

**CITY OF COQUILLE**  
**CITY COUNCIL MEETING MINUTES**  
**October 6, 2003**

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

**STAFF PRESENT:** City Manager Terence O'Connor, Public Works Director John Higgins, Accounting Technician Ruth Graham, Finance Director Michelle Forrest, City Attorney John Trew, Library Director Sharon Smith, Fire Chief Dave Waddington and Community Activities Director Ann Steeves

**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 AND FLAG SALUTE**

Mayor Britton called the meeting to order at 7:00 p.m. and led those assembled in a flag salute.

**2. MAYOR'S OPENING REMARKS**

Mayor Britton read the Proclamation from Zonta International proclaiming October 15, 2003 as "Zonta Appreciation Day" for fifty years of service. The Mayor so proclaimed.

Mayor Britton stated that he asked City Manager O'Connor to contact the Forest Land Management Board and set up a meeting. He stated that he would like to discuss harvesting approximately 600 acres of timber of City-owned property. Mayor Britton also reported that he will be asking Council to re-address the water and sewer rates after the Town Hall Meeting scheduled with DEQ on October 9<sup>th</sup>. He also asked City Manager O'Connor to start doing an article for the Coquille Valley Sentinel called "City Manager Report".

**3. COUNCIL COMMENTS**

Councilor Daniels explained that when Council, in the past, received the information from the City's engineer and State Department of Environmental Quality about the future needs of the city's sewer system, he supported the Council's decision and he still supports it. Councilor Wiese commented that the 9/11 service held at Sturdivant Park on September 11<sup>th</sup> was very well done. Councilor Hagen asked if ODOT had checked the light at Tenth Street yet because it isn't working right. Public Works Director Higgins stated that an employee of ODOT thinks the problem is with bad wiring and he will look into it. Councilor Hagen asked if the information that they received from Charter Communications meant their franchise agreement would be automatically renewed. City Manager O'Connor stated that the issue is not the automatic renewal, but that Charter Communications wants to renew their franchise agreement three years before the expiration date of their current agreement. It is not automatically renewed. Councilor Anderson thanked Councilor Capehart for her participation in the 9/11 tribute. Councilor Capehart reported that she is working on the Voice of Democracy project again this year. Councilor Torbeck thanked everyone for attending the meeting. She would like to see this much energy put towards something positive for the community.

**4. STAFF REPORTS**

Fire Chief Waddington stated that October is Fire Prevention Month. and this Thursday is the annual fire prevention open house. He also reported that his department went on a mutual aide fire call in Dora on this date. Community Activities Director Steeves reported that there were approximately 2,500 youths who participated in the summer free lunch program. Her department has been working on re-doing the back door of the large auditorium. She commended staff for their work on this project. Mrs. Steeves also reported that on October 17<sup>th</sup> there will be a workshop regarding the ability of all of the public safety agencies to work together in case of a disaster. She drew everyone's attention to the bids for the Sturdivant building. She reported that there are two

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bids; \$83,738 and \$109,000. The project monies total \$83,648. Both bidders are from Washington State. The architect went back to the scope of work from the lowest bidder. The painting part of the project was removed, which made the construction cost \$63,530. The architects costs will not exceed \$15,000, which makes the total project cost \$78,530. She asked Council to accept the lowest bid from B & B Mechanical of LaCenter, Washington. Councilor Anderson made a motion to accept both of the bids for the Sturdivant project. Councilor Torbeck seconded. All voted in favor. Councilor Anderson made a motion to award the bid for the Sturdivant building of \$63,530 to B & B Mechanical. Councilor Capehart seconded. Councilor Torbeck questioned who the request for bids went out to. She is concerned there was no local interest in this project. Steve Major from The Dyer Partnership explained that it is really hard to predict who will bid on a project. There was some discussion about costs overruns. It was explained that if the project went over the costs allowed, the City would not be liable for these costs. All voted in favor, except Councilor Torbeck. Library Director Smith reported that the public access web catalog is now available for patrons of the library. She also has received notification from the State that the Library is receiving monies from a Ready to Read Grant of approximately \$600. Police Chief Reaves reported that his department is closing a couple of grants and will be receiving another grant this year. They are all traffic safety related. He also reported that dispatch for the Coquille Police Department has been switched from the County to the City of Coos Bay. There is significant cost savings in doing this. Mayor Britton introduced the new Finance Director, Michelle Forrest, to everyone. Ms. Forrest reported that she is familiarizing herself with everything and working on the audit which will start on October 20<sup>th</sup>.

**5. CITY MANAGER'S REPORT**

City Manager O'Connor reported that a letter was received from Al Walsh, the City's Municipal Judge. He is resigning his position effective January 1, 2004. Mr. O'Connor explained that, per City Charter, this position must be filled by an Attorney. Mr. Walsh is recommending Matthew Muenchrath. Council will need to start working on getting a replacement for Mr. Walsh. The Municipal Judge deals with parking citations. Expanding the scope of the municipal court would mean a change in the Charter. He reported that the City and County will be closing next week on the acquisition of the railroad right of way. Because the County was involved in this transaction, the City saved over \$100,000. Councilor Anderson made a motion to enter into an agreement with Coos County to acquire the railroad right of way from the southern edge of Coquille to Cedar Street for a maximum of \$81,000. Councilor Wiese seconded. All voted in favor.

**6. AUDIENCE PARTICIPATION**

Mayor Britton announced that when anyone from the audience speaks, they need to state their name and address and they will be limited to five minutes.

Eldon Rollins of 985 N. Collier asked if the water and sewer revenues and expenditures are included in the City's annual financial report. Finance Director Forrest stated "yes". Mr. Rollins asked what percentage of the water and sewer rates are transferred to the General Fund. Ms. Forrest stated that she would have to get back to Mr. Rollins with this information. He also wanted to know what the retained earnings looked like for the fiscal year ending June 30, 2003.

Dennis Vandre of 1057 W. Eleventh Street asked how the City had the right to raise water and sewer rates without a vote of the people. Councilor Anderson explained that the City has been mandated by the State to update the Wastewater Treatment Plant. It is not something that Council wanted to do, they had to. Mrs. Anderson went on to explain that if the City does not do the updates required, the State will come in and do them anyway. A vote of the people would just be another expense.

Mayor Britton stated that he discussed this matter with someone from DEQ. If the City wanted to back out of the MAO (Mutual Order and Agreement), it is possible that the City would be fined \$10,000 a day, plus the State could put a lien on everyone's homes to pay for the improvements.

There was some discussion about how fees are raised and the function of the City Council in raising them. Councilor Torbeck suggested that if citizens have a problem with how things are handled on the State level, they

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need to contact their State representatives. Mayor Britton suggested that these questions be addressed at the upcoming Town Hall Meeting with DEQ on Thursday, October 9<sup>th</sup> at 7:00 p.m..

Paula Taylor, 1295 N. Grape Street, addressed Council. She stated that her utility bill went from \$124 to \$338 a month for the same usage. She is going to have to pass the increased cost on to her customers. She would like to see some accountability for what has been spent in raises and what monies are currently available for the Sewer Treatment Plant upgrades. She would like to know what the options are for upgrading the sewer system. She believes that the City Charter needs to be changed, so the citizens are more involved.

Anne Barnett, 1599 N. Hemlock, stated that she has heard everyone's concerns and wants to be a part of some of the matters at hand. She thanked Council for all of their work.

Sarah Wilson of 945 E. 5<sup>th</sup> Street, suggested that the water rates be increased a certain percentage, and to let people know when those increases would be effective.

Steve Lyons, owner of Fast Mart, asked how the City of Coquille's businesses could remain viable in a depressed economy with the rates going up. He stated that his utility bill has increase 700% since 1996. Councilor Torbeck explained that the rate increases were discussed at several meetings. At these meetings there was discussion about how to raise the rates (larger increases or gradual increases). One of the problems is it is not known yet exactly how much will be needed. Mr. Lyons stated that he can't raise his prices enough to cover the increases in utility rates. Mr. Lyons stated that businesses that produce their own ice are penalized because this water doesn't go through the sewer system. Mr. Lyons also expressed his concern about the affect these rates will have on people moving to Coquille.

Jo Teel of 412 E. 5<sup>th</sup> Street asked if the Council agendas could be posted in the local newspaper. Mrs. Teel asked what the City has done so far to improve the sewer system.

Councilor Anderson explained that she served on the Coquille River Study Committee approximately ten years ago. Also inflow and infiltration matters were dealt with and corrected. The City has also separated the storm drains from the sewer lines. It has taken a long time for DEQ to let the City know what is required to bring the system into compliance.

Councilor Wiese explained that nothing came together in the past for obtaining grants and meeting timelines. If the City had been putting money into reserves for several years, people would still be upset because of the rates increases and there still wouldn't be enough money to do what is necessary.

Jo Teel asked why the citizens couldn't be notified sooner when there is a water quality problem. She also stated that she wanted to know when the City will be asking for more money to improve the Water Treatment Plant. She also wanted to know why the City covered up the fact that the Water Treatment Plant was mismanaged approximately a year ago.

Jaine Niktab of 1395 W. 10<sup>th</sup> Street expressed her concern about the high rates and water quality.

Susan VanDomelen of 79 S. Vernon stated that she felt that the citizens on Shelley Road/Crest Acres Water District are paying for the City's sewer system improvements, even though they live out of City limits. They are not on City sewer. She asked for the expenses and revenues of operating the Sewer Treatment Plant for September, 2002 and September, 2003. Finance Director Forrest will get that information for her. City Manager O'Connor explained that outside users are charged 1.5 times the inside rates for water. Steve Major of Dyer Engineering explained that the Oregon Health Department mandated improvements will cost approximately 2.8 million dollars.

Glen Meador, who owns a business at 809 N. Central Avenue, questioned what percentage of the water and sewer funds go to the General Fund. City Manager O'Connor explained that monies are taken from the utility funds for the billing staff. In the last five years a fair market cost was obtained for the water and sewer plants. They are assessed a tax rate as if they were a business using the \$6.10 per thousand rates that the City assesses

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other properties in the City. This method is called "payment in lieu of taxes". This methodology is reviewed by the auditors.

There was a break taken from 8:30 p.m. to 8:45 p.m.

Fred Eschler, who lives on the corner of Tenth and Dean, stated that he felt that the City hadn't been prudent in saving for needed improvements to the utility systems. He would like some information on what grants and loans are available to the City of Coquille. Also, he feels that DEQ could more helpful.

Steve Lyon asked if the Mutual Agreement and Order with DEQ could be renegotiated. He was told that DEQ could answer this question at the Town Hall Meeting on the 9<sup>th</sup>.

Bob Graham of 140 North Folsom Street asked about the monies taken out of the utility account for administration costs. He stated that there are several personnel paid out of these funds already. There is \$154,900 coming out of the Utility fund and going to the General Fund in the budget for the Fiscal Year 2003-04. It was stated that these monies go into the General Fund as a lump sum. It does not go to someone's salary specifically. He stated that the major problem is the collection system. Mr. Graham stated that Mr. Lyons from Fast Mart is making ice and none of that water is going down the sewer. This was discussed by Council and Mayor Britton stated that Public Works Director Higgins will look at the usage at Fast Mart without any ice being made and see if an adjustment can be made.

There was some discussion about whether the sewer lines would be worked on before a new plant was built. Mr. Major stated that the sewer lines have been worked on for the last twelve years and it is not cost effective to keep fixing them. The City has already spent over three million dollars to update their sewer lines. At this point it is more economical to build a new treatment plant.

Mayor Britton wanted to clarify that the rate increases were not done by DEQ. The City Council raised the rates so the mandated work could be done to be in compliance.

Steve Lyons asked if the sale of the old G.P. property could go towards the water and sewer updates. City Manager O'Connor stated that there are loans that need to be paid back and the remainder of the monies will go to urban renewal. Mr. Lyons also asked if monies from a timber sale could go towards these improvements. It was stated that the Forest Land Management Committee will be looking at this

Councilor Anderson explained that the utility rates have to be enough to apply for grants and to pay off loans. Mayor Britton explained that Council and staff continue to look for other funding.

**7. CONSENT CALENDAR**

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

**8. REQUEST BY COOS COUNTY AREA TRANSIT FOR COUNCIL CONSIDERATION OF A COOS COUNTY PUBLIC TRANSIT SERVICE DISTRICT**

City Manager O'Connor stated that at the last meeting there was a question about whether this proposal would raise taxes. It has been confirmed that taxes will not be raised because of forming this transit service district. Councilor Hagen declared a conflict of interest, since she works for the transit service. Councilor Wiese made a motion to approve the formation of a Coos County Public Transit Service District. Councilor Anderson seconded. All voted in favor.

**9. RESOLUTION 28-2003 A RESOLUTION OF THE CITY OF COQUILLE SEWER CONNECTION POLICY DURING DEPARTMENT OF ENVIRONMENTAL QUALITY MANDATED MUTUAL AGREEMENT AND ORDER**

Councilor Anderson explained that the Administrative Committee went over the timelines that should be allowed to obtain a sewer connection and that is what has been submitted to Council for approval. Councilor Wiese made a motion to adopt Resolution 28-2003 a Resolution of the City of Coquille, sewer connection policy during Department of Environmental Quality mandated Mutual Agreement and Order. Councilor Capehart seconded. All voted in favor.

**10. ORDINANCE 1445 AN ORDINANCE AMENDING CHAPTER 13.04 WATER SERVICE SYSTEM OF THE CITY OF COQUILLE MUNICIPAL CODE SECTION 13.04.110 SUMMER SPRINKLING RATES**

It was explained that this Ordinance would extend sprinkling rates for one more billing period. Councilor Wiese made a motion to adopt Ordinance 1445, an Ordinance amending Chapter 13.04 Water Service System of the City of Coquille Municipal Section 13.04.110 A (1) of the City Code. Councilor Daniels seconded. The Council was polled with the following results:

Voting Aye: Mayor Britton, Councilors: Daniels, Wiese, Hagen, Anderson, Capehart and Torbeck  
Voting No: None  
Absent: None

**11. RESOLUTION 29-2003 A RESOLUTION AMENDING THE LICENSE PERMITS, AND PROCEDURES BOOK AND ADOPTING NEW RATES FOR PURCHASING CITY WATER FROM A FIRE HYDRANT AND AUTHORIZING THE RATES AND FEES CONTAINED THEREIN.**

City Manager O'Connor explained that when the commercial rates were changed to the EDU system, the rates were not changed for a connection to a fire hydrant. This resolution changes those rates. Councilor Anderson made a motion to adopt Resolution 29-2003 a Resolution amending the license, permits and procedures book and adopting new rates for purchasing City water from a fire hydrant and authorizing the rates and fees contained therein. Councilor Torbeck seconded. All voted in favor.

**12. REQUEST BY VERIZON FOR LOADING ZONE ON N. CENTRAL**

Councilor Wiese suggested that this request go to the Public Safety Committee.

**13. ADJOURNMENT**

Hearing no further business, Mayor Britton adjourned the meeting at 9:35 p.m.

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Mayor

ATTEST: \_\_\_\_\_  
City Recorder