

**CITY OF COQUILLE
CITY COUNCIL MEETING MINUTES
August 2, 2004**

COUNCIL PRESENT: Mayor Steve Britton, Councilors: E.N. "Corky" Daniels, Kathy Hagen, Mollie Anderson, Jan Torbeck, Fran Capehart and Loran Wiese

STAFF PRESENT: City Manager Terence O'Connor, Public Works Director John Higgins, Accounting Tech Ruth Graham, City Attorney John Trew, Library Director Anne Conner, Training Officer Shawn March

PRESS: Robert Jump, Coquille Valley Sentinel

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

1. CALL TO ORDER

Mayor Britton called the meeting to order at 7:00 p.m.

2. PLEDGE OF ALLEGIANCE

Mayor Britton led those assembled in a flag salute.

3. MAYOR'S COMMENTS

Mayor Britton reported that the Coos County Fair was very good with zero arrests made.

4. COUNCIL COMMENTS

Councilor Wiese stated that he had a good time at the fair. Councilor Hagen thanked Jim Sanders for cleaning the restrooms at Fifth Street Park. She asked if there was any possibility of relocating the entrance to the Fifth Street Park to face the street. That will be looked into. Councilor Hagen also thanked Becky Ryder and Ruth Graham for their work in the finance office when staff is short. Councilor Hagen asked for an update on the light at Tenth Street. City Manager O'Connor stated that an estimate had been received from ODOT for replacing the lights with LED's, which would cost approximately \$40,000. Mr. O'Connor also asked about a blinking light at that location and the concern there is the safety of the children in that area. Public Works Director Higgins and City Manager O'Connor decided to have the light fixed as it was and send Northwest Natural Gas a bill for the cost. Councilor Anderson stated that she and Councilor Capehart talked about needing an historical marker or bench at 00 Main Street. Councilor Capehart reported that the attendance at the fair was way up from what it has been in years past. Councilor Torbeck stated that she also enjoyed the fair.

5. STAFF REPORTS

Training Officer March read the statistics included in the staff report from the Fire Chief. Mr. March also reported on the activities in his department. Mr. March stated that they are looking at replacing the 1995 Ambulance, which is usually done every ten years. There are monies available in the Equipment Reserve Fund. Councilor Wiese made a motion to allow staff to go out for bid to replace the 1995 Ambulance with the funds coming from the Equipment Reserve Fund. Councilor Capehart seconded. All voted in favor. Public Works Director Higgins and Library Director Conner read their Staff Reports.

Councilor Hagen stated that she had received some complaints about crew cab pickups parking on Second Street. In Chief Reaves' absence, City Manager O'Connor read Mr. Reaves' Staff Report. Included in the Staff Report was a report that the Safety Committee did meet and discussed the issue brought up by Councilor Hagen. They felt that there were not enough significant instances to warrant changing anything at this time. They thought there would be a bigger issue with where these vehicles would then park.

6. CITY MANAGER'S REPORT

City Manager O'Connor read his report which included:

- A request from Chip Boggs for someone from the City to serve on the Walker Creek Advisory Committee.
- Status of City's Forest Management Plan
- One Bid received for a new fire engine

City Manager O'Connor also reported that the City would make a down payment of \$77,295 and the balance would be financed through Baystone Financial Group over the course of seven years at an interest rate of 4.555%. The costs in doing this would be equal to the yearly amount the City budgets for the Department's Equipment Reserve Fund. Staff recommends approval of this proposal. Councilor Anderson made a motion to go with staff's recommendation and award the bid for new fire engine to H&W Emergency Vehicles for the price of \$225,615. Councilor Daniels seconded. All voted in favor.

- Re-advertise for a Master Developer/Consultant for the old G.P. site.

City Manager O'Connor reported that more packets have been sent out and there seems to be more interest this time around.

Mayor Britton asked for Council's support in talking with Safeway about siting a new store on the G.P. site. He suggested that they be invited to an Executive Session. After some discussion, Council agreed.

7. PUBLIC PARTICIPATION

Paul Watte of 874 N. Henry bought some property recently at 1071 N. Myrtle Street. He has been doing a lot of cleaning, but has not been using the sewer system. Everything is stripped out of the residence. He is requesting a reduction in his sewer billing. City Manager O'Connor explained that staff suggested that Mr. Watte bring his request to a Council Meeting because he is remodeling a residence and will be using the water and sewer systems. Mr. Watte explained again that the residence is totally stripped. Mayor Britton asked how much longer Mr. Watte would be working on the property. Mr. Watte stated that he should be done within a month's time. Councilor Wiese agreed that Mr. Watte should be given a break in the sewer rate for another 60 days and any future requests for a break in rates be handled on an individual basis. After more discussion, Councilor Wiese made a motion to charge the minimum sewer charge only for the next 60 days. Councilor Torbeck expressed her concern about changing policy. Councilor Capehart seconded. All voted in favor, except Councilor Torbeck.

Robert Jump of 1570 N. Irving stated that he is working on an old fashioned 4th of July celebration to be held at Sturdivant Park. He talked about the different events that he hopes to have there, and he will complete the plan and bring back to the next Council Meeting.

Lowell Thomas of Operation Coquille reported on the activities of his organization.

Lee Sparks from the Oregon Department of Transportation presented Council with the Interpretive Plaque commemorating the old Coquille River Bridge. It will be mounted in concrete.

8. CONSENT CALENDAR

Councilor Torbeck made a motion to approve the consent calendar. Councilor Anderson seconded. All voted in favor.

9. PUBLIC HEARING ON SURPLUS PROPERTY DISPOSITION 331 HWY 42 AND REQUEST BY CABOOSE LADY COFFEE FOR PURCHASE OF SAME PROPERTY

Mayor Britton opened the Public Hearing at 8:06 p.m. City Manager O'Connor went over the background involved in Peggy Schevill obtaining this site for her business. Mayor Britton asked if the revenue from taxes would be more than the \$300 a month she is paying to lease the property. City Manager O'Connor stated that "no" the City is getting more from the lease than would come from taxes. The property has been appraised at \$85,000. There are two cabooses there; one is Mrs. Schevill's and one is the City's. Councilor Anderson stated that Mrs. Schevill has done nothing but improve this location. She is in favor of the sale. Mayor Britton felt that this was a good thing to do. He asked for participation from the audience. Peggy Schevill, owner of Caboose Lady Coffee, stated that she would like to see the cabooses kept intact and the business stay as it is for years to come. Jo Teel from 412 E. 5th Street was in favor of the request. Mayor Britton closed the Public Hearing and opened the meeting into regular session at 8:12 p.m. Councilor Wiese was in favor of Mrs. Schevill buying the property. City Manager O'Connor stated that Council would need to make findings that the property is not necessary for public purpose and that it is convenient to dispose of such property. If Council desires they can make these findings and put them in a resolution for the next Council Meeting. A preliminary title report would need to be obtained just to make sure that there are no easement-related issues or any other issues that might be tied to that property. After several attempts to make a motion and City Attorney Trew giving Council some direction, Councilor Anderson made a motion to give Peggy Schevill first option to buy the property where Caboose Lady Coffee is located when this property is no longer considered public property and contingent upon the review of sale documents and title search for the price of \$85,000 which is the appraisal price. Councilor Torbeck seconded. All voted in favor, except Councilor Torbeck.

10. REQUEST BY BANDON DUNES DESTINATION RESORT TO HAVE THE CITY OF COQUILLE SUPPORT A TWO YEAR EXTENSION OF PROPERTY TAX ASSESSMENT FOR SAID PROPERTY

City Manager O'Connor explained that the Bandon Dunes Destination Resort received approval from the City earlier this year to expand the Enterprise Zone and now they are asking for an expansion of the tax-exempt status for a total of five years. They have already received three years of tax-exempt status. It was explained what criteria needs to be met in order to do this; including what jobs would be created and dollar value of these jobs. It was further explained that they would need to create at least 19 more jobs and they would be creating 45 should this proposal be approved. Staff recommends approval of the request and has looked at how this would affect monies received from tax revenues. Eileen Ophus from Coos Curry Douglas Business Development Corp. explained that the tax revenues have not been realized yet so wouldn't be losing anything. She also stated that the other sponsors including the Cities of Bandon and Myrtle Point and Coos County have all agreed to this extension. Hank Hickox, General Manager of Bandon Dunes, described the positions and benefits that will be created. Joe Whitsett, Mayor of Bandon, went over the monetary advantages if the extension is allowed. Councilor Anderson made a motion authorizing the Mayor to sign the written agreement with the Coquille Valley Enterprise Zone sponsors to extend property tax exemption to give consecutive years for capital investment by Bandon Dunes Destination Resort. Councilor Capehart seconded. All voted in favor.

There was as a ten minute break taken at 8:50 p.m.

11. DISCUSSION ON SEWER CHARGES FOR RESIDENTS INSIDE THE CITY NOT HOOKED UP TO CITY SEWER

City Manager O'Connor stated that Council has discussed the practice of charging for sewer when a residence is within 200 feet of the main line. He stated that the City has received a request from Janet Hanna of 635 N. Cedar Street to waive the charges over the minimum because she is not hooked up to City sewer. City Manager O'Connor explained that staff has tried to look into who is not hooked up to sewer, but is being charged for sewer. There is no way to separate that information out. He went on to explained that the consumption pattern is figured into the City's revenue stream and base rates might need to be increased if not charging residents for sewer when not on the City's sewer system. Mrs. Hannah agreed with charging the base rate, but not the overage charges. Even though only charging the minimum will lessen the incentive to hook up to the system, staff feels the request is fair. After more

discussion, Councilor Wiese made a motion to go with staff recommendation and charge Janet Hanna of 635 N. Cedar Street only the minimum sewer charge retroactive to the previous month's billing. The City will reserve the right to bring this matter back to Council in the future. Councilor Anderson seconded. All voted in favor.

12. REPORT ON NEGOTIATIONS WITH OFCCU-PRELIMINARY CLOSING DATE ON PURCHASE OF PROPERTY

City Manager O'Connor stated that he had met with personnel from the Oregon First Community Credit Union and changed the first payment date to July 10, 2005. The City would move in November and December 2005 and in January 2006, if the credit union hasn't moved out yet, would be required to pay rent equal to the amount of mortgage payment pro-rated on a monthly basis. Mr. O'Connor stated that there are still a few things to work out like the payment of taxes in the interim. He explained that the inspection of the building went well and he is waiting on the report from that inspection. Councilor Wiese made a motion to accept the negotiated changes to Sale and Lease Agreement. Councilor Daniels seconded. All voted in favor.

13. RESOLUTION 14-2004 A RESOLUTION PROVIDING FOR UNBUDGETED TRANSFER OF FUNDS FROM THE GENERAL FUND TO THE FIRE FUND

Councilor Anderson made a motion to adopt Resolution 14-2004, a Resolution providing for an unbudgeted transfer of funds from the General Funds to the Fire Fund. Councilor Capehart seconded. All voted in favor.

14. ADJOURNMENT

Hearing no further business, Councilor Wiese adjourned the meeting at 9:20 p.m.

Mayor

ATTEST: _____
City Recorder