

**CITY OF COQUILLE  
CITY COUNCIL MEETING MINUTES  
June 18, 2012**

**COUNCIL PRESENT:** Mayor Matt Muenchrath, Councilors Loran Wiese, Fran Capehart, Linda Short, Bryan Baird, Corky Daniels, and Tim Spanberger.

**STAFF PRESENT:** City Manager Ben Marchant, Finance Director Chuck Dufner, Fire Chief Dave Waddington, Sergeant Janice Blue, Public Works Director Kevin Urban, Library Director Anne Conner,

**PRESS:** Coquille Community News

**AUDIENCE:** A Roster of those present is on file in the City Recorder's Office.

**1. CALL TO ORDER**

Mayor Muenchrath called the meeting to order at 7:05 p.m.

**2. PLEDGE OF ALLEGIANCE**

**3. RESOLUTION 11-2012 A RESOLUTION ACCEPTING SPECIFIC PURPOSE GRANTS AND TRANSFERRING APPROPRIATIONS BETWEEN CATEGORIES WITHIN THE SAME FUND**

Finance Director Dufner said at the end of the year he reviews the grants the City has received and each line item to see if adjustments need to be made from the contingency funds to cover expenditures. The City received additional grants in the amount of \$135,119 and the contingency funds listed were used; General Funds \$16,206, Street Funds \$4,000, Ambulance Fund \$8,700, Water Fund \$37,400 and the capital purchase of the perpetual care is decreased by \$750, the total additional expenditures was \$202,175. Dufner reviewed some of the individual expenses with Council. The out of the ordinary expenditures is the investigation fee.

Councilor Weise made a motion to adopt resolution 11-2012 accepting specific purpose grants and transferring appropriations between categories within the same fund. Councilor Daniels seconded the motion; all voted in favor.

**4. PUBLIC HEARING – CITY OF COQUILLE 2012-2013 BUDGET**

Mayor Muenchrath opened the public hearing on June 18, 2012 at 7:11 p.m.

Finance Director Dufner said the budget committee approved recommending the 2012-2013 budget of \$20,441,626 including an un-appropriated amount of \$18,709 making appropriations of \$20,332,917. Local budget law allows the City Council to change the approved budget for known error or for information that becomes available after the budget is approved by the committee. Finance director said we are getting close to being able to

draw down on the USDA loan and grant and you have to spend all the money budgeted or you lose the grant. If the plant comes in under budget we will look at some other options to make the plant more efficient. In addition Dufner was hoping to pay of the OBDD loan with the USDA dollars because of the loan rate and the high reserve requirement, unfortunately Eileen Ophus from CCD said when we receive the USDA money it will be used to pay off the DEQ loan which makes our payment 3,000,000 and \$180,000 to OBDD which is an increase of \$1,221,000 in the payment that was budgeted. It is council's choice if they want to make the change or it can be handled next year, as Dufner will continue to lobby with USDA to payoff OBDD before DEQ. The difference is what interest the City could earn on \$200,000 over the next 20 years. Council chose not to address this issue at this time as things will continue to change with the sewer plant contract.

Mayor Muenchrath called for any public comment; there was none.

Mayor Muenchrath closed the public hearing at 7:22 p.m.

#### **5. RESOLUTION 12-2012 – A RESOLUTION ADOPTING THE 2012-2013 CIT OF COQUILLE BUDGET MAKING APPROPRIATIONS AND LEVYING TAXES**

Finance Director Dufner said the budget resolution is presented as recommended from the budget committee. Councilor wise made a motion to adopt resolution 12-201 adopting the 2012-2013 City of Coquille Budget making appropriations and levying taxes. Councilor Spanberger seconded the motion, all voted in favor.

#### **6. RESOLUTION 13-2012 – A RESOLUTION AUTHORIZING THE EXPENDITURE OF UP TO \$130,000 OF THE CITY OF COQUILLE'S PERPETUAL CARE FUNDS ON THE COQUILLE POOL**

Finance Director Dufner said originally the pool was approximately \$300,000 short, the City had originally said that if the pool stayed closed a year it would save \$91,000 that could be used to help construct costs of the pool. Additional funds were found to make up the difference through donations and grants. During the process the \$91,000 was not removed from the list of available resources on the worksheet and there were duplicate grants listed in the amount of \$39,000. Finance Director Dufner said that he found this a couple weeks ago and has been working on the issue since then. There is money in the perpetual care funds that can be used for this expenditure; the funds are interest earned and unrealized gains on the bonds we have purchased with the Rietman Trust Funds. Finance Director Dufner said that he believes that all the money that has been collected for the pool by Operation Coquille will be received by the City this week. Mayor Muenchrath thanked everyone on the committee for all their hard work and wants to know how we can avoid this issue in the future and why did we find the error and they didn't and why isn't Operation Coquille here explaining the issue? Dufner said probably because they may be embarrassed. He feels that the only way to avoid this problem again is the City needs for the responsibility for the accounting of the money be put on the City not a volunteer. Council Spanberger felt that representative from Operation Coquille and the pool committee. Councilor Baird said that check and balances need to be put in place earlier the process to help avoid this issue in the future with other projects. He said if the City does not fund the additional money needed then grants to be received could be in jeopardy. City Manager Marchant said this is a great opportunity to

build relationships and trust with the groups in the community for the future projects. One of the issues was not seeing both sides of balance sheet showing expenses that been paid by Operation Coquille. Councilor Wiese said we have a great group people who have worked on this project and raising the funds and this is a small issue that we will learn from; Mayor Muenchrath was concerned.

Council Capehart made a motion to adopt resolution 13-2012 authorizing the expenditure of up to \$130,000 of the City of Coquille's perpetual care funds on the Coquille pool. Councilor Wiese seconded the motion; Councilor Short declared a conflict of interest due to being the president of the pool committee, all remaining voted in favor.

Finance Director Dufner said if we do not use the entire \$130,000 do you want to spend the additional funds on the pool blanket or the electrical connection. Council said spend the money on those items as long as he does not spend over the approved amount of \$130,000.

City Manager Marchant said he distributed a priority survey from the League of Oregon Cities which will be discussed at the July 16<sup>th</sup> council meeting.

## **6. ADJOURNMENT**

Council President Wiese adjourned the regular meeting at 7:52 p.m.

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Mayor, Matt Muenchrath

ATTEST: \_\_\_\_\_  
Deputy Recorder, Rene Collins