

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL

March 2, 2000

The minutes of the proceedings of a work session of the City Council of the City of Coos Bay, Coos County, Oregon, held at 7 p.m. in the Council Chambers at City Hall, 500 Central Avenue, Coos Bay, Oregon.

Those Present

Those present were Mayor Joanne Verger, Councilors Joe Benetti, Jeff McKeown, Don Spangler, Kevin Stufflebean, and Judy Weeks. Councilor Cindi Miller was absent. City staff present were City Manager Bill Grile, Deputy Recorder Joyce Jansen, Community Services Director Bill Finney, Finance Director Janell Howard, Fire Chief Stan Gibson, Police Chief Chuck Knight, and Capt. Eura Washburn.

Discussion: Budget Philosophy, Fiscal Policies and Funding for Non-Profits

City Manager Bill Grile reported the City's current fiscal policy is to 1) to maintain a cash carryover in the general fund sufficient to meet City needs until tax revenues arrive in November, 2) to balance current operating expenses against current operating revenues and "live within our means", 3) to place one-half of non-recurring "one-time" revenues in a capital repair and replacement fund, while allowing the other one-half to be used for "one-time" purchases in the current budget. Mr. Grile explained the carryover keeps the City from needing to borrow money before taxes come in, and No. 3 was established when the City adopted a timber harvest plan. Councilor Weeks inquired if the timber sale funds were ever used to pay back inter-fund loans and Mr. Grile responded no. Mr. Grile commented other issues to be considered are wastewater rates, building codes fees and other fees for City services. Councilor Weeks asked if rates and fees were reviewed annually and Mr. Grile reported no, but recently the building codes fees were reviewed.

Mr. Grile reported property tax receipts equal what the City budgets for public safety, and other departments are funded from fees. He noted that review of fees is important and staff would like to do on an annual schedule. Councilor Spangler commented he assumed the reviews were already done annually. Mr. Grile reported fees are reviewed on a staff level, just not formally presented to the Council. However, the wastewater infrastructure needs to be looked at again by the Council. Mayor Verger suggested using the funds from the timber sale for wastewater improvements rather than raise the fees. Councilor Benetti noted Council reviewed the wastewater fees last year and Councilor Stufflebean reported the Council did not authorize an increase in fees at that time. Councilor Stufflebean recommended a gradual annual increase instead of a huge increase every several years and noted the water board used annual increases to save money for their water enhancement project.

Mr. Grile reported there has been some concern raised about funding of outside programs when other City needs go unmet. There is also a problem with organizations coming to the Council to request funding after the budget process has been completed. Councilor Spangler suggested the Council decide if they want to be a city that provides strictly city services or a city that supports other programs. Councilor Benetti commented that some of the City's programs have been turned over to other agencies to run, like the swimming pool, when the city could no longer afford to do so. Councilor McKeown recommended that some situations need to be looked at individually. Councilor Spangler noted the pool is not funding a non-profit; it is a service to the community. Mayor Verger commented that some programs, if not provided by other organizations, the city would be pressured to provide the service; such as the summer youth program which the city started and turned over to SWOYA. Mr. Grile commented it is not a matter of who delivers the

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service, but what is a priority city program. Councilor Weeks commented the City goals would set the priorities and Mr. Grile noted as an example, the THE House is not included in the goals but provides a service to the City. Mr. Grile briefly reviewed the grant agreement prepared by the city attorney, noting the agreement formalizes the relationship between the City and the outside organization. Mr. Grile suggested requests must meet the deadline or they will not be considered. Councilor Spangler suggested the City not fund organizations unless other agencies also funded them. There was further discussion on how funding of non-profits should be handled and consensus of the Council was to adopt the grant agreement with the addition of criteria to include a section listing the organization's fund raising efforts. Mayor Verger inquired if the grant applications will be reviewed and Councilor McKeown suggested a committee review them. Mr. Grile commented that some funding was put in during budget preparation, such as the swimming pool, THE House and Oregon Coast Music Festival, because historically, the Budget Committee has funded these programs. There was discussion on how much to put in the line item for funding non-profits and reviewing of the grant applications. Councilor McKeown recommended using the grant application and follow the procedure used last year, and if the City receives many applications, change the process next year. Councilor Benetti recommended the whole Budget Committee have an opportunity to review the applications. Councilor Spangler expressed concern that all non-profits be aware of the grant application and Mr. Grile suggested a notice be placed in the newspaper.

Mr. Grile reported a formal policy for the use of Oregon Department of Transportation funds need to be adopted by the Council. Councilor Benetti suggested the policy be included as part of the City Charter. Consensus of the Council to do a charter amendment to include a policy for use of ODOT funds. Mr. Grile commented the Council will be looking at funding the Newmark project at their next meeting.

Review of City Goals

Councilor Spangler commented a lot has been accomplished in the past few years by the Council. Mayor Verger noted rural investment funds and community investments should be added to infrastructure on page 4. Mayor Verger inquired about development of an ordinance for growth and Mr. Grile explained this was for zoning and land development and development of a systems development charge. There was discussion on the procedure for establishing a systems development charge and the possible response from the community if an SDC were enacted. Mr. Grile reported it would take approximately \$25,000 to fund a consultant. Mayor Verger commented the City did not need to spend money to develop an SDC and Councilor McKeown suggested asking the League of Oregon Cities to develop the SDC. Mr. Grile reported they could suggest a consultant but don't actually do this type of work. Mr. Grile noted the water board and Charleston Sanitary District have SDCs and SDCs can also be used to cover wastewater, parks and streets.

Councilor McKeown suggested under right of ways, a criteria be established for blacktop mix. Mayor Verger commented streets should always include curbs and gutters. Councilor Weeks inquired about the status on the legality of imposing a City alcohol tax on retailers and Mr. Grile reported little has been done on this and he will post the question on the city manager network. There was discussion on the use of a street serial levy and Mr. Grile reported the gas tax increase would bring considerable funding to the City. Councilor Weeks asked about the Street Committee and Mr. Grile reported they completed their task of reviewing street conditions and establishing repair priorities.

Mr. Grile commented the City of North Bend is pursuing providing ambulance service; however, the City of Coos Bay was relying on Dale Jessup's, Bay Area Hospital Administrator, recommendation of not entering into the ambulance business. If the Council would like to discuss this further, Mr. Jessup has offered to meet with the Council. Councilor Benetti commented that the majority of the Fire Department's calls are for EMS. Mr. Grile noted the County Commissioners set the designation for the ambulance service and right now that also includes from Coos Bay to Bandon. Chief Gibson reported it is a complex issue

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because there is already a private service in place, and currently the City could not provide the same level of paramedic service. Mayor Verger suggested Chief Gibson prepare a report for the Council on this matter.

Discussion: History of Hotel/Motel Tax

Mr. Grile commented the report was prepared to answer questions from last year's budget session regarding the use and purpose of the hotel/motel tax funds. Mayor Verger noted that many cities use the funds for anything they desire. The Oregon Tourism Commission recommends using the funds to promote tourism and when the City increased from 5% to 7%, the additional 2% was dedicated for advertising. Mayor Verger commented once tourism has been built up, many communities raise the tax to 9%. Councilor Spangler agreed the hotel/motel tax should go back into promotions with the first priority being advertising. He commented when the Mill Casino opens their hotel there will be a shift from Coos Bay to North Bend and suggested this be considered in the budget process. Councilor Benetti reported the room tax is only paid in the incorporated areas and those funds are used to advertise the whole area; the County needs to enact a room tax or put it to the voters.

Mayor Verger reported the next County Urban Renewal Agency meeting will be held on March 17th and that at the prior meeting she had suggested the agency re-evaluate their plan or dissolve the agency. She commented the plan is clear that funds cannot be used for speculation projects. Mayor Verger expressed concern about the City's liability if the agency is spending outside the plan. Councilor Weeks suggested waiting until after the next meeting and maybe consider Coos Bay leaving the County Urban Renewal agency. Councilor McKeown agreed, if agency is not performing as it should, then dissolution should be considered. Mayor Verger commented at the last agency meeting it was agreed that Bill Grile give a report at the March 17th meeting since he has some history with the formation of the agency.

Adjournment

There being no further business to come before the Council, Mayor Verger adjourned the meeting to March 7, 2000 at 7 p.m. in the Council Chambers of City Hall.

Joanne Verger
Mayor of the City of Coos Bay
Coos County, Oregon

ATTEST:

Joyce Jansen
Deputy Recorder of the City of Coos Bay
Coos County, Oregon