular meeting to order at 6:00 p.m. Mayor Young delivered the invocation and led the flag salute.

COUNCIL MEMBERS PRESENT:

Mayor Cheryl A. Young
Councilor Shannon Fitzgibbons
Councilor Josh Fromm
Councilor Sally Ann Marson
Councilor Casey Wheeler

COUNCIL MEMBERS ABSENT:

None

ALSO PRESENT:

Micah Rogers, Public Works Superintendent
Josh Harper, Police Sergeant
Leahnette Rivers, City Administrator/Recorder

ATTORNEY PRESENT:

Harold Olsen, City Attorney

A quorum was present and due notice had been published.

AGENDA ITEM 2 **PUBLIC HEARINGS:**

2.1 Public Hearing: To gather public testimony relating to a proposal to increase water and sewer rates.

Leahnette Rivers explained that the proposal before the Council is to increase the monthly water base rate by \$5.00, representing a 9% increase for a residential customer with water usage of 1,000 c.f. per month, and to increase the monthly sewer base rate by \$10.00, equal to a 35% increase for a residential customer based upon 650 c.f. per month of water usage, effective February 26, 2011. She said the monthly base fees for a residential customer within the City would increase from \$30.75 to \$35.75 for water, and \$24.50 to \$34.50 for sewer.

Leahnette said when determining rates, the Council's goals include minimizing increases for customers, adequately funding utility operations and maintenance, maintaining required debt coverage, and funding capital projects as needed.

Leahnette identified the following drivers associated with the proposed rate increases:

- Increases in personnel costs associated with PERS benefits, employment tax, health insurance costs and step increases.
- Increases in maintenances costs as a result of unanticipated well rehabilitation work, a 12% increase in the St. Helens wholesale water rate, a 32% increase in the St. Helens sewer treatment rate, increases in sewer system inflow and infiltration, and unanticipated wholesale water purchases.
- Revenue reductions due to vacant housing, water conservation, cool summer months in 2010, and increases in uncollectible accounts.
- Unanticipated major capital improvements consisting of the emergency A-E Street (1600 linear feet) and RCE (800 linear feet) sewer main replacement projects.
- Debt service requirements associated with the water reservoir loan (\$2.2 million) and the water investigations and development loan (\$1.2 million) requiring annual debt payments equal to \$144,148, and a debt ratio requirement of 1.10, which requires an annual net operating income for the water utility of \$158,563 or more.

Leahnette reviewed the contents of the model forecast for water and sewer with the Mayor, Council and members of the audience at length. She noted that the model forecasts project the need for another \$5.00 water rate increase on February 26, 2012, but no further increases in sewer rates until July 1, 2014. However, she said those projections will need to be revisited and are subject to change.

Public Hearing opened:

Ron Warner of Columbia City suggested the City use a temporary surcharge, rather than a permanent charge, because once the rates are raised they won't go back down. He said these rate increases will also force more vacant housing, more water conservation, and increases in uncollectible accounts, all of which the City claims are reasons for the rate increases. He said the City is punishing the public for being conservative. He said he does not believe the mismanagement over the past several years that is causing this emergency today should be a burden on the taxpayers. He said rate increases should be sent to a vote of the public, which is what he thought occurred back in November, when the community boldly voted no on the levy proposal.

Mayor Young explained that the levy request was not related to enterprise fund operations consisting of water and sewer functions. She said the levy had nothing to do with the City's water and sewer operations, and even if the levy had passed we would still be considering these same water and sewer rate increases today.

Mayor Young said she understands Mr. Warner's comments about penalizing the public for their conservation efforts. She said the City of St. Helens has increased Columbia City's wholesale water purchase costs significantly over past years, due in great part to the fact that Columbia City purchases less water from them.

Councilor Fromm clarified that the November levy proposal was for police services, street maintenance and storm water upgrades.

Ron Warner said the City also planned to reinstate employee wages and staffing levels to prior-cut levels if the levy passed. He said that meant everything the City had done to be conservative and responsible would have been reversed with the levy approval during a time when people are unemployed and losing their homes.

Richard Turner of Columbia City said he's 80 years old, and he talked with a man walking his dog the other day who didn't have food for his dog because his social security hasn't gone up, but the cost of food and gas is up, and everything is up. He said the City doesn't know how to tighten its belt and go along with the rest of those that are suffering. He said he served on the Council in Clatsop County and everyone in that place had one item on their agenda, and that was to get more and more money. He said the City's

proposal was voted down in November, and he hopes the citizens can get enough petitions signed to prevent the City from doing this because it is wrong.

Kevin Kent of Columbia City asked if federal grant funds could have been used for the City's capital projects.

Leahnette said the City didn't qualify for grant funds to build the water system improvements because the City's median income level was too high to meet the grant program criteria, but we did secure a low interest (1%) loan. She said the timing for the two emergency sewer projects did not align with stimulus funding when it became available.

Gary Everaert of Columbia City said he doesn't think anyone is listening, so there's no need for him to say anything. He said the water rates only constitute thievery, and they only charge \$30 in Yuma, Arizona.

Councilor Fromm said there are people on the Council that know what it is like to be on a fixed income. He said he's struggled this past year on unemployment.

Councilor Marson said the ending fund balance in the Sewer Fund is projected to be just \$7,700 in June 2011, and we cannot properly operate a sewer system if we need to constantly borrow funds.

The Mayor and Council discussed the rate increase proposals at length with staff.

Public Hearing closed.

AGENDA ITEM 3

CITIZEN INPUT:

None.

AGENDA ITEM 4

COUNCIL REPORTS:

4.1 Parks Committee: No report.

4.2 Water Source and Development Committee: Chair Fromm said we are looking into lowering the pump and transducer in the well, which could boost our production capability.

4.3 Street Committee: Chair Wheeler said the Street Committee met last night to discuss the "I" Street resurfacing project. They discussed the timing of the project, and will postpone the project until August or September if permitted by the grant. He said the Committee reviewed the projects contained in the Five-Year Capital Plan, and reprioritized the "L" Street overlay above the "H" Street overlay due to higher traffic volumes. He noted that the Committee selected the "L" Street project for the 2012 SCA Grant application. He said Leahnette suggested we complete some crack sealing work around the City, and Dave Jensen suggested the Public Works crew use weed killer first, and then use an air compressor to clean out the cracks just prior to the performing the crack seal work. He said Jeff Peterson brought up the need to refurbish many of the street signs, which is much cheaper than replacing the signs, and invited the City to use the County's equipment to reface the signs.

Micah said new speed limit signs have been installed on Second Street at the request of Chief McGlothlin.

4.4 Sewer Committee: Micah Rogers said we'll be opening bids tomorrow afternoon for the RCE Sewer Main Replacement Project. Leahnette said she'll be here for the bid opening, and next week Helen Johnson will receive the contractor's insurance and bonds and send them to Harold Olsen for his review and approval. She said if the

Council approves Council Bill No. 11-576 tonight, the Mayor will have authorization to sign the contract documents once the low bid is determined. Leahnette said we are getting three bids - from Olson LLC in partnership with Dean Harper Construction, TFT Construction, and Semling Construction.

4.5 Audit Committee: Secretary Wheeler said the report from the recent meeting is in the packet.

4.6 Library Report: No report.

4.7 Hazard Mitigation Planning Group: Team Leader Fromm said the report from the recent meeting is in the packet.

4.8 Other Reports: Councilor Marson said she attended a recent Solid Waste Advisory Committee Meeting, and she shared her notes from the meeting with the Mayor and Council.

Councilors Marson and Wheeler reported on their attendance at a recent Columbia County Impact Action meeting led by Commissioner Fischer. They said the meeting focused on sharing services such as maintenance, IT services, vehicle maintenance, etc., and they shared their meeting notes with the Mayor and Council.

Mayor Young said Senator Merkley will be at the St. Helens Senior Center on Saturday, February 5, and will be available to meet with local officials and talk with the public from 12:30 p.m. to 3:00 p.m.

AGENDA ITEM 5 CONSENT AGENDA:

- 5.1 Minutes of the Regular City Council Meeting of January 6, 2011.**
- 5.2 Investment and Cash Balance Summary for the quarter ended December 31, 2010.**
- ~~5.3 Written report from the Public Works Superintendent.~~**
- 5.4 Written report from the City Administrator/Recorder.**

It was the consensus of the Council that Item 5.3 be deleted from the Consent Agenda.

MOVED (WHEELER), SECONDED (MARSON) AND CARRIED UNANIMOUSLY BY ROLL CALL VOTE TO APPROVE THE CONSENT AGENDA AS AMENDED.

AGENDA ITEM 6 UNFINISHED BUSINESS:

Councilor Fromm inquired about the search for a surplus vehicle for the Public Works Department. Micah and Leahnette said they have looked, and will continue to search for a used pickup truck. Leahnette said she'll check with the Columbia River PUD and the Clatskanie PUD to see if they plan to sell any pickup trucks in the near future.

AGENDA ITEM 7 NEW BUSINESS:

7.1 Council Bill No. 11-576; Resolution No. 11-993-R: A Resolution declaring an emergency requiring the immediate construction of a section of high pressure main with public bidding.

MOVED (WHEELER), SECONDED (MARSON) AND CARRIED UNANIMOUSLY TO ADOPT COUNCIL BILL NO. 11-576.

AGENDA ITEM 8 OTHER BUSINESS:

Police report: Mayor Young thanked Sergeant Harper for his attendance at this meeting. Sergeant Harper said he had nothing to report at this time.

Fuel spill: Leahnette reported on the recent fuel spill along Highway 30 near the Dyno Nobel facility. She said the fuel plume is moving north at a rate of about 3 feet per day and may contaminate the well at the Columbia River PUD. She said the PUD has made arrangements to purchase water from Columbia City in the event their well is contaminated.

Vacation leave carry-over: Leahnette asked the Council to approve a one-time carry-over of vacation leave for Colleen Calkins (31 hours) and Micah Rogers (29 hours) due to extenuating circumstances, provided they use the vacation leave by March 31, 2011.

MOVED (MARSON), SECONDED (FITZGIBBONS) AND CARRIED UNANIMOUSLY TO AUTHORIZE A ONE-TIME CARRY OVER OF VACATION LEAVE AS REQUESTED.

Local Option Levy ballot title and explanatory statement: Leahnette said she has developed a draft Five-Year Local Option Levy ballot title and explanatory statement as directed by the Council. She distributed copies and requested Council and staff feedback.

Workshop scheduled in preparation for budget process: Leahnette suggested the Council schedule a workshop session to discuss cutback options in the event the May levy fails. She said she needs Council direction on service level cutbacks in order to prepare the proposed budget. It was the consensus of the Council that a workshop session be held after the Regular Council Meeting on March 3, 2011. Councilor Fitzgibbons noted there is a vacancy on the Budget Committee.

AGENDA ITEM 9

ADJOURNMENT:

There being no further business to come before the Council, the meeting adjourned at 7:34 p.m.

APPROVED:

Cheryl A. Young
Mayor

ATTEST:

Leahnette Rivers
City Administrator/Recorder